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**Cross references:**

Declaration of Covenants, Conditions and Restrictions for Carolina Park Master Association, Mount Pleasant, South Carolina, recorded in Book E-568, Page 001, *et seq.*, amended and restated in Book V-658, Page 179, *et seq.*, re-recorded in Book E-662, Page 086, *et seq.*, re-recorded in Book 0019, Page 271, *et seq.*, and amended in Book 0019, Page 747, *et seq.* and supplemented in Book 0225, Page 561 *et seq.*

Declaration of Covenants and Restrictions for Carolina Park Recreation Association, Mount Pleasant, South Carolina, recorded in Book V-658, Page 242, *et seq.*

Declaration of Covenants, Conditions and Restrictions for Carolina Park Residential Association West, Mount Pleasant, South Carolina, recorded in Book V-658, Page 353, *et seq.* and amended in Book 0019, Page 749, *et seq.*

Declaration of Covenants, Conditions and Restrictions for Carolina Park Block One Association, Mount Pleasant, South Carolina, recorded in Book G-627, Page 90, *et seq.*

**MASTER DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**CAROLINA PARK**



Upon recording, please return to:  
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**TABLE OF EXHIBITS**

<u>Exhibit</u>	<u>Subject Matter</u>
<b>“A”</b>	<b>Land Initially Submitted</b>
<b>“B”</b>	<b>Land Subject to Annexation</b>
<b>“C”</b>	<b>Formula For Assessment and Voting Rights</b>
<b>“D”</b>	<b>Additional Restrictions for Carolina Park West</b>

**MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**CAROLINA PARK**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAROLINA PARK (this "Declaration") is made as of the date set forth on the signature page hereof by Carolina Park Development LLC, a Delaware limited liability company, (the "Declarant"), CDM of Charleston, LLC, a South Carolina limited liability company ("CDM of Charleston"), Carolina Park Master Association, Inc., a South Carolina nonprofit corporation (hereinafter referred to as the "Original Master Association"), Carolina Park Recreation Association, Inc., a South Carolina nonprofit corporation (hereinafter referred to as the "Recreation Association"), Carolina Park Residential Association West, Inc., a South Carolina nonprofit corporation (hereinafter referred to as the "Carolina Park West Association"), and Carolina Park Block One Association, Inc., a South Carolina nonprofit corporation (hereinafter referred to as the "Block One Association").

**WITNESSETH**

WHEREAS, the Declarant is the developer of the master planned community known as Carolina Park located in the Town of Mount Pleasant, Charleston County, South Carolina, ("Town") comprised of the Properties, as hereinafter defined, together with additional properties as set forth herein; and

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions for Carolina Park Master Association, Mount Pleasant, South Carolina, was recorded in Book E-568, Page 001, *et seq.*, in the Office of the Register of Mense Conveyances of Charleston County, South Carolina, amended and restated in Book V-658, Page 179, *et seq.*, in the aforesaid records, re-recorded in Book E-662, Page 086, *et seq.*, in the aforesaid records, re-recorded in Book 0019, Page 271, *et seq.*, in the aforesaid records, and amended and supplemented in Book 0019, Page 747, *et seq.*, in the aforesaid records, and supplemented in Book 0225, Page 561, *et seq.* (such instrument as amended and restated, re-recorded and amended, the "Original Master Declaration"); and

WHEREAS, the Original Master Association is the owners association established pursuant to the Original Master Declaration; and

WHEREAS, that certain Declaration of Covenants and Restrictions for Carolina Park Recreation Association, Mount Pleasant, South Carolina, was recorded in Book V-658, Page 242, *et seq.*, in the Office of the Register of Mense Conveyances of Charleston County, South Carolina (such instrument as amended and restated, re-recorded and amended, the "Recreation Declaration"); and

WHEREAS, the Recreation Association is the owners association established pursuant to the Recreation Declaration; and



WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions for Carolina Park Residential Association West, Mount Pleasant, South Carolina, was recorded in Book V-658, Page 353, *et seq.*, in the Office of the Register of Mense Conveyances of Charleston County, South Carolina, and amended in Book 0019, Page 749, *et seq.*, in the aforesaid records (such instrument as amended, the "Carolina Park West Declaration"); and

WHEREAS, the Carolina Park West Association is the owners association established pursuant to the Carolina Park West Declaration; and

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions for Carolina Park Block One Association, Inc., was recorded in Book G-627, Page 90, *et seq.*, in the Office of the Register of Mense Conveyances of Charleston County, South Carolina (such instrument as amended, the "Block One Declaration"); and

