

CYNTHIA B FORTE
BERKELEY COUNTY
REGISTER OF DEEDS

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Cynthia B. Forte
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CYNTHIA B FORTE
BERKELEY COUNTY
REGISTER OF DEEDS

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Cynthia B. Forte
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Cross References:
Deed Book 10677, Page 74
Deed Book 10855, Page 198
Deed Book 2443, Page 752
Deed Book 2762, Page 645

Berkeley County, South Carolina records

**THIS AGREEMENT CONTAINS AN ARBITRATION AGREEMENT SUBJECT
TO THE SOUTH CAROLINA ARBITRATION ACT, §15-48-10 et seq.
CODE OF LAWS OF SOUTH CAROLINA, 1976**

**AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(INCLUDING COMMUNITY ENHANCEMENT FEES)**

FOR

CAINHOY DEVELOPMENT



Upon recording, please return to:

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<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Land Submitted
"B"	Land Subject to Annexation
"C"	Formula For Assessment and Voting Rights
"D"	Rules of Arbitration
"E"	Use Restrictions and Rules
"F"	By-Laws

AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(INCLUDING COMMUNITY ENHANCEMENT FEES)

FOR

CAINHOY DEVELOPMENT

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (INCLUDING COMMUNITY ENHANCEMENT FEES) FOR CAINHOY DEVELOPMENT is made as of the date set forth on the signature page hereof, by Cainhoj Land & Timber, LLC, a Delaware limited liability company ("Declarant").

WITNESSETH:

WHEREAS, prior to the execution of this Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoj Development (the "Amended and Restated Declaration"), that certain Declaration of Covenants, Conditions and Restrictions for Cainhoj Town (Including Community Enhancement Fees & Right Of First Refusal) (the "Declaration") was filed of record on March 28, 2014 in Deed Book 10677, Page 74, et seq., Public Records (the originally recorded Declaration is hereinafter referred to as the "Original Declaration") and those certain By-Laws, Rules and Regulations of Cainhoj Town Association, Inc. (the "By-Laws") were filed of record on January 9, 2019 in Deed Book 2927, Page 345, et seq., Public Records (the originally recorded By-Laws are hereinafter referred to as the "Original By-Laws") (The definitions provided in Article I of this Amended and Restated Declaration are incorporated in this preamble by reference);

WHEREAS, Article XVII, Section 17.2(a) of the Original Declaration provides that the Declarant may unilaterally amend the Original Declaration by an instrument in writing filed and recorded in the Public Records without the approval of any Owner or Mortgagee and for any purpose;

WHEREAS, Section 6.6 of the Original By-Laws provides that Declarant may unilaterally amend the Original By-Laws without the approval of any Owner or Mortgagee and for any purpose;

WHEREAS, the Declarant deems it appropriate to amend and restate the Original Declaration and the Original By-Laws as set forth in this Amended and Restated Declaration, including but not limited to the exhibits attached hereto.

NOW, THEREFORE, pursuant to the powers retained by the Declarant under the Original Declaration and the Original By-Laws, Declarant hereby amends and restates the Original Declaration and Original By-Laws as set forth in this Amended and Restated Declaration. This Amended and Restated Declaration supersedes and replaces the Original Declaration.

Notwithstanding the above, it is the intent of the Declarant that all property and land which have been previously subjected to the Original Declaration, as amended, remain subjected

to this Amended and Restated Declaration, and this Amended and Restated Declaration is in no way intended to withdraw or remove any property previously subjected to the Original Declaration, as amended, from the Amended and Restated Declaration. To the extent that any portion of the legal description of the Properties, is unintentionally modified in or omitted from this Amended and Restated Declaration, then such provision, amendment or supplement to the Original Declaration, shall remain in full force and effect.

[AMENDED AND RESTATED DECLARATION FOLLOWS]

THIS AGREEMENT CONTAINS AN ARBITRATION AGREEMENT SUBJECT
TO THE SOUTH CAROLINA ARBITRATION ACT, §15-48-10 et seq.
CODE OF LAWS OF SOUTH CAROLINA, 1976

AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(INCLUDING COMMUNITY ENHANCEMENT FEES)

FOR

CAINHOY DEVELOPMENT

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (including Community Enhancement Fees) for Cainhoy Development (this "Declaration") is made as of the date set forth on the signature page hereof by Cainhoy Land & Timber, LLC, a Delaware limited liability company ("Declarant").

Declarant is the owner of the real property described in Exhibit "A," which is attached hereto and incorporated by reference. This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the Owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties, and for the maintenance of sidewalks, streets, street lights, storm water drainage and retention areas and Improvements, open spaces, landscaping, and other Common Areas and Improvements located on the Properties, and, to this end, desires to subject the Properties to the covenants, conditions, restrictions, easements, and liens hereinafter set forth. In furtherance of such plan, this Declaration provides for the creation of the Cainhoy Master Association, Inc. to own, operate and maintain Common Areas, as defined below, and to administer and enforce the provisions of this Declaration, the By-Laws, the Design Guidelines and Use Guidelines promulgated pursuant to this Declaration (capitalized terms are defined in Article I below).

This Declaration sets forth the basic covenants, conditions and restrictions that will apply to Cainhoy Development. One of the anticipated objectives of the Master Plan is to create a mixed-use community in which the Properties will be developed into Districts. This Declaration is designed to help implement the Master Plan in order to, among other purposes, fulfill the following:

1. protect, enhance and preserve the values, amenities, desirability, and attractiveness of the Properties;
2. promote Cainhoy Development as a well-integrated, high-quality community;
3. carry out the vision statement for and mission of Cainhoy Development as set forth herein;
4. provide for design standards and architectural guidelines that respect the vernacular of the region;
5. preserve and protect the natural habitat and open spaces;

6. encourage creative and innovative land planning that is sensitive to sustainable community formation and existing environmental conditions; and
7. establish a procedure for the continued maintenance and operation of Common Areas, Exclusive Common Areas, and Area of Common Responsibility, including any Improvements located therein, in a cost-effective and administratively efficient manner.

It is contemplated that the Properties will be developed as a mixed used commercial and residential development comprised of various office, retail, institutional, service, multi-family residential and other permitted uses allowed under the Zoning Ordinance with public and/or private streets, sidewalks, street lights, open spaces, storm water drainage and retention areas, and other Common Areas and Improvements for the benefit of the Owners of Units made subject to the terms of this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any Additional Property subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner of any portion of the Properties.

This document does not and is not intended to create a condominium within the meaning of the South Carolina Horizontal Property Act, South Carolina Code Annotated, §27-31-10, et seq.

ARTICLE I **DEFINITIONS**

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Active Recreational Amenities". Certain active recreational facilities located within Cainhoy Development as designated by Declarant and which may consist of swimming pool(s), tennis courts and other active recreational amenities constructed by the Declarant for the use and enjoyment of the Owners of Residential Units.

1.2 "Additional Property". All of that certain real property which is more particularly described on Exhibit "B", which is attached and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Declaration in accordance with Article VII. Unless and until specifically annexed and subjected to this Declaration, Additional Property shall not be subject to this Declaration and shall not constitute Units nor Common Areas as defined herein.

1.3 "Adjacent Property". Certain real property and any Improvements and facilities thereon located adjacent to, in the vicinity of, or within Cainhoy Development that is designated in a recorded as instrument "Adjacent Property" by the Declarant in its sole discretion. Unless

and until specifically annexed and subjected to this Declaration, Adjacent Property shall not be subject to this Declaration and shall not constitute Units nor Common Areas as defined herein.

1.4 "Amenities Assessment". Assessments levied on Residential Units to fund Common Expenses relating to the operation, maintenance, repair, replacement, insurance, and administration of any Active Recreational Amenities, as more particularly described in Article VIII.

1.5 "Area of Common Responsibility". The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, the Zoning Ordinance or other applicable covenants, contracts, or agreements.

1.6 "Articles of Incorporation" or "Articles". The Articles of Incorporation of Cainhoy Master Association, Inc. as filed with the Secretary of State of the State of South Carolina, as they may be amended.

1.7 "Association". Cainhoy Master Association, Inc., a South Carolina nonprofit mutual benefit corporation, its successors or assigns.

1.8 "Board of Directors" or "Board". The body responsible for administration of the Association, selected as provided in the By-Laws and serving as the board of directors under South Carolina corporate law.

1.9 "By-Laws". The By-Laws of Cainhoy Master Association, Inc., attached hereto as Exhibit "F" and incorporated herein by this reference, as they may be amended.

1.10 "Cainhoy Development". That certain mixed-use commercial and residential community located in the City of Charleston, Berkeley County, South Carolina and commonly known and referred to as Cainhoy Development, including, but not limited to, the Properties.

1.11 "Class A Members". Those Members of the Association as described in Section 3.2(a).

1.12 "Class B Member". That Member of the Association as described in Section 3.2(b).

1.13 "Common Area". All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners. This term shall also include the Exclusive Common Area, if any, as defined below.

1.14 "Common Expenses". The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserves, or expenses from any Cost Sharing Agreement, as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.15 "Community-Wide Standard". The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties and which shall generally conform to a high quality mixed-use planned community development in accordance with best industry standards, such as the commercial district of Daniel Island Town Center, located in the City of Charleston, Berkeley County, South Carolina. Such standard may be more specifically determined by the Board and the DURB.

1.16 "Cost Sharing Agreement". Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of or within the Properties, including any Adjacent Property, for the allocation of expenses for amenities, maintenance, and/or services that benefit both the Association and the owner(s) or operator(s) of such property.

1.17 "Days". Calendar days provided however if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday in the State of South Carolina, then such time period shall be automatically extended to the close of business on the next regular business day.

1.18 "Declarant". Cainhoy Land & Timber, LLC, a Delaware limited liability company, or any successor, successor-in-title, or assign who holds or takes title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.19 "Declarant-Related Entity". Any Person or entity which is a parent, subsidiary or affiliate of the Declarant, and/or any Person or entity which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, the Declarant, and any Person that is a director, shareholder, partner, member, manager, trustee, officer or employee of any of the foregoing. For the purposes of this definition, the term "control" means the direct or indirect power or authority to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise. Notwithstanding the foregoing definition, each of the following named entities shall be deemed to be Declarant-Related Entities for so long as Cainhoy Land & Timber, LLC is the Declarant: Tract 1 Timber, LLC, a Delaware limited liability company; Tract 7, LLC, a Delaware limited liability company; and Seven Sticks, LLC, a South Carolina limited liability company.

1.20 "Deed". Any deed, lease, assignment or other instrument other than a Mortgage conveying any interest in any Unit.

1.21 "Design Guidelines". The design, architectural, use and construction guidelines and application and review procedures applicable to all or any portion of the Properties promulgated and administered pursuant to Article IX which may also be referred to as the "Architectural Standards".

1.22 “Design and Use Review Board” or “DURB”. The review board and applicable committees appointed pursuant to Section 9.2 hereof with the rights and obligations conferred upon such review board pursuant to this Declaration, including Article IX and Article X.

1.23 “Development Period”. The period of time during which the Declarant or any Declarant-Related Entity owns any property which is subject to this Declaration or any Cost Sharing Agreement, any Additional Property or any portion of the Adjacent Property; provided however, the Development Period shall not terminate until all of the certificates of occupancy or certificates of construction completion permitted by the Zoning Ordinance for the property described on Exhibits “A” and “B” have issued thereon by the controlling governmental authority, have been conveyed to Persons other than the Declarant or Declarant-Related Entity and initial vertical construction on each Unit is complete. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and/or terminate the Development Period upon an earlier date by recording a written instrument in the Public Records.

1.24 “District”. One or more Units which share common interests, other than those common to all Units in the Properties, as more particularly described in Section 3.4. For example, and by way of illustration and not limitation, an office complex comprised of several Units surrounding a common plaza, a retail/commercial center comprised of various Units sharing common parking areas, a condominium, or a separately developed single family housing development each might be designated as separate Districts. A District may be comprised of more than one use and may include noncontiguous tracts of property. District boundaries may be established and modified as provided in Section 3.4.

1.25 “District Assessments”. Assessments levied against the Units in a particular District or Districts to fund District Expenses, as described in Sections 8.1 and 8.3.

1.26 “District Association”. Any condominium association or other owners association having concurrent jurisdiction with the Association over any District.

1.27 “District Expenses”. The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a particular District or Districts, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to such District(s).

1.28 “Docks”. All fixed piers, docks, dockheads, floating docks, ramps, pilings and other structures, if constructed, the placement, construction, design, repair, maintenance and maintenance of which is regulated by the OCRM.

1.29 “Exclusive Common Area”. A portion of the Common Area intended for the exclusive use or primary benefit of one or more, but less than all, Districts or Units, as more particularly described in Article II.

1.30 “General Assessments”. Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 8.1 and 8.2.

1.31 "Governing Documents". This Declaration, the By-Laws, the Articles of Incorporation, all Supplemental Declarations, the Use Guidelines, the Design Guidelines, the Zoning Ordinance, all Cost Sharing Agreements, all additional covenants governing any portion of the Properties, including but not limited to any declaration of wetland restrictive covenants, and any Rules and Regulations of the Association, or any of the above, as each may be amended from time to time.

1.32 "Improvement" or "Improvements". Any structure or improvement, broadly defined to include, but not limited to, buildings of a permanent or temporary nature (with temporary buildings being permitted only during the construction of other Improvements, subject to approval by the DURB), outbuildings, underground installations, slope alterations, surface water drainage facilities, sediment control devices, roads, berms, driveways, alley ways, parking areas or facilities, loading docks and areas, garbage dumpsters and cans, fences, screening walls, retaining walls, enclosures, Docks, stairs, decks, windbreaks, planting or removal of trees, shrubs and other landscaping materials, poles, signs, antennas and satellite dishes, utilities, water lines, sewer, electrical and gas distribution facilities, irrigation systems, heating, cooling and air circulation equipment and facilities, roofed structures, railroad trackage, hedges, exterior illumination, changes in exterior color or shape, staking, clearing, excavation, grading, exterior alteration of existing improvement, and all other structures or landscaping improvements of every type and kind initially or at any time thereafter placed or constructed on any Unit.

1.33 "Leasehold Owner". The lessee under any lease of a Unit with an initial term of not less than twenty (20) years, and which lessee has been assigned all of the Owner's rights and obligations under this Declaration with respect to the leased premises.

1.34 "Majority". Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.35 "Master Plan". The land use plan or development plan for Cainhoy Development, as such plan may be amended from time to time during the Development Period, which plan includes and depicts the property described on Exhibit "A" and all or a portion of the Additional Property that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article VII. The Declarant shall not be bound by any Master Plan, use or restriction of use shown on any Master Plan, and may, in its sole discretion and from time to time during the Development Period, change or revise the Master Plan, develop or not develop the remaining undeveloped property or Common Area or amenities shown on any Master Plan. Notwithstanding the above, all present and future references to the Master Plan shall refer to the then latest version of the Master Plan prepared for the Declarant. The Declarant shall not change the Master Plan with respect to a Unit after such Unit has been conveyed except with consent of the Owner.

1.36 "Member". A Person subject to membership in the Association pursuant to Section 3.1.

1.37 “Mortgage”. A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.38 “Mortgagee”. A beneficiary or holder of a Mortgage.

1.39 “Occupant”. The Owner or Leasehold Owner of any Unit and their respective employees, agents, tenants, independent contractors, invitees and licensees or any other person who either lawfully or unlawfully occupies or comes upon such Unit. All actions or omissions of any Occupant shall be deemed the actions or omissions of the Owner or Leasehold Owner of such Unit.

1.40 “OCRM”. The South Carolina Department of Health and Environmental Control, Office of Ocean and Coastal Resources Management or any successor agency which issues regulations relating or applicable to Docks.

1.41 “Owner”. One or more Persons who hold the record title to any Unit, including the Declarant and Declarant-Related Entity, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. An Owner (including the Declarant or any Declarant-Related Entity) who has transferred or otherwise conveyed a leasehold interest in and to any Unit to a Leasehold Owner may, in its sole discretion, assign in such lease, all of such Owner’s rights and obligations as an Owner herein; provided, however, that any such assignment shall not relieve such Owner from its duties and obligations hereunder except as expressly provided herein. From and after receipt of such assignment, Declarant, the Association and the DURB shall recognize the Leasehold Owner as the Owner of such Unit. If a Unit is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

1.42 “Parking Assessments”. Assessments levied in accordance with Section 8.7

1.43 “Parking Facility”. Any parking lot, garage or other parking facilities constructed on a Unit and such term shall specifically include (i) any alleyway, road, curb cut and other access to such parking facility, (ii) any sidewalk within or adjacent to such parking facility, and (iii) landscaping within or adjacent to such parking facility, but shall not include garages attached to detached single family residential dwellings or attached single family residential townhomes.

1.44 “Person”. A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.45 “Properties”. The real property described on Exhibit “A” as such exhibit may be amended or supplemented from time to time to reflect any additions or removal of property in accordance with Article VII.

1.46 “Public Records”. The Register of Deeds Office for Berkeley County, South Carolina.

1.47 “Residential Unit”. Any Unit which is restricted to, intended for, or is being used for, residential purposes by one single family. A Unit that contains a building comprised of

multiple separate dwelling spaces which are used for single family residential purposes is not included in this definition. For example, an individual residential condominium Unit, an individual residential townhome Unit and a detached single family home on a separately platted lot would each constitute a Residential Unit. A residential apartment building, a hotel or any portion thereof would not be a Residential Unit.

1.48 "Rules and Regulations". The rules and regulations applicable to all or any portion of the Properties promulgated, administered, modified and repealed pursuant to Article X.

1.49 "Special Assessment". Assessments levied in accordance with Section 8.5.

1.50 "Specific Assessment". Assessments levied in accordance with Section 8.6.

1.51 "Supplemental Declaration". An instrument filed in the Public Records which subjects Additional Property to this Declaration, designates Districts, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

The term shall also refer to an instrument filed by the Declarant pursuant to this Declaration that designates Voting Groups, any declaration of covenants, conditions and restrictions, and any horizontal property regime declaration.

1.52 "Unit". A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as shown on the Master Plan, subject to compliance with the Governing Documents. Each separately platted Unit shall be deemed to be a separate Unit, regardless of the number of uses or businesses operated on such Unit, unless otherwise specified by Supplemental Declaration. The term shall include the land, if any, which is part of the Unit as well as any Improvements thereon. Each condominium unit created by a horizontal property regime shall constitute a separate Unit.

In the case of a piece, parcel or tract of the Properties which consists of vacant land or land which Improvements are under construction, such parcel shall be deemed to be a single Unit until such time as a subdivision plat or master deed (as described in South Carolina Code Section 27-31-10 et seq., as amended) is filed of record on all or a portion of the parcel. Provided however that, by a Supplemental Declaration executed by the Declarant and the owner of such parcel, if other than Declarant, a parcel which is intended for the construction of multiple residential dwellings and/or multiple commercial units for separate ownership (whether by further subdivision of such parcel or pursuant to a horizontal property regime based on South Carolina Code Section 27-31-10 et seq., as amended) may be deemed for the purpose of collecting assessments in accordance with Article VIII to constitute multiple Units based on the number of proposed residential dwellings and/or commercial units anticipated to be constructed thereon as stated in the Supplemental Declaration. Any portion of the parcel encompassed by a subdivision plat or a master deed (as described in South Carolina Code Section 27-31-10 et seq., as amended) shall contain the number of Units currently existing on or to be located on the parcel as set forth in the first paragraph of this Section and assessments will be due to the Association from each such Unit Owner as provided herein. Any portion of the parcel not

encompassed by such subdivision plat or master deed (as described in South Carolina Code Section 27-31-10 et seq., as amended) shall continue to be treated in accordance with this paragraph.

Common Area, common property of any District Association, and property dedicated to the public shall not be deemed to be separate Units.

1.53 “Use Guidelines”. The use guidelines and application and review procedures applicable to all or any portion of the Properties promulgated, administered, modified and repealed pursuant to Article X.

1.54 “Utilities”. Any utilities serving any portion of the Properties or any Common Areas, including, without limitation, water, public or private sewage and sewer service, storm drains, steam, gas, electricity, telephone, internet, intranet, cable, digital, or similar television services, solar or passive energy sources or any other utilities of any nature whatsoever.

1.55 “Voting Group”. One (1) or more Owners who vote on a common slate for election of directors to the Board of Directors of the Association, as more particularly described in Section 3.5 of this Declaration.

1.56 “Zoning Ordinance”. The Master Plan Zoning Text for [Cainhoy], City of Charleston, Berkeley County, South Carolina adopted or to be adopted by the City Council of the City of Charleston, South Carolina; the Development Agreement for Cainhoy Plantation (PLJ Trusts) recorded on August 20, 1996 in the Public Records in Book 1544, Page 11, as amended by that instrument recorded on October 9, 2001 in the Public Records in Book 2444, Page 120; and the Development Agreement for Cainhoy Plantation-Trust #2, recorded on August 20, 1996 in the Public Records in Book 1543, Page 221, as amended by that instrument recorded on October 9, 2001 in the Public Records in Book 2444, Page 110, as further amended by that instrument recorded on March 27, 2015 in the Public Records in Book 11284, Page 1, as each of the foregoing may be further amended from time to time.

ARTICLE II **PROPERTY RIGHTS**

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to each Unit, subject to:

- (a) this Declaration and all other Governing Documents;
- (b) any restrictions or limitations contained in any Deed conveying such property to the Association;
- (c) the right of the Board to adopt, amend, and repeal Rules and Regulations regulating the use and enjoyment of the Common Area, including rules limiting the number of invitees who may use the Common Area and imposing admission or other use fees;

(d) the right of the Association to rent, lease or reserve any portion of the Common Area to any Owner or Occupant for the exclusive use of such Owner and Occupant upon such conditions as may be established by the Board;

(e) the right of the Board to allow persons other than Owners, Leasehold Owners, Occupants and their respective employees, lessees, invitees, clients, customers and guests, including the public, to use the Common Area, including but not limited to the facilities located thereon, upon such conditions and fees, if any, as may be established by the Board;

(f) the right of Declarant to designate certain facilities and areas as open to the public;

(g) the right of the Board to suspend the right of an Owner to use facilities within the Common Area pursuant to Section 4.3;

(h) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area as set forth in this Declaration;

(i) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(j) The rights of certain Owners to the exclusive use, access and enjoyment in and to those portions of the Common Area designated "Exclusive Common Areas", as more particularly described in Section 2.5; and

(k) the right of the Declarant and Declarant-Related Entity to conduct activities and establish facilities within the Properties as provided in Article XIII.

Any Owner may extend its right of use and enjoyment to such Owner's employees, lessees, invitees, clients, customers and guests, as applicable, subject to reasonable regulation by the Board and further subject to all such parties' obligation to abide and be bound by the Governing Documents and any such Rules and Regulations promulgated thereunder. Upon request, each Owner shall be obligated to furnish the Association the name, address, and other contact information of any lessee or other party extended rights to use the Common Areas by the Owner.

An Owner who leases a Residential Unit shall be deemed to have assigned all such rights to the lessee of such Unit, except that an Owner who leases a garage apartment or similar accessory dwelling constructed as approved pursuant to Article IX may extend such rights of use and enjoyment to the lessee of such accessory dwelling without relinquishing such rights for the benefit of the Occupants of the main dwelling on the Residential Unit. The lessee's rights shall be subject to reasonable regulation by the Board and further subject to the obligation to abide and be bound by the Governing Documents and any such Rules and Regulations promulgated thereunder. Notwithstanding any assignment of such rights, the Owner shall remain responsible for payment of all assessments and other charges. All leases of a Residential Unit and/or an accessory dwelling will be subject to all applicable county, city, state and federal ordinances, rules, regulations and laws.

2.2 Private Streets. Unless otherwise provided by Supplemental Declaration, every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any private streets and roads within the Properties ("Private Streets"), whether or not such Private Streets are Common Area, for the purpose of ingress and egress to public rights-of-way. The rights and nonexclusive easements granted herein are appurtenant to the title to each Unit, subject to:

- (a) this Declaration and all other Governing Documents;
- (b) the right of the Declarant, so long as the Declarant owns the Private Streets, and the Association to adopt, amend and repeal Rules and Regulations regulating the use and enjoyment of the Private Streets, provided that neither the Declarant nor the Association shall, by the adoption of any rule or regulation, bar access of the Owners across the Private Streets;
- (c) the right of the Declarant or the Association to dedicate all or any part of Private Streets to the City of Charleston or Berkeley County, South Carolina, or to any other local, state, or federal governmental or quasi-governmental entity without obtaining any membership approval;
- (d) the right of the Declarant or the Association to mortgage, pledge, or hypothecate any or all of the Private Streets as security for money borrowed or debts incurred, provided that the Declarant shall not subject the Private Streets to any security instrument without obtaining the agreement of the lender to subordinate its interest in the Private Streets to the easements for the Owners contained in this Section; and
- (e) the rights of the Declarant and the Association to maintain the Private Streets.

Any Owner may extend its right of use and enjoyment to such Owner's employees, lessees, invitees, clients, customers and guests, as applicable subject to reasonable regulation by the Board and further subject to all such parties' obligation to abide by and be bound by the Governing Documents and any such Rules and Regulations promulgated thereunder.

2.3 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of other real property which may or may not be subject to this Declaration.

2.4 Condemnation. The Association shall be the sole representative with respect to condemnation proceedings concerning a Common Area and shall act as attorney-in-fact for all Owners in such matters. If any part of the Common Area shall be taken by or conveyed under threat of condemnation to any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance. The Board may convey a Common Area under threat of condemnation only if approved by Members holding at least a Majority of the total Class "A" votes cast at a meeting or by written ballot in accordance with the By-Laws and, during the Development Period, the written consent of the Declarant.

The award made for such taking or proceeds of such conveyance shall be payable to the Association.

If the taking or conveyance involves a portion of the Common Area on which Improvements have been constructed, the Association shall restore or replace such Improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) Days after such taking the Members holding at least sixty-seven percent (67%) of the total Class "A" vote of the Association and, during the Development Period, the Declarant shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board and the DURB. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any Improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds may be used by the Association for such purposes as the Board shall determine.

2.5 Exclusive Common Area. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Units or Districts. By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, landscaped medians and cul de sacs, parking areas, lakes and other portions of the Common Area within a particular District or Districts. Any Active Recreational Amenity is hereby designated as Exclusive Common Area for the exclusive use and benefit of the Owners and Occupants of the Residential Units. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Units to which the Exclusive Common Areas are assigned either as a Amenities Assessment, District Assessment or as a Specific Assessment, as applicable.

During the Development Period, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the Deed by which the Declarant conveys the Common Area to the Association or on the subdivision plat relating to such Common Area, or in a Supplemental Declaration; provided, however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Units and/or Districts during the Development Period. Following termination of the Development Period, a portion of the Common Area may be assigned as Exclusive Common Area of particular Units or a particular District or Districts and Exclusive Common Area may be reassigned upon approval of the Board and the vote of a Majority of the Class "A" votes within the District(s) to which the Exclusive Common Area is assigned, if previously assigned, and within the District(s) to which the Exclusive Common Area is to be assigned or reassigned. Any such assignment or reassignment shall be set forth in a Supplemental Declaration executed by the Board.

