

STATE OF SOUTH CAROLINA) DECLARATION OF COVENANTS AND
) RESTRICTIONS FOR INDIGO PALMS
COUNTY OF DORCHESTER) PHASE 1 AND 3

This Declaration of Covenants is made by Harris Street, LLC, a South Carolina Limited Liability Company (herein "Owner"). In this Declaration the Owner shall be the "Declarant". The Owner owns in fee simple all that property as shown on a plat thereof entitled "FINAL SUBDIVISION PLAT OF INDIGO PALMS, PHASE 3, PROPERTY OF Harris Street, LLC LOCATED IN CHARLESTON COUNTY, SOUTH CAROLINA", prepared by Southeastern Surveying of Charleston, Inc., dated December 19, 2005, and recorded in the RMC Office for Dorchester County in Plat Book K, Page 187, more particularly described as the "Phase 3 Property".

And,

All that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Dorchester County, State of South Carolina, known and designated as Phase I, as shown on a Plat entitled, "A Boundary Survey of Lots 1 thru 11, 32 thru 46, 74 thru 103 and Homeowners Association Areas Phase 1, Indigo Palms, owned by Harris Street, LLC, located in the City of North Charleston Dorchester County, South Carolina", by Southeastern Surveying of Charleston, Inc., dated December 2, 2005 and recorded in the RMC Office for Dorchester County, in Plat Book K at Page 182, Sheet 1, Sheet 2, Sheet 3, more particularly described as the "Phase 1 Property".

Reference to said plat are hereby craved for a more complete description.

WHEREAS, the subdivision is known as Indigo Palms, Phases 1 and 3, and

WHEREAS, the Declarant wishes to accomplish the following objectives for its benefit and for the benefit of homeowners and lot owners of Property in Indigo Palms, Phase 1 and 3 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 Indigo Palms, Phase 1 and 3;
- (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 or 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;

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

NOW, THEREFORE, the Declarant hereby declares that all of the Phase 1 Property and the Phase 3 Property and, any additional contiguous property as Declarant may, in its sole discretion, see fit to subject to this Declaration by subsequent amendments 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 and/or successors in title and shall inure to the benefit of anyone who or anything which purchases or takes any interest in 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, CONDITION OR RESTRICTIONS SIMILAR TO THOSE CONTAINED HEREIN. 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" shall mean and refer to any contiguous property or portions thereof that maybe owned by the Declarant.

Section 1.2. "Assessment" shall mean and refer to an Owners share of the Common Expenses or other charges that the Association may, from time to time, assess against an Owner in the manner herein provided.

Section 1.3. "Association" means Indigo Palms 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" shall mean and refer to those By-laws of the Association, attached hereto, 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 later owned by the Association for the common use and enjoyment of the Owners or designated by the Declarant as Common Areas. Such areas are intended to be devoted to the common use of the members of the Association, as herein defined, and are not dedicated for use by the general public and the general public shall have no easement of use and enjoyment therein.

However, nothing herein contained nor any general plan or plat of the properties showing areas which may later be developed as additional phases of the subdivision shall be deemed to include such property as Common Areas, nor shall the Association or any Owner be entitled to any right, title or interest in such property unless and until such property has 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 on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment, or material reserves, consistent with the provisions and intent of this Declaration.

Section 1.8. "Declaration" shall mean this Declaration, together with all supplements and amendments to this Declaration as filed in the RMC Office for Dorchester County, South Carolina.

Section 1.9. "Declarant" means Harris Street, LLC, a South Carolina Limited Liability Company, its successors and assigns. The Declarant shall have the right to assign any or all rights which it may possess to Indigo Palms, Phase 1 and 3, 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 written for a term of hours, days, months or years.