WHEREAS, the Block One Association is the owners association established pursuant to the Block One Declaration; and

WHEREAS, pursuant to the terms of that certain Foreclosure Deed recorded in Book 0133, Page 134, aforesaid records, and that certain Assignment recorded in Book 0133, Page 135 in the aforesaid records, all of the "declarant's" rights, title and interest in, to and under the Original Master Declaration, the Recreation Declaration, the Carolina Park West Declaration, and the Block One Declaration have been assigned to CDM of Charleston, LLC; and

WHEREAS, pursuant to the terms of that certain Assignment and Acceptance Agreement recorded in Book \_\_\_\_, Page \_\_\_\_ of the aforesaid records, all of the "declarant's" rights, title and interest in, to and under the Original Master Declaration have been assigned from CDM of Charleston to Carolina Park Development, LLC, a Delaware limited liability company, thereby designating Declarant as the "declarant" under the Original Master Declaration; and

WHEREAS, Article 8, Section 8.1 of the Original Master Declaration provides for amendment of the Original Master Declaration by the vote of not less than seventy-five percent (75%) of the then existing board of directors of the Original Master Association; provided that, certain amendments to the Original Master Declaration require the consent of the "declarant" under the Original Master Declaration; and

WHEREAS, all of the existing board of directors of the Original Master Association and the Declarant, as "declarant" under the Original Master Declaration, deem it appropriate to amend the Original Master Declaration for the purposes of superseding the existing terms and conditions of the Original Master Declaration and replacing them with the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park; and

WHEREAS, Article 10, Section 10.1 of the Recreation Declaration provides for amendment of the Recreation Declaration by the "declarant" under the Recreation Declaration without the consent of the Recreation Association, any "subordinate association," any "owner," any easement grantee, or any "mortgagee," for so long as the "declarant" or its "affiliates" have a "controlling interest," as such terms in quotations are defined in the Recreation Declaration; and

WHEREAS, CDM of Charleston, as "declarant" under the Recreation Declaration, has a "controlling interest" and deems it appropriate to amend the Recreation Declaration for the

purposes of superseding the existing terms and conditions of the Recreation Declaration and replacing them with the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park; and

WHEREAS, all of the existing board of directors of the Recreation Association deem it appropriate to consent to this amendment to the Recreation Declaration as evidenced by the Recreation Association's written consent and approval attached hereto and incorporated herein; and

WHEREAS, Article 10, Section 10.1 of the Carolina Park West Declaration provides for amendment of the Carolina Park West Declaration by the "declarant" under the Carolina Park West Declaration without the consent of the Carolina Park West Association, any "subordinate association," any "owner," any easement grantee, or any "mortgagee," for so long as the "declarant" or its "affiliates" have a "controlling interest," as such terms in quotations are defined in the Carolina Park West Declaration; and

WHEREAS, CDM of Charleston, as "declarant" under the Carolina Park West Declaration, has a "controlling interest" and deems it appropriate to amend the Carolina Park West Declaration for the purposes of superseding the existing terms and conditions of the Carolina Park West Declaration and replacing them with the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park; and

WHEREAS, all of the existing board of directors of the Carolina Park West Association deem it appropriate to consent to this amendment to the Carolina Park West Declaration as evidenced by the Carolina Park West Association's written consent and approval attached hereto and incorporated herein; and

WHEREAS, all of the existing board of directors of the Block One Association deem it appropriate to consent to the recording of the amendment to the Original Master Declaration as evidenced by the Block One Association's written consent and approval attached hereto and incorporated herein; and

WHEREAS, the Declarant, together with CDM of Charleston, the Original Master Association, the Recreation Association, the Carolina Park West Association, and the Block One Association believe that the Properties shall benefit from the consolidation and restatement of the Original Master Declaration, the Recreation Declaration and the Carolina Park West Declaration, and the adoption of the covenants, easements, restrictions, charges, liens and agreements established herein for the purpose of governing the improvement, use, enjoyment, occupancy and ownership of the Properties; and

WHEREAS, in order to implement the aforesaid purposes and intentions, Declarant, together with CDM of Charleston, the Original Master Association, the Recreation Association, the Carolina Park West Association, and the Block One Association deem it necessary to establish this Declaration and to create an organization to which common property can be conveyed and to which the Declarant can delegate the power, authority and responsibility to maintain the common property and to administer this Declaration;

NOW, THEREFORE, pursuant to the provisions of the Original Master Declaration, the Recreation Declaration and the Carolina Park West Declaration, the Declarant, together with

CDM of Charleston, the Original Master Association, the Recreation Association, and the Carolina Park West Association, do consolidate, amend and restate all of the declaration instruments described in the above recitals except the Block One Declaration (collectively the "Original Declarations") in their entirety and such Original Declarations are hereby amended as follows:

1.