The Association may, upon approval of the Owners holding a Majority of the Class "A" votes allocated to Units to which the Exclusive Common Area is assigned, the Majority of the members of the District Committee or the board of directors of the District Association for the District(s) to which any Exclusive Common Area is assigned, permit Owners of Units in other

Districts to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the District Expenses or specific assessments attributable to such Exclusive Common Area.

2.6 Adjacent Properties. Access to and use of any Adjacent Property is strictly subject to the rules and procedures of the owner of such Adjacent Property, and no Person gains any right to enter or to use any Adjacent Property by virtue of membership in the Association or ownership or occupancy of a Unit. All Persons, including all Owners and Occupants, are hereby advised that no representations or warranties have been or are made by the Declarant, any Declarant-Related Entity, the Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Adjacent Property, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Adjacent Property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation, and the restrictions on voting set forth in Section 3.2 and in the By-Laws and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner, or by any individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Declarant, if any.

Class "A" Members shall have a weighted vote for each Unit in which they hold the interest required for membership under Section 3.1; provided, there shall be only one weighted vote per Unit. The vote for each Unit shall be weighted in accordance with the formula set forth in Exhibit "C." In any situation where there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Unit if any assessment for such Unit is delinquent. In addition, no vote shall be exercised for any property which is exempt from assessment.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant

sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint the members of the Board of Directors until termination of the Development Period. Upon termination of the Development Period, the Class "B" membership shall expire, and the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

(c) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Units within any Additional Property made subject to this Declaration pursuant to Article VII, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration. Such additional classes of membership may be either voting or non-voting classes of membership.

In addition, the Declarant may, by Supplemental Declaration, create other classes of non-voting membership for the owners and members of any Adjacent Property, with such other rights, privileges and obligations as may be specified in such Supplemental Declaration.

3.3 Voting Mechanics. Voting may be conducted by written ballots or by an electronic voting process. In the event that an electronic voting process voting is used for specific issues or on all issues, then the Board in its discretion may adopt specific rules and procedures as necessary in furtherance of conducting the electronic voting process by which a Member in good standing representing a Unit may cast its vote electronically. In the event that the Board elects to implement an electronic voting process, the president of the Association shall be responsible for recommending, reviewing and implementing the process subject to Board approval. The voting process shall be conducted in a manner consistent with the Governing Documents and South Carolina law.

3.4 Districts. Every Unit may be located within a District. The Declarant in its sole discretion may establish Districts within the Properties by designation on Exhibit "A" to this Declaration, a Supplemental Declaration, or a plat. During the Development Period, the Declarant may unilaterally amend this Declaration, any Supplemental Declaration, or any plat from time to time to assign property to a specific District, to re-designate District boundaries, or to remove property from a specific District. Any property subject to a condominium or horizontal property regime or other subassociation shall automatically be deemed to be a District.

Once a District is established, the Owners holding a Majority of the total number of Class "A" votes allocated to the Units within any District may at any time petition the Board to divide the property comprising the District into two (2) or more Districts. Such petition shall be deemed granted thirty (30) Days following the filing of all required documents with the Board unless the Board of Directors denies such application in writing within such thirty (30) Day period. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Districts. All applications and copies of denials shall be filed with the books and records of the Association. The Owners requesting the division shall be responsible for any expenses incurred with respect to implementing a division of a District, including but not limited to, a Supplemental Declaration or revised plat.

With the consent of all Owners of Units within a District, the Units within a particular District may be made subject to additional covenants and/or the Owner(s) of Units within any District may be mandatory members of a District Association; however, there shall be no requirement that a District Association be created for any District except in the case of a District which is developed as a horizontal property regime or as may be otherwise provided by law. No District Association or District Committee shall be formed or otherwise established without prior notice to and consent of Declarant and the submission to Declarant of the documents creating or establishing such District Association or District Committee. The Declarant may at its option evaluate such documents to determine their compliance with the terms of this Declaration and any requirements of the Association. No review or evaluation by the Declarant of any documents forming a District Committee or District Association shall be deemed to be a warranty or guaranty of the current or future operations of the District Committee or the District Association.

Each District Association shall provide to the Association a list of the names of each member of such District Association, as well as the address and any contact information available for such member, at least sixty (60) Days prior to the beginning of each fiscal year and, at any other time, upon request of the Association, within thirty (30) Days of such request. In the Association's sole discretion, for ease of administration, any portion of the Properties subject to the jurisdiction of a District Association, such as a horizontal property regime, may be treated as a single Unit solely for purposes of voting, assessments, and/or lien rights under this Declaration. If the Association makes such election, the District Association shall be responsible for casting all votes and/or for collecting all assessments and other sums from the Members of the District Association. Further, all votes shall be cast and all amounts shall be remitted to the Association pursuant to such procedures as may be adopted by the Association. Such election may be made or revoked by the Association with at least thirty (30) Days' notice to the District Association.

Any District which does not have a District Association may establish an advisory committee (a "District Committee") to serve as a liaison between that District and the Board, but any such District Committee shall have no binding authority or any voting rights hereunder. The Board may in its discretion establish criteria for appointment to and/or creation of District Committees to represent the interests of Owners of Units in any District or Districts.

Any District may request that the Association provide a higher level of service or special services for the benefit of Units in such District and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Class "A" votes of the Units within the District, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Unit or other equitable measure (e.g. acreage) to all Districts receiving the same service), shall be assessed against the Units within such District as a District Assessment pursuant to Article VIII hereof.

3.5 Voting Groups. The Declarant may designate Voting Groups for the purpose of electing directors to the Board. The designation of Voting Groups, if any, shall be to promote representation on the Board of Directors for various groups having dissimilar interests. Following termination of the Development Period, the number of Voting Groups within the

Properties shall not exceed the total number of directors to be elected by the Class "A" Members pursuant to the By-Laws. The Owners within each Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of directors specified in the By-Laws.

The Declarant shall establish Voting Groups, if at all, not later than the date of termination of the Development Period by filing with the Association and in the Public Records a Supplemental Declaration identifying each Voting Group by legal description or other means such that the Units within each Voting Group can easily be determined. Such designation may be unilaterally amended from time to time by the Declarant during the Development Period.

After termination of the Development Period, the Board shall have the right to file or amend any Supplemental Declaration for the purpose of designating Voting Groups. Neither recordation nor amendment of such Supplemental Declaration shall constitute an amendment to this Declaration, and no consent or approval of any Person shall be required except as stated in this Section. Until such time as Voting Groups are established, all of the Properties shall constitute a single Voting Group. After a Supplemental Declaration establishing Voting Groups has been filed, any and all portions of the Properties which are not assigned to a specific Voting Group shall constitute a single Voting Group.

ARTICLE IV

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all Improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable Rules and Regulations regulating the Properties as the Board may adopt pursuant to Article X. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of South Carolina.

4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold, lease (short term or long term), license, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, including but not limited to any Declarant-Related Entity, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibits "A" or "B," personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the Deed or other instrument transferring such property to the Association. Declarant shall not be required to make any Improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section, including, without limitation, dredging or otherwise removing silt from any lake, pond or other body of water that may be conveyed. During the Development Period and upon the written request of Declarant, the Association shall reconvey to Declarant any portions of the Properties originally conveyed by Declarant to the Association for no consideration.

The Association agrees that the Common Area, including all Improvements thereon, shall be conveyed in its "where is, as is" condition and without recourse, and Declarant disclaims and makes no representations, warranties or other agreements, express or implied with respect thereto, including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the conditions, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to utilization or the future economic performance or operations of the Common Area. No claim shall be made by the Association or any Owner relating to the condition, operation, or completeness of the Common Area or for incidental or consequential damages arising therefrom. Declarant will transfer and assign to the Association, without recourse, all warranties which it receives from manufacturers and suppliers relating to any of the Common Area which exist and are assignable.

4.3 Enforcement. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents, after compliance with the notice and hearing procedures set forth in Section 3.23 of the By-Laws. Such sanctions may include, without limitation:

- (a) imposing monetary fines which shall constitute a lien upon the Unit of the violator;
- (b) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;
- (c) suspending an Owner's right to vote;
- (d) suspending any Person's right to use any facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit; and
- (e) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association.

In the event that any Occupant, employee, lessee, invitee, client, customer or guest of a Unit violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction the Occupant and/or the Owner of such Unit. If a fine is imposed, the fine may first be assessed against the Occupant; provided however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to the filing of liens in the Public Records for nonpayment of any assessments or other charges, the towing of vehicles that are in violation of parking Rules and Regulations, the removal of signs that are in violation of sign restrictions, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a Specific Assessment

to cover all costs incurred in exercising self-help and bringing a Unit into compliance with the terms of the Governing Documents in accordance with Section 8.6(c).

The Association may also elect to enforce any provisions of the Governing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover, to the maximum extent permissible, all costs, including, without limitation, reasonable attorneys' fees and court costs, incurred in such action, regardless of whether suit is filed and including any appeals.

The Association's decision to exercise its enforcement rights in any particular case shall be made in the Board's sole discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (a) the Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction, or rule to be enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) it is not in the Association's best interests, considering, among other things, hardship, expense, or other reasonable criteria, to pursue enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or stop the Association from enforcing any other covenant, restriction or Rule or Regulation.

The Association may, but is not required to, by contract or other agreement, enforce county, city, state and federal ordinances, rules, regulations and laws, if applicable, and permit local and other governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

In the event that the Association fails to enforce any provision of the Governing Documents, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, exercise any means of enforcement described in this Section and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

4.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by applicable law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5 Governmental Interests. During the Development Period, the Declarant may designate sites within the Properties for public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which

case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner of such property consents.

4.6 Conveyance or Dedication of Common Area and Roads. The Association, or the Declarant, during the Development Period, may dedicate or convey portions of the Common Area and/or any roads within Cainhoy Development to the City of Charleston or Berkeley County, South Carolina, or to any other local, state, or federal governmental or quasi-governmental entity without obtaining any membership approval. Any dedication of roadways or other property shall be made free and clear of all encumbrances, including but not limited to, this Declaration unless otherwise agreed to by the governmental or quasi-governmental entity. Notwithstanding the foregoing, each Owner, on behalf of itself and its Occupants agrees to comply with any and all Use Guidelines, Rules and Regulations, covenants, and restrictions established pursuant to the Governing Documents, including but not limited to provisions regarding vehicles, parking, street vending, and use of such dedicated property.

4.7 Dedication of or Grant of Easement on Common Area. The Association, or the Declarant during the Development Period, may dedicate or grant easements across portions of the Common Area to the City of Charleston or Berkeley County, South Carolina, or to any other local, state, or federal governmental or quasi-governmental entity, without any membership approval.

4.8 Indemnification. The Association shall indemnify every officer, director, DURB member and committee member, against all damages, liabilities, and expenses, including reasonable attorneys' fees, incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, DURB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles and South Carolina law.

The officers, directors, DURB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, willful misconduct, or bad faith. The officers and directors, DURB members and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors, DURB members or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director DURB member and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, DURB member or committee member may be entitled.

The Association shall also indemnify and forever hold harmless the Declarant to the extent that any officer, director or employee of the Declarant serves as an officer, director or committee member of the Association and the Declarant incurs any damages or expenses, including attorneys' fees, in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding) by reason of having its officers, directors or employees

serve as officers, directors, or committee members of the Association, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles and South Carolina law. This right to indemnification shall not be exclusive of any other rights to which the Declarant may be entitled.

The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.9 Rezoning. During the Development Period, no Owner or any other Person may apply or join in an application to amend, vary or modify the Zoning Ordinance or rezone or apply for any zoning variance or waiver as to all or any portion of the Properties without the prior written consent of Declarant where such amendment, variance or modification will affect the development or uses of a Unit or Units within the Properties. Declarant or the Association (as applicable) may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the party pursuing the unapproved rezoning, in addition to and not in limitation of Declarant's or the Association's other rights and remedies set forth in the Governing Documents. Every Person that acquires any interest in the Properties acknowledges that Cainhoy Development is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise disagree with (a) changes in uses or density of property outside of such Owner's Unit, or (b) changes in the Master Plan relating to property outside of such Owner's Unit. Declarant or any Declarant-Related Entity may apply for such rezoning as to any portion of the Properties owned by it at any time.

4.10 Security. Each Owner and Occupant of a Unit, and their respective employees, lessees, invitees, clients, customers and guests, shall be responsible for their own personal safety and the security of their property in the Properties. The Association, the Declarant, or any Declarant-Related Entity may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the Declarant, any Declarant-Related Entity, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, cannot be compromised or circumvented, nor that any such systems or measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. No representation or warranty is made that the lighting facilities or systems (including the placement thereof) will adequately illuminate or attempt to adequately illuminate all the Common Areas, or that such facilities or systems will be designed with safety measures in mind. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Association, its Board of Directors and committees, Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers of safety or security within the Properties and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties. Any costs incurred by the Association to provide such services shall be paid by the Association and shall be charged either to all Units, as a General Assessment or a Special Assessment, or only to those certain

Districts or Units benefited thereby, as a Specific Assessment or as a District Assessment, as determined by the Board in its sole discretion.

4.11 Relationship With Tax-Exempt Organizations. The Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area, or convey portions of the Common Area, to non-profit, tax-exempt organizations for the benefit of the Properties and/or Cainhoy Development. The Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code, including but not limited to, Sections 501(c)(3) or 501(c)(4) thereof.

4.12 View Impairment. Neither the Declarant, any Declarant-Related Entity, the Association, nor the owners of any Adjacent Property, guarantees or represents that any view over and across any lake, other water body, Common Area, public park or other facility or Adjacent Property from Units will be preserved without impairment. The owners of such areas shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install Improvement or barriers (both natural and artificial) to such areas from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a Deed, acknowledges that any view of a lake, other water body, Common Area, public park or other facility or Adjacent Property which the Unit may enjoy as of the date of the purchase of the Unit may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of Improvement or barriers (both natural and artificial) within such areas.

Neither Declarant, any Declarant-Related Entity, the Association nor the owner of any Adjacent Property, shall have any liability whatsoever to any Owner for any claim based on degradation or impairment of any view from the Owner's Unit, including, without limitation, claims for loss of value. No Owner shall have the right to object to the construction of Improvements on any adjacent or nearby Unit based on the impact of such Improvements on the Owner's view. The right of each Owner to construct on the Owner's Unit Improvements that comply with the terms and conditions of the Governing Documents and have been approved by the DURB pursuant to Article IX, and the right of the DURB to designate building envelopes, and the right of the Declarant to construct Improvements on all Units, Common Areas and the Additional Property, as reserved or established in the Governing Documents or by common law, shall be superior to any claim by any other Owner of a right to prohibit or limit the construction of such Improvements based on any impact on, or impairment of, any views.

4.13 Provision of Services. The Association may provide or contract for services and facilities for the Owners, Occupants, and their employees, lessees, invitees, clients, customers and guests. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant or any Declarant-Related Entities, to provide such services and facilities. By way of example, some services and facilities which may be provided include cable, digital, satellite or similar television services, internet, intranet, data or

other computer related services, fire protection, Utilities, patrols or security services, street cleaning, waste collection, recycling collection, bike-sharing or car-sharing services, pest control services, landscape maintenance, special and promotional events coordination, and similar services and facilities.

The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense or a District Expense, depending on whether the service or facility is provided to all Units or only the Units within a specified District. In addition, the Board shall be authorized to charge use and consumption fees for services and facilities through Specific Assessments or by requiring payment at the time the service or facility is provided. As an alternative, the Association shall be further permitted to require Owners to utilize services delivered by a provider designated by the Association. By way of example, but not limitation, the Association shall have the right, but not the obligation, to designate one garbage collection company to provide service for all Units within the Properties. The Association may arrange for the costs of the services and facilities to be billed directly to Owners by the provider(s) of such services and facilities. Any Association contract for services or facilities may require Owners or Occupants to execute separate agreements directly with the Persons providing such services or facilities in order to gain access to or obtain specified services or facilities. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or Occupant of a Unit, may result in termination of such benefits to the Owner's Unit. Any such termination and any failure or refusal to participate shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service or facilities that are assessed against the Unit as a Common Expense or District Expense.

The Board, without the consent of the Class "A" Members of the Association, shall be permitted to add, modify or cancel any services or facilities being provided. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

4.14 Opportunities for Community Interaction. The Association may make use of computers, the internet, and expanding technology to facilitate interaction and encourage participation in Association activities. For example, the Association may sponsor a Cainhoy Development cable television channel, create and maintain a community intranet or internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and Occupants to interact and participate in Association-sponsored activities. To the extent South Carolina law and federal law permit, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices electronically, hold interactive web conferencing Board or Association meetings permitting attendance and voting by electronic means, and electronically send and collect assessments and other invoices.

4.15 Community Education and Training. In recognition of the fact that Owners and Occupants who are well-informed regarding their community's structure and governance and their rights and responsibilities in the community, have greater capacity to participate in civic life and in the affairs of the community, the Board, although not obligated, may in its sole discretion, establish education, training, and orientation programs relating to community governance, including "continuing" education programs, for everyone in the Properties. The Board may

utilize any appropriate method to achieve these education goals, including a community intranet, learning centers, computer centers, business centers, and coordinated activities with Association committees and Board members.

Community education may begin as early as the marketing stage or the point of sale of property within the Properties and may include orientation classes regarding community structure and governance; the nature, extent, and purpose of the covenants, rules, and regulations; and community-building issues such as the mission for Cainhoy Development, opportunities to participate in and affect the community's evolution and growth, and general community orientation.

Community governance education is an essential component of living in the Properties. Educating Owners regarding ownership rights, voting privileges, property use restrictions, assessment responsibility, community development, developer turn over or transition, and community activities, should be an ongoing innovative process geared toward including all Owners and Occupants. Governance education may be offered in the form of seminars, simple question and answer pamphlets, audio/video recordings, through a community cable channel, or through an interactive website. The Board may also coordinate with nationally recognized organizations such as the Urban Land Institute or the Community Associations Institute to offer programs regarding community governance or coordinate with nationally recognized speakers in the field to provide community governance instruction and workshops.

4.16 Community Activities and Clubs. In recognition of the fact that volunteering activities benefit both Cainhoy Development and the larger community, the Association may promote a volunteer ethic and encourage and facilitate the organization of volunteer organizations within Cainhoy Development. To accomplish this end, the Association may grant incentives for volunteering, such as exemptions from specific program fees and public recognition of distinguished volunteers and their achievements. The Association also may cooperate with and support outside organizations, such as recreational leagues or cultural organizations, by making facilities available for the organization's use or sponsoring the organization's activities. Additionally, the Association may compile and maintain a data bank of Owners and Occupants interested in volunteering and make such data available to other volunteer organizations.

The Association, in its sole discretion, may establish or support the establishment of "charter clubs" to encourage or facilitate the gathering of people to pursue common interests or hobbies. A charter shall confer privileges and impose responsibilities on the club and its members. For example, the Association may grant privileges including financial support, material support, facility use privileges, either with or without charge, priority for facility use, administrative and technical support, and liability insurance coverage.

The Association may grant charters to any group of individuals who share a particular field of interest. Any Owner or Occupant may submit a written request to the Association for a charter. In its sole discretion, the Association may grant or deny such request. The Association may fund the charter club as a Common Expense and/or require that club members pay use or consumption fees for materials, facilities use, or other club expenses.

The Association may use computer bulletin boards, websites, and publications to assist charter clubs and other community groups, religious groups, civic groups, youth organizations, and support groups in publicizing meetings, events, and the need for volunteer assistance. However, the Association may not fund the specific advertising or promotion of a charter club's events or another volunteer group's events, unless the Association, in its sole discretion, determines that such events or organizations benefit the entire community.

4.17 Trails. The Declarant reserves for itself, its successors and assigns, and the Association, the right to designate certain areas within Cainhoy Development, including the Common Area, to be used as recreational bike and pedestrian pathways and trails ("trail system"). Use of the trail system shall be subject to the reasonable Rules and Regulations of the Association and portions of the trail system may be designated as Exclusive Common Area. Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Unit, that the Properties may contain a trail system and that there may be certain inconveniences and loss of privacy associated with the ownership and use of Units adjacent to such trail system resulting from the use of the trail system by the Declarant, the Association, its Members, their tenants, Occupants, guests and invitees and the public.

4.18 Access by General Public. Certain facilities and areas within the Properties may be open for use and enjoyment of the public, whether by operation of law or by designation as provided in this Section. Such facilities and areas may include, by way of example, greenbelts, trails and paths, roads, sidewalks, medians, parks, and other neighborhood spots conducive to gathering and interaction. The Declarant may designate such facilities and areas as open to the public during the Development Period, or the Board may so designate at any time thereafter. Use of such facilities and areas shall be subject to the reasonable Rules and Regulations of the Association. Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Unit, that the Properties may contain such public areas and that there may be certain inconveniences and loss of privacy associated with the ownership and use of Units near or adjacent to such public areas resulting from the use of public areas by the Declarant, the Association, its Members, their Occupants, guests and invitees and the public.

4.19 Presence and Management of Wildlife. Each Owner and Occupant, and each tenant, guest and invitee of any Owner or Occupant acknowledges that the Properties are located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife, including without limitation, deer, opossums, alligators, reptiles, and snakes. Neither the Association, the Board, the original Declarant, nor any successor Declarant shall have any duty to take action to control, remove or eradicate any wildlife in the Properties nor shall they be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties. The habitat within the Properties may create a favorable environment for alligators and other wild animals regardless of the wildlife management practices, if any, of Declarant and the Association. Each Owner and Occupant, and each tenant, guest, and invitee of any Owner or Occupant, acknowledges that neither the Declarant nor the Association can eliminate the threat of alligators and other wild animals. Each Owner and Occupant of a Unit and each tenant, guest, and invitee of any Owner or Occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of such wildlife and further acknowledges that the Association, the Board, the original Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or

Occupant, or any tenant, guest, or invitee of any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to engage in wildlife and fishery management plans and practices on the Properties to the extent that such practices are permitted by applicable state and federal law. For the purpose of illustration and not limitation, this includes the right to manage and control any populations of white-tailed deer, feral hogs, raccoons, alligators and other wildlife through a variety of techniques, including organized hunting, shooting, trapping, relocating, sterilization, and habitat manipulation. Declarant may, in its sole discretion, commission environmental studies and reports relating to the Properties and the wildlife habitats located thereon, and may elect to follow or disregard any recommendations resulting from such studies. The Declarant may assign these management rights to the Association in which event the expenses of such activities shall be funded by General Assessments.

4.20 Future Development. Each Owner acknowledges, understands and covenants to inform its lessees and all Occupants of its Unit that the Properties and areas adjacent to the Properties are subject to further development and expansion, and therefore, there may be certain inconveniences during any period of construction, and Owner as well as any of its tenants or Occupants of its Unit waives all claims with respect thereto. Owner agrees that if Owner or Owner's employees, lessees, invitees, clients, customers, guests, contractors or agents enter onto any area of construction, they do so at their own risk, and that the Declarant, all Declarant-Related Entities, the Association, and their respective contractors, agents or employees shall not be liable for any damage, loss or injury to such persons.

Notwithstanding anything contained in any written letter, document or materials, or oral statement received by any Owner, each Owner acknowledges and agrees that the present plans and themes for the development of Cainhoy Development may change and that such Owner has not relied on any representation, warranty, or assurance by any Person (a) that any Units, or other property or facilities, will be added, modified, or eliminated within the Properties; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to the current or future: (a) design, construction, completion, development, use, benefits, or value of property within Cainhoy Development ; (b) number, types, sizes, prices, or designs of any residential or non-residential Improvements built or to be built in any part of Cainhoy Development; or (c) use or development of any property adjacent to or within the vicinity of Cainhoy Development.

4.21 Powers of the Association Relating to Districts. Since any District Committee established under this Declaration is a committee of the Association, the Board shall have all of the power and control over any District Committee that it has under applicable law over other committees of the Association.

The Association may veto any action taken or contemplated by any District Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standards. The Association also may require specific action to be taken by any District Association to fulfill its obligations and

responsibilities under this Declaration or any other Governing Documents, including any but not limited to any declaration of wetland restrictive covenants. For example, the Association may require specific maintenance or repairs or aesthetic changes to be done by the District Association, and that a proposed budget include the cost of such work. If the District Association fails to comply with such requirements within a reasonable time as specified in writing by the Association, the Association may effect such action on behalf of the District Association and assess the Units in such District for their pro rata share of any expenses incurred by the Association in taking such action. Such assessments may be collected as a Specific Assessment under Article IX.

4.22 Municipal Services. The Association may, but is not obligated to, contribute funds to the City of Charleston or other applicable governmental authorities, for the purpose of increasing the city's capacity to provide municipal services, including, without limitation, enhanced infrastructure improvements (i.e., curbing, alternative paving surfaces, street improvements, traffic control devices, street and directional signage, etc.), and police and fire protection services, within Cainhoy Development.

4.23 Governmental Permits. To the extent permitted by law, Declarant shall have the right in its discretion to assign, delegate, and/or otherwise transfer to the Association any of its continuing obligations and/or responsibilities under governmental permits and approvals with respect to the Properties, including, without limitation, its continuing obligations under any permit. The Association shall accept and assume such obligations and responsibilities without condition or consideration. Such assignment, delegation, or transfer and assumption shall be effective without the consent of, or any further action by the Association, but upon Declarant's request, the Association shall promptly execute any documents that Declarant requests to evidence the assignment, delegation, or transfer and assumption of such obligations and/or responsibilities. The Association shall comply in all respects with the terms of, and shall not undertake any activity inconsistent with, such permits and approvals. The Association shall indemnify, defend and hold Declarant harmless from and against any claims or losses arising out of the violation or failure to comply with any permit(s), or out of the operation, maintenance or use of any improvement or facility authorized by the permit(s), provided such claim or loss first occurs after the effective date of the assignment, delegation, transfer (or tender of the assignment, delegation, or transfer, if wrongfully refused by an Association).

4.24 Use of Lakes, Rivers and Other Bodies of Water. Neither the Association, the original Declarant, nor any successor Declarant shall be held liable for any loss or damage by reason of any permitted or prohibited use of any lake, river or other body of water for any purpose by Owners or Occupants. Each Owner acknowledges, understands and covenants to inform all Occupants of its Unit that the Association, its Board of Directors, DURB and committees, Declarant, and any successor Declarant are not insurers and that each Person using any lake, river or other body of water shall do so only in accordance with the restrictions set forth in Article X, any Rules and Regulations adopted by the Board and applicable governmental laws, ordinances, rules and regulations. Each Person assumes all risks of personal injury, and loss or damage to property, including Units, resulting from or associated with use of any lake, river or pond. Each Owner on behalf of itself and its Occupants acknowledges that lakes, rivers and other water bodies in the Properties may be designed as water management areas and are not necessarily designed as recreation or aesthetic features. Due to fluctuations in ground water

elevations within the immediate area, the water level of lakes and waterways will rise and fall. Neither the Declarant nor the Association has control over such water elevations, shore features or treatments, landscaping or any other matters related to water features in the Properties. In addition, the Association shall not be responsible for maintaining, increasing or decreasing the water level within any other water body or removing vegetation from any other water body.