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

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

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

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

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

Section 1.18. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot. The term "Owner" may refer to contract sellers but excludes those having such interest merely as security for the performance of an obligation, such as a Mortgagee or subsequent holder of a Mortgage, unless and until such and until such mortgagor 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 as the Phase 1 Property and the Phase 3 Property together with all improvements presently thereon and subsequently constructed thereon. The term "Subdivision" shall be construed to include Additional Property, or any portion thereof, as may be submitted to the provisions of 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 as the Phase 1 Property and the Phase 3 Property 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 provisions of this Declaration and recorded from time to time in the RMC Office for Dorchester County, South Carolina.

Section 1.23. "Builder" shall mean and licensed contractor or residential home builder who purchases 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 previously described 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, to make improvements to all Common Areas and to any or all Lots or other Property owned by Declarant for so long as Declarant (i) owns any Lot primarily for the purpose of sale or (ii) has the option to add any additional property or any portion thereof to the Subdivision. Improvements may include, but are not limited to, the installation and maintenance of any water, sewer and other utility systems and the installation and maintenance of any improvements in and to the Common Areas.

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 maybe owned by Declarant, 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. The option to add any portion of the Additional Property to the Subdivision may be exercised by Declarant in accordance with the following rights, conditions and limitations which are the only conditions and limitations on the option.

Portions of the Additional Property and portions of the tracts located within the Additional Property may be added to the Subdivision at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence or location in which any of such portions may be added to the Subdivision. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the future exercise of this option as to the other portions of the balance of the Additional Property. If the Additional Property or any portion thereof is added to the Subdivision, any improvements developed therein and any dwellings constructed thereon will be subject to the standards and restrictions set forth herein.

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

The option reserved by Declarant to cause all or any portion of the Additional Property to become part of the Subdivision shall in no way be construed to impose upon the Declarant any obligation to add all or any portion of the Additional Property to the Subdivision or to construct

thereon any improvements of any nature whatsoever or to restrict or limit its use in any manner.

The option reserved under Section 2.2 may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed in the Office of the Register of Mesne Conveyance for Dorchester 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 of such option or options the provisions of this Declaration shall then be construed as embracing the property previously described and the Additional Property or such portion or portions thereof so submitted to the terms hereof.

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

Section 2.3. Interest Subject to Plan of Development

Every purchaser of a Lot or 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 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 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 the 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 within the Subdivision to the extent allowed by law owned by the Association;
- (b) formation and operation of the Architectural Control Committee as provided herein after defined.
- (c) construction of improvements on open spaces and Common Areas;
- (d) provide administrative services including, but not limited to, legal matters, accounting and communication services which serve to inform members of activities and give notice of meetings and referendums incident to the above

listed services;

- (e) provide liability and hazard insurance covering improvements and activity open spaces and common areas, independently or in collaboration with the Declarant;
- (f) take any and all actions necessary to enforce all covenants and restrictions the Subdivision and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Subdivision;
- (g) provide any and all services necessary or desirable (in the judgment of the Board of Directors of the Association) to carry out the Association's obligation and business under the terms of this Declaration.

Section 3.2. Rules and Regulations.

The Association, 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 with respect to any such Lot.

Class B. The Class B Members shall be the Declarant, Harris Street, LLC. The Class B Members shall be entitled to three (3) votes for each Lot in which it holds the interest required for Membership under Section 3.3 above. With respect to Additional Property, the Class B Members shall be entitled to (3) three votes for each Lot that may be created under the applicable zoning laws 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. Total votes outstanding in Class A Membership equal the total votes outstanding in Class B Membership; or

2. The Declarant executes and records an instrument forfeiting its Class B Membership; or
3. December 31, 2011.

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

Section 3.5. Assignment of Declarant's Interest

The Declarant reserves the right to transfer and assign its interests to either a subsequent developer and/or a subsequent Owner. In the event of such an assignment, Declarant shall file a notice in the Dorchester County RMC Office formally assigning the interest of the Declarant. The successor of the Declarant shall assume 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, 2011, 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 of 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 of the association to maintain and repair the Common Areas.