All terms and conditions of the Original Master Declaration, the Recreation Declaration and the Carolina Park West Declaration are hereby stricken and superseded in their entirety and replaced with the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park. THIS DECLARATION, AS SUPPLEMENTED, SHALL AMEND AND RESTATE THE ORIGINAL MASTER DECLARATION, THE RECREATION DECLARATION AND THE CAROLINA PARK WEST DECLARATION, AND THIS DECLARATION SHALL SUPERSEDE AND REPLACE THE ORIGINAL MASTER DECLARATION, THE RECREATION DECLARATION AND THE CAROLINA PARK WEST DECLARATION, IN THEIR ENTIRETY. Declarant, together with CDM of Charleston, the Original Master Association, the Recreation Association, and the Carolina Park West Association, do hereby declare that the properties described herein are hereby subject to this Declaration and henceforth shall be owned, held, transferred, sold, conveyed, occupied, used and mortgaged or otherwise encumbered subject to this Declaration and the property described herein shall be subject to the covenants, restrictions, easements, agreements, charges and liens provided for in this Declaration. The Block One Declaration is hereby ratified and shall remain in full force and effect.

2.

In the event that any court determines that the adoption of all or any portion of the terms and conditions of the Declaration pursuant to this Declaration shall be null and void, then the terms and conditions of the Original Master Declaration, the Recreation Declaration and the Carolina Park West Declaration as they existed the day before the date of this Declaration shall be reinstated and shall apply with full force and effect.

3.

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, Open Spaces, landscaping, and other Common Areas and Improvements located on the Properties. In furtherance of such plan, this Declaration provides for the creation of Carolina Park Community Association, Inc. to own, operate and maintain Common Areas and to administer and enforce the provisions of the Governing Documents (capitalized terms are defined in Article 1 below).

4.

This Declaration sets forth the basic covenants, conditions and restrictions that will apply to Carolina Park. 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:

- A. protect, enhance and preserve the values, amenities, desirability, and attractiveness of the Properties;
- B. promote Carolina Park as a well-integrated, high-quality community;
- C. carry out the vision statement for and mission of Carolina Park as set forth herein;
- D. provide for design standards and architectural guidelines that respect the vernacular of the region;
- E. preserve and protect the natural habitat and Open Spaces;
- F. encourage creative and innovative land planning that is sensitive to sustainable community formation and existing environmental conditions; and
- G. establish a procedure for the continued maintenance and operation of Common Areas, Exclusive Common Areas, Open Spaces, and Area of Common Responsibility, including any Improvements located therein, in a cost-effective and administratively efficient manner.

5.

Accordingly, it is contemplated that the Properties will be developed as a mixed used commercial and residential development comprised of various office, retail, recreational, residential and other permitted uses allowed under the Development Agreement 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 Parcels made subject to the terms of this Declaration.

6.

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 or a horizontal property regime within the meaning of the South Carolina Horizontal Property Act, South Carolina Code Annotated, § 27-31-10, *et seq.*

**BY THE RECORDING OF A DEED OR THE ACCEPTANCE OF TITLE TO A PARCEL OR ANY INTEREST THEREIN, THE PERSON TO WHOM SUCH PARCEL OR INTEREST THEREIN IS CONVEYED AND SUCH PERSON'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES, GRANTEEES, ASSIGNS AND MORTGAGEES SHALL BE DEEMED TO HAVE AGREED TO BE BOUND BY THIS DECLARATION AND THE BY-LAWS OF THE ASSOCIATION.**

## **ARTICLE 1** **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 "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 7.

1.2 "Allocated Share". The weighted voting interest and/or assessment share, as applicable, for each Parcel as calculated using the formula set forth on Exhibit "C".

1.3 "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 Development Agreement or other applicable Governing Documents or covenants, contracts, or agreements.

1.4 "Articles of Incorporation" or "Articles". The Articles of Incorporation of Carolina Park Community Association, Inc., as filed with the Secretary of State of the State of South Carolina, as they may be amended from time to time.

1.5 "Association". Carolina Park Community Association, Inc., a South Carolina non-profit corporation, its successors or assigns.