4.25 Prescribed Fire and Smoke Easements. Prescribed fire is a valuable tool that improves wildlife habitat, perpetuates fire-dependent ecosystems, including the dependent plant and animal species, that reduces understory growth and the buildup of vegetative fuels which reduces the risk of property loss from severe wildfires and that is a part of best practices for timber management. Each Owner and Occupant, and each tenant, guest and invitee of any Owner or Occupant acknowledges and understands that prescribed fires will be conducted on the Properties and the areas adjacent to the Properties, including the Francis Marion National Forest, that smoke and airborne particulate matter will result from such controlled burning and that there may be inconveniences, discomfort and minor property damage resulting from prescribed fires. The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to engage in forestry management plans and practices on the Properties, including prescribed fires to the extent that such practices are permitted by applicable state and federal law and hereby reserves a smoke easement over and across the Properties for airborne smoke and particulates resulting from any prescribed fires. Each Owner on behalf of the Owner, Owner's employees, lessees, invitees, clients, customers, guests, contractors or agents or Occupants of its Unit waives all claims with respect to such prescribed fires against Declarant, all Declarant-Related Entities, the Association, and their respective contractors, agents or employee to the extent such prescribed fire was conducted in accordance with applicable regulations. Owner agrees that if Owner or Owner's employees, lessees, invitees, clients, customers, guests, contractors or agents enter onto any area of prescribed burning, they do so at their own risk, and that the Declarant, all Declarant-Related Entities, the Association, and their respective contractors, agents or employees shall not be liable for any damage, loss or injury to such persons.

4.26 Cemetery. Each Owner and Occupant acknowledges that certain portions of the Common Area may be subject to certain easements and lease agreements that reserve to the Association, to the relatives or descendants of any deceased person in any cemetery or burial ground that is located within the boundary of the Properties, and to any persons seeking access to any cemetery or burial ground for academic or historical purposes, a nonexclusive, perpetual easement of ingress and egress over such portions of the Common Area as are necessary for such access.

ARTICLE V MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which may include, but need not be limited to:

- (i) all Common Areas;

(ii) all landscaping and other flora, parks, lakes, structures, and Improvements, including any private streets, bike and pedestrian pathways/trails, recreational facilities, and sidewalks situated upon the Common Area;

(iii) any landscaping and other flora, parks, pedestrian pathways/trails, structures and Improvements within public rights-of-way within or abutting the Properties or upon such other public land adjacent to or within the Properties as deemed necessary in the discretion of the Board;

(iv) all lakes, ponds, streams and/or wetlands located within the Common Area which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith, including ensuring compliance of the drainage system and the performance of all necessary inspections for the Properties with the South Carolina Department of Health and Environmental Control NPDES General Permit for Stormwater Discharges from Construction Activities, as supplemented, amended, revised and modified, and also ensuring compliance of the drainage system and the performance of all necessary inspections for the Properties with the Berkeley County Covenants for Permanent Maintenance of Stormwater Systems, as supplemented, amended, revised and modified;

(v) any property and facilities owned by the Declarant or any Declarant-Related Entity and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association;

(vi) all storm water management facilities and retention basins located within the Common Area serving the Properties (if not maintained by a governmental agency or located on or within a Unit);

(vii) all planter strips and landscaping within any rights-of-way or medians of the roadways within or adjacent to the Properties to the extent that the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard;

(viii) all entry signs and features serving the Properties, constructed by or on behalf of the Declarant;

(ix) all signage within or adjacent to public rights-of-way within or adjacent to the Properties which the Board, in its sole discretion, deems appropriate; and

(x) such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, the Zoning Ordinance or any contract or agreement for maintenance thereof entered into by the Association.

The Association may, as a Common Expense, maintain other property and Improvements which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) Declarant may establish specific minimum standards for the maintenance, operation and use of any Area of Common Responsibility in the Governing Documents and/or in the deed or other instrument transferring the property to the Association. Such standards shall become part of the Community-Wide Standard. These standards may contain general provisions applicable to all of the Area of Common Responsibility, as well as specific provisions which vary from one portion of the Area of Common Responsibility to another depending upon the nature of any Improvements located thereon, intended use, location, and/or unique characteristics.

(c) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing sixty-seven percent (67%) of the Class "A" votes in the Association and during the Development Period, the Declarant agree in writing to discontinue such operation.

(d) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or a District Association in a Supplemental Declaration executed by such Owner or District Association; (ii) such maintenance responsibility is otherwise assumed by owners or operators of portions of any Adjacent Property pursuant to a Cost Sharing Agreement entered into by the Association; or (iii) such property is dedicated to any local, state, or federal governmental or quasi-governmental entity; provided however, that in connection with any such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the prior written consent of the Declarant.

(e) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the Owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, any Cost Sharing Agreement, the Governing Documents, any recorded covenants, or any agreements with the Owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a District Expense assessed as a District Assessment solely against the Units within the District(s) to which the Exclusive Common Areas are assigned, or a Specific Assessment against the particular Units to which the Exclusive

Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(f) In the event that the Association fails to properly perform its maintenance responsibilities hereunder and to comply with the Community-Wide Standard, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

5.2 Owner's Responsibility. Each Owner shall maintain its Unit and those additional areas located in rights-of-way to the back of the curb immediately adjacent to the Owner's Unit and all Improvements located thereon, including without limitation, all structures, parking areas, irrigation systems, drainage facilities, detention and retention ponds, landscaping, setback areas, and other Improvements in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a governmental agency pursuant to this Declaration, any Supplemental Declaration or other covenants applicable to such Unit, including, but not limited to, the Design Guidelines and the Zoning Ordinance. Such maintenance includes, but is not limited to the following, unless otherwise provided in the Design Guidelines:

(a) Removal of all litter, trash, refuse and waste at least once a week and keeping the trash pick-up, service and loading areas in a neat condition;

(b) Lawn mowing on a regular basis such that the grass level on undeveloped land is not higher than 12" and the grass level on developed land is not higher than 4".

(c) Tree, including street tree, and shrub pruning and replacement;

(d) Keeping exterior lighting, signage, fixtures, and mechanical facilities in working order;

(e) Keeping plant materials within lawn and garden areas alive, and any adjoining rights-of-way or drainage ditches attractive and free of trash and debris;

(f) Promptly removing and replacing any dead plant material;

(g) Keeping parking areas, driveways, alley ways and roads in good repair;

(h) Striping of parking areas and repainting of Improvements, as applicable;

(i) Maintaining, operating, and repairing drainage swale(s), drainage lines, catch basins and other equipment on such Owner's Unit, including the exercise of practices, such as mowing, removal of debris and erosion repair, which allow the drainage swales, drainage lines, catch basins and other equipment to provide drainage, water storage, conveyance, or other storm water management capabilities subject to any applicable requirements; and

(j) Repair of exterior damage to Improvements, including any mailboxes on the Unit or serving the Unit and located within adjacent public rights-of-way, and keeping such exterior Improvements in good repair.

Every Owner shall also be responsible for the security and safety of its Unit notwithstanding any security systems or measures which may be provided by the Association.

In addition to any other enforcement rights, if an Owner fails to properly perform its maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.6. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Entry by the Association or its designee under this Section shall not constitute a trespass.

5.3 District Responsibility. Upon resolution of the Board, the Owners of Units within each District shall be responsible for paying, through District Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such District. This may include, without limitation, the costs of maintaining any signage, entry features, rights-of-way and green space between the District and adjacent public roads, private streets within the District, and lakes or ponds within the District, regardless of ownership or the Person performing the maintenance; provided however, all Districts which are similarly situated shall be treated the same.

Any District Association having responsibility for maintenance within a particular District pursuant to additional covenants applicable to such District shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such District as provided in Section 8.6.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard, the Zoning Ordinance and all Governing Documents. Neither the Association or District Association nor any Owner shall be liable for any damage or injury occurring on, or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, sidewalk, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

5.6 Cost Sharing Agreements. Adjacent to or in the vicinity of the Properties, there may be certain residential, nonresidential or recreational areas, including without limitation single family residential developments, retail, commercial, or business areas and other Adjacent Properties. Unless specifically set forth in this Declaration or a Supplemental Declaration, such Adjacent Properties are not subject to this Declaration and are neither Units nor Common Area as defined in this Declaration, and the owners of such Adjacent Properties shall not be Members of the Association, shall not be entitled to vote, and shall not be subject to assessment under Article VIII of this Declaration.

The Association may enter into one (1) or more Cost Sharing Agreements with the owners or operators of portions of the Adjacent Properties:

(a) to obligate the owners or operators of such Adjacent Properties to perform and/or to share in certain costs associated with, the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such Adjacent Properties and the Owners within the Properties;

(b) to permit use of any recreational and other facilities located on the Common Areas by the owners or operators of such Adjacent Properties;

(c) to permit use of any recreational and other facilities located on such Adjacent Properties by the Owners of all Units or by the Owners of Units within specified Districts;

(d) to obligate the Association to perform certain maintenance, repair, replacement and insuring of portions of such Adjacent Properties and to allocate the costs of performing such services to the owners of such Adjacent Properties, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard;

(e) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such Adjacent Properties, if any,

which are used by or benefit jointly the owners or operators of such Adjacent Properties and the Owners within the Properties; and/or

(f) to establish Rules and Regulations regarding the use of areas that benefit jointly the owners or operators of such Adjacent Properties and the Owners within the Properties.

The owners or operators of such Adjacent Properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such Adjacent Properties, such payments by the Association shall be deemed to constitute Common Expenses of the Association unless the Cost Sharing Agreement provides otherwise. The owners or operators of the Adjacent Properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

In addition to the foregoing, there may be certain roads and sidewalks within Cainhoy Development which have been or will be dedicated or conveyed to the City of Charleston or other applicable governmental authorities. In the event that any road or sidewalk has been or shall be dedicated or conveyed to the City of Charleston or other applicable governmental authority, the Association may also enter into one (1) or more Cost Sharing Agreements with the City of Charleston or other applicable governmental authorities for the purpose of maintaining or contributing to the cost of maintaining such roads, related drainage easements and sidewalks within Cainhoy Development.

5.7 Office of Ocean and Coastal Resource Management. Each Owner acknowledges that any portion of any Unit which may contain submerged land, freshwater wetlands, coastal waters or any other critical areas, may be subject to the jurisdiction of OCRM. Each Owner shall be liable for any damages to, any inappropriate or un-permitted uses of, and any duties or responsibilities concerning any such submerged land, freshwater wetlands, coastal waters or any other critical areas within such Owner's Unit. In addition, each Owner acknowledges that matters related to land disturbance activities, including activities related to storm water management, may be subject to the jurisdiction of and permitting by OCRM.

ARTICLE VI INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" for all insurable Improvements within the Area of Common Responsibility on a "special form" basis (or comparable coverage by whatever name denominated) for all Improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form"

coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured Improvements.

(ii) Commercial general liability insurance on all public ways located within the Properties and on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits.

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law.

(iv) Directors and officers liability coverage.

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth (1/6th) of the annual General Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable which may include, without limitation, flood insurance.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") or its successor entity as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of one hundred percent (100%) of current "replacement cost" of all affected Improvements and other insurable property or the maximum limit of coverage available, whichever is less.

In addition, the Association may obtain and maintain property insurance on the insurable Improvements within any District in such amounts and with such coverages as the Owners in such District may agree upon pursuant to Section 3.4. Any such policies shall provide for a certificate of insurance to be furnished to the District Association and to the Owner of each Unit insured upon request.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a District shall be charged to the Owners of Units within the benefited District as a District Assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the District Assessment of the District(s) benefited unless the Board of Directors reasonably determines that other treatment of the premiums is more

appropriate. In the event of an insured loss, the deductible shall be treated as a Common Expense or a District Expense and assessed in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their employees, lessees, invitees, clients, customers or guests, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.6.

(b) Policy Requirements. The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in the Charleston, South Carolina, area. The Association shall have no insurance responsibility for any portion of the Adjacent Properties.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon written request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a).

In addition, the Board shall use reasonable efforts to secure insurance policies that are written in the following manner:

(i) with a company authorized to do business in the State of South Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a District shall be for the benefit of the Owners of Units within the District and their Mortgagees, as their interests may appear;

(iii) to not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees;

(iv) to contain an inflation guard endorsement;

(v) to include an agreed amount endorsement, if the policy contains a co-insurance clause; and

(vi) to include an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

In addition, the Board shall use reasonable efforts to secure insurance policies which provide:

(i) a waiver of subrogation as to any claims against the Board, its agents, officers, employees, Members, guests and manager(s);

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a Member;

(vi) a cross liability provision; and

(vii) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. In the event of any insured loss covered by insurance held by the Association, only the Board or its duly authorized agent shall be authorized to file and adjust insurance claims, which the Board may file in its discretion, and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or Improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members holding at least a Majority of the total Class "A" votes cast at a meeting or by written ballot in accordance with the By-Laws and, during the Development Period, the Declarant, decide within sixty (60) Days after the loss either (i) not to repair or reconstruct; or (ii) to construct alternative Improvements.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of

the Association or the District, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry liability with limits of not less than \$1,000,000 and property insurance for the full replacement cost of all insurable Improvements on its Unit, less a reasonable deductible. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association within (30) days from the date of such request. In the event that any Owner fails to obtain insurance or to provide copies of the policy or policies as required by this Section, the Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner, to be collected in the manner provided for collection of assessments under Article VIII. Each Owner further covenants and agrees that in the event of damage to or destruction of the Improvements, structures or landscaping on or comprising its Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner the damaged Improvement, structure or landscaping consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall also apply to any District Association that owns common property within the District in the same manner as if the District Association were an Owner and the common property were a Unit. Additional recorded covenants applicable to any District may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing Improvements and structures on the Units within such District and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Area, neither the Association, its Board of Directors, its successors or assigns, nor any officer or director or committee member, employee, agent, contractor (including the management company, if any) of any of them shall be liable to any Owner or Occupant for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Owner or Occupant whether such loss occurs in the Common Area or in individual Units.

Each Owner, by virtue of the acceptance of title to its Unit, and each other Person having an interest in or right to use any portion of the Properties, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising

from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

ARTICLE VII ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Annexation by Declarant. Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of any Members or Owners, but shall require the consent of the owner of such property to be annexed, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Declarant intends to develop the Properties in accordance with the Master Plan, but reserves the right to modify the Master Plan and any plat or any portion of the Properties from time to time in its discretion and at its option. Declarant shall not be required to follow any predetermined order of improvement and development within the Master Plan or Properties, and it may annex Additional Property and develop it before completing the development of the Properties. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever.

7.2 Annexation by Membership. Following termination of the Development Period, the Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period, for the purpose of removing any portion of the Properties from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant, and may be evidenced by the filing of a Supplemental Declaration in the Public Records. If the property to be withdrawn is Common Area, the Board, upon request from the Declarant, shall execute a written consent to such withdrawal, with such consent by the Association deemed to be given upon the filing of a Supplemental Declaration in the Public Records.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including, without limitation,

covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through District Assessments as well as any restrictions on use applicable to any Unit. Such additional covenants and easements shall be set forth in a Supplemental Declaration, filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of the property affected by such additional covenants and easements, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property for such purposes as deemed appropriate in Declarant's sole discretion, including, but not limited to, modifications to reflect the different character and intended use of such property as well as modifications to the types, allocations or amounts of the various assessments. Unless a Supplemental Declaration specifically supplements, creates exceptions to, or otherwise modifies the terms of this Declaration, this Declaration and all provisions herein shall apply to the subject property without modification.

7.5 Amendment. Notwithstanding anything to the contrary contained in this Declaration, this Article VII shall not be amended during the Development Period without the prior written consent of Declarant.

ARTICLE VIII ASSESSMENTS

8.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be six types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) District Assessments for District Expenses benefiting only Units within a particular District or Districts; (c) Special Assessments as described in Section 8.5; (d) Specific Assessments as described in Section 8.6; (e) Parking Assessments as described in Section 8.7; and (f) Active Amenities Assessments as described in Section 8.8. Each Owner, by accepting a Deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and other charges, together with interest, late charges in such amount as the Board may establish by resolution, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Unit against which the assessment or charge is made until paid, as more particularly provided in Section 8.9. Each such assessment or charge, together with interest, late charges, costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate or estoppel in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate or estoppel shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable

processing fee for the issuance of such certificate or estoppel, as a Specific Assessment, or any costs or expenses incurred by the Association in responding to the request for the certificate or estoppel.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment and any District Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may exempt itself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of its Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or Improvements, or from any other action taken by the Association or Board. The Association is specifically authorized to fully or partially exempt certain Units from liability for and payment of assessments based on the Owner of and/or use of such Units or portions thereof as the Board may from time to time determine in its sole discretion; provided, however, that such exemption shall be granted only to property that is owned by a charitable corporation, nonprofit corporation, quasi-governmental authority or public agency.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant, Declarant-Related Entity, or other entities for payment of Common Expenses.

The Governing Documents applicable to each District may designate one or more Persons who may be responsible for collecting all assessments levied against Units within such District (such Person or Persons hereinafter defined and referred to as the "District Assessor"). In the Association's sole discretion, the District Assessor shall be required to pay the full amount of such assessments to the Association on or before the date that such assessments are due. No District Assessor may claim set-off nor abatement based upon such Person's inability or failure to collect such assessments from the Owners of Units within such District. If the Governing Documents applicable to a particular District create a District Association, the District Association shall serve as the District Assessor if permitted or required to do so by the Association pursuant to Section 3.4.

8.2 Computation of General Assessment. At least sixty (60) Days before the beginning of each fiscal year, the Board shall prepare a budget for the estimated Common Expenses of the Association during the coming year. The budget may also include a contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.4.

The General Assessments against each Unit shall be calculated in accordance with the formula set forth Exhibit "C". The aggregate amount of the assessments shall be set at a level which is reasonably expected to produce income for the Association equal to the total budgeted Common Expenses, including any reserves. In determining assessments, the Board may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year, and any income or expenses expected to be generated from any Cost Sharing Agreement.

During the Development Period, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as a contribution or a loan in the Declarant's discretion. Any anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall calculate the total amount of General Assessment to be allocated to each Unit based on the formula set forth in Exhibit "C". The Board shall publish or otherwise deliver, in accordance with South Carolina law, a copy of the budget and send a notice of the amount of the General Assessment for the following year to each Owner at least thirty (30) Days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Owners representing at least sixty-seven percent (67%) of the total Class "A" votes in the Association and during the Development Period, by Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Owners as provided for special meetings in the By-Laws, which petition must be presented to the Board within ten (10) Days after the date of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. If the proposed budget is disapproved, or if the Board fails to determine a budget for any year, or if the budget proves inadequate for any reason, or if the use of a Unit changes and affects the assessment obligation of the Owner of such Unit, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall publish a copy of the revised budget and send a notice of the revised amount of the General Assessment, if applicable, in accordance with South Carolina law, to each Owner and District Assessor at least thirty (30) Days prior to the revised budget and assessment becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.3 Computation of District Assessments. At least sixty (60) Days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated District Expenses for each District on whose behalf District Expenses are expected to be incurred

during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a District Assessment. Any District may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners within such District in accordance with Section 3.4, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a District Expense, if any, within the District. District Expenses shall be allocated among all Units within the District(s) benefited thereby in accordance with the formula set forth in Exhibit "C" and levied as a District Assessment.

The Board shall publish or otherwise deliver a copy of such budget and cause a notice of the amount of the District Assessment for the coming year to be delivered to each Owner of a Unit in the District and District Assessor at least thirty (30) Days prior to the beginning of the fiscal year and in accordance with South Carolina law. Such budget and assessment shall become effective unless disapproved by Owners representing at least sixty-seven percent (67%) of the votes allocated to the Units in the District to which the District Assessment applies, and during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners holding at least 10% of the votes attributable to Units in such District. This right to disapprove shall only apply to those line items in the District budget which are attributable to services requested by the District. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the Owners within any District disapprove any line item of a District budget, the Association shall not be obligated to provide the services anticipated to be funded by such line item of the budget. If the Board fails for any reason to determine a District budget for any year, or if the budget proves inadequate for any reason, or if the use of a Unit changes and affects the assessment obligation of the Owner of such Unit the Board may prepare a revised District budget for the remainder of the fiscal year. The Board shall publish or otherwise deliver a copy of the revised budget and send a notice of the revised District Assessment, if applicable, to the District Assessor for, and each Owner within, the affected District in accordance with South Carolina law and at least thirty (30) Days prior to the revised budget and assessment becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

All amounts which the Association collects as District Assessments shall be expended solely for the benefit of the District for which they were collected and shall be accounted for separately from the Association's general funds.

8.4 Reserve Budget. The Board may, in its sole discretion, annually prepare reserve budgets for both general and District purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the general and District budgets reserve amounts sufficient to meet the projected needs of the Association.

8.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all Units, if such Special Assessment is for Common Expenses, or against the Units within any District if such Special Assessment is for District Expenses.

Special Assessment shall be allocated among the Units subject to the Special Assessment in accordance with the formula set forth in Exhibit "C". Any Special Assessment shall become effective unless disapproved at a meeting by Owners representing at least sixty-seven percent (67%) of the total Class "A" votes allocated to the applicable Units which will be subject to the Special Assessment, and during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Owners as provided for special meetings in the By-Laws, which petition must be presented to the Board within ten (10) Days after the date of the notice of such Special Assessments.

Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(s) or Occupants thereof upon request of the Owner pursuant to a list of choices of special services which the Board may from time to time authorize to be offered to Owners and Occupants (which might include, without limitation, landscape maintenance, patrols or security services, pest control service, cable, digital, data, and similar services, internet, intranet service or other computer-related services, street cleaning, waste collection, recycling collection, bike-sharing and car-sharing services, fire protection, Utilities and special and promotional events coordination), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

(b) to cover the costs associated with maintenance, repair, replacement and insurance of any Exclusive Common Area assigned to one (1) or more Units;

(c) to cover all costs incurred in bringing the Unit(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Unit, their agents, contractors, employees, lessees, licensees, invitees, clients, customers or guests; and

(d) to cover any costs or expenses incurred by the Association in responding to requests for assessment certificates and estoppels pursuant to Section 8.1.

In addition, fines levied by the Association pursuant to Section 4.3 and Community Enhancement Fees pursuant to Section 8.16 shall constitute Specific Assessments.

The Association may also levy a Specific Assessment against the Units within any District to reimburse the Association for costs incurred in bringing the District into compliance with the provisions of the Governing Documents; provided however, the Board shall give prior written notice to the District Assessor and the Owners of Units in the District and an opportunity for the Owners within the District to be heard before levying any such assessment.

8.7 Parking Assessments. The Association shall have the authority to determine that it would be beneficial to the Properties if all or part of the maintenance and repair obligations for all or part of the Parking Facilities were coordinated and undertaken by the Association. In the event that the Association elects to undertake Owners' obligations with respect to all or certain portions of the Parking Facilities, the Association shall assess the Owners of such benefited Properties for the expenses incurred by the Association for the maintenance and repair of such Parking Facilities (the "Parking Assessments"). The Parking Assessment against each Unit shall be calculated and allocated among the benefited Owners on a pro rata basis based on the size of the Parking Facilities that are maintained or repaired by the Association. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these Parking Assessments. The Parking Assessments shall be subject to the same lien rights, enforcement procedures, terms, conditions, and Rules and Regulations set forth in this Declaration with respect to Specific Assessments.

8.8 Amenities Assessments. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget for the estimated Common Expenses of the Association during the coming year relating to the operation, maintenance, repair, replacement, insurance, and administration of any Active Recreational Amenities within the Area of Common Responsibility. The budget may include a contribution to establish a reserve fund in accordance with a budget prepared under Section 8.4.

Each Residential Unit shall be subject to Amenities Assessments, unless otherwise provided by an applicable Supplemental Declaration. Amenities Assessments to be levied against each Residential Unit subject to assessment shall be calculated in accordance with Exhibit "C," in aggregate amounts reasonably expected to produce income equaling the total budgeted expenses, including any reserves. In determining assessments, the Board may consider other sources of funds, including any surplus from prior years and any assessment income expected to be generated from additional Residential Units anticipated to become subject to assessment in the fiscal year.

During the Development Period, the Declarant may, but shall not be obligated to, reduce the Amenities Assessment for any fiscal year by payment of a subsidy which may be treated as either a contribution or as a loan to the Association subject to repayment, in the Declarant's discretion. Any such subsidy shall be disclosed as a line item in the budget. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Active Recreational Amenities budget shall be distributed, approved, and revised in accordance with the procedures set forth in Section 8.5 with respect to Special Assessments.

8.9 Lien for Assessments. The Association shall have a lien against each Unit to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest limitation of South Carolina law), late charges in such amount at the Board may establish (subject to the limitations of South Carolina law), costs of collection and attorneys' fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien may be enforced by suit, judgment, and judicial or non-judicial foreclosure.

The Declarant, any Declarant-Related Entity or the Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment allocated to the Unit owned by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.10, including such acquirer, its successors and assigns.

All other Persons acquiring liens or encumbrances on any Unit after this Declaration has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

8.10 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on date which the Unit is conveyed to a Person other than the Declarant or a Declarant-Related Entity. The first annual General Assessment and District Assessment, if any, levied on each Unit shall be adjusted according to the number of Days remaining in the fiscal year at the time assessments commence on the Unit, and shall be due and payable on the date of conveyance.

8.11 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments and District Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.12 Exempt Property. General Assessments, District Assessments, Parking Assessments, Amenities Assessments, and Special Assessments shall not be levied directly against:

(a) Any Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) Any property that is owned by a charitable nonprofit corporation or public agency whose primary purposes include the acquisition and preservation of open space for public benefit and held by such agency or organization for recreational and open space purposes; and

(c) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility, unless otherwise specified by Declarant in a Supplemental Declaration applicable to such property.

In addition, any property that is owned by a quasi-governmental authority or public agency may be exempted from such assessments in Declarant's sole and absolute discretion in a Supplemental Declaration applicable to such property. Unless a Supplemental Declaration applicable to such property otherwise provides, the owner of any property that is exempt from the payment of assessments shall make open spaces and recreational areas on such property available for use by the Association, Owners of other Units, and their invitees, as consideration for such exemption. Use and enjoyment of such open spaces and recreational areas shall be subject to reasonable rules and regulations adopted by the owner of such property, with the consent of the Board.