Section 4.3. Extent of Owners' Easements

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

- (a) The right of the Declarant and of the Association to dedicate, transfer any part of the Common Areas, with or without consideration, to association, governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Owners;
- (b) The right of the Declarant and of the Association, to grant, reserve and assign 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 other services including community antenna television system (CATV) and irrigation or lawn sprinkler system;
- (c) The right of visitors, invitees, etc., to ingress and egress in and over those portions of the Common Areas that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case landlocked adjacent Owners) to the nearest public highway;
- (d) The right of the Association, by and through the Board of Directors, as provided in its Bylaws, to suspend the enjoyment rights of any Owner for any period during which any Assessment remains unpaid and for a period not to exceed thirty (30) days for any infraction of its established rules and regulations; and
- (e) The right of the Association, by and through the Board of Directors, to pass rules and regulations for the Subdivision.

Section 4.4. Delegation of Owner's Rights.

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

Section 4.5. Easements for Declarant.

During the period that Declarant owns any Common Area, or owns any Lot primarily for the purpose of sale, Declarant shall have an inalienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots for any improvements to the Common Areas; and for installing, maintaining, repairing and replacing such other improvements to the Subdivision as are contemplated by this Declaration or as Declarant desires (in its sole discretion) including without limitation any improvements or changes permitted and described in this Declaration and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided that, in no event, shall Declarant have the obligation to do any of the foregoing.

Section 4.6. Easements for Utilities.

There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns the inalienable, transferable and perpetual right of 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 any Lot; (5') feet in width along the side boundary line of each Lot and (iii) 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 systems, and all utilities, including but not limited to storm sewers, drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by the Declarants 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 expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Subdivision so encumbered (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Section 4.7. Easements for Walks and Signs.

There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns, the inalienable, transferable and perpetual right of easement upon, over and across all lands which may remain unimproved for the installation, maintenance and sidewalks, traffic directional signs, drainage ways, and related improvements.

Section 4.8. Easements for Association.

There is hereby reserved a general right and easement for the benefit of the Association, 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 whenever practicable, only upon advance notice to and with permission of the Owner.

Section 4.9. Sales Offices, Rental Offices, Property Management Offices and Construction Office

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 the Declarant deems necessary and as 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 reserves the right to grant to builder or builders the right to operate and maintain builders' trailers, sales offices and signage at any location within the Subdivision upon such terms and conditions as the Declarant, in the Declarant's sole discretion, may establish.

Section 4.10. Maintenance Easement.

Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement to enter upon any unimproved portion of any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, 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 grown areas, as well as for the purpose of maintaining such body of water, to include, without limitation, dredging and the maintenance of reasonable water quality standards.

Section 4.11. Environmental Easement.

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

Section 4.12. No Partition.

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

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

Section 5.1. Right of Association.

The Association shall have the right to make, or cause to be made, such alterations, modifications, improvements, repairs, maintenance and replacements to the Common Areas set forth herein, and the cost thereof shall be assessed as Common Expenses 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 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 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 obtaining the written approval of the Architectural Control Committee and the Owners and Mortgagees of the Lots directly affected thereby or benefiting from such easement or hereditament.

Section 5.3. Association's Responsibility.

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

(b) The Association shall not be liable for injury or damage to any person or property

(i) caused by the elements or by any Owner or any other person; (ii) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas; or (iii) caused by any pipe, plumbing, drain, conduit, appliance, equipment, or utility line or facility as the responsibility for the maintenance of which is that of the provider of the utility or facility. The Association shall not be liable to any Owner for 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 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 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 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 or replacement, the Association shall promptly reimburse the Declarant for the Declarant's costs and expenses.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENTS

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

Each Owner of any Lot, by acceptance of a deed thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (i) annual Assessments or charges for the maintenance of the Common Areas, including such reasonable reserves as the Association may deem necessary, and (ii) Special Assessments for capital improvements, such Assessments to be established and collected as

hereinafter provided. The Annual and Special Assessments, together with interest, costs of collection and reasonable attorneys' fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Property against which each such Assessment is made. Each such Assessment, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall also be the personal obligation of the person who was the Owner of such Property at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them; provided, however, the unpaid Assessment shall continue to be a lien upon the Lot being conveyed.