1.6 "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.

1.7 "Builder". Any Person who purchases one (1) or more Parcels for the purpose of constructing residences thereon for later sale to consumers or who purchases one (1) or more parcels of land within the Properties for further subdivision, development, and/or sale of residences in the ordinary course of such Person's business. Any Person occupying or leasing a

Parcel for residential purposes shall cease to be considered a Builder with respect to such Parcel immediately upon occupancy of the Parcel for residential purposes, notwithstanding that such Person originally purchased the Parcel for the purpose of constructing Improvements for later sale to consumers.

1.8 “By-Laws”. The By-Laws of Carolina Park Community Association, Inc., as they may be amended from time to time.

1.9 “Carolina Park”. That certain mixed-use commercial and residential community located in the Town and commonly known and referred to as Carolina Park.

1.10 “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, benefit and enjoyment of the Owners. This term shall also include the Exclusive Common Area, if any, as defined below.

1.11 “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.

1.12 “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 standard may be more specifically determined by the Board and the DRB and within the Governing Documents.

1.13 “Cost Sharing Agreement”. Any agreement, contract or covenant between the Association and an owner or an operator of property adjacent to or in the vicinity of the Properties for the allocation of expenses for amenities and/or services that benefit both the Association and the owner(s) or operator(s) of such property.

1.14 “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.

1.15 “Declarant”. Carolina Park Development 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” and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one (1) Person entitled to exercise the rights and powers of the “Declarant” hereunder at any time.

1.16 “Declarant-Related Entity”. Any Person or entity that is a parent, subsidiary or affiliate of the Declarant, and/or in which the Declarant or any parent, subsidiary or affiliate of the Declarant or any officer, director, shareholder, partner, member, manager or trustee of any of the foregoing directly or indirectly, is controlled by, or is under common control with, the

Declarant. For purposes hereof, the term “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any Person, or the power to veto major policy decisions of any Person, whether through the ownership of voting securities, by agreement, or otherwise.

1.17 “Deed”. Any deed, lease, assignment or other instrument other than a Mortgage conveying any interest in any Parcel.

1.18 “Design Guidelines”. The design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Properties promulgated and administered pursuant to Article 9.

1.19 “Design Review Board” or “DRB”. 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.

1.20 “Development Agreement”. That agreement dated September 14, 2011, by and between the Town and CDM of Charleston, LLC and any subsequent amendments or restatements thereof.

1.21 “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 Additional Property or has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1; provided however, the Development Period shall not terminate until one hundred percent (100%) of the total number of Parcels reflected on the Master Plan for the property described on Exhibits “A” and “B” have certificates of occupancy 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 Parcel 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.

1.22 “District”. One or more Parcels that share common interests other than those common to all Parcels in the Properties, as more particularly described in Section 3.3, whether or not governed by a District Association. For example, and by way of illustration and not limitation, a separately developed single family housing neighborhood, a condominium, an office complex comprised of several Parcels surrounding a common plaza, or a retail/commercial center comprised of various Parcels sharing common parking areas 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 3.3.

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

1.24 “District Association”. Any owners association having concurrent jurisdiction with the Association over any District.

1.25 “District Expenses”. The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Parcels 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).

1.26 “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 Parcels, as more particularly described in Article 2.

1.27 “General Assessments”. Assessments levied on all Parcels subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Parcels, as more particularly described in Sections 8.1 and 8.2.

1.28 “Governing Documents”. This Declaration, the By-Laws, the Articles of Incorporation, all Supplemental Declarations, the Design Guidelines, the rules of the Association, the Development Agreement, the PD Zoning Development Standards, all Cost Sharing Agreements, and all additional covenants governing any portion of the Properties, or any of the above, as each may be supplemented and amended from time to time.

1.29 “Improvement”. 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 DRB), 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, 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 Parcel.

1.30 “Leasehold Owner”. The lessee under any lease of a Parcel 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.

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

1.32 “Master Plan”. The land use plan or development plan for Carolina Park, 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 the 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 7. 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 Parcel after such Parcel has been conveyed except with consent of the Owner.

1.33 “Member”. A Person subject to membership in the Association pursuant to Section 3.1.