8.13 Working Capital Contribution Requirement. The Association may, but shall not be obligated to, levy against each Unit, upon acquisition of record title by the first Owner thereof other than the Declarant or any Declarant-Related Entity and upon each subsequent conveyance of each Unit, a contribution to the working capital of the Association. Any working capital contribution shall be established by Board resolution and may not exceed an amount equal to 25% of the annual General Assessment per the applicable Unit for that year. Working capital contribution requirements may change from time to time and may vary according to, among other factors, land use, product type, and unique characteristics, and from one portion of the Properties to another depending upon the location and intended uses. Notwithstanding the foregoing, all Units that are similarly situated shall be treated the same, unless otherwise provided by an applicable Supplemental Declaration. Working capital payments shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Unit for use in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

8.14 Variation of Level of Assessments. Notwithstanding anything to the contrary contained in this Article VIII or elsewhere in this Declaration, in setting the levels or amounts of the various assessments provided for herein, and using the formula for determining same as provided in Exhibit "C", the Board may, but shall not be obligated to, consider the size and location of the Unit, the level of maintenance provided by the Association and the particular usage of any Unit, such as commercial, retail, service, institutional or residential (such

designations being used as examples only). Such factors shall be considered a reasonable basis upon which to differentiate between assessments levied on various Units or Districts within the Properties. For purposes of illustration and not limitation, the Association may impose reduced assessments on Units comprised of condominium units or other multi-family dwellings. In addition, Declarant shall have the right to enter into separate agreements, which agreements shall be binding upon the Association, that may fully or partially exempt certain Units from liability for and payment of assessments as Declarant may determine from time to time and in its sole discretion.

8.15 Payment of Assessments by Leasehold Owners and Improved Properties of Declarant. Notwithstanding anything provided in this Declaration to the contrary, the Declarant (as a Member of the Association or as the Owner of any Unit) shall not be responsible for the payment of any assessments with respect to any Units owned by Declarant unless the same have been leased to a Leasehold Owner or improved by the erection of Improvements thereon in which event Declarant or the Leasehold Owner of such Unit shall pay assessments in the manner set forth in this Article VIII.

8.16 Community Enhancement Fee. Except for the "Excluded Transactions" (as defined below), upon the sale or transfer of title to any Unit, or any portion thereof, a Community Enhancement Fee (the "Community Enhancement Fee") shall be due and payable at the time of closing for such sale or transfer. All Community Enhancement Fees shall be paid to Point Hope Community Trust, Inc., a South Carolina tax-exempt public benefit community service organization ("PHC Trust").

The Community Enhancement Fee payable on the sale of a Residential Unit shall be equal to one-half of one percent (0.50%) of the total purchase price for such Residential Unit, or portion thereof. Notwithstanding the foregoing, there shall be a maximum Community Enhancement Fee for each year for Residential Units. The maximum Community Enhancement Fee to be paid upon the sale or transfer of a Residential Unit shall be Six Thousand Seven Hundred Dollars (\$6,700.00) as of January 1, 2019. The maximum Community Enhancement Fee for Residential Units shall automatically increase by three percent (3%) over the maximum Community Enhancement Fee for Residential Units on January 1 of each year thereafter.

The Community Enhancement Fee payable on the sale of any Unit other than a Residential Unit (a "Non-Residential Unit") shall be determined as follows: (i) one-fourth of one percent (0.25%) shall be paid on the amount of the purchase price below five million dollars (\$5,000,000), or portion thereof; (ii) one-fifth of one percent (0.20%) shall be paid on the amount of the purchase price equal to or above five million dollars (\$5,000,000) and less than ten million dollars (\$10,000,000), or portion thereof; and (iii) fifteen - one hundredth of one percent (0.15%) shall be paid on the amount of the purchase price equal to and above ten million dollars (\$10,000,000), or portion thereof. By way of example only, if a non-Residential Unit, or any portion thereof, is sold for a purchase price of \$12,000,000, the Community Enhancement Fee due and payable would be \$25,500.00 ($\$12,500 + 10,000 + 3,000 = \$25,500$).

The purchaser or transferee of a Unit, or any portion thereof, shall be responsible for the payment of the Community Enhancement Fee at closing and the closing attorney for the purchaser or transferee shall be responsible for delivery of the Community Enhancement Fee to

PHC Trust. PHC Trust may require the purchasing and/or selling Owner to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of Deeds, the affidavit of consideration, or other such evidence as may be deemed reasonable by PHC Trust. In the event that the Community Enhancement Fee is not paid at closing, the amount due shall bear interest, shall be collectible as a Specific Assessment as set forth in this Article, and shall constitute a lien against the Unit. Declarant and the Association hereby grant PHC Trust a power of attorney, coupled with an interest, so as to provide PHC Trust with the right, at no expense to Declarant or the Association, to collect the Community Enhancement Fee and enforce the provisions of this Section against the Owner of the Unit, including, but not limited to, the right to seek collection of the Community Enhancement Fee and other sums payable pursuant to this Section as well as the right to assess a Specific Assessment (as provided in Article VIII) against the Owner's Unit or portion thereof. In addition, PHC Trust may collect its reasonable attorneys' fees and court costs in enforcing the provisions of this Section.

Notwithstanding the foregoing, the Community Enhancement Fee shall not be due and payable for the following transactions (collectively, the "Excluded Transactions"):

- (a) The sale of any Unit, or portion thereof, by Declarant or any Declarant-Related Entity;
- (b) The transfer of a Unit, or portion thereof, to Declarant or any Declarant-Related Entity;
- (c) The sale of a ^{Residential} Unit by a Builder to an Owner in which the sale is the first conveyance of the ^{Residential} Unit following the acquisition of the ^{Residential} Unit by the Builder from the Declarant or a Declarant - Related Entity;
- (d) The lease of a Unit, or portion thereof, to a Leasehold Owner;
- (e) The transfer of a Unit, or portion thereof, to the spouse of an Owner or to a direct linear descendant of the Owner;
- (f) The transfer of a Unit, or portion thereof, to a trust whose beneficiaries are solely the spouse and direct linear descendants of the Owner;
- (g) The transfer of a Unit, or portion thereof, to an entity in which the Owner owns, directly or indirectly, not less than 51% of the ownership interests in such entity;
- (h) The transfer of a Unit, or portion thereof, to an entity that owns, directly or indirectly, not less than 51% of the ownership interests in Owner;
- (i) a Mortgagee acquiring title to a Unit, or portion thereof, pursuant to a foreclosure action;
- (j) a Mortgagee acquiring title to a Unit or portion thereof, pursuant to a conveyance in lieu of foreclosure;

*Builder is any Person who purchases one (1) or more Residential Units for the purpose of constructing a residential dwelling for later sale to customers.

(k) Any transfer which the Declarant, in its sole discretion, waives in writing the Community Enhancement Fee; or

(l) Any transfer which PHC Trust, in its sole discretion, waives in writing the Community Enhancement Fee.

Except for the Excluded Transactions permitted under subparagraphs (a) and (b) above (for which no notice shall be required), the transferring Owner shall give PHC Trust at least thirty (30) Days' prior written notice of any transfer which is an Excluded Transaction with sufficient documentation to establish that the transfer is an Excluded Transaction.

It is hereby acknowledged that, in the event a transfer of a Unit, or portion thereof, is deemed in that particular instance to be an "Excluded Transaction", the subsequent transfer of that Unit, or portion thereof, shall again be subject to the Community Enhancement Fee unless such subsequent transfer independently qualifies as a separate Excluded Transaction in accordance with this Section.

The Community Enhancement Fee shall be paid to PHC Trust, and such funds may be used by PHC Trust in its sole discretion in accordance with its articles of incorporation and by-laws. Such fees may be used to provide funding for activities and such other purposes as the Declarant, in its sole discretion, deems beneficial to the general good and welfare of Cainhoy Development. For example, Community Enhancement Fees might be used to fund, or to assisting funding:

(i) programs and activities that enhance the welfare and lifestyles of Owners and Occupants of Units;

(ii) an ongoing resource management plan for Cainhoy Development, including the preservation, maintenance, and enhancement of natural areas, wildlife habitats, or similar conservation areas;

(iii) sponsorship of educational programs and activities that contribute to the overall understanding, appreciation, and preservation of the natural environment within and surrounding Cainhoy Development;

(iv) programs, services, and activities that serve to promote a "sense of community" within Cainhoy, Point Hope, Wando and Huger areas and as a part of the larger, surrounding area, such as recreational leagues, cultural programs, educational programs, festivals and holiday celebrations and activities, a community computer network, and recycling programs; and

(v) social services, programs, community outreach other charitable causes.

Each Owner hereby acknowledges and agrees that, pursuant to the terms of South Carolina Code Section 27-1-70, the obligation to pay Community Enhancement Fees is not a "Transfer Fee Covenant" because the Community Enhancement Fee is payable to a nonprofit mandatory membership organization comprised of the Owners.

Declarant hereby reserves for itself, during the Development Period, the right to transfer, assign or delegate PHC Trust's right to collect the Community Enhancement Fee under this Section, in whole or in part, on a temporary or permanent basis, to a third party. Any assignee shall be limited to those excluded from the definition of "Transfer Fee Covenant" pursuant to South Carolina Code Section 27-1-70, such as an organization described in Section 501(c)(3), 501(c)(4) or 501(c)(7) of the Internal Revenue Code, using such fees exclusively to support cultural, educational, charitable, recreational, environmental, conservation, social, or other similar activities benefitting the Properties or Cainho Development. No such transfer or assignment shall be effective unless it is in a recorded instrument signed by the Declarant.

This Section 8.16 shall inure to the benefit of PHC Trust and its successors and assigns and shall not be amended by the Association without the prior written consent of Declarant during the Development Period. In addition, for a period of fifty (50) years following the conclusion of the Development Period, this Section shall not be deleted, amended or modified without the prior written consent of PHC Trust (including its successors, successors-in-title, and assigns), which may be given or withheld in PHC Trust's sole discretion.

8.17 Contributions by Declarant. In accordance with Section 8.2, the Declarant may support the Association by funding operating deficits during the Development Period. At the sole election of the Declarant, the Declarant may recoup from the Association all such payments, which amounts may be paid from the operating account of the Association, but not from capital reserves. Regardless of whether the Declarant recoups any other deficit amounts, it is not the intention of the Declarant to forfeit refundable reserves or deposits paid by the Declarant, nor to pay for deficits created by the nonpayment of assessments by other Owners. It is also not the intention of the Declarant to pay for expenses which are otherwise covered in the annual budget of the Association, but which, due to the requirement of an advance payment, create temporary or seasonal deficits. Accordingly, the Declarant shall be reimbursed for all amounts paid by the Declarant in the funding of deficits caused by the nonpayment of assessments by Owners which, if not sooner paid, shall be paid to the Declarant at the time the unpaid assessment is collected. In addition, if not sooner paid, the Declarant shall be reimbursed for any refundable deposit upon the Association's receipt of the same.

All deficits shall be collectible by the Declarant at any time from excess funds not designated for capital reserves. The Declarant shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by the Declarant. The Board of Directors, specifically including members of the Board appointed by the Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to evidence the repayment obligation of the Association; provided however, the failure to execute such a note shall in no way diminish such obligation.

ARTICLE IX

ARCHITECTURAL STANDARDS

9.1 General. No Improvements shall be placed, erected, installed, or constructed on, or altered upon, or removed from any Unit or any other portion of the Properties except in compliance with this Article, and approval of the DURB under Section 9.3. Owners must obtain

such prior written approval from the DURB prior to submitting any application(s) for applicable permits and approvals to local, state, or federal governmental departments or agencies, which have jurisdiction over construction.

All Improvements constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a person licensed in the State of South Carolina to practice architecture, engineering, or landscape architecture, or other work consistent with the intended construction in accordance with applicable laws, rules and regulations, unless otherwise acceptable to the DURB, in its sole discretion. All plans and specifications shall be subject to review as provided herein.

This Article shall not apply to the activities of the Declarant, nor to Improvements to the Common Area by or on behalf of the Association. This Article may not be amended during the Development Period without the Declarant's written consent.

9.2 Architectural Review. Each Owner, by accepting a Deed or other instrument conveying any portion of the Properties acknowledges that, as the developer of the Properties, Declarant has a substantial interest in ensuring that all structures and Improvements within the Properties enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell or lease any portion of the Properties or the Additional Property. Therefore, the Declarant may, on its behalf, establish a DURB to be responsible for administration of the Design Guidelines and review of all applications for use, construction and modifications under this Article shall be handled by the DURB. The members of the DURB need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the DURB. The DURB or the MC (as defined in Section 9.2(b) below) may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, landscape architects, engineers or other professionals that the DURB or MC employ or with whom they contract. The Board may include the compensation of such Persons in the Association's annual operating budget or, if appropriate, in a District operating budget. In addition, the DURB or the MC may require the posting of deposits or bonds while construction is pending on any Unit, to ensure completion of all work in compliance with plans approved by the DURB or the MC, in conformance with all Design Guidelines, and without damage to the Properties.

(a) Design and Use Review Board. The DURB shall consist of at least one, but not more than five, persons and shall have exclusive jurisdiction over all original construction on any portion of the Properties. The Declarant retains the right to appoint all members of the DURB who shall serve at the Declarant's discretion until five (5) years after the termination of the Development Period. Declarant may, but shall not be obligated to combine the members and functions of the DURB under this Declaration with similar committees now or hereafter in existence under any Cost Sharing Agreement or any recorded covenants, restrictions and declarations applicable to any District. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon expiration

or surrender of such rights, the Board shall appoint the members of the DURB, who shall thereafter serve and may be removed in the Board's discretion.

(b) Modifications Committee. The Board of Directors may, but shall not be obligated to, establish a Modifications Committee ("MC") to consist of at least three and no more than five persons, all of whom shall be appointed by and shall serve at the discretion of the Board. If established, the MC shall have jurisdiction over modifications, additions, or alterations made on or to existing Improvements on Units or containing Units and the adjacent open space. The MC may delegate its authority as to a particular District to the District Association, if any, so long as the MC has determined that such District Association has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. The DURB shall have the right to veto any action taken by the MC or a District Association which the DURB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the DURB. The MC may be eliminated and its duties assumed by the DURB at any time in the discretion of the Board.

9.3 Guidelines and Procedures.

(a) Design Guidelines. The Declarant may prepare and amend from time to time design and construction guidelines and application and review procedures for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one portion of the Properties to another depending upon the location, unique characteristics, and intended uses. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The DURB shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of Improvements previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the DURB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The DURB shall make the Design Guidelines available to Owners who seek to engage in development or construction within the Properties and may charge a reasonable fee to cover reproduction costs.

The MC may promulgate guidelines, procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the DURB. Any architectural guidelines and standards adopted by the MC may be more restrictive than the Design Guidelines, but under no circumstances shall they be inconsistent with the Design Guidelines.

(b) Procedures. No activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed work has been submitted to and approved by the DURB or the MC, as appropriate, and the specific use for such portion of the Properties has been approved by the DURB in accordance with Article X. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and Improvements shall be submitted to the appropriate reviewing body for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, grading, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. The DURB may require the submission of application forms and information as it deems necessary to consider any application and may require multiple stages of application and review for any use, construction or modification.

The DURB shall make a determination on each application after receipt of a completed application with all required information, materials and fees. If the DURB permits or requires an application to be submitted or considered in stages, a final decision shall not be required until after the final, required submission. The DURB may: (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. No approval shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the DURB pursuant to Section 9.5. In the event that the DURB fails to respond in writing to any stage of application within thirty (30) Days after submission of all required information, materials and fees, the application shall be deemed denied unless an extension of such time period is agreed to by the DURB and the applicant.

Notwithstanding the above, the DURB by resolution may exempt certain activities from the application and approval requirements of this Article, provided that such activities are undertaken in strict compliance with the requirements of such resolution.

(c) Copyright. Each application to the DURB shall be deemed to contain a representation and warranty by the Owner that use of plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the DURB, nor the distribution and review of the plans by the DURB shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the DURB shall hold the members of the DURB, the Association and Declarant harmless and shall indemnify said parties against any and all damages, liabilities, and expenses incurred in connection with the review process of this Declaration.

(d) Delinquent Assessments and Other Charges. Notwithstanding the provisions of subsection (b) above, any application for the approval of plans and specifications as set forth in this Article shall be deemed to be disapproved unless and until any and all delinquent assessments and other charges permitted by the Declaration have been paid current by the Owner submitting such plans and specifications for approval.

(e) Basis of Approval. In reviewing and acting upon any request for approval, the DURB shall be acting solely in Declarant's interest and shall owe no duty to any other person. The DURB may consider (but shall not be limited to consideration of) the quality of workmanship and design, harmony of external design with existing Improvements and

structures, and location in relation to surrounding Improvements, structures, topography, setbacks and finish grade elevation, among other things. Decisions of the DURB may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time. The DURB shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and whether proposed improvements are consistent with Design Guidelines.

Review of the plans shall be based on general adequacy of site dimensions, conformity and harmony of the exterior design, location with neighboring Improvements, structures and sites, relation of finished grades and elevations to neighboring sites, compatibility with first class commercial, retail, and mixed use developments, and conformity to both the specific and general restrictions and covenants set forth herein, and in the Design Guidelines. The DURB shall have the right to disapprove any submitted plans of any Unit if such plans are not in conformity with the provisions of this Declaration or the Design Guidelines, or if the DURB, acting pursuant to Article IX hereof in its discretion determines that such plans are not in the best interest of the contemplated development of the Properties as a master planned mixed use development as described by this Declaration.

All work shall be commenced and completed within such period as provided in the Design Guidelines or as the DURB may specify in the notice of approval, unless commencement or completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the DURB. In the event construction of the work called for by the approved plans has not substantially commenced within such period then approval shall be deemed expired and no construction shall thereafter commence unless a written renewal is granted by the DURB.

Approval by the DURB of any plans and specifications or the granting of a variance with respect to this Declaration, the Design Guidelines or any Rules and Regulations of the Association, shall not in any way be construed to set a precedent for approval, alter in any way this Declaration, the Design Guidelines or any Rules and Regulations of the Association or be deemed a waiver of the DURB's right, in its discretion, to disapprove similar plans and specifications, use of any Improvement, or any of the features or elements which are subsequently submitted for use in connection with any other Unit.

(f) Easements and Common Area Dedications. As a prerequisite of approval of plans, the DURB shall have the power to require an Owner who has submitted plans to grant any reasonable Utility and drainage easements as may be required for the enjoyment and benefit of the Owners or the Association. Where possible, the DURB shall attempt to locate any such required easements along the perimeter of the Unit, within existing or proposed rights-of-way, within other existing or proposed easements, or in such a manner as to not materially impair the proposed use of the Unit.

(g) Stop Work Orders. During special events, including but not limited to, educational, cultural, entertainment, promotional, charitable, sporting and other similar events, held, hosted or otherwise conducted within Cainhoy Development, including but not limited to the Properties, the DURB may, and upon request of the Declarant shall, issue "stop work" orders. "Stop work" orders may prohibit the commencement of or suspend the work on any

architectural change, construction, addition, alteration, change, maintenance, repair, reconstruction or other work that is visible or audible from outside a Unit or that may cause an increase in traffic flow, from being performed by an Owner or Occupant within the Properties. Any stop work order shall be set forth in writing, shall identify the Units subject to the stop work order (if not applicable to all of the Properties), shall set forth the scope of the prohibited and suspended activities and shall specify the start and stop dates for such stop work order, which period of time shall not exceed seven (7) consecutive Days.

(h) Certificate of Compliance. Upon completion of the construction or alteration of any Improvement in accordance with plans and specifications approved by the DURB, the DURB shall, upon written request of the Owner, or any Mortgagee thereof, issue a recordable certificate of compliance (a) identifying such Improvement and the Unit on which such Improvement is placed, and (b) stating that the plans and specifications for such Improvement and the use or uses to be conducted thereon have been approved, subject to a disclaimer of obligation as set forth in Section 9.7. Preparation of such certificate shall be at the expense of such Owner or Mortgagee. Any certificate of compliance issued in accordance with the provisions of this subsection shall be prima facie evidence of the facts therein stated and may be relied upon by any bona fide purchaser of such Unit, Mortgagee or any title insurer.

(i) Governmental Approvals. Approval under this Article shall be obtained prior to requesting any building or other permit or submitting any documentation to any governmental authority whose review or approval may be required for the proposed work. The Declarant and the Association shall have the right and standing to take action to suspend or enjoin processing of any request for review or approval by a governmental authority submitted prior to any necessary approval being granted hereunder. Approval under this Article is not a substitute for any approvals or reviews required by the City of Charleston or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

9.4 Specific Design Guidelines.

(a) Construction of Parking Facilities. Unless otherwise approved by the DURB, all applications shall include plans for the construction of Parking Facilities. The initial phase of the Parking Facility shall be of sufficient size to accommodate its use by the individuals working on construction of the Improvements on the Unit. Prior to an Owner commencing the construction of any other Improvements on its Unit, such Owner shall substantially complete the construction of the Parking Facility upon its Unit in accordance with the approved plans. Substantial completion of the initial phase of the Parking Facility shall mean that the Parking Facility shall be useable during the course of construction activities on the Unit; however, an Owner shall not be required to complete the final surface course or striping of the Parking Facility. In the event that the Owner fails to substantially complete construction of the initial phase of the Parking Facility on the Unit prior to constructing other Improvements on the Unit, then, in addition to other remedies set forth in the Governing Documents, the Association shall have the right, but not the obligation, to fine the Owner One Hundred Dollars (\$100.00) per day as a Specific Assessment for each day of such non-compliance until the initial phase of the Parking Facility is completed. Notwithstanding the foregoing, all Parking Facilities, including the initial phase, shall be completed in accordance with the approved plans, including the final

surface course and striping, within the time period specified in the Design Guidelines or as the DURB may specify in the notice of approval.

(b) Roads. To the extent that any roadways, streets, alleys or other means of egress and ingress are approved by the DURB in accordance with this Article IX, once constructed, such accessways may not later be blocked or obstructed in any manner (e.g. planters, bollards, fences, etc.) that prevents access by motor vehicles without the prior written consent of the DURB.

9.5 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.6 Variance. The DURB, in its sole discretion, may authorize variances from compliance with any of its guidelines and procedures. In determining whether to grant a variance, the DURB may consider circumstances such as topography, natural obstructions, advancements in technology or products, hardship, or aesthetic or environmental considerations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the DURB from denying a variance in the future under similar circumstances. The DURB shall not be required to grant a variance under any circumstances, including but not limited to, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing. Additionally, the granting of any variance by the DURB shall not supersede any requirement for approval of such variance by the City and shall not serve as a representation or warranty by the DURB that such variance shall be approved by the City.

9.7 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only and shall not create any duty to any Person. Neither the Declarant, the Association, the Board, or the DURB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications or the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all Improvements are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property Owners. Neither the Declarant, the Association, the Board, the DURB, the MC, any committee nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, the Declarant, the Board, the DURB, the MC and their members shall be defended and indemnified by the Association as provided in Section 4.8.

9.8 Enforcement. The Declarant, any member of the DURB, the MC, the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Unit to inspect the same for the purpose of ascertaining whether any Improvement is in violation of this Article. Any Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written notice from the DURB, the Board or the Declarant, Owners shall, at their own cost and expense, cure any violation or

remove such structure or Improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to cure any violation or remove and restore the property as required, any authorized agent of the Declarant, the DURB, the MC, or the Board shall have the right to enter the property, cure or remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant, the DURB and the MC by any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

The DURB, the MC, the Association, the Declarant, and the members, officers or directors of the foregoing shall not be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the DURB from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DURB, and the MC.

ARTICLE X USE RESTRICTIONS AND STANDARDS

10.1 *General.* Declarant has established a general plan of development for the Properties as a master planned mixed use development in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the DURB's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned mixed use development and to regulate and control the Area of Common Responsibility. In order to carry out the general plan of development, create enhancements to the Properties and maintain the values thereof, Declarant has been given and retains in its discretion in Article XIII and throughout this Declaration, the specific right and authority to limit the specific use or uses of any portion of the Properties, including any one Unit or portions thereof or group of Units, or negatively restrict any Unit or portions thereof or group of Units from being used for a certain

use or uses. The use of any Unit and the limitations on use imposed by the Declarant may not be changed without the prior written consent of the DURB as set forth in this Article.

This Article shall not apply to the activities of the Declarant, nor to Improvements to the Common Area by or on behalf of the Association. This Article may not be amended during the Development Period without the Declarant's written consent.

10.2 Use Review. The Properties are subject to the Master Plan, the Zoning Ordinance, the Design Guidelines, the land development, architectural, and design provisions described in Article IX, the other provisions of this Declaration governing individual conduct and uses of and actions upon the Properties, any applicable Supplemental Declaration, the Use Guidelines, and the Rules and Regulations, all of which establish affirmative and negative covenants, easements, and restrictions on the Properties, and which are enforceable by the Association as set forth in this Declaration. As set forth in Article XIII, Declarant retains the right, in its discretion, during the Development Period, to specifically determine, limit and otherwise review and designate the initial uses permitted for any Unit or group of Units. Any change to the actual use of a Unit or to the specific permitted use designations imposed by the Declarant on such Unit shall require the consent of the DURB and the Owner(s) of the affected Unit or Units and shall be set forth in a written instrument recorded in the Public Records.

10.3 Guidelines and Procedures.

(a) Use Guidelines. The Declarant shall establish the initial Use Guidelines, which may include procedures for the review, approval and enforcement of the use or uses of and for all Units on a case by case basis. The Design Guidelines and Use Guidelines may be incorporated into a single document. The DURB shall adopt such Use Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. There shall be no limitation on the scope of amendments to the Use Guidelines; the DURB is expressly authorized to amend the Use Guidelines to remove requirements previously imposed or otherwise to make the Use Guidelines less restrictive. Nothing in this Article shall authorize the Board or the Owners to modify, repeal or expand the Use Guidelines.

The DURB shall be responsible for the administration of the Use Guidelines and review of all applications for changes in use under this Article shall be handled by the DURB. The DURB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

The DURB shall make the Use Guidelines available to Owners and may charge a reasonable fee to cover reproduction costs.