Section 6.2. Purpose of Assessments.

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

Section 6.3. Special Assessments.

In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, and 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 Twenty Thousand and no/100 (\$20,000.00) 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 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 not to be present for the purpose of determining the presence of a quorum. If the required quorum is not present, another meeting may be called subject to the same notice

requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6.5. Uniform Rate of Assessment.

Both Annual and Special Assessments must be fixed at a uniform rate for all Lots other than improved or unimproved, except as to platted lots owned by the Declarant, or Builder as set out herein.

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

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

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

The foregoing notwithstanding, each unoccupied Lot subjected to this Declaration which is owned by a Builder for a period of more than one year shall be assessed at 25% of the Annual Assessment provided for herein. At such time as Lot owned by a Builder is sold or a dwelling is completed and occupied thereon, said Lot will be subject to Assessments under this Declaration just like any other Lot.

The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment. Written notice of the Annual Assessments shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.7. Maximum Annual Assessment.

- (a) Until December 31, 2011, the Maximum Annual Assessment (MAA) shall be \$800.00 per Lot. The Maximum Annual Assessment thereafter may be increased each year not more than ten (10%) percent above the Maximum Annual Assessment for the previous year unless approved by a vote of the membership. From and after January 1, 2009, the Maximum Annual Assessment may be

increased by more than five percent (5%) by a vote of majority of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

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

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

Section 6.9. Subordination of the Lien to Mortgages.

The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage. The sale or transfer of any Lot shall not affect the Assessment lien, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any deed or other proceeding in lieu of foreclosure shall extinguish the lien of such Assessments as to payments which prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter coming due or from the lien thereon.

Section 6.10. Exempt Property

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

- (a) grantees in conveyances made for the purposes of granting utility easements,
- (b) unsubdivided land owned by the Declarant;
- (c) subdivided land owned by the Declarant for less than one year;
- (d) subdivided land which is used for a sales office or model home so long as said use is in existence.

ARTICLE VII

USE RESTRICTIONS

Section 7.1 Conformity and Approval of Structures

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

Section 7.2. Prior Review of All Plans

There is hereby established an Architectural Control Committee which shall consist of three (3) members. One (1) of the members of the Architectural Control Committee shall be appointed by the Board of Directors of the Association. The other two (2) members of the Architectural Control Committee will be appointed by the Declarant for 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. At such time as the Declarant no longer owns a Lot in the Subdivision primarily for resale or the construction of new homes in the Subdivision has ceased for a period of more than one (1) year, the Declarant will lose its right to appoint members of the Architectural Control Committee. Thereafter, all of the members of the Architectural Control Committee shall be appointed by the Board of Directors of the Association. Any member of the Architectural Control Committee may be removed at any time, with or without cause, by the person or entity that appointed such member.

No building, fence, wall, or other structure, and no change in topography, landscaping, grading, filling or any other item shall be commenced, erected or maintained upon any portion of the Subdivision, nor shall any exterior addition to or change be made, until the plans and specifications, including 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, well, fence or other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval, unless done by Declarant.

Plans, specifications and plot plans may be refused or approved by the Architectural Control Committee, in its sole and uncontrolled discretion, on any grounds, including purely aesthetic grounds. 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 nonfeasance 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, specifications shall be construed as representing or implying that such plans, specifications or stand 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 defect 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 Owner shall have sole responsibility for compliance with approved plans and does hereby hold the Architectural Control Committee harmless for any failure thereof by the owner's architect or builder.

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

In the event the ACC shall fail, or delay, or deny to take action on any plans and specification 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 ACC shall in no way be deemed, or construed, as approval of the submission.

Section 7.3. Objectives of the Architectural Control Committee.