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

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

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

1.37 “Open Space”. That portion of the Properties depicted on the Master Plan that is in its undeveloped natural state or that has been developed only to the extent consistent with, or is restored to be consistent with, one or more following goals: (a) water protection for rivers, creeks, streams and lakes; (b) flood protection; (c) wetlands production; (d) reduction of erosion through protection of steep slopes and stream banks; (e) protection of riparian buffers and other areas that serve as natural habitat and corridors for native plants and animal species; (f) scenic protection; (g) protection of archaeological and historic resources; (h) provision of recreation in the form of hiking, fishing, running, jogging, biking, walking, and similar outdoor activities; and (i) connection of existing or planned areas contributing to the goals set forth in this Section.

1.38 “Owner”. One or more Persons who hold the record title to any Parcel, including the Declarant, any Declarant-Related Entity, or any Builder, 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 Parcel 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 notice of such assignment, the Declarant, the Association and the DRB shall recognize the Leasehold Owner as the Owner of such Parcel.

1.39 “PD Zoning Development Standards”. That certain Planned Development District Development Standards Amending the PD District for Carolina Park dated July 28, 2011, as such may be amended and supplemented from time to time.

1.40 “Parcel”. A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed. The boundaries of each Parcel shall be shown on the applicable plat for such property and recorded in the Public Records. Each separately platted property shall be deemed to be a separate Parcel, regardless of the number of uses or businesses operated on such Parcel, unless otherwise specified by Supplemental Declaration. The term shall include the land, if any, which is part of the Parcel as well as any Improvements thereon.

Each “unit” within a condominium or a horizontal property regime shall constitute a separate Parcel. However, in the Association’s sole discretion, any portion of the Properties subject to the jurisdiction of a District Association, such as a condominium association, may be treated as a single Parcel solely for purposes of voting and collection of assessments under this Declaration. In such event, the District Association shall be responsible for casting all votes and for collecting all assessments and other sums from the members of the District Association. All votes shall be cast by, and all amounts shall be remitted to, the Association pursuant to such procedures as may be adopted by the Association.

In the case of a portion of the Properties intended and suitable for subdivision but as to which no final plat has been recorded, such property shall be deemed to be a single Parcel until such time as a final plat is filed of record with respect to all or a portion of the property.

The term “Parcel” shall not include Common Area, common property of any District Association, or property dedicated to the public.

1.41 “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.

1.42 “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 7.

1.43 “Public Records”. The Register of Mense Conveyances for Charleston County, South Carolina.

1.44 “Recreational Assessments”. Assessments levied on certain designated Parcels as set forth in Section 8.7 to fund the expenses relating to the operation, maintenance, repair, replacement, insurance and administration of the Recreational Facilities, as more particularly described in Section 8.7.

1.45 “Recreational Facilities”. Certain recreational facilities designated by the Declarant during the Development Period and the Association thereafter, located within Carolina Park which may consist of a clubhouse, swimming pool(s) and related facilities constructed by Declarant for the primary use and enjoyment of the Owners of Obligated Parcels, as defined in Section 2.5.

1.46 “Residential Parcel”. Any Parcel which is restricted to single-family residential use. A Parcel that contains apartments, for example, shall not be a Residential Parcel.

1.47 “Special Assessment”. Assessments levied in accordance with Section 8.5.

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

1.49 "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 Section 3.4 which designates Voting Groups, any declaration of covenants, conditions and restrictions, and any declaration of condominium. The Block One Declaration is a Supplemental Declaration.

1.50 "Town". The Town of Mt. Pleasant, South Carolina.

1.51 "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.

1.52 "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 3.4 of this Declaration.

## **ARTICLE 2**

### **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 Parcel, 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 regulating the use and enjoyment of the Common Area, including rules limiting the number of invitees who may use the Common Area;
- (d) the right of the Association to rent, lease or reserve all or any portion of social facilities or Recreational Facilities situated upon the Common Area to any Owner for the exclusive use of such Owner and such Owner's Occupants upon such conditions as may be established by the Board;
- (e) the right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility or Recreational Facility situated upon the Common Area;
- (f) the right of the Board to allow persons other than Owners and Occupants to use any facilities or Recreational Facilities situated upon the Common Area upon such conditions and fees as may be established by the Board;

(g) the right of the Board to suspend the right of an Owner or Occupant to use facilities or Recreational 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 and Occupants 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 2.4;

(k) the rights of Obligated Owners and certain Occupants to the use, access and enjoyment in and to those of the Common Area designated "Recreational Facilities", as more particularly described in Section 2.5; and

(l) the right of the Declarant and Declarant-Related Entities to conduct activities and establish facilities within the Properties as provided in Article 13.

Any Owner may extend its right of use and enjoyment to any Occupants of such Owner's Parcel, 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.