(b) Procedures For Review and Enforcement. No activities within the scope of Section 9.1 shall commence on any portion of the Properties, and no change of permitted uses of any Unit, shall occur until an application for approval of the proposed use or uses for the specific Unit or Units or other portion of the Properties in question, has been submitted to and approved in writing by the DURB. Thereafter, the use for all or any portion of a specific Unit or group of Units shall not be changed from that last approved by the DURB in accordance with this Article X unless and until an application for such change in use has been submitted to and

approved in writing by the DURB. The DURB may require the submission of application forms and such information as it deems necessary to consider any application for approval of an initial use and/or for the approval of a change in use from one previously approved. Notwithstanding the foregoing, in the event the DURB fails to approve or to disapprove in writing an application for initial use or for a change of use within thirty (30) Days after submission of all requested information and materials, the application and the specific use for which approval is being sought shall be deemed disapproved unless an extension of such time period is agreed to by the DURB and the applicant. All such review and approval of the use or uses for any portion of the Properties shall be done and made in the DURB's sole and absolute discretion and an approval of a specific use for a Unit or portion thereof, or a group of Units shall not be deemed an approval for any other Units nor shall it constitute a waiver of the right to withhold approval as to any similar proposals for use of a specific Unit or of other Units within the general area. In addition, the DURB may grant variances to the Use Guidelines as set forth in Section 9.6. The failure of an Owner to submit and obtain approval for the specific use to be carried out on or within its Unit (whether initial uses or change in use), or to comply with such use after approval thereof, shall be deemed a violation of this Declaration and shall be subject to enforcement by the DURB and/or the Association as provided in this Declaration and in the By-Laws.

(c) Assessment and Voting Allocations. Any change on the limitations on use of a Unit or the change of the actual use of a Unit may impact the assessment and voting allocations for the affected Unit as determined in accordance with the formula set forth in Exhibit "C". The Board may, but shall not be obligated to, revise the Association's budgets to reflect such change and publish or otherwise deliver the revised budgets to the District Assessors or Owners in accordance with Article VIII.

10.4 Specific Use Guidelines.

(a) Permitted Uses. The Properties shall be used only for such purposes permitted by the Zoning Ordinance, as described in the Master Plan, the Use Guidelines, and specifically approved by the DURB, consistent with this Declaration and any Supplemental Declaration.

(b) Prohibited Uses. Exhibit "E" attached hereto and incorporated herein sets forth the initial use restrictions and rules.

(c) Other Prohibited Uses. The Use Guidelines shall set forth activities and uses which are prohibited and restricted within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the DURB in its sole and absolute discretion. The Use Guidelines may designate certain areas or zones within the Properties, and the activities and uses permitted or prohibited and restricted within the Properties may vary by zone. The prohibitions and restrictions shall apply to all of the Properties until such time as they are amended, modified, repealed or limited as provided in this Article.

10.5 Rules and Regulations. In addition to the Use Guidelines, the Board may adopt Rules and Regulations applicable to all or portions of the Properties. The Board may amend, modify, expand, limit, or restrict such Rules and Regulations. At least thirty (30) Days prior to the effective date of any such modification, amendment, expansion or repeal of the Rules and

Regulations pursuant to this Section, the Board shall provide notice of such modification or amendment. The posting of Rules and Regulations in a conspicuous manner and location within the Properties or the publication in a printed or "online" community newsletter of general circulation within the Properties shall be deemed sufficient notice to all Owners, Occupants, and other permitted users; provided, the Board, in its discretion, may provide notice by other means or methods. The Association shall provide, without cost, a copy of the Rules and Regulations then in effect to any requesting Member or Mortgagee.

10.6 Applicability. All provisions of this Declaration, any Use Guidelines and Rules and Regulations shall apply to all Owners, Occupants, employees, lessees, clients, customers, guests and invitees of any Unit. Any lease on any Unit shall provide that the lessee and all Occupants of the leased Unit shall be bound by the terms of the Governing Documents.

10.7 Owners' Acknowledgment and Notice to Purchasers. All Owners and Occupants of Units and purchasers are given notice that the specific operational use or uses of each Unit is limited by the use review and approval rights of the DURB and the general Use Guidelines and the Rules and Regulations, as either of them may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a Deed or entering into a contract for the purchase of a Unit, acknowledges the rights of Declarant and DURB with respect to review and approval of the specific uses of the Properties and the Board with respect to the Rules and Regulations, agrees to abide thereby, and further acknowledges and agrees that the specific use and enjoyment and marketability of its Unit can be affected and that the Use Guidelines and Rules and Regulations may change from time to time.

Each Unit Owner further acknowledges that certain uses on one Unit may impact the use of another Unit. For example, the use of a Unit for a child care facility may impact the use of another Unit due to governmental rules and regulations. Each Owner shall be responsible for determining the impact of such uses on its Unit.

ARTICLE XI EASEMENTS

11.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2 Easements for Utilities. Etc.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements, for itself and any Declarant-Related Entity during the Development Period, for the Association, and the designees of each (which

may include, without limitation, any governmental or quasi-governmental entity and any Utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable, digital, satellite or similar television systems, master television antenna systems, cell towers, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, alley ways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all Utilities, including, but not limited to, water, sewer, telephone, gas, and electricity systems, equipment, lines and meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, natural gas supplier, internet service provider, cable television, satellite or data service provider, or other utility service or submetering company, the easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility systems, equipment, lines, meters and boxes, as applicable.

(b) Declarant reserves, creates, establishes, promulgates and declares for itself and its designees during the Development Period non-exclusive, perpetual, reciprocal, appurtenant easements and the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or Occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.3 Easement for Slope Control, Drainage and Waterway Maintenance. The Declarant, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Unit for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Properties.

11.4 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and Mortgagees, a non-exclusive easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, posting of signs and connecting and installing utilities and improvements on such property. In addition, Declarant reserves the non-exclusive right and power to grant such specific non-exclusive easements and licenses over the Common Area as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

11.5 Use of and Limitations on Easements and Licenses. The Owners of Units benefited by the easements and licenses specified in Sections 11.1 and 11.3 (if any and to the extent additional easements or licenses under Section 11.3 are for the benefit of Unit Owners) of this Declaration and those other persons granted rights herein shall be entitled to use and enjoy said easements and licenses in common with others entitled to use same and shall take no action in or with respect to any of said easements and licenses which would interfere with the rights of other persons to use said easements and licenses or to enjoy the benefits therefrom.

11.6 Easement of Entry. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Unit for emergency, security, and safety reasons. Such right may be exercised by any member of the Board, the Association's officers, committee members, agents, employees and managers of the Association, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit shall be only during reasonable hours and after notice to the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any structure without permission of the Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

11.7 Easements for Maintenance and Enforcement.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the Association to enter all portions of

the Properties, including each Unit but excluding the interior of any structure, to (i) perform its maintenance responsibilities under Section 5.1, and (ii) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

(b) The Association may also enter a Unit, excluding the interior of any structure, to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys' fees, may be assessed against the violator as a Specific Assessment.

(c) Entry under this Section shall not constitute a trespass, and prior notice to the Owner shall not be required except as provided in Section 5.2.

11.8 Maintenance, Construction, Utility and Drainage Easements. The Owners of all Units recognize and agree that temporary construction and permanent and perpetual maintenance easements and all rights of access reasonably necessary to permit construction and maintenance of the Common Area, including reasonable permanent easements to permit installation and maintenance of utilities, roads, walkways and storm water drainage on the Properties are hereby granted to and retained by Declarant for the benefit of Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Such easements must be granted and conveyed hereafter by each Owner to Declarant and the Association for the benefit of Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Each Owner, by taking title to its respective Unit, hereby grants and conveys and shall be deemed to have consented and agreed to hereafter designate, grant and convey such easements when requested to do so by Declarant or the Association. Each Owner, by taking title to its respective Unit, shall also be deemed to have agreed to obtain from all appropriate parties, including its Mortgagees and trustees under deeds to secure debt, the written subordination of any and all Mortgages, deeds to secure debt, security interests and all other liens that encumber or in any way affect its respective Unit to such easements and to all other easements, rights-of-way and rights of ingress, egress, access and passage now set forth in or otherwise provided for in or contemplated by this Article and such written subordination instruments shall be provided promptly and without delay to Declarant and the Association when requested by Declarant or the Association. Each Mortgagee, noteholder under a deed to secure debt, trustee under a deed to secure debt and other holders of any security interest in any Unit by accepting a security interest in or legal or equitable title to a Unit, shall be deemed to have consented to and agreed that its security interest or legal or equitable title is subject to said easements and agrees to execute any instrument reasonably required to subordinate its debt and security instruments to such easements, rights-of-way and rights of ingress, egress, access and passage subject to the same not materially adversely affecting the Unit serving as the security for the obligations owed to such Mortgagee or noteholder. Such easements will contain terms and conditions reasonably requested by Declarant or the Association, as the case may be, but such easements will not unreasonably interfere with the development, use and occupancy of any Unit or unreasonably affect access to, or operation of, any such Unit. All temporary construction easements, and temporary access rights in connection

therewith, of Declarant shall terminate automatically when construction of the Common Area for which such easement is granted or retained is completed, but the permanent and perpetual maintenance easements, and access rights in connection therewith, of Declarant and the Association shall continue in full force and effect except as hereinafter provided. Prior to the Declarant's or the Association's exercise of any easement rights created by this Section, a written instrument defining the location of the respective easement shall be approved by the appropriate governmental entity.

11.9 Roadside Access Easements. There is hereby reserved to Declarant, the Association, Unit Owners and the general public an easement for access, adjacent and parallel to all public road rights of way and Common Area roads within the Properties, extending from the curb to the far side of any sidewalk or jogging or bicycle path running more or less parallel to the curb, for the purpose of using such sidewalk or path. There is also hereby reserved to Declarant, the Association, and the designees of each, a right to go upon, over and across all property adjacent to public road rights of way and Common Area roads within the Properties to maintain, repair, and replace street trees, street furniture (e.g., park benches), sidewalks and paths, and traffic and directional signs as well as to construct, install and maintain curb cuts as approved by the DURB.

11.10 Easements for Walking Trail Access. Declarant hereby grants to the Owners a perpetual, non-exclusive easement for enjoyment, use and access over and across any areas designated by Declarant as "walking trails" or "paths" on any plat of any portion of the Properties, including without limitation the Units. Use of such walking trails or paths shall be governed by any Rules and Regulations determined and promulgated by, and any operating practices of, the Association and the Governing Documents. Additionally, Owners and other permitted users of the walking trails or paths shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the trails by other authorized users of the trails. Prohibited activities shall include without limitation obstruction of any trail. No Person other than Declarant shall alter any trail without the prior written approval of the owner of the trail, and, during the Development Period, Declarant's prior written consent.

11.11 General Development Easements. Declarant reserves for itself, its successors, assigns and designees a blanket easement over the Properties, to allow Declarant to take whatever action it determines is appropriate, necessary or beneficial to the construction, development, sales or operation of the Properties, including but not limited to the Units. This blanket easement is for the purpose of enabling Declarant to construct improvements within the Properties, whether on Common Areas, Lots, or Adjacent Properties, in the manner that it deems appropriate. Declarant shall have access and use of any Lot or Common Area as is appropriate, necessary and/or beneficial to construct any improvement within the Properties or any Adjacent Property. This easement is for the further purpose of allowing Declarant, if it deems appropriate or necessary, to repair, relocate, construct, or maintain any of the Improvements installed in the Properties.

11.12 Easements for Special Events. Declarant reserves, creates, establishes, promulgates and declares for itself, any Declarant-Related Entity, their successors, assigns and designees a perpetual, non-exclusive reciprocal, appurtenant easement over the Common Area for the purpose of conducting or allowing its designees to conduct educational, cultural,

entertainment, promotional or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate; provided, however, this provision shall not be deemed to grant the right to limit ingress or egress to or from a Unit. Each Owner, by accepting a Deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

11.13 Easements Reserved on Plats. Plats of all or any portion of the Properties recorded by, or with the approval of, the Declarant may contain and reflect the locations of specific utility, drainage, ingress and egress, non-access and other easements ("Platted Easements"). With respect to any Platted Easement, Declarant hereby reserves for itself, its successors, assigns and designees, as well as the Association, and any of its designees, such easement for the purpose of exercising any right or performing any obligation thereto. The Declarant shall have the unrestricted right, without the approval or joinder of any other Person, to designate the use and to alienate, release, or otherwise assign any Platted Easement, unless such easement has been previously conveyed or dedicated. Such Platted Easements may include, without limitation, easements to construct, maintain, and operate water mains, drainage ditches, sewer lines, and other suitable installations for drainage and sewage disposal as well as easements to install, maintain, transmit, and use electricity, gas, telephone, telecommunications, cable systems, and other utilities, whether or not such easements are shown on the Plat to be for drainage, utilities, or any other purposes. The Owner of any Unit subject to a Platted Easement shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under any such Platted Easement area. The Owner of a Unit subject to any Platted Easement shall not construct any Improvements on such Platted Easement areas, nor alter the flow of drainage, nor landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of such Platted Easement rights. If any Owner constructs any Improvements or installs any landscaping on any Platted Easement area, the Owner of the Unit shall remove, at the Owner's expense, the Improvements or landscape items upon written request of Declarant, the Association, or the grantee of such Platted Easement. If the Owner fails to promptly remove any Improvements or landscaping located within the Platted Easement area, the Declarant, the Association, or the grantee of the Platted Easement may enter the Unit and remove such Improvements or landscaping at the expense of the Owner, who shall reimburse the cost of removal within fifteen (15) days of demand. The party removing the Improvements or landscaping shall not be responsible for any damage caused by the removal and shall not be required to restore any portion of the Unit damaged by the removal.

11.14 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, any Declarant-Related Entity, the Association, or their successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

ARTICLE XII
MORTGAGEE PROVISIONS

12.1 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.2 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

12.3 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) Days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XIII
DECLARANT'S RIGHTS

13.1 Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Governing Documents may be transferred or assigned in whole or in part to the Association, to a Declarant-Related Entity, or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. Upon any such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

13.2 Development and Sales. The Declarant, any Declarant-Related Entity and others authorized by Declarant may maintain and carry on the Properties such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Area during such activities. Such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area and their Units. In the event that any such activity necessitates exclusion of Owners from Common Areas, such activities shall not exceed seven (7) consecutive Days. The Declarant, all Declarant-Related Entities and others authorized by the Declarant shall have easements over the Properties for access, ingress and conducting such activities.

In addition, the Declarant, any Declarant-Related Entity and others authorized by Declarant may establish within the Properties, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, including, but not limited to, business offices,

signs, model units, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in the Declarant's sole discretion. The Declarant, any Declarant-Related Entity and others authorized by the Declarant shall have easements over the Properties for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Area by Persons other than Owners without the payment of any use fees.

13.3 Improvements to Common Areas. Declarant may elect to construct and/or install Improvements upon portions of the Common Area, but is not obligated to do so, and may elect to leave portions of the Common Area in their natural unimproved state. During the Development Period, Declarant shall have the absolute right and discretion to determine what Improvements, if any, will be located on the Common Area. The Declarant and its employees, agents and designees shall have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such Improvements to the Common Area as Declarant deems appropriate in its sole discretion.

13.4 Inspection of Common Areas. Declarant hereby reserves the right, in addition to other rights and remedies, at all times after conveyance of the Common Area to the Association, to exercise all rights and easements reserved hereby, including but not limited to, the right to create easements over the Common Area pursuant to Article XI and to enter the Common Area, without prior notice, and to inspect the condition thereof and the Improvements and facilities thereon, if any. If Declarant determines, in its sole discretion, that the Association has failed to maintain any portion of the Common Area in a manner consistent with the Community-Wide Standard, it may so notify the Association, in writing, and the Association shall promptly perform the required maintenance or repairs. Failure of the Association to maintain the Common Area in a manner consistent with the Community-Wide Standard shall relieve Declarant and any predecessor Declarant of any liability to the Association or to any Member for any condition of the Common Area. Declarant shall have the right to make a record of its inspections by any means available, including, but not limited to, photographing, filming, and/or videotaping the Common Area, and shall have the right to perform tests or examinations to determine the condition of the Common Area. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Area owned by the Association, and the Association shall not be relieved of its obligation to maintain the Common Area because of the election of Declarant or any predecessor Declarant to inspect or not to inspect or report to the Association the condition of the Common Area.

13.5 Right to Notice or Design of Construction Claims. No Person, including the Association, shall retain an expert for the purpose of inspecting the design or construction of any Improvements within the Common Areas in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant has been first notified in writing and given an opportunity to meet with the Person and conduct an inspection.

13.6 Exclusion of Declarant's Other Properties. By accepting a deed to a Unit, each Owner specifically acknowledges that nothing contained in this Declaration shall, in any way,

either expressly or by implication, restrict, limit, or otherwise affect the use or disposition by Declarant or any Declarant-Related Entity of any property owned by them, whether contained within, contiguous to or in the vicinity of the Properties. Declarant and Declarant-Related Entities shall have full, free, and unrestricted use of its and their other lands, including the Additional Property, notwithstanding any incompatibility of such use with restrictions this Declaration imposes upon the Units. By accepting a deed to a Unit, each Owner, specifically and expressly disclaims any reciprocal negative easement in any property owned by Declarant or any Declarant-Related Entity.

13.7 Liability for Association Operations. The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant and any predecessor Declarant (including, without limitation, their respective Declarant-Related Entities, successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, legal costs), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Area of Common Responsibility and the collection of assessments.

13.8 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without prior notice to and consent of Declarant and the submission to Declarant of the document to be recorded. The Declarant may, at its option, evaluate any such document to determine its compliance and consistency with the terms of this Declaration and any requirements of the Association. No review or evaluation by the Declarant of any document shall be deemed to be a warranty or guaranty of the enforceability, completeness, operation, legality or any other aspect of any covenant, condition, restriction, or easement purported to be created by such instrument. Declarant may, but shall not be obligated to, void and declare of no force and effect any such instrument recorded without Declarant's consent. No instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Articles.

13.9 Limitations of Use. During the Development Period, the Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to limit the use of any portion of the Properties, including any one Unit or group of Units, to one or more, but less than all, of the permitted uses under the Zoning Ordinance and the Governing Documents. By way of example only, the Declarant may limit the use of certain Units or Districts to multi-family residential use. In the alternative, the use of a Unit or District may be limited to a nonresidential use permitted under the Zoning Ordinance such as, by way of example only, a specific non-food service retail use, or the use of certain Units may be restricted against a use already being conducted by an Owner of a Unit within Cainhoy Development. Each Owner acknowledges that, for purposes of granting exclusivity rights to future purchasers of Units, the Declarant may impose additional limitations on all or portions of the Properties, provided that such limitations shall not interfere with or prohibit an existing use. Any limitations on use imposed by the Declarant are in addition to and not in lieu of the Use Guidelines and may be changed only as set forth in Article X.

13.10 Right of Declarant to Disapprove Actions. For two (2) years following termination of the Development Period, Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or any Declarant-Related Entity under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of Cainhoy Development, or diminish the level of services being provided by the Association.

(a) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Declarant has registered with the secretary of the Association, which notice complies with the By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting. The Declarant may waive its right to receive notice in the same manner as provided in the By-Laws; and

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

13.11 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any Use Guidelines, Design Guidelines or Rules and Regulations shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. In addition, this Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate two years following the termination of the Development Period.

ARTICLE XIV
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1 Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Sections 14.2 ("Claims") shall be resolved using the procedures set forth in Section 14.3 in lieu of filing suit in any court.

14.2 Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of Improvement on the Properties shall be subject to the provisions of Section 14.3.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.3:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII (Assessments);

(b) any suit by the Association to obtain a temporary restraining order, or other mandatory or prohibitive equitable relief, and such other ancillary relief as permitted to enforce the provisions of Article IX (Architectural Standards) or Article X (Use Restrictions and Standards);

(c) any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under the laws of the State of South Carolina in the absence of a claim based on the Declaration, By-Laws, Articles, Use Guidelines or the Rules and Regulations of the Association;

(d) any suit by the Association in which similar or identical claims are asserted against more than one Bound Party;

(e) any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, clarification or interpretation of any provision of this Declaration;

(f) any suit in which any indispensable party is not a Bound Party; and

(g) any suit which otherwise would be barred by any applicable statute of limitations.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.3.

14.3 Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) Claimant's proposed remedy; and

(iv) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

(ii) If the Parties do not resolve the Claim within thirty (30) Days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional Days to submit the Claim to mediation under the auspices of any Berkeley County, South Carolina dispute resolution center or such other independent agency providing similar services upon which the Parties mutually agree.

(iii) If Claimant does not submit the Claim to mediation within thirty (30) Days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within thirty (30) Days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(v) Within five (5) Days after the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice

shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Final and Binding Arbitration.

(i) If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) Days of the Termination of Mediation, the Claimant shall have fifteen (15) additional Days to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "D" or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

(ii) This subsection (c) is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of South Carolina. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of South Carolina.

14.4 Allocation of Costs of Resolving Claims.

(a) Subject to Section 14.4(b), each Party shall bear its own costs, including any attorneys' fees incurred, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

(b) Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs.

14.5 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 14.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

ARTICLE XV
OPTION TO REPURCHASE

15.1 Option to Repurchase. The Declarant shall have the right to repurchase ("Repurchase"), unless specifically waived or modified in writing by Declarant, any Unit upon the occurrence of any of the following events:

(a) the failure of the Owner to commence construction of a building on the Unit in accordance with plans approved by the DURB within two (2) years of the transfer of the Unit by the Declarant. (The Declarant shall have no right of Repurchase under this Section 15.1(a) after construction has commenced pursuant to plans approved by the DURB); or

(b) the failure of the Owner to obtain the final certificate of occupancy or certificate of construction completion within eighteen (18) months of commencement of construction in accordance with plans approved by the DURB.

For the purposes of this Section, commencement of construction shall mean that (a) all plans for such construction have been approved by the DURB; (b) a building permit has been issued for the Unit by the appropriate jurisdiction; and (c) construction of a structure has physically commenced beyond site preparation. Completion of a structure shall mean that a certificate of occupancy or certificate of construction completion has been issued for a structure on the Unit by the appropriate jurisdiction.

15.2 Repurchase Price.

(a) Unless specifically modified in writing by Declarant, in the event that the Declarant shall exercise its right to Repurchase a Unit in accordance with Section 15.1, the repurchase price ("Repurchase Price") shall be the sum of:

(i) eighty-five percent (85%) of the purchase price received by the Declarant (which amount may be modified in accordance with the terms of any applicable contract or other agreement by and between an Owner and Declarant), plus

(ii) simple interest at the Prime Rate of NBSC, a division of Synovus Bank, or any successor thereto, as adjusted from time to time, from the time of transfer by the Declarant to the time of Repurchase, plus

(iii) the increase, if any, in the fair market value of the Unit as a result of any Improvements constructed thereon (the "Value of the Improvements").

(b) The Value of the Improvements shall be determined by mutual agreement of the Owner and Declarant within fifteen Days of Exercise, as defined in Section 15.3.

(c) In the event that the Owner and the Declarant are unable to mutually agree on the Value of the Improvements, the Value of the Improvements shall be determined by an M.A.I. appraiser mutually approved by Declarant and the Owner. The decision of such appraiser shall be final and conclusive.

(d) If Declarant and the Owner cannot agree upon an M.A.I. appraiser within thirty (30) Days after Exercise, then each of the Declarant and the Owner shall appoint within forty (40) Days after Exercise one M.A.I. appraiser who in turn will select a third M.A.I. appraiser. The Value of the Improvements shall be determined by deriving the average of the two closest appraisals.

(e) The cost of determining the Value of the Improvements shall be split between Declarant and the Owner. The determination of such panel of appraisers shall be final and conclusive.

15.3 Declarant's Exercise of Repurchase Right.

(a) Time Frame. If an Owner fails to commence construction within the time period set forth in Section 15.1(a), then at any time that such Owner remains in violation of such requirement within thirty-six (36) months after expiration of such time period, Declarant may exercise its right to repurchase the Owner's Unit. If an Owner fails to complete construction within the time period set forth in Section 15.1(b), then at any time that such Owner remains in violation of such requirement within twelve (12) months after expiration of such time period, Declarant may exercise its right to repurchase the Owner's Unit. The time periods set forth in Section 15.1 may be extended by Declarant from time to time in its sole discretion by written notice to the Owner.

(b) Exercise of Repurchase Right. In order to exercise its Repurchase rights under Section 15.1 (the "Exercise"), Declarant shall deliver its written notice of Exercise to Owner, together with the Declarant's calculation of the Repurchase Price.

15.4 Repurchase Closing.

(a) The closing on the Repurchase pursuant to Section 15.1 shall take place within ninety (90) Days of the final calculation of the Repurchase Price.

(b) The Owner shall transfer the Unit by a Deed in the same form (including warranties) and containing only those title exceptions as were contained in the original Deed executed by Declarant in favor of such Owner.

(c) The Owner shall be obligated to pay any and all outstanding assessments or other charges due and owing under this Declaration and shall cure or cause to be cured all title defects or exceptions not existing at the time the Owner acquired the Unit from the Declarant.

(d) Real Estate ad valorem taxes and prepaid assessments shall be prorated as of the date of closing.

(e) In the event that there are insufficient closing proceeds to cover all of the Owner's obligations pursuant to this Declaration (the unpaid amounts hereinafter, the "Deficiency"), Declarant shall have the right to take the Unit subject to such liens which are not paid from the closing proceeds and to obtain a recorded judgment against the Owner in the amount of the Deficiency which amount shall bear interest at the rate payable on judgments in South Carolina from the date of closing until paid.

15.5 Subdivision of Unit. In the event that a Unit is subdivided in accordance with the provisions of this Declaration and subsequently transferred to a new Owner, the time period set forth in Section 15.1(a) shall run from the date of such transfer for any resulting Unit which is not an Improved Unit. For purposes of calculating the Repurchase Price under Section 15.2, the

price paid to Declarant for the original Unit shall be allocated prorata on an acreage basis among the Units resulting from the subdivision.

15.6 Subordination to Mortgages. The Declarant's Repurchase rights under Section 15.1 are subordinate and junior to all rights of Mortgagees under Mortgages recorded in the Public Records. Declarant shall have no right of Repurchase in the event of a foreclosure or proceedings in lieu of foreclosure; however, upon the transfer of title to the Unit, the Unit will be subject to all of the provisions of this Declaration, including the provisions of this Article XV.

ARTICLE XVI

SHARED PARKING FACILITIES

16.1 Shared Parking Facilities. Each Parking Facility shall be available for use by the general public, subject to such Use Guidelines and Rules and Regulations as may be promulgated from time to time. Such Use Guidelines and Rules and Regulations may contain general provisions applicable to all Parking Facilities, as well as specific provisions that vary according to land use and from one Parking Facility to another depending upon the location, unique characteristics, and intended uses of the Parking Facility. Each Parking Facility shall be subject to easements for ingress, egress and parking for the benefit of the general public, including Owners of other Units, their guests, contractors, visitors, tenants, occupants, invitees, customers, licensees, and employees.

Owners of Parking Facilities and permitted users of such Parking Facilities shall be obligated to refrain from any actions that would deter from or interfere with the use and enjoyment of the Parking Facilities by other authorized users of the Parking Facilities. Prohibited activities shall include without limitation obstruction of any of the Parking Facilities. The Owner of any Parking Facility, with the consent of the Board, may adopt, amend and repeal reasonable rules regulating the use and enjoyment of the Parking Facility, provided that the Owner shall not by the adoption of any rule or regulation bar access to Parking Facility.