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

- (a) preventing excessive or unsightly grading, indiscriminate earth-moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;
- (b) ensuring that the location and configuration of structures are visually harmonious with the terrain, with the vegetation of the Lot, and with surrounding residential 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.

Section 7.4. Fences.

No fences whatsoever shall be erected or allowed to remain in the Subdivision except

approved fences to be located in rear yards and side yards, no closer than front or rear corner of house, 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 written approval of the Architectural Control Committee. However, no fence shall be of the chain link variety not to exceed 6' in height. No fences shall be permitted which obstruct the view of any marsh, stream or other body of water when viewed from inside of any adjacent Lot.

Section 7.5. Residential Use of Lots.

All Lots shall be used for single-family residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling, provided however that nothing contained herein shall be construed to prevent the Declarant from maintaining one or more model homes and/or sales offices in the Subdivision for the purpose of selling, leasing or managing Lots or other property in or near the Subdivision. No accessory structures or outbuildings, whether or not attached to the principal residence (including, but not necessarily limited to carports, storage sheds, dog houses, awnings, breezeways, covered swimming pools and the like) shall be constructed or allowed to remain on any Lot unless approved by the Architectural Control Committee. Provided, however, that the Declarant may construct attached storage compartments, screened-in rear porches and rear sunrooms as an integral part of the principal residence. Provided, 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 constructed within the standards of construction prevailing in the Subdivision.

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

No business activity including, but not limited to, a rooming house, boarding house, gift shop, day care, nursery, professional office or beauty/barber shop or any trade of any kind whatsoever shall be operated upon or in any Lot, provided, however, that nothing contained herein shall be construed so as to prohibit home occupations which are pursued on a Lot and clearly incidental thereto and carried on by an Owner, 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 Lot 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 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 other property owned by the Declarant.

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

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

Section 7.7. Temporary Structures.

No structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to temporary 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, tent, barn, camper, bus or other similar vehicle, tree house, outbuilding or structure shall be placed on any Lot or on any portion of the Common Areas at any time either temporarily or permanently.

Section 7.8. Mining and Drilling Prohibition

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

Section 7.9. Setbacks, Building Lines and Height Restrictions

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

Section 7.10. Material Restriction.

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

Section 7.11. Rebuilding Requirement.

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

Section 7.12. Elevation and Drainage Changes.

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

Section 7.13. 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 in the Tree Protection Requirements, if any, of the Zoning Ordinance and subdivision regulations of the County of Charleston. Authorization by The Architectural Control Committee shall not exempt an Owner from compliance with the Tree Protection Ordinance of the County of Charleston.

Section 7.14. Clothesline.

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

Section 7.15. 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.

Section 7.16. 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). All plumbing fixtures, dishwashers, toilets or sewage disposal system shall be connected to the central sewer system Subdivision.

Section 7.17. 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.

Section 7.18. Sign Controls.

No signs of any character shall be erected on any Lot or displayed to the public except "For Sale" signs or signs indicating the name of one contractor (not sub-contractor) during the period of sale or construction only. 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 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.

“For lease” or “for rent” signs of any type are prohibited from being placed on a Lot or on the Property in any form or matter.

An Owner’s house number shall be placed on the front of a home or on a sign approved by the Architectural Control Committee and 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 Association and approved by the Architectural Control Committee.

Section 7.19. Natural Buffer Zone

The Declarant has established, or may establish, certain natural buffer easements running parallel to the main rights-of-way running through the subdivision and adjacent to wetlands. These buffer easements are designed 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 Owners. Owners or any Owner’s family, guests, agents or employees shall not disturb the natural buffer zone easements in any manner 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 for insuring that no encroachment or clearing of said area occurs.

If the natural buffer zone easement is disturbed, the Owner responsible will be required to pay all costs that the Declarant and the Association incur during restoration of the area to its natural state and during restoration required by the County of Dorchester or other municipality or governmental entity.

Section 7.20. Exclusion of Above Ground Utilities

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

Section 7.21. Certain Vehicles Prohibited On Lots, Streets and Common Areas.