2.2 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.

2.3 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 sixty-seven percent (67%) of the total Class "A" votes in the Association and during the Development Period, 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 DRB. 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.

2.4 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 Parcels or Districts. By way of illustration and not limitation, Exclusive Common Areas may include entry features, monument parks, private streets, recreational facilities, landscaped medians and cul de sacs, parking areas, lakes, portions of Open Space, and other portions of the Common Area within a particular District or Districts. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Parcels to which the Exclusive Common Areas are assigned either as a 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. Any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Parcels 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 Parcels 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 Parcels 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 Parcels 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.

2.5 Recreational Facilities. Certain portions of the Common Area or other areas of the Properties may be designated as Recreational Facilities and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Parcels or Districts (with the specified Parcels or Districts that are both granted the right to use the Recreational Facilities and, accordingly, obligated to pay Recreational Assessments hereinafter respectively referred to as "Obligated Parcels" or "Obligated Districts" with the Owners and District Assessors thereof referred to as "Obligated Owners" and "Obligated District Assessors"). By way of illustration and not limitation, Recreational Facilities may include a swimming pool or tennis courts that

may, but are not required to be constructed in either the Common Area or on property owned or controlled by the Declarant or a Declarant-Related Entity. All costs associated with maintenance, repair, replacement, and insurance of the Recreational Facilities shall be assessed against the Owners of Obligated Parcels as a Recreational Assessment. A separate budget shall be prepared annually with assessments to be levied accordingly.

During the Development Period, any Recreational Facilities shall be designated as such, and the Obligated Parcels and/or Obligated Districts shall be designated by the Declarant on the subdivision plat relating to such Recreational Facilities or in a Supplemental Declaration. Any such designation of Obligated Parcels and/or Obligated Districts shall not preclude the Declarant from later assigning use of the Recreational Facilities to additional Parcels and/or Districts during the Development Period, except that Declarant shall not remove the designation of an Obligated Parcel without the consent of the Owner of the Obligated Parcel or, alternatively, the designation of an Obligated District without approval of a Majority of those Owners within the Obligated District.

Following termination of the Development Period, a portion of the Common Area may be designated by the Association as part of the Recreational Facilities upon approval of the Board and separate Majority votes of both: (i) the Class "A" votes of the Obligated Owners or Owners within the Obligated Districts; and (ii) the Class "A" votes of Owners that are not Obligated Owners. At no time following the Development Period shall any Districts or any Parcels that are not responsible for payment of Recreational Assessments be designated as Obligated Parcels or Obligated Districts except with the consent of a Majority of the Class "A" votes in such Districts or, if such Parcels are not in a District, the Owners of such Parcels. Any such assignment of additional Recreational Facilities or the addition of additional Districts or Parcels as Obligated Districts and Obligated Parcels, respectively, shall be set forth in a Supplemental Declaration executed by the Board, provided that the requisite approval set forth in this paragraph is obtained. The granting of the right to use the Recreational Facilities shall automatically result in the Parcel Owner being responsible for its share of the Recreational Assessments, regardless of whether such Parcel Owner utilizes the Recreational Facilities. Non-use of the Recreational Facilities shall not excuse any Parcel Owner from payment of the Recreational Assessments. No representation or warranty is made by the Declarant or any other Person that any recreational facilities will be constructed at Carolina Park, and the inclusion of provisions with respect to Recreational Facilities shall not be deemed to be a representation or warranty by Declarant or any other Person that any amenities will be constructed at Carolina Park, as all development plans are subject to change.

### **ARTICLE 3**

#### **MEMBERSHIP AND VOTING RIGHTS**

3.1 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Parcel. If a Parcel 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 one (1) weighted vote for each Parcel in which they hold the interest required for membership under Section 3.1; provided, there shall be only one weighted vote per Parcel. The vote for each Parcel shall be weighted in accordance each Parcel's Allocated Share which shall be established utilizing the formula set forth in Exhibit "C." In any situation where there is more than one Owner of a Parcel, the vote for such Parcel 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 Parcel's vote shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Parcel if any assessment for such Parcel 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 Parcel which it owns.

(c) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Parcels within any Additional Property made subject to this Declaration pursuant to Article 7, 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.

3.3 Districts. Every Parcel may, but is not required to be located within a District. The Declarant in its sole discretion may establish Districts within the Properties by designation on an exhibit this Declaration, a Supplemental Declaration, or on 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. Exhibit "D" to this Declaration, which exhibit is incorporated herein by reference, establishes