16.2 Construction of Parking Facilities. Each Parking Facility shall be constructed by the Owner of the Unit in accordance with Section 9.4(a), the Design Guidelines and pursuant to plans approved by the DURB. Each Parking Facility shall have sufficient parking spaces to accommodate all of the parking needs for the Unit on which the Parking Facility is constructed.

16.3 Maintenance of Parking Facilities. Subject to the rights of the Association in Section 8.7, each Owner of a Unit shall keep its Parking Facility in attractive condition and good repair, consistent with the Community-Wide Standard.

16.4 Reserved Parking. Unless otherwise approved by DURB, no more than fifteen percent (15%) of the parking spaces within a Parking Facility shall be delineated as "Reserved" or otherwise marked for use by specific persons or specific classes of persons. The remainder of the parking spaces shall remain undesignated and therefore available to the general public on an "as available" basis. Notwithstanding the foregoing, to the extent that a Parking Facility is located on a Residential Unit, such Parking Facility shall be deemed reserved for such Residential Unit. Any Supplemental Declaration applicable to a Unit and/or the Association may impose a higher or a lower percentage for reserved parking for a specific Unit.

ARTICLE XVII
GENERAL PROVISIONS

17.1 Duration.

(a) Except as otherwise limited by South Carolina law, this Declaration shall have perpetual duration. If South Carolina law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 10 years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by South Carolina law, in which case such law shall control, this Declaration may not be terminated within 30 years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least ninety percent (90%) of the total number of Units within the Properties and by the Declarant, during the Development Period, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

17.2 Amendment.

(a) By Declarant. During the Development Period, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration at any time and from time to time:

(i) for the purpose of curing any ambiguity or any inconsistency among the provisions contained herein;

(ii) to release any Unit from any part of the covenants and restrictions contained herein which have been violated if the Declarant, in its reasonable judgment, determines such violation to be a minor or insubstantial violation;

(iii) to amend this Declaration or any Supplemental Declaration in any manner if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, to make, purchase, insure or guarantee mortgage loans on the Units; (d) to enable any reputable private insurance company to insure mortgage loans on the Units; or (e) to satisfy the requirements of any local, state or federal governmental agency; and

(iv) to amend this Declaration or any Supplemental Declaration without vote or consent of the Owners for any other purpose.

The foregoing amendments may be made without the joinder or approval of any Owner, mortgagee, or the Association.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Owners (i) to correct scrivener's errors and other mistakes of fact, (ii) to remove provisions creating impediments to the implementation, use and operation of advancements in technology or products within the Properties; and (iii) for the purposes of bringing any provision contained herein into compliance with the Fair Housing Amendments Act of 1988, as more fully set forth in Section 17.5, provided that amendments under this provision have no material adverse effect on the title to any Unit unless the Owner of such Unit consents. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant, any Declarant-Related Entity or the Class "B" Member without the written consent of the Declarant, any Declarant-Related Entity or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

17.3 Merger or Consolidation. Upon a merger or consolidation of the Association with any other association, the property, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the property, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Properties together with the covenants and restrictions

established upon any other property as one scheme; however, no such merger or consolidation shall effect any revocation, change or addition to the covenants established by this Declaration.

17.4 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

17.5 Fair Housing Amendments Act. The provisions of the Governing Documents shall be subordinate to the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, et seq., (hereinafter referred to as "FHAA"), and shall be applied so as to comply with the FHAA. In the event that there is a conflict between or among the Governing Documents and the FHAA, the FHAA shall prevail. Notwithstanding anything to the contrary contained herein, in the event that any provision of this Declaration conflicts with the FHAA, the Board of Directors, without the consent of the Members or of the Declarant, shall have the unilateral right to amend this Declaration for the purpose of bringing this Declaration into compliance with the FHAA. Furthermore, notwithstanding Section 2.5 hereof, the Board shall have the unilateral right to assign portions of the Common Area as Exclusive Common Area or to reassign Common Area previously assigned as Exclusive Common Area to one (1) or more Units to one (1) or more Owner(s) or Occupant(s) should such action be required in order to make a reasonable accommodation under the FHAA.

17.6 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Owners holding at least seventy-five percent (75%) of the total Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to property taxation; (d) counter claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XIV, if applicable.

In addition to the foregoing, in no event may the Association commence any judicial or administrative proceedings or action against any Person seeking equitable relief, or seeking either an unspecified amount of damages or damages in excess of \$25,000.00; or any action or proceeding where the estimated cost of legal fees exceeds \$5,000.00, unless the following conditions are satisfied: (a) the decision to commence such action or proceeding shall be considered at an annual or special meeting of the Association; (b) a budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all Owners and posted at the principal office of the Association at least thirty (30) days prior to such meeting; and (c) at such meeting Owners holding at least seventy-five percent (75%) of the total Class "A" votes in the Association, and during the Development Period, the Declarant, approve the decision to commence, and the proposed budget for, such

action or proceeding, and shall concurrently approve the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget.

17.7 Non-Merger. Notwithstanding the fact that Declarant is the current owner of the Properties, it is the express intention of Declarant that the easements established in the Declaration for the benefit of the Properties and owners shall not merge into the fee simple estate of individual Units conveyed by Declarant or its successor, but that the estates of the Declarant and individual Unit Owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

17.8 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in this Declaration.

17.9 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional recorded covenants, restrictions, and declarations applicable to any District, and the Association may, but shall not be required to, enforce such additional covenants, restrictions, and declarations applicable to any District or Unit; provided, however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, Use Guidelines and Rules and Regulations of the Association shall prevail over those of any District. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional covenants or provisions that are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

17.10 Use of the Words "Cainhoy Development" and "Point Hope". No Person or entity engaged in any form of business involving real estate and/or real property, including but not limited to sales, rental, management, development or appraisal of property, shall use the words "Cainhoy Development", "Point Hope", or any derivative thereof or the logo for "Cainhoy Development" or "Point Hope" in any printed or promotional material or website without the Declarant's prior written consent. However, Owners may use the terms "Cainhoy Development" and "Point Hope" in printed or promotional matter or on a website where such term is used solely to specify that a particular property is located within Cainhoy Development and/or Point Hope. The Association and any other community association located in Cainhoy Development and/or Point Hope and the Declarant and Declarant-Related Entities shall each be entitled to use the words "Cainhoy Development" and/or "Point Hope" in their names.

17.11 Compliance. Every Owner and Occupant of any Unit shall comply with the Governing Documents. Subject to the terms of Article XIV, failure to comply shall be grounds

for an action by the Association, the Declarant or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3. In any legal or equitable proceeding for the enforcement of or to remedy the violation of these covenants or any provision hereof, the losing party or parties shall pay the reasonable attorney's fees and costs of the prevailing party or parties, in such amount as may be fixed by the court in such proceeding. Such fees upon appropriate docketing of a judgment to such effect shall become a lien against the Unit (if any) of the losing party. All remedies provided herein and/or otherwise available, at law or in equity, shall be cumulative and not exclusive.

17.12 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to its Unit shall give the Association at least seven (7) Days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. Notwithstanding the foregoing, the Board may permit builders or sub-developers of Units within the Properties to provide monthly sales reports of the transfer of title to Units owned by such builder or sub-developer in lieu of requiring the aforesaid seven (7) Days' prior written notice. Such monthly reports shall include the name, address and other contact information of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require on the monthly report. After the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Association, notwithstanding the transfer of title, except that for a builder or sub-developer providing monthly reports as set forth above, responsibility for assessment obligations shall end upon the date of transfer of title.

17.13 Exhibits. Exhibits "A," "B," "C," "D," "E," and "F," attached to this Declaration are incorporated herein by this reference, and amendment of such exhibits shall be governed by the provisions of Section 17.2, unless otherwise set forth herein or in such exhibits.

17.14 Conflict or Ambiguity. In the event of any conflict or ambiguity in the terms and provisions of this Declaration, the general rules of construction relating to construction against the Declarant or the DURB or any committee thereof are hereby waived by each Owner.

17.15 Further Assurances. Each Owner covenants and agrees to sign, execute and deliver, or cause to be signed, executed and delivered and to do or make, or cause to be done or made, any and all agreements, instruments, papers, Deeds, acts or things, supplemental, confirmatory or otherwise, as may be reasonably requested by the Declarant, the Association or the DURB for the purpose of or in connection with clarifying, amending or otherwise consummating the transactions and matters set forth herein.

17.16 Standards for Review. Whenever in this Declaration the Declarant, the Association or the DURB has the right to approve, consent or require any action to be taken pursuant to the terms hereof, such approval, consent or required action shall, except as otherwise specifically provided herein, be in the sole and absolute discretion of the Declarant, the

Association or the DURB, respectively, and such approval, consent or required action shall be final and conclusive.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration
this 30th day of July, 2019.

Declarant:
CAINHOY LAND & TIMBER, LLC,
a Delaware limited liability company

Peter O. Lawson-Johnston II
Peter O. Lawson-Johnston II
Its: Manager

Carolee Park
Signature of 1st witness
Angela Litrowski
Signature of 2nd witness

STATE OF South Carolina)
COUNTY OF Berkeley)

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that Cainho Land & Timber, LLC a Delaware limited liability company, by Peter O. Lawson-Johnston II, its Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 30th day of July, 2019.

Maggie R. Dusibier
Print Name of Notary: Maggie R. Dusibier
NOTARY PUBLIC FOR South Carolina
My commission expires: 10/16/24

SEAL OF NOTARY



EXHIBIT "A"**Land Submitted**

1. 107.27 acres, Tract B conveyed to Berkeley County School District as identified on a Plat recorded in Plat Cabinet S, Pages 1q, 2q and 3q on January 25, 2017 by corrective deed dated November 3, 2014 and recorded in Book 11102, Page 218 on December 3, 2014. TMS No. 269-00-00-065.

2. 43.17 acres, Tract C conveyed to Berkeley County School District as identified on a Plat recorded in Plat Cabinet S, Pages 1q, 2q and 3q on January 25, 2017, and by deed dated July 2, 2014 and recorded in Book 10855, Page 202 on July 15, 2014. TMS No. 269-00-00-067.

3. 21.61 acres conveyed to EFC Point Hope, LLC by deed dated April 18, 2017 and recorded April 21, 2017 in Book 2443, at Page 740, by a plat recorded in Plat Cabinet S, Page 134q on April 13, 2017. TMS No. 262-00-00-041.

4. Parcel PH-A (8.60 Acres), PH-B (1.09 Acres), PH-C (1.09 Acres), and PH-D (1.70 Acres) as identified on a plat recorded in Plat Cabinet Q, Page 238h on May 3, 2018 and conveyed to Point Hope Partners, LLC by deed dated May 22, 2018 and recorded June 6, 2018 in Book 2762, Page 633. TMS Numbers Parcel PH-A, (8.60 acres) 262-00-00-042, Parcel PH-B, (1.09 acres) 262-00-00-043, Parcel PH-C, (1.09 acres) 262-00-00-044, and Parcel PH-D, (1.70 acres) 262-00-00-045.

5. Parcel S-C-6 (20.98 Acres) as identified on a plat recorded as Instrument Number 2019017106 on May 23, 2019 and conveyed to Cainhoj Residential, LLC by deed dated June 11, 2019 and recorded on June 14, 2019 in Book 3048, Page 008. TMS No. 262-00-00-052

6. Any open spaces, common areas, or other properties conveyed by the Declarant to the Association and also any other properties subject to the terms of the Original Declaration.

Any terms or conditions stated in any deeds or supplements by which the Land Submitted (or portions thereof) was made subject to the Original Declaration and this Declaration are hereby incorporated herein with respect to such portion of the Land Submitted in which the specific terms and conditions are applicable.

EXHIBIT "B"

Land Subject to AnnexationA. Land Owned by Cainhoj Land & Timber, LLC

All those certain pieces, parcels or tracts of land, situate, lying and being in Berkeley County, South Carolina, and known and designated as Cainhoj Plantation-Trust #2 Property, and lying generally between the Wando River and the Cooper River consisting of 5,653.52 acres, more or less as more fully described on that certain plat by F. Elliotte Quinn, III, R.L.S., Thomas & Hutton Engineering Co. dated April 7, 2008 and recorded in Plat Cabinet M, Pages 40 through 47 in the Register of Deeds Office for Berkeley County (the "Plat") which is incorporated herein by reference. The above property is comprised of the following tracts of land shown on the Plat.

CLEMENTS FERRY ROAD AT PENISULA

All those certain pieces, parcels or tracts of land, situate lying and being in the City of Charleston, Berkeley County, South Carolina containing in the aggregate 42.96 acres and comprised of (1) a 18.82 acre parcel, (2) a 15.26 acre parcel and (3) an 8.88 acre parcel, all as more fully shown on Sheet 5 of the Plat, filed in Plat Cabinet M, Page 44.

Being a part of TMS 262-00-00-008.

WEST SIDE OF JACK PRIMUS ROAD

All that certain piece, parcel or tract of land, situate lying and being in the City of Charleston, Berkeley County, South Carolina containing in 1.23 acres as more fully shown on Sheet 2 of the Plat, filed in Plat Cabinet M, Page 41.

Being a part of TMS 262-00-00-008.

EAST SIDE OF CAINHOJ ROAD

All those certain pieces, parcels or tracts of land, situate lying and being in the City of Charleston, Berkeley County, South Carolina containing in the aggregate 10.27 acres and comprised of (1) an 8.24 acre parcel, (2) a 1.27 acre parcel and (3) a 0.76 acre parcel, all as more fully shown on Sheets 3 and 5 of the Plat, filed in Plat Cabinet M, Pages 42 and 44.

Being a part of TMS 262-00-00-008.

MAIN TRACT NORTH OF CLEMENTS
FERRY ROAD

All those certain pieces, parcels or tracts of land, situate lying and being in Berkeley County, South Carolina and partially in the City of Charleston containing 3,288.08 acres as more fully shown on Sheets 2, 3, 4 and 5 of the Plat, filed in Plat Cabinet M, Pages 41, 42, 43 and 44.

Exhibit "B"

Page 1

Being a part of TMS 262-00-00-008, 262-00-00-019, 263-00-02-047 and 268-00-00-003.

MAIN TRACT SOUTH OF CLEMENTS
FERRY ROAD

All those certain pieces, parcels or tracts of land, situate lying and being in the City of Charleston, Berkeley County, South Carolina containing in the aggregate 2,310.98 acres as shown on Sheets 2, 4, 5 and 6 of the Plat at Plat Cabinet M, Pages 41, 43, 44 and 45.

Being a part of TMS 262-00-00-008, 268-00-00-004, and 269-00-00-018.

MARSH BELOW MEAN HIGH WATER

All of the Grantor's right, title and interest in those certain pieces, parcels or tracts of marsh and submerged lands, situate lying and being in the Berkeley County, South Carolina, in the City of Charleston and outside the City of Charleston, consisting of marsh and submerged lands lying below the mean high water mark of adjacent tidal waters and adjacent to the property described above as the Cainhoy Trust #2 Property, including any marsh and submerged lands not shown on the Plat.

Being the same property conveyed to CHGC, LLC by Deed of JP Morgan Chase Bank and Peter O. Lawson-Johnston, as Trustees of the Trust Created by Article Ninth of the Will of Harry F. Guggenheim, deceased dated July 19, 2007 and recorded July 24, 2007 in Book 6734 at page 169 and by subsequent Corrective Deed to Cainhoy Land & Timber, LLC (formerly CHGC, LLC) dated May 15, 2008 and recorded May 28, 2008 in Book 7368 at Page 1 in the Office of the Berkeley County Register of Deeds.

ALSO

Commencing at the southern common corner of Lots 170 & 171 Nelliefield, thence S 46°33'15"E a distance of 389.95 feet to an iron pipe set; thence S 46°31'33" E a distance of 93.55 feet to an old iron pin being the true Point Of Beginning;

Thence N 50°44'05" E a distance of 234.27 feet to an old iron pipe;
Thence S 44°11'33" E a distance of 434.47 feet to an old iron pin;
Thence S 65°42'39" W a distance of 231.97 feet to an old concrete monument;
Thence N 46°31'33" W a distance of 376.31 feet to the Point Of Beginning; said parcel containing 2.09 acres more or less.

Being a portion of TMS 269-01-04-116

And also, including the following,

Commencing at the southern common corner of Lots 226 & 227 Nelliefield; thence S 47°48'38" E a distance of 227.38 feet to a new iron pipe being the true Point Of Beginning;

Exhibit "B"

Page 2

Thence S 77°26'06" E a distance of 135.86 feet to a new iron pipe;
 Thence S 43°06'39" E a distance of 67.17 feet to a new iron pipe;
 Thence N 47°48'38" W a distance of 117.02 feet to the Point Of Beginning; said parcel containing 0.09 acres more or less.

Being a portion of TMS 269-01-04-117

Being the same property conveyed to Cainhoy Land & Timber, LLC by Deed of Nelliefield Property Owners Association, Inc. dated May 16, 2014 and recorded July 9, 2014 in Book 10844 at Page 239 in the Office of the Register of Deeds for Berkeley County.

ALSO:

ALL of that certain tract, parcel and piece of land, situate lying and being in Cainhoy Planation, City of Charleston, Berkeley County, designated as "Tract A, Cainhoy Land & Timber, LLC, TMS # (Pending), 60.78 AC. (New Total)" on that certain plat entitled "Plat of the Adjustment of Property Lines Between Tract A Cainhoy Plantation and H.O.A. Open Space and Drainage Easement Nelliefield Farms, City of Charleston, Berkeley County, South Carolina prepared for & owned by: Cainhoy Land & Timber, LLC and Nelliefield Property Owners Association" dated February 18, 2014, prepared by F. Elliotte Quinn, III, PLS No. 10292 for Thomas & Hutton Engineering Co. recorded in Plat Cabinet R, Page 282P in the Berkeley County Register of Deeds Office on July 9, 2014 (the "Plat"), having such measurements, metes, buttings and boundings as set forth on the Plat which is incorporated herein by reference.

Being the same property conveyed to Cainhoy Land & Timber, LLC by Deed of Nelliefield Property Owners Association, Inc. dated May 16, 2014 and recorded July 9, 2014 in Book 10844 at Page 251 in the Office of the Register of Deeds for Berkeley County

ALSO

ALL of those certain tracts, parcels and pieces of land, situate lying and being in Cainhoy Planation, City of Charleston, Berkeley County, designated as "Area From TMS 269-00-00-028 To Tract B 0.33Ac." and "Area From TMS 269-00-00-028 To Residual TMS 262-00-00-028 0.34Ac." on that certain plat entitled "Plat of the Subdivision of the Brickyard Tract A Portion of Cainhoy Plantation And the Adjustment of Property Lines With the White House Tract To Create Tracts A (64.48 Ac.) & Tract B (114.40), City of Charleston, Berkeley County, South Carolina, prepared for & owned by Cainhoy Land & Timber, LLC and Southern Timber, LLC" dated January 13, 2014, prepared by F. Elliotte Quinn, III, PLS No. 10292 for Thomas & Hutton Engineering Co. recorded in Plat Cabinet R, Page 173-P in the Berkeley County Register of Deeds Office on March 7, 2014 (the "Plat"), having such measurements, metes, buttings and boundings as set forth on the Plat which is incorporated herein by reference.

Being the same property conveyed to Cainhoy Land & Timber, LLC by Deed of Point Hope Timber LLC (now known as Tract 1 Timber, LLC dated March 12, 2014 and recorded March 28, 2014 in Book 10677 at Page 68 in the Office of the Berkeley County Register of Deeds.

LESS AND EXCEPT:

1. "H.O.A. Open Space & D.E. Nelliefield Property Owners Association, TMS #269-01-04-116, 13.32 AC. (New Total)" on plat recorded in Plat Cabinet R, Page 282P conveyed by Quit Claim Deed from Cainhoy Land & Timber, LLC to Nelliefield Property Owners Association, Inc. dated May 14, 2014 and recorded July 9, 2014 in Book 10844 at Page 256 in the Office of the Register of Deeds for Berkeley County.
2. 3,286.347 acres conveyed to Seven Sticks, LLC by deed dated November 3, 2014 and recorded November 5, 2014 in Book 11054, at Page 1, by plat recorded in Plat Cabinet M, Pages 40 through 47 on April 11, 2008, on Sheets 2, 3, 4 and 5. TMS No. 262-00-00-028.
3. 13.233 acres conveyed to South Carolina Electric & Gas Company by deed dated July 8, 2014 and recorded July 30, 2014 in Book 10881 at Page 15, by plat recorded in Plat Cabinet R, Page 235P.
4. 0.78 acres conveyed to South Carolina Department of Transportation by deed dated August 25, 2016 and recorded August 29, 2016 in Book 2261 Page 430, by plat recorded in Plat Cabinet S, Page 222i.
5. 0.73 acres conveyed to Seven Sticks, LLC by deed dated April 3, 2018 and recorded April 6, 2018 in Book 2715 at Page 695, by plat recorded in Plat Cabinet Q, Page 163h. TMS No. 268-00-00-099.

B. Land Owned by Tract 1 Timber, LLC

All those certain pieces, parcels or tracts of land, situate, lying and being in Berkeley County, South Carolina, and known and designated as Cainhoy Plantation –Trust #1 Property, and lying generally between the Wando River and the Cooper River, containing approximately 1,860.20 acres, more fully described as:

Tract One
TMS 262-00-00-007 described as 450 acres

All that certain piece, parcel or tract of land, with the buildings and improvements thereon, situate, lying and being in Berkeley County, South Carolina, measuring and containing four hundred fifty (450) acres, more or less, of which tract 246 acres are highland and 204 acres are marshland.

The tract of land herein referred to is more particularly shown on a plat by Henry B. Fishburne, R.L.S., dated February 5, 1972, a copy of which is hereto attached and made a part thereof.

According to the said plat, the said tract of land Butts and Bounds to the north on a portion of Cain Hoy Plantation; to the east on a portion of Cain Hoy Plantation; to the south and west on property of various owners and a creek running from Slack Reach; and to the west on the Slack Reach of the Cooper River.

The tract of land herein described consists of: (i) A sixty foot right of way running in a general northerly direction from a paved road, of which right of way the letters N, M, L, K, J, I, H, C are the center line; (ii) the mainland highland shown within the. letters A, B, C, D, E, F, G, A; (iii) two islands in the marsh to the west of the highland; and (iv) an area of 204 acres of marsh, more or less.

Being a portion of the property conveyed to Southern Timber, LLC (now known as Point Hope Timber, LLC) dated July 23, 2013 and recorded August 12, 2013 in Book 10308, Page 307 in the Berkeley County ROD Office.

ALSO
Tract Two
TMS 269-00-00-002

ALL that certain piece, parcel or tract of land situate, lying and being In St. Thomas-St. Dennis Parish, Berkeley County, S. C., containing 56.2 acres of highland and marshland, more or less, being more particularly shown on a map dated February 9, 1981, by C. D.S. Land Surveying & Mapping entitled "Plat of a tract of land a portion of Cain Hoy Plantation about to be conveyed by the Estate of Harry F. Guggenheim, deceased, to Peter O. Lawson-Johnston and Morgan Guaranty Trust Company of New York as Trustees of the Trust created by Paragraph (E) of Article FIRST of the will of Harry F. Guggenheim, deceased.

The said tract of land is bounded generally on the Northeast by other property of Cain Hoy Plantation, the center line of a lake being the property line; on the Southeast by the Wando River; on the Southwest by other property of Cainhoy Plantation, the center line of another lake being the property line in part; and on the Northwest by the center line of a road shown on the said plat in 29 traverses number 17 through 45.

ALSO: a non-exclusive easement sixty (60') feet in width and approximately 4,248.1 feet in length running on 13 traverses from Point Hope Island Road to the Southwest corner of the property; and

ALSO: a non-exclusive easement sixty (60') feet in width and approximately 2,201.6 feet in length running on 9 traverses from the Northeast property line of Cain Hoy Plantation to the Northwest corner of the property; all as will appear in more detail by reference to the plat of C.D.S. Land Surveying & Mapping hereinabove referred to.

Being a portion of the property conveyed to Southern Timber, LLC (now known as Point Hope Timber, LLC) dated July 23, 2013 and recorded August 12, 2013 in Book 10308, Page 307 in the Berkeley County ROD Office.

ALSO
Tract Three
TMS 272-00-00-002

All that certain piece, parcel or tract of land, situate, lying and being in St. Thomas Parish, Berkeley County, South Carolina, containing One thousand three hundred fifty-four (1,354) acres of highland and marshland, more or less, and being more particularly shown on a map dated December 1, 1977 by Henry B. Fishburne, R. L. S., entitled "Map of Point Hope and

Exhibit "B"
Page 5

Dutchman Islands, Berkeley County, South Carolina, about to be conveyed to Peter O. Lawson-Johnston and Morgan Guaranty Trust Company of New York as Trustees", which Plat is recorded in Plat Book W, Page 331 in the Berkeley County ROD Office.

The said tract of land is bounded generally on the West by Beresford Creek, on the South and East by the Wando River, and on the North by a small creek or gutter running from Beresford Creek to the Wando River. The said tract of land includes Point Hope Island, Dutchman Island, other small islands adjacent thereto, and the marshland shown in brown on the said map.

ALSO: a non-exclusive easement sixty (60') feet in width and approximately ten thousand (10,000') feet in length, running from S. C. Highway 31 (Point "A") to the above described tract of land at Point B through what is known as Joe's Swamp or Brickyard Section of Cain Hoy Plantation. This non-exclusive easement shall be for the purpose of ingress, egress and regress and shall be available for the location and maintenance of public utilities.

Being a portion of the property conveyed to Southern Timber, LLC (now known as Tract 1 Timber, LLC) dated July 23, 2013 and recorded August 12, 2013 in Book 10308, Page 307 in the Office of the Berkeley County Register of Deeds and re-recorded March 18, 2014 in Book 10656 at Page 241 in the Office of the Berkeley County Register of Deeds

LESS AND EXCEPT:

ALL of those certain tracts, parcels and pieces of land, situate lying and being in Cainhoy Planation, City of Charleston, Berkeley County, designated as "Area From TMS 269-00-00-028 To Tract B 0.33Ac." and "Area From TMS 269-00-00-028 To Residual TMS 262-00-00-028 0.34Ac." on that certain plat entitled "Plat of the Subdivision of the Brickyard Tract A Portion of Cainhoy Plantation And the Adjustment of Property Lines With the White House Tract To Create Tracts A (64.48 Ac.) & Tract B (114.40), City of Charleston, Berkeley County, South Carolina, prepared for & owned by Cainhoy Land & Timber, LLC and Southern Timber, LLC" dated January 13, 2014, prepared by F. Elliotte Quinn, III, PLS No. 10292 for Thomas & Hutton Engineering Co. recorded in Plat Cabinet R, Page 173-P in the Berkeley County Register of Deeds Office on March 7, 2014 (the "Plat"), having such measurements, metes, buttings and boundings as set forth on the Plat which is incorporated herein by reference.