Travel trailers, mobile homes, campers or other habitable motor vehicles of any kind (whether or not self-propelled), school buses, motorcycles, commercial trucks, commercial vehicles over two tons, boat trailers or boats shall not be kept, stored or parked overnight on any

Common Area, 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. Pick-up trucks used for transportation and family use are allowed, but not in excess of 2 tons.

Section 7.22. Junk or Disabled Vehicles

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

Section 7.23. Motorcycles

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

Section 7.24. Pets

No animals, livestock, birds, or fowl shall be kept or maintained on any part of the Subdivision except dogs, cats, pet fish and birds which may be kept thereon in reasonable numbers (not to exceed three [3]) as pets for the pleasure and use of the 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 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 and said approval shall be filed with the Association.

Section 7.25. Perimeter Access

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

Section 7.26. Rental Period

No Owner shall lease or rent any Lot for a period less than twelve months. No rental signs or lease signs are allowed to be placed on a lot or residence in any form, manner or time.

Section 7.27. 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 or street. Firewood and bicycles may be stored outside in side or rear yards only, provided they are not visible from any Common Area, easement, or street.

Section 7.28. Prohibition of Accessory Structures.

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

Section 7.29. 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 activity or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owner thereof.

Section 7.30. Landscaping

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

Section 7.31. 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, marsh and other bodies of water. Specifically, the Declarant hereby disclaims any and all liability for any property damage or personal injury resulting from erosion along the bank of the marsh, and all ditches, streams, ponds, or other bodies of water or watercourses located in the subdivision.

Section 7.2. Encroachments

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

Section 7.33. Subdivision of Lot: Easements and Encroachments

No Lot shall be subdivided except as hereinafter provided, and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established. Provided, however, if any portion of any Common Area unintentionally encroaches upon a Lot or any part thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of improvements to a Lot(s) encroaches upon the Common Area or any portion thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In

the event any improvement or part thereof is partially or totally destroyed and then rebuilt, any encroachment of any Common Area upon a Lot(s) or encroachment of a Lot(s) upon any Common Area or upon an adjoining Lot(s) resulting because of such rebuilding, shall be permitted, and a valid easement shall exist for the maintenance of such encroachments so long as the same stand. Such encroachments and easements shall not be considered or determined to be encumbrances either on any Common Area or any Lot(s), and no Owner shall be entitled to damages or injunctive relief because of the construction, re-construction or maintenance thereof.

Section 7.34. Increased Size of Lots.

Lot(s) may be subdivided provided the effect is to increase the size of the adjoining Lot(s). The resulting Lot(s) shall have one (1) vote and one (1) Annual Assessment per Lot. In such cases, the Architectural Control Committee may alter the building or set-back lines to conform to the re-subdivided Lot(s). Should the Owner or Owners of any Lot(s) and/or portions of Lot(s) which have been combined for a single building site subsequently wish to revert to the original plan of Subdivision, or any other combination which would not be in violation of this restriction, they may do so only upon the written consent of the Architectural Control Committee. In such instance adjoining Owners, or other Owners in the Subdivision, shall not have the right to pass on or interfere with such Lot rearrangement as such rights shall be exclusively that of the Architectural Control Committee, but the purchaser of any Lot in the Subdivision does not, by virtue of his status as a purchaser, become any such successor or assign.

Section 7.35. Building Requirements

The living space of the main structure on any Lot shall be not less than a minimum living space of 1500 square feet. The minimum living space shall include only space intended to be heated and cooled but shall not include finishing rooms over a garage.

Section 7.36. 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 electricity, 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.

(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 7.37. Gardens, Basketball Goals, Etc.

Only grass, ornamental plants and shrubbery may be planted in the front or side yard of

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

Section 7.38. 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 of each year; (ii) illumination of an area other than the front or side yards of a Lot; (iii) illumination of a model home and entrance features constructed by the Declarant; and (iv) other lighting originally installed by the Declarant. Plans for all other exterior lighting must be submitted and approved in accordance with Section 7.2. All exterior lighting shall be installed so as not to disturb neighbors or impair vision of traffic. Down lights, up lights, stair lights and low voltage lights used in landscaping for accent, safety and appearance are acceptable. The use of exposed spotlights is prohibited.

Section 7.39. Sight Distance at Intersections

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

Section 7.40. Solar Devices

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

Section 7.41. Wetlands

Each Lot within the Subdivision which contains U. S. Army Corps of Engineers jurisdiction, such as wetlands, shall be subject to the following additional covenants, conditions and restrictions not waived by the Declarant and the U.S. Army Corps of Engineers:

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

Section 7.42. Mailboxes

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

Section 7.43. 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 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. All model homes are excepted from this paragraph.

Section 7.44. Lawn Care and Other Maintenance Required by Owner

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

Section 7.45. 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 Panel. No satellite dish or similar apparatus shall exceed one meter (39.37 inches) in diameter. The Board of Directors may consider visibility of such devices from streets, Common Areas or other buildings or improvements in determining whether to approve the size or location of such a device.

ARTICLE VIII GENERAL PROVISIONS

Section 8.1. Enforcement.

The Association, the Board of Directors, or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Board of Directors, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of right to do so thereafter. The Declarant and the Association shall have the right to establish, assess and collect reasonable fines and penalties for violations of this Declaration, which shall be liens against the real property as provided herein. Such fines as determined by the Board of Directors.

Section 8.2. Severability.

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

Section 8.3. Duration

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

Section 8.4. Assignment

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

Section 8.5. Amendment

(a) Amendments by Declarant. The Declarant may amend this Declaration to add any portion of the Additional Property to the terms of this Declaration as set out in Section 2.2, and to amend the Property to include any or all of the Additional Property. The Declarant shall also have the right, at the time any additional property is subjected to this Declaration, to amend Section 7.36 hereof to show the Property being subjected, the recording information of the plat of said Property and setting out the minimum square feet of living space required for a main structure on said Property being subjected, all without the approval of any Owner or mortgagee. In addition to the foregoing amendment rights, the Declarant shall have the right at any time, without a vote of the Owners, to amend the Covenants and Restrictions of this Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans including, for example Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Veterans Administration or the Federal Housing Administration.

(b) Amendments by the Owners. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3) of the 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 Owners and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Owners. All amendments must be recorded in the Dorchester County RMC Office.

Section 8.6. 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, are intended to be, or shall be construed, as a dedication to the public of any said Common Areas other than is reflected therein. An easement for the use and enjoyment of each of said areas is reserved to the Declarant, its successors and assigns; to the persons who are, from time to time, members of the Association; and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association.

Section 8.7. Time is of the Essence

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

Section 8.8. Remedies for Violation of Restrictions

In the event of a violation or breach of any of these restrictions by any Owner, or agent of such Owner, the Owners of Lots in the Subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach. In addition to the foregoing, the Declarant and 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 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 and shall not bar or affect its enforcement should the Declarant or Association employ counsel to enforce any of the foregoing covenants or conditions, reservations or restrictions. All costs incurred in such enforcement, including a reasonable fee for the Declarant's or Association's counsel, shall be paid by the Owner in breach of the foregoing covenants or conditions, reservations or restrictions.

Section 8.9. Rule Against Perpetuities, Etc.

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

IN WITNESS WHEREOF, Edward L. Terry, as Manager of Harris Street, LLC, has signed this Declaration on this 29 day of March, 2006.

[Handwritten Signature]

Harris Street, LLC, a South Carolina Limited Liability Company

[Handwritten Signature]
By: Edward L. Terry
Its: Manager

Tiffany A. Scoggin

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

I, Tiffany A. Scoggin, do hereby certify that Edward Terry, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 29 day of March 28, 2006.

Tiffany A. Scoggin
Notary Public For South Carolina
My commission expires March 30th 2015