Being the same property conveyed to Cainhoy Land & Timber, LLC by Deed of Point Hope Timber LLC (now known as Tract 1 Timber, LLC dated March 12, 2014 and recorded March 28, 2014 in Book 10677 at Page 68 in the Office of the Berkeley County Register of Deeds.

C. Land Owned by Seven Sticks, LLC

All those certain piece, parcels or tracts of land, situate, lying and being in the City of Charleston, Berkeley County, South Carolina, and located north of Clements Ferry Road, consisting of 3,286.347 acres, more or less, as more fully shown on that certain plat by F. Elliotte Quinn, III, R.L.S., Thomas & Hutton Engineering Co., dated April 7, 2008 and recorded in Plat

Cabinet M, Pages 40 through 47 in the Office of the Register of Deeds for Berkeley County, which is incorporated herein by reference. (the "Plat") and as more fully described as follows:

I.

All of that certain piece, parcel or tract of land, situate, lying and being in the City of Charleston, Berkeley County, South Carolina, containing 3,288.08 acres, more or less, bounded on the south by Clements Ferry Road, on the west by Jack Primus Road, on the North by lands owned by Point Hope Timber, LLC (formerly known as Southern Timber, LLC) and lands owned by Tract 7, LLC and on the east by Cainhoy Road as more fully shown on sheets 2, 3, 4 and 5 of the Plat.

Saving and excepting the following described 13.233 acres conveyed to South Carolina Electric & Gas Company for Transmission Substation as more fully set forth in the Deed from Cainhoy Land & Timber, LLC to South Carolina Electric & Gas Company dated July 8, 2014 and recorded July 30, 2014 in Book 10881, at Page 15, aforesaid records:

All that certain piece, parcel or lot of land, being and situate in the County of Berkeley, State of South Carolina, shown and delineated as "New SCE&G Cainhoy Transmission Substation, 13.233 AC. 576,411 SQ. FT." on that certain plat prepared by William W. Weathers, PE, PLS No. 28158, of Forsberg Engineering and Surveying, Inc. dated May 5, 2014 and recorded on May 12, 2014 in Plat Book R, at Page 235-P (the "Plat") of the Berkeley County Register of Deeds

A portion of TMS#262-00-00-008
 TMS #268-00-00-003
 TMS #262-00-00-019
 TMS #263-00-00-047

II

All of that certain pieces, parcels or tracts of land, situate, lying and being in the City of Charleston, Berkeley County, South Carolina, containing in the aggregate 10.27 acres, more or less, consisting of (i) an 8.24 acre parcel bounded on the south by Hillridge Road, on the west by Cainhoy Road, on the North by lands owned by United States of America Francis Marion National Forest and on the east by of others as more fully shown on sheet 3 of the Plat, (ii) a 1.27 acre parcel bounded on the north by Hillridge Road, on the west by Cainhoy Road, on the south by lands of others and on the east by lands of others as more fully shown on sheets 3 and 5 of the Plat, and (iii) a 0.76 acre parcel bounded on the north by lands of others, on the west by Cainhoy Road, on the south by lands of others and on the east by lands of others as more fully shown on sheet 5 of the Plat.

A portion of TMS#262-00-00-008

III

All of that certain piece, parcel or tract of land, situate, lying and being in the City of Charleston, Berkeley County, South Carolina, containing 1.23 acres, more or less, bounded on the east by Jack Primus Road, on the north by St. Johns Church Road, on the south and west by lands of others, as more fully shown on sheet 2 of the Plat.

A portion of TMS#262-00-00-008

BEING the same properties conveyed to Steven Sticks, LLC by Deed of Cainho Land & Timber, LLC dated November 3, 2014 and recorded November 5, 2014 in Book 11054 at Page 1 in the Office of the Berkeley County Register of Deeds.

TMS Nos. 262-00-00-019, 268-00-00-003, 263-00-02-047 and a portion of 262-00-00-008.

ALSO

That certain lot, piece or parcel of land located in Cainho Plantation, situate, lying and being in the City of Charleston, Berkeley County, South Carolina, identified as "SEVEN STICKS, LLC TMS 268-00-00-099 31,756 sq. ft./0.73 acres (Total)" on a plat entitled "A PLAT OF THE RESURVEY OF A LOT CONTAINING 0.73 ACRES BEING A PORTION OF CAINHOY PLANTATION NOW OWNED BY SEVEN STICKS, LLC, CITY OF CHARLESTON, BERKELEY COUNTY, SOUTH CAROLINA, PREPARED FOR SEVEN STICKS, LLC" prepared by F. Elliott Quinn, III, PLS No. 10292, of Thomas & Hutton Engineering Co., dated December 13, 2017 and recorded March 13, 2018 in Plat Cabinet q, Page 163h in the Berkeley County Register of Deeds Office (the "Plat"); said parcel having such size, shape, dimensions, buttings and boundings as will by reference to said Plat more fully appear.

TMS Number: 268-00-00-099

Being the same property conveyed to Seven Sticks, LLC by quit-claim deed of Cainho Land & Timber, LLC dated April 3, 2018 and recorded April 6, 2018 in Book 2715 at Page 695 in the Office of the Register of Deeds for Berkeley County.

D. Land Owned by Tract 7, LLC

ALL that certain piece, parcel or tract of land, situate, lying and being in Berkeley County, South Carolina, containing 1323.5 acres, more or less, of highland and 250 acres, more or less, of marshland, as is more particularly shown on a plat entitled "PLAT OF 1,323.5 ACRES OWNED BY THE ESTATE OF HARRY F. GUGGENHEIM ABOUT TO BE CONVEYED TO PETER O. LAWSON-JOHNSTON" dated April 9, 1982 by C.D.S. Land Surveying and Forestry, J. Hugh Campbell, Jr., R.L.S. and recorded on April 13, 1982 in Cabinet D, Page 375, in the Berkeley County R.M.C. Office.

According to the said plat, the said property is bounded generally on the north by the center line of Flagg Creek and by property of Amoco; on the east generally by S.C. Highway 8-98, property of St. Thomas Church, and property of Cain Hoy Plantation; on the south by other property of

Exhibit "B"

Cain Hoy Plantation, the center line of a woods road hereinafter referred to being the property line; and on the west by property belonging to Peter O. Lawson-Johnston and Morgan Guaranty Trust Company of New York, as Trustees of the Trust created by Paragraph (E) of Article FIRST of the Last Will and Testament of Harry F. Guggenheim, deceased, and by the waters of Slack Reach of the Cooper River, all as will more particularly appear by reference to said plat, the details of which, including bearings and distances, are as fully incorporated herein as if they were fully set out herein. This property is conveyed subject to an easement sixty feet in width thirty feet on either side of a roadway which runs in a general westerly direction from S.C. Road 8-98 from Station 1 on the said plat to Station 71 on the said plat. The said easement was created by a deed dated the 30th day of April, 1982 and recorded in the Office of the Clerk of Court for Berkeley County, South Carolina, in Book A-469, Page 143, and is for purposes of ingress and egress and for the installation and maintenance of public utilities and runs with the land and is for the benefit of the tract of land herein conveyed and for the remaining portion of Cain Hoy Plantation lying generally south of the said road which belongs to Peter O. Lawson-Johnston and Morgan Guaranty Trust Company of New York, as Trustees of the charitable remainder unitrust created by Article NINTH of the Last Will and Testament of Harry F. Guggenheim, and for the benefit of the tract of land lying immediately to the west of Station 71 belonging to Peter O. Lawson-Johnston and Morgan Guaranty Trust Company of New York, as Trustees of the Trust created by Paragraph (E) of Article FIRST of the Last Will and Testament of Harry F. Guggenheim, deceased.

BEING the same property conveyed to Tract 7, LLC by Deed of Peter O. Lawson-Johnston, Individually, and Peter O. Lawson-Johnston and Peter O. Lawson-Johnston, II, Trustees under that certain Trust Agreement dated the 27th day of July, 1987, dated May 16, 2007 and recorded June 8, 2007 in Book 6622 at page 1 in the Office of the Berkeley County Register of Deeds.
TMS No. 262-00-00-009

NOTE: THE ABOVE TRACTS OF LAND EXPLICITLY EXCLUDE THE PROPERTY DESCRIBED ON EXHIBIT A TO DECLARATION INCLUDING AS IT MAY BE SUPPLEMENTED FROM TIME TO TIME.

Derivations are provided for informational purposes only.

E. Any Land located within a 5 mile radius of the property described herein

EXHIBIT "C"

Formula for Assessments and Voting Rights

1. General. Each Unit shall have the right to cast votes and the obligation to pay assessments based on the number of points ("Assessment and Voting Points") assigned to that Unit in accordance with the following provisions.

- a. Land Points. Each Unit (other than a Residential Unit) shall be assigned one point rounded to two decimal points for each 10,000 square feet of highland, or fractional portion thereof, comprising the Unit ("Land Points"); provided, however, each Unit shall be assigned at least one (1) Land Point. Each Residential Unit shall be allocated one (1) Land Point notwithstanding the number of square feet of highland acreage within such Unit. With respect to property owned by a District Association for the common use and enjoyment of its members, or owned by the members of a District Association as tenants in common, the Association may, in its discretion, calculate Land Points for such property as set forth above and allocate those Land Points pro rata to the Units within the District in accordance with the formula for the allocation of expenses set forth in a Supplemental Declaration applicable to such District.
- b. Building Points. Each Unit (other than a Residential Unit) shall be assigned one point rounded to two decimal points for each 3,000 square feet of gross floor area, or portion thereof, within any Structures (as defined herein below) on the Unit, or fractional portion thereof, ("Building Points"). As used herein, "Structures" shall mean Improvements intended for use and/or occupancy as permitted by these restrictions and for which an initial certificate of occupancy or certificate of construction completion has been issued or which is substantially complete as determined by the Board. The term "Structures" shall be deemed to include parking garages, whether open or enclosed. Each Residential Unit shall be allocated one Building Point per dwelling located on the Unit notwithstanding the number of square feet of gross floor area within such Structure. With respect to property owned by a District Association for the common use and enjoyment of its members, or owned by the members of a District Association as tenants in common, the Association may, in its discretion, calculate Building Points for any Structures on such property as set forth above and allocate those Building Points pro rata to the Units within the District in accordance with the formula for the allocation of expenses set forth in a Supplemental Declaration applicable to such District.
- c. Benefit Factor and Land Classification.
 - i. The total Land Points and Building Points for each Unit shall then be multiplied by a Benefit Factor, as shown below, based on the Land Classification to calculate the total Assessment and Voting

Points. If the total Assessment and Voting Points results in a fraction, then number shall be rounded to the nearest whole number.

<u>Land Classification</u>	<u>Benefit Factor</u>
National Commercial Retail/Restaurant	2.0
Local Commercial Retail/Restaurant	1.5
Hotel/Motel/Inn	1.5
Residential and Apartments	1.5
Village Center	1.5
Office/Campus/Civic/Stadium	1.0
Light Industrial	1.0
Unimproved/Improved, but Not in Use/Other	1.0

ii. The Declarant, during the Development Period, and thereafter the Board of Directors, shall determine in its sole discretion the Land Classification for each Unit. By way of example only, Land Classifications may include the following:

(a) National Commercial Retail/Restaurant – chain restaurants, chain retail stores, fast food restaurants, supermarket grocery stores, gas stations, and banks;

(b) Local Commercial Retail/Restaurant – restaurants and retail stores which have a total of five or less locations nationwide;

(c) Hotel/Motel/Inn – hotels, motels and inns;

(d) Residential and Apartments – apartments, residential condominiums, single family attached and detached dwelling units, townhomes, and other residential uses;

(e) Village Center – restaurants, retail stores and bed and breakfast inns which are located in that portion of the Properties designated as the Village Center as set forth on the Master Plan;

(f) Office/Campus/Civic/Stadium – office buildings, ambulatory care, academic campuses, town hall, police department, fire department, wellness center, church, sales office, library, and stadium; and

(g) Unimproved/Other – unimproved land and any other use not covered by any of the land classifications set forth in this Section.

Declarant shall have the unilateral right to amend this Exhibit “C” to modify Land Classifications and to create additional Land Classifications in its sole discretion.

If, based on the use of the building, the Unit may be classified into more than one Land Classification, the Declarant, during the Development Period, and thereafter the Board of Directors, shall have the sole discretion to apply the Land Classification with the highest Benefit Factor to the entire building or to apply different Land Classifications to the separate portions of the Unit based on their respective uses. If one of the Land Classifications that may apply to a Unit is Village Center, then the entire Unit may be classified as Village Center.

Units are subject to re-evaluation and re-classification at the sole option of the Declarant or Board, as applicable, upon the occurrence of the following events: (a) improvement of previously unimproved property, (b) change in ownership of the Unit, (c) change in use of the Unit approved pursuant to Article X, or (d) on an annual basis in conjunction with the preparation of the budget as set forth in Section 8.2 of the Declaration.

d. Examples.

- i. A 25,000 square foot unimproved Unit is assigned 2.50 Land Points (which would also equal the Assessment and Voting Points for that unimproved Unit). The same Unit improved with a 10,000 square foot commercial retail building being used by a national commercial tenant is assigned 3.33 Building Points for a total of 5.83 Land Points and Building Points. This Unit would then have 11.67 Assessment and Voting Points, as follows:

$(2.50 \text{ Land Points} + 3.33 \text{ Building Points}) \times 2 \text{ [Benefit Factor for National Commercial Retail/Restaurant Space]} = 11.67 \text{ Assessment and Voting Points.}$

- ii. A 30,000 square foot unimproved Unit is assigned 3.00 Land Points. The same Unit improved with a three-story building located in the Village Center having a total of 30,000 square feet, used for a specialty shop, office space and apartments, is assigned 10.00 Building Points for a total of 13.00 Land Points and Building Points. Based on a Land Classification of Village Center and a Benefit Factor of 1.5, this Unit would then have 19.50 Assessment and Voting Points, as follows:

$(3 \text{ Land Points} + 10 \text{ Building Points}) \times 1.5$ [Benefit Factor for Village Center] = 19.50 Assessment and Voting Points.

2. Districts Associations. In the Association's sole discretion, as an alternative to the methodology set forth in Sections 1(a) and 1(b) of this Exhibit, any portion of the Properties subject to the jurisdiction of a District Association, such as a horizontal property regime, may be treated as a single Unit for purposes of calculating Land Points and Building Points under this Declaration.

3. Assessments. The decimal share of the total assessment to be levied on a particular Unit shall be computed by dividing the Assessment and Voting Points assigned to that Unit by the total Assessment and Voting Points for all Units subject to the particular assessment. The Board of Directors shall establish an annual cut off date for computing point totals for all Units. The decimal share of the total assessment for the Unit and the votes attributable to the Unit (including a summary of the computations) shall be sent to each Owner with the annual notice of assessment.

4. Voting. Each Member of the Association shall be entitled to one weighted vote for each Assessment and Voting Point assigned to the Unit under the above-referenced formula.

EXHIBIT "D"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. There shall be one (1) arbitrator. Subject to the qualification requirements set forth below, the Arbitrator shall be selected pursuant to the Commercial Arbitration Rules published by the American Arbitration Association (the "AAA"), as amended and in effect on the date of service of the Arbitration Notice, from a panel provided by the AAA. The Arbitrator shall have a minimum of seven (7) years experience in a real estate development related field such as commercial real estate development, licensed commercial real estate sales or brokerage, commercial property management (office, retail or institutional), commercial real estate appraisal or executive management of a real estate service or related company. If there shall be no such person available from the panel provided by the AAA, the Arbitrator shall be selected from such panel based on qualifications as reasonably approximating those set forth above as are available. Notwithstanding the foregoing, if either or all Parties elect and agree to pay any additional costs, the Arbitrator may be selected pursuant to the Commercial Arbitration Rules of AAA and subject to the stated qualifications from a panel provided by the AAA. The Arbitrator shall agree in writing to abide by and be bound by these rules of arbitration and shall apply the laws of the State of South Carolina. The Arbitrator shall conduct all such hearings as are required and shall make an award no later than ninety (90) Days following the service of the Arbitration Notice. The Arbitrator shall only, upon showing of cause, be permitted to extend the hearing date one (1) time, for a maximum of fifteen (15) Days.

3. The Arbitrator shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately, subject to the limitations set forth above.

4. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

5. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

6. There shall be no stenographic record of the proceedings, unless all Parties otherwise mutually agree in writing.

7. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

8. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such independent expert's assistance shall be determined by the Arbitrator in the Arbitrator's discretion. Such independent expert must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a written statement to the Parties detailing such bias or interest ("Bias Disclosure"). If any Party objects to the service of any independent expert after receipt of a Bias Disclosure, such independent expert shall be replaced by another independent expert selected by the Arbitrator.

9. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least thirty (30) Days prior to the hearing; provided, however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

10. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

11. There will be no post hearing briefs.

12. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than fourteen (14) Days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form. In any event, if such Award shall include damages, the Arbitrator may only award actual damages and costs, and shall in no event be entitled to award punitive, consequential or special damages.

13. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

14. NOTWITHSTANDING ANY OTHER PROVISION OF THIS DECLARATION TO THE CONTRARY, THE TERMS STATED IN THIS EXHIBIT "D"

Exhibit "D"

Page 2

MAY NOT BE AMENDED, DELETED OR MODIFIED AT ANY TIME OR IN ANY WAY WITHIN FIFTY (50) YEARS FOLLOWING THE RECORDATION OF THIS DECLARATION IN THE PUBLIC RECORDS WITHOUT THE PRIOR WRITTEN CONSENT OF THE DECLARANT.

EXHIBIT "E"

Use Restrictions and Rules

The following activities and uses are prohibited and restricted within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors or DURB. The prohibitions and restrictions shall apply to all of the Properties until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Article X of the Declaration.

1. Obnoxious or Offensive Activity. No obnoxious or offensive activity shall be allowed on the Properties, nor shall any use or practice be allowed which is a source of annoyance, embarrassment or discomfort to Owners or their tenants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Properties, nor shall any improper, unsightly, offensive or unlawful use be made of any Unit or of the Common Area, and all laws, zoning ordinances, and regulation of all governmental bodies having jurisdiction shall be observed. Restricted and prohibited activities include without limitation the following:

a. The use, enjoyment and occupancy of the Properties shall be in such a manner so as not to cause or produce any of the following effects discernible outside the building located thereon, or affect the adjoining property or any portion by its volume, duration, pounding beat, frequency or shrillness; smoke, dust, or dirt; unusual fire or explosive hazards; or vibration or light. The use, enjoyment and occupancy of a Unit shall not result in unreasonable levels of sound or noise pollution outside of the Unit.

b. Loading, service and refuse areas shall be constructed in accordance with the Design Guidelines and approved by the DURB. No accumulation of rubbish, trash, or garbage shall be made except between regular garbage pick ups, and then only in approved containers and screened from view from streets and other Units.

c. No use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device shall be audible to occupants of other Units, except alarm devices used exclusively for security purposes.

d. Discharge of firearms, firecrackers and other fireworks is prohibited except under a license or permit issued for that purpose. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board shall have no obligation to take action to prevent or stop such discharge.

e. Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties are prohibited, including the pursuit of any activities by action or inaction which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Unit, including excess clutter or an unsightly condition.

f. Structures, equipment or other items on a Unit which have become rusty, dilapidated or otherwise fallen into disrepair are prohibited and shall be removed or repaired by the Owner of the Unit at the request of the Board. If an Owner fails to honor such request, the Board may remove the offending structure, and charge the costs of removal thereof to the Owner as a Specific Assessment.

g. Bars, nightclubs, taverns, and book, video and gift stores engaged in the sale of obscene or pornographic materials or in the provision of entertainment featuring topless or nude performers are prohibited.

h. No Unit may be used, in whole or in part, to operate or offer for use to the public or through private membership, any electronic gaming device, coin operated gaming device or other activity for the purpose of gambling or gaming for cash, credit or other reward to be gained by participation in such activities. This prohibition shall be observed irrespective of any referendum permitting such activities which may be adopted by Berkeley County, or any other governmental entity or agency; provided, however, this prohibition shall not include any lottery which may be established pursuant to the laws of and operated by the State of South Carolina, or other activities of a similar nature which are expressly authorized by the Board of Directors or DURB as provided above.

i. Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units or the Common Areas within the Properties, which materially disturbs or destroys the vegetation, wildlife, wetlands, or air quality within the Properties or the adjoining buffer zones, or which uses excessive amounts of water.

j. Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units.

k. Obstruction, rechanneling or any other interference with drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that the Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

l. Door to door solicitations for any purpose are strictly prohibited, including but not limited to, for the sale of goods or services, collection of funds, completion of questionnaires, and providing religious, political or other information.

m. Capturing, trapping or killing of wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons using the Properties.

n. Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties, except that Declarant and the Association shall have the right to draw water from such sources

o. Use of any Unit for operation of a timesharing, fraction sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Units which it owns.

p. Mobile home parks, trailer courts, labor camps, junkyards, and stockyards are prohibited (except that this provision shall not be deemed to prohibit (1) manufactured housing or mobile homes within those portions of Cainhoy Development where such Improvements are specifically permitted by the Design Guidelines or Zoning Ordinance, nor (2) the temporary use of construction trailers during periods of construction, reconstruction, or maintenance, nor (3) the use of portable classroom trailers in conjunction with a school or university, all as permitted by and subject to the conditions in Article IX of the Declaration, the Zoning Ordinance, the Design Guidelines, the Use Guidelines, and as may be specifically approved by the DURB);

q. Landfills, dumping, disposal, incineration, treatment, processing or reduction of garbage or medical waste are prohibited.

r. Picketing, protest marches, sit-in demonstrations, protest speeches, and other forms of public protest or conduct, including, without limitation, displaying signs or placards on a Unit or any vehicle, apparatus or otherwise within public view in the Properties, which tends to vilify, ridicule, denigrate, or impugn the character of Declarant, the Association, their respective officers, directors or employees, or any Owner or Occupant shall be prohibited. Each Owner, by acceptance of the deed to any Unit, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on such Owner's constitutional right of free speech.

2. Fuel Storage and Dispensing. On site storage and dispensing of gasoline, heating, or other fuels is prohibited, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to fuels stored and dispensed incident to the retail operation of a gasoline service station or convenience store dispensing fuel for primarily passenger vehicles and household uses, nor to any underground fuel tank approved by the DURB, nor to any underground or above-ground fuel tank actively used for storage of fuels used incident to cooking operations in connection with the operation of a restaurant or other food service facility approved by the DURB, and provided in either case that operation and installation of such facilities shall be according to applicable laws, ordinances, and regulations, including without limitation zoning ordinances.

3. Animals and Pets.

a. Raising, breeding or keeping of animals, livestock, or poultry of any kind is restricted within the Properties to the keeping of a reasonable number of dogs, cats, or other usual and common household pets. The Board, in its sole discretion, may make further restrictions regarding pets, including without limitation restrictions on the number, size, and types of pets permitted within Units.

b. Pets shall be kept on a leash or otherwise confined in a manner acceptable to the Board, and shall not be permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners of Units and their tenants and invitees. Pets shall be registered, licensed and inoculated as required by law. The owners of the pet shall be responsible for all of the pet's actions. Pet waste shall be promptly removed and disposed of in proper receptacles. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive of wildlife, the Association may, but shall not be required to, require the removal of the animal from the Properties or to report the animal to the appropriate governmental authority or agency. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3 of the Declaration.

Nothing herein contained shall interfere with any provision under the Americans with Disabilities Act or any similar state or local law, ordinance or regulation.

4. Common Area, Plazas, Sidewalks, Pedestrian Ways and Bike Ways.

a. Owners of Units, as well as their tenants, guests, invitees, and pets shall refrain from any actions which deter from the enjoyment by other Owners of areas within the Properties designated as Common Area, pedestrian plazas, sidewalks, pedestrian ways, bike ways, etc. Prohibited activities shall include without limitation, maintenance of dogs or other pets under conditions which interfere with the use of the specified areas by other Owners, their tenants and invitees, playing of loud radios or musical instruments, holding of large gatherings without advance approval of the Board, loitering, or use of facilities, tents or other temporary structures, stages, vending machines or facilities, except for events approved in advance by the Board and otherwise permitted under this Declaration. The Board may promulgate other rules and restrictions for the use of these areas.

b. Special events held within the Properties by any Person other than the Declarant, including without limitation educational, cultural, entertainment, promotional, sporting or social events expected to draw increased vehicle, bicycle and pedestrian traffic to the Common Area, pedestrian plazas, sidewalks, pedestrian ways, bike ways within the Properties shall be approved in advance by the Board. Such approval shall be in the sole discretion of the Board.

5. Parking and Vehicles.

a. Parking facilities shall be established as set forth in the Design Guidelines. Parking of the following vehicles is restricted: construction vehicles or equipment, mobile homes, recreational vehicles, boats and other water craft, trailers, stored vehicles or inoperable vehicles. The foregoing vehicles may be parked only in enclosed garages or docks approved in accordance with Article IX of the Declaration or other areas as may be designated by the Board. Construction vehicles and equipment shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary for construction within a Unit or the Common Area. In the sole discretion of the Board, limitations may be placed on the parking areas, times for parking and points of entry for construction and commercial vehicles.

b. Operation of motorized vehicles on pedestrian ways, bike ways, sidewalks and plazas maintained by the Association is prohibited unless specifically permitted in the discretion of the Board, except that golf carts may be operated on cart paths intended for such purposes. Any use of pedestrian ways, bike ways, sidewalks and plazas maintained by the Association for motorized vehicles shall be subject to local laws and ordinances, and any restrictions established by the Board in permitting such use.

Nothing herein contained shall interfere with any provision under the Americans with Disabilities Act or any similar state or local law, ordinance or regulation.

6. Food Trucks. Selling, or offering for sale, or operating any motor vehicle, push cart, catering or food truck for sale of, or conducting any business for the purpose of causing the sale of, goods, merchandise and/or food from any motor vehicle, push cart, or catering or food truck parked, stopped, or standing upon any portion of the Properties or any dedicated roadways or other public property within Cainhoy Development shall require the prior approval of the Board. Such approval shall be granted or withheld in the sole discretion of the Board. Prior to any approval, the Board may require submittal of information, the issuance of permits, the payment of fees, and compliance with any Rules and Regulations and operational guidelines adopted by the Board. The approval of the Board shall not supersede any requirement for approval by or permits from the City and shall not serve as a representation or warranty by the Association that such approvals and permits may be obtained from the City.

7. Lakes, Ponds, and Other Water Bodies. All lakes, ponds, and streams within the Properties, if any, shall be used only in accordance with such Rules and Regulations as may be adopted and published by the Board, which Rules and Regulations may vary from one water body to another. No gasoline powered motorized boats or water skiing shall be permitted within any water body. Swimming, electric and other unmotorized boating, and other active uses of lakes or other bodies of water within the Properties shall be prohibited, unless approved by the Board and subject to such conditions as established by the Board. Fishing may be permitted with such licenses as may be required by any governmental entity. With the exception of any community Dock or pier constructed on behalf of the Association, no Docks, piers, or gazebos shall be constructed, attached or floated upon or adjacent to any lake or pond without the prior

written approval of the DURB. Except as designated by Declarant, no trails or pathways shall be established along the perimeter of any lake or pond.

8. Environmental Protection. Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Properties or adjoining buffer zones or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution are prohibited. Restricted and prohibited activities include without limitation the following:

a. Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any buffer zone, drainage or irrigation ditch, swale, stream, pond, wetlands, creek or lake, or elsewhere within the Properties or adjoining areas is prohibited, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff.

b. Obstruction, rechanneling or any other interference with drainage flows after location and installation of drainage swales, storm sewers, or storm drains is prohibited, except that the Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

c. Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties are prohibited, except that Declarant and the Association shall have the right to draw water from such sources.

d. Living trees shall be removed from the Properties only in conformance with the Design Guidelines.

e. Violation of any declaration of wetland restrictive covenants applicable to portions of the Properties.

9. Construction Activities. No construction, erection, or placement of any structure, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved is permitted, except in strict compliance with the provisions of Article IX of the Declaration. The following restrictions shall also apply:

a. After commencement of construction of any improvements in the Properties, the Owner shall diligently prosecute the work thereon, to the end that the improvements shall not remain in a partly finished condition any longer than reasonably and normally necessary for completion thereof.

b. The Owner of the Unit on which improvements are being constructed shall at all times keep streets and parking contiguous to the Unit free from excess dirt, mud, garbage, trash or other debris as may be occasioned by construction of the improvements.

c. Rocks and trees removed during construction of improvements shall be disposed of on the Units under construction in strict conformance with the Design Guidelines.

d. Storage of construction materials and equipment shall strictly conform to the Design Guidelines. The foregoing materials and equipment shall not be permitted within the natural barriers established under the Design Guidelines prior to construction.

e. The Owner shall comply with and maintain any screens, fences or walls required by the DURB around trash receptacles, HVAC units, and any other improvements.

f. No overhead utility lines, including, but not limited to, lines for cable, digital, satellite or similar television services shall be permitted within the Properties, except for temporary lines during construction as deemed appropriate by Declarant and lines constructed or installed by or at the request of Declarant.

10. Construction Period. In the deed of conveyance for a Unit or by Supplemental Declaration, the Declarant may require that an Owner commence construction on a Unit within a stated period after the conveyance of the Unit to such Owner. Regardless of whether a building requirement is imposed, if the Owner of a Residential Unit does not commence construction of a dwelling within three (3) years after the date on which the Unit is first conveyed to a Person other than Declarant, the Owner shall proceed to landscape the Unit in accordance with the landscaping requirements of the Design Guidelines: The time period to proceed with landscaping with respect to each Residential Unit is a fixed period that is binding upon each subsequent transferee from Owner. Such period shall not restart upon any subsequent transfer.

After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. The initial construction of all structures must be completed within one (1) year after commencement of construction, unless extended by the DURB in its sole discretion. All other construction shall be completed within the time limits established by the appropriate reviewing body at the time the project is approved by the reviewing body.

For the purposes of this Section, commencement of construction shall mean that (a) all plans for such construction have been approved by the DURB; (b) a building permit has been issued for the Unit by the appropriate jurisdiction; and (c) construction of a structure has physically commenced beyond site preparation. Completion of a structure shall mean that a certificate of occupancy or certificate of construction completion has been issued for a structure on the Unit by the appropriate jurisdiction.

11. Docks. No Dock may be constructed as an appurtenance to any Unit unless approved in writing by the DURB and unless the following conditions are met: (1) any such Dock shall be consistent with any standards, rules and regulations established by OCRM, if applicable; (2) the Owner of such Unit shall comply with all provisions of this Article with respect to such Dock; (3) the Owner must obtain all necessary permits and approvals from all

local, state, or federal governmental departments or agencies which have jurisdiction over construction in or near marshlands and other critical areas; and (4) all Docks shall conform with all other Governing Documents and any other declarations, covenants, restrictions or rules relating to the design, construction or location of Docks. Neither the Declarant, the DURB, the MC nor the Association warrants or guarantees that any governmental agencies or other approving authority will approve any Dock permits required for the construction of Docks aforesaid.

12. Flags. No flags or banners of any kind shall be erected, maintained, or displayed by or on behalf of an Owner or Occupant without the prior written consent of the appropriate reviewing body. The Design Guidelines or the DURB, by resolution, may exempt certain flags and banners from the application and approval requirements of this Article. This provision shall not be construed to prohibit, nor shall the Design Guidelines or the DURB prohibit, the display of the United States flag. The Design Guidelines may establish requirements regarding the time, place, or manner of display of the United States flag consistent with the requirements of applicable law, including but not limited to the Freedom to Display the American Flag Act of 2005 and South Carolina Code Annotated, §27-1-60, as such laws may be amended from time to time.

13. Wetlands. All areas designated on a recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property, and must be approved by all appropriate regulatory bodies. Prior to any alteration of a Unit, the Owner shall determine if any portion thereof meets the requirements for designation as a regulatory wetland. If approved, the Association may maintain boardwalks, fishing Docks, and crab Docks over, around, and in such wetlands. Notwithstanding anything contained in this Section, the Declarant, the Association, and the successors, assigns, affiliates and designees of each may conduct such activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands.

14. Irrigation. Owners shall not install irrigation systems which draw upon ground or surface waters nor from any lakes, ponds, or other body of water within the Properties without the prior written consent of the DURB. However, the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Area of Common Responsibility.

15. Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped, improved and maintained so as to permit safe sight across such areas. No fence, wall, hedge or shrub shall be placed or permitted to remain where it would cause a traffic or sight problem.

16. Streams. No streams, which run across any Unit, may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the DURB, except that the Declarant shall have such rights as provided in Article XI.

17. Signs. No signs, advertisements, billboards, solicitation or advertising structures of any kind shall be erected, modified or maintained on a Unit or within the Properties unless in

conformance within the Design Guidelines and unless prior written approval of the DURB is obtained. The restrictions of this section shall not apply to the Declarant.

Specifically with respect to, but not necessarily limited to, a Residential Unit, unless specifically approved in writing by the DURB, no "for sale" or "for lease" signs shall be permitted within any portion of the Properties. In addition, no brochure racks, information tubes, boxes or any other item or object may be placed on or erected within the Properties or attached to or placed on or adjacent to any permitted sign, either permanently or temporarily, without the prior written consent of the appropriate reviewing body. Notwithstanding the preceding, the Owner of a Residential Unit is permitted to display one political sign (not exceeding 18" by 24") per candidate on his or her Unit for a time period not to exceed 45 days prior to the election and 5 days following the election. In addition, no signs shall be placed in any rights of ways.

The Declarant and the DURB reserve the right to permit or prohibit other types of signs and/or displays, and may also restrict the size, content, color, lettering, design and placement of any approved signs. Any approved sign must be in conformance with the Design Guidelines. In addition to all other rights and remedies set forth in the Declaration, the DURB, Declarant and the Board shall have the right to enter property and to remove any sign, display, or advertising structure erected in violation of this provision, and such entry shall not constitute a trespass.

18. Fences. No fences shall be erected except in conformance with the Design Guidelines, and with prior written DURB approval.

19. Lighting. Exterior lighting must be approved by the DURB and installed pursuant to the Design Guidelines. With respect to Residential Units, exterior lighting visible from the street shall not be permitted except for: (1) approved lighting as originally installed on a Unit; (2) one (1) approved decorative post light; (3) pathway lighting; (4) street lights in conformity with an established street lighting program for the Properties; (5) seasonal decorative lights during the usual and common season; (6) front house illumination of model homes; or (7) any additional lighting as may be approved by the DURB. All lights shall be installed or aimed so that they do not present a disabling glare to drivers or pedestrians or create a nuisance by projecting or reflecting objectionable light onto a neighboring property.

20. Air-Conditioning Equipment. No air conditioning equipment which is visible on the exterior of any improvement shall be permitted in the Properties unless constructed in accordance with the Design Guidelines and approved by the DURB. Approval shall be based on adequacy of screening and/or landscaping of the equipment. The DURB may prohibit window air conditioning units altogether or impose strict standards.

21. Temporary Structures. Except as specifically approved in writing in advance by the DURB, no temporary buildings (including construction trailers) shall be erected or placed on the Properties. Portable storage units are not permitted to remain on a Unit in excess of thirty (30) calendar days in any calendar year. Portable storage units shall be placed only on the driveway or other designated parking area of a Unit. No more than one portable storage unit is permitted on a Unit at any time. Portable storage units shall not be larger than eight feet high by eight feet wide by sixteen feet long.

22. Antennas. Antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be constructed only after written approval of the DURB. Notwithstanding the foregoing, DBS and MMDS antennas one meter or less in diameter and television broadcast service antennas may be installed only in accordance with Federal Communications Commission ("FCC") rules and any requirements of the DURB that are consistent with the rules of the FCC, as they may be amended from time to time. Such items shall be installed in the least conspicuous location on the Unit available which permits reception of an acceptable signal. Landscaping, painting, or screening may be required by the DURB to minimize visual impact.

23. Solar Collecting Panels or Devices. The Declarant recognizes the benefits to be gained by permitting the use of solar energy as an alternative source of electrical power. At the same time, the Declarant desires to promote and preserve the attractive appearance of the Properties and the Improvements thereon, thereby protecting the value generally of the Properties and the various portions thereof. Subject to prior approval of the plans by the DURB, solar collecting panels and other active solar devices may be placed, constructed or maintained upon a Unit so long as such solar collecting panels and devices are placed, constructed and maintained in such location(s) and with such means of screening or concealment as the DURB may deem appropriate to limit, to the extent possible, the visual impact of such solar collecting panels and devices when viewed from any street or from any other property (whether within or outside the Properties).

24. Subdivision. Subdivision of a Unit into two (2) or more Units, including but not limited to the formation of a horizontal property regime, or changing the boundary lines of any Unit after a plat including such Unit has been approved and filed in the Public Records is prohibited, except with the prior written consent of the DURB and, during the Development Period, the Declarant. Such approval may be granted or withheld in the DURB's and the Declarant's sole discretion and may be conditioned upon any reasonable requirements, including but not limited to the review and approval of any additional covenants as set forth in Section 13.8 and the requirement that the Owner grant any access, parking, Utility, drainage and other easements within the Unit to be subdivided that the DURB reasonably deems necessary or beneficial for the development and use of the resulting subdivided Units, other property subject to the Declaration, or Cainho Development.

25. Real Estate Sales Offices. No part of the Properties may be used as an office for any form of business involving the sale of residential real estate and/or real property without the prior written consent of Declarant, which consent may be withheld in the sole and absolute discretion of Declarant.

26. Automated Teller Machines. Unless specifically approved in writing by the DURB pursuant to Article IX of the Declaration, automated teller machines that are free standing or that are located on the exterior of the primary structure on the Unit shall be prohibited within the Properties; provided however, that this provision shall not apply to any teller machine installed and operated on a Unit that contains a full-service bank, savings and loan, credit union or similar institution.

27. Residential Unit Use Guidelines.

a. Residential Use. Residential Units may be used only for residential purposes of a single family and for ancillary business, home occupation, or home office uses. A business, home occupation, or home office use shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Residential Unit; (b) the activity conforms to all zoning requirements for the Properties; (c) the activity does not involve regular visitation of the Residential Unit by clients, customers, employees, suppliers, or other invitees or door-to-door solicitation of residents of the Properties; (d) the activity does not increase traffic or include frequent deliveries within the Properties; (e) the activity conforms to the requirements of a customary home occupation as adopted from time to time by the City of Charleston; and (f) the activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

No other business, trade, or similar activity shall be conducted upon a Residential Unit without the prior written consent of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or a license is required.

The leasing of a Residential Unit shall not be considered a business or trade within the meaning of this Section. In addition, the construction and use of Improvements that would permit multi-generational families to have separate living areas within a Unit shall be deemed to be consistent with single family use of a Unit; provided that such Improvements are constructed in compliance with the requirements of Article IX.

This Section shall not apply to restrict the activities of Declarant or any Declarant-Related Entity, or Declarant's use of any Residential Unit which it owns within the Properties, including the operation of a timeshare or similar program. Further, this Section shall not restrict the activities of Persons Declarant approves with respect to the development, construction, and/or sale of property in the Properties nor apply to Association activities related to the provision of services and/or to operating and/or to maintaining the Properties, including, without limitation, the Properties' recreational and other amenities. This Section shall apply only to Units which have been designated as "Residential Units."

No garage sale, moving sale, rummage sale, auction or similar activity shall be conducted upon a Residential Unit without the prior written consent of the Board and compliance with any Rules and Regulations adopted by the Board.

b. Leasing. Residential Units may be leased for residential purposes only. All leases of any Unit, or any portion thereof, will be subject to all applicable county, city, state and federal ordinances, rules, regulations and laws as well as the Governing Documents, and each Lease shall contain, or shall be deemed to contain, an acknowledgement of the tenant of the requirement to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board. The Board may, from time to time, adopt minimum lease terms, which minimum lease terms may vary from one portion of the Properties to another in the Board's sole discretion.

c. Occupancy of Unfinished Dwellings. No dwelling erected upon any Residential Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed.

d. Accessory Structures. With the approval of the DURB, detached accessory structures may be placed on a Residential Unit to be used for a playhouse, swimming pool, tennis court, tool shed, dog house, garage or other approved use. A garage may also be an attached accessory structure. Such accessory structures shall conform in exterior design and quality to the dwelling on the Residential Unit. With the exception of a garage that is attached to a dwelling and except as may be provided otherwise by the DURB, an accessory structure placed on a Residential Unit shall be located only behind the dwelling as such dwelling fronts on the street abutting such Residential Unit or in a location approved by the DURB. All accessory structures shall be located within side and rear setback lines as may be required by the DURB or by applicable zoning law. The Design Guidelines may include requirements with respect to accessory structures on Units which have not been designated as Residential Units.

e. Mailboxes and Mail Kiosks. Residential dwellings within the Properties may be served by mail kiosks. To the extent that any residential dwelling is served by a mailbox, such mailbox shall conform to postal regulations and the guidelines for such mailboxes adopted by the DURB. The DURB may adopt different mailbox guidelines for each District. By accepting a Deed to a Unit, each Owner agrees that the DURB may remove any non-approved mailbox in a reasonable manner; all costs for same shall be paid by Owner of such Unit, and all claims for damages caused by the DURB are waived.

f. Minimum Dwelling Size. The Design Guidelines may establish a minimum square footage of enclosed, heated and cooled living space for residential dwellings, which minimum may vary from one (1) District to another. Upon written request of an Owner, the DURB may waive the minimum square footage requirement if, in the DURB's sole discretion, the resulting appearance of

such residential dwelling will preserve and conform to the overall appearance, scheme, design, value and quality within the Properties.

EXHIBIT "F"

By-Laws

**AMENDED AND RESTATED
BY-LAWS
OF
CAINHOY MASTER ASSOCIATION, INC.**

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AMENDED AND RESTATED
BY-LAWS
OF
CAINHoy MASTER ASSOCIATION, INC.

THESE AMENDED AND RESTATED BY-LAWS are made this ____ day of _____, 2019, by Cainhoy Land & Timber, LLC, a Delaware limited liability company ("Declarant");

WHEREAS, Cainhoy Town Association, Inc. adopted those certain By-Laws of Cainhoy Town Association, Inc. (the "Original By-Laws") as of April 8, 2014, which Original By-Laws were filed of record on January 9, 2019 in Deed Book 2927, Page 345, et seq., Public Records;

WHEREAS, Section 6.6 of the Original By-Laws provides that Declarant may unilaterally amend the Original By-Laws without the approval of any Owner or Mortgagee and for any purpose;

WHEREAS, the name of Cainhoy Town Association, Inc. has been changed to Cainhoy Master Association; and

WHEREAS, Declarant deems it appropriate to amend and restate the Original By-Laws as set forth below in these Amended and Restated By-Laws;

NOW, THEREFORE, pursuant to the powers retained by the Declarant under the Original By-Laws, Declarant hereby amends and restates the Original By-Laws as set forth in these Amended and Restated By-Laws. These Amended and Restated By-Laws supersede and replace the Original By-Laws, including but not limited to those certain By-Laws, Rules and Regulations of Cainhoy Town Association, Inc. filed of record on January 9, 2019 in Deed Book 2927, Page 345, et seq., Public Records.

ARTICLE 1: NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name. The name of the corporation is Cainhoy Master Association, Inc. (the "Association"), a South Carolina nonprofit mutual benefit corporation.

1.2 Principal Office. The principal office of the Association shall be located in the City of Charleston, Berkeley County, South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these Amended and Restated By-Laws shall have their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions (including Community Enhancement Fees) for Cainhoy Development recorded, or to be recorded, in the public records of Berkeley County, South Carolina as it may be amended, or amended and restated, from time to time (the "Declaration"), unless the context indicates otherwise.

ARTICLE 2: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM/VOTING,
PROXIES

2.1 Membership. The Association initially shall have two (2) classes of membership, Class "A" and Class "B" as more fully set forth in the Declaration. The Declarant may establish additional classes of membership, voting or non-voting, as set forth in the Declaration. Provisions of the Declaration pertaining to membership are incorporated herein by this reference.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3 Annual Meetings. The first membership meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4 Special Meetings. The president may call a special meeting of the Association. It also shall be the president's duty to call a special meeting if so directed by Board resolution or upon written petition of Members representing at least five percent (5%) of the total Class "A" votes in the Association or upon written request of the Declarant describing the purpose or purposes for which the special meeting is to be held. If the president does not call a special meeting pursuant to this Section within thirty (30) Days after the date such written petition is delivered to the Association's secretary, any Member signing the petition or the Declarant may set the time and place of the special meeting and give the Association notice pursuant to Section 2.5.

2.5 Notice of Meetings. The Association's secretary shall cause written notice stating the place, day, and time of any Association meeting to be given in any manner permitted by applicable law. Notice may be sent by mail or private courier, published in a newspaper, or by radio, television, or other form of public broadcast communication in Berkeley County, South Carolina, delivered by hand delivery, sent by facsimile, or to the extent permitted by South Carolina and federal law, by electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as the Board determines in its discretion, to provide personal notice to Members. Notice shall be given at least ten (10) Days and, in any event, not more than sixty (60) Days before the date of the meeting, by or at the direction of the president, the secretary, or the officers or Persons calling the meeting.

In case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice for the special meeting. The notice of regular or annual meeting shall state the items on the agenda of the Association meeting to the extent required by statute, including, without limitation, the general

nature of any proposed amendment to the Governing Documents, any proposed sale of assets, and any proposal to dissolve the Association.

If mailed, the notice of a meeting shall be deemed given when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or other electronic communication device, notice shall be deemed delivered when transmitted to the Member at his or her address, e-mail address, or telephone or fax number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after the date and time stated in the notice of such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to lack of notice of the time, date, and place thereof, unless specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection to the consideration of the business is raised before or when the business is presented for a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9 List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to cast at the meeting including at an election for directors held by electronic ballot outside of an annual meeting. The list for voting shall be made available for inspection in accordance with South Carolina law.

2.10 Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be

in writing specifying the Unit(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11 Quorum. The presence, in person or by proxy, of Members representing ten percent (10%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association. If a quorum is present, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12 Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action including the election of directors that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if: (i) the Association delivers a written ballot or, to the extent permitted by South Carolina and federal law, an electronic ballot to every Member entitled to vote on such matter including an election ballot for directors; (ii) the number of votes cast by written or electronic ballot satisfies the quorum requirements set forth in Section 2.11; and (iii) at least a Majority of the votes required to constitute a quorum approve such proposed action. A written or electronic ballot shall: (i) set forth each proposed action; (ii) provide an opportunity to vote for or against each proposed action; (iii) indicate the number of responses needed to meet the quorum requirements; (iv) state the percentage of approvals necessary to approve each matter other than election of directors; and (v) specify the time by which a ballot must be received by the Association in order to be counted. Except as provided herein, no written or electronic ballot may be revoked.

ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Members or Occupants; provided however, no Owner and Occupant representing the same Unit may serve on the Board at the same time. No Owner or Occupant shall be eligible to serve as a director if any assessment for such Owner's or Occupant's Unit is

delinquent. In the case of a Member or Occupant which is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of such Member or Occupant shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member or Occupant, provided no Member or Occupant may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2 Number, Nomination and Election of Directors. Except as provided in Section 3.3, the Board shall consist of three (3) directors elected by the Class "A" Members of the Association. The number of directors may be changed to an odd number by resolution of the Board.

Elected directors shall be nominated from the floor at a meeting of the Members and may also be nominated by a nominating committee, if such a committee is established by the Board. If Voting Groups have been formed, nominations shall be to separate slates for the directors, if any, to be elected at large by all Members, and for the director(s) to be elected by the votes within each Voting Group. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Each Owner may cast the entire vote assigned to such Owner's Unit for each position to be filled. There shall be no cumulative voting or splitting of votes. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. If Voting Groups have been established, one (1) director shall be elected by the Members representing each Voting Group and any remaining directorships filled at large by the vote of all Members. Directors may be elected to serve no more than two (2) consecutive terms.

3.3 Directors During Development Period. The directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Development Period.

3.4 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by Members holding two-thirds (2/3) of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) Days delinquent (or is the resident of a Unit that is delinquent or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of an elected director or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a successor for the remainder of the term. Any director that the Board appoints shall be selected from among Owners and Occupants within the Voting Group represented by the director who vacated the position, if applicable.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.5 Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each year.

3.7 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.8 Notice. Notice of a regular meeting shall be communicated to directors in accordance with applicable law. Notice of a special meeting shall be communicated to directors not less than forty-eight (48) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) to the extent permitted by South Carolina law and federal law, electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, electronic mail or e-mail shall be deemed communicated when delivered, telephoned, telecopied, electronically mailed, e-mailed or given to the telegraph company.

3.9 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.11 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board, excluding the interested director.

3.13 Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.14 Open Meetings. Subject to the provisions of Sections 3.10 and 3.15, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a director. In such case, the president may limit the time any Member may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in

executive session, and exclude Members to discuss matters of a sensitive nature, such as pending or threatened litigation or personnel matters.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents or South Carolina law do not direct to be done and exercised exclusively by the membership generally.

3.17 Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any District Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending use restrictions and rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents:

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the costs of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting Utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or DURB or committee member, or former director, officer or DURB or committee member of the Association to the extent such indemnity is required or permitted under South Carolina law, the Articles of Incorporation or the Declaration; and

(p) assisting in the resolution of disputes between Owners and others without litigation as set forth in the Declaration.

3.18 Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.19 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) an annual financial report shall be made available to all Members within one hundred twenty (120) Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines.

3.20 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67%) of the total votes allocated to Units prior to borrowing such money.

3.21 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common and/or long-term management, operational, or other agreements with trusts, condominiums, cooperatives, or District, or other owners or residents associations, within and outside Cainhoy Development, the Declarant, the Community Association, the owner of any Private Amenity, and/or any local, state, or federal governmental or quasi-governmental entity.

3.22 Right to Enter into Guaranty. With regard to any obligations imposed by the City of Charleston, including but not limited to, the planting and maintenance of street trees, the Association, in its sole discretion, shall have the right to enter into any guaranty agreement with the City of Charleston for the completion of such obligations.

3.23 Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within ten (10) Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within ten (10) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) Day period. Such

suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the ten (10) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator. The Board may adopt a schedule of sanctions for violation of the Governing Documents.

(b) Hearing. If a hearing is requested within the allotted ten (10) Day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within ten (10) Days after the hearing date.

3.24 Board and Officer Training. The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable South Carolina corporate and fiduciary law principles, other issues relating to administering community affairs and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys and accountants, as appropriate or necessary for such purpose. Expenses relating to such educational opportunities shall be a Common Expense of the Association.

The Board may also provide, or provide for, Owner and Occupant education designed to foster a better understanding of Cainhoy Development's governance and operations and leadership training classes designed to educate Members of the nomination, election, and voting processes and the duties and responsibilities of the directors and officers.

ARTICLE 4: OFFICERS

4.1 Officers. The officers of the Association shall be a president, secretary and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The treasurer shall have prior experience and knowledge of accounting practices, tax laws and fiscal record-keeping. The Board may appoint such other officers, including a vice president, one (1) or more assistant secretaries and one (1) or more assistant treasurers, as it shall deem desirable, such officers to

have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. During the Development Period, the Declarant may authorize a member of the Board appointed by the Declarant or the president of the Association to execute any and all agreements, contracts, deeds, leases, checks, and other instruments on behalf of the Association. Following the Development Period and unless otherwise determined by the Board in its reasonable discretion, all agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers of the Association. In addition, the Board may designate and authorize other person or persons, who are not officers of the Association, to execute documents and instruments on behalf of the Association by a written resolution of the Board authorizing such person or persons.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12.

ARTICLE 5: COMMITTEES

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these By-Laws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than seven (7) Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23 of these By-Laws.

5.3 District Committees. In addition to any other committees appointed as provided above, each District which has no formal organizational structure or association may elect a District Committee to serve as a liaison between that District and the Board and to determine the nature and extent of services, if any, to be provided to the District by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A District Committee may advise the Board on any other issue, but shall not have the authority to bind the Board or the Association. The Board may in its discretion establish criteria for appointment to and/or creation of District Committees.

District Committee members shall be elected for a term of one (1) year. Any director elected to the Board of Directors from a District shall be an ex-officio member of the District Committee. The District Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each District Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Sections 3.8, 3.9, 3.10, and 3.11. Meetings of a District Committee shall be open to all Owners of Units in the District and their representatives; provided however, a District Committee may act by unanimous written consent in lieu of a meeting.

ARTICLE 6: MISCELLANEOUS

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles, the Declaration, these By-Laws, the Use Guidelines, Design Guidelines, and the Rules and Regulations, the provisions of South Carolina law, the Declaration, the Articles, the By-Laws, the Use Guidelines, Design Guidelines, and the Rules and Regulations (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any

Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to its interest in a Unit: the Declaration, By-Laws, and Articles, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board may establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made;

and

- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

6.6 Amendment.

(a) By Declarant. During the Development Period, the Declarant may unilaterally amend these By-Laws at any time and from time to time:

(i) for the purpose of curing any ambiguity or any inconsistency among the provisions contained herein;

(ii) if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, to make, purchase, insure or guarantee Mortgage loans on the Units; (d) to enable any reputable private insurance company to insure Mortgage loans on the Units; or (e) to satisfy the requirements of any local, state or federal governmental agency; and

(iii) any other purpose.

The foregoing amendments may be made without the joinder or approval of any Owner, Mortgagee, or the Association.

(b) By the Board. The Board shall be authorized to amend these By-Laws without the consent of the Members (i) to correct scrivener's errors and other mistakes of fact, and (ii) to remove provisions creating impediments to the implementation, use and operation of advancements in technology, provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in these By-Laws, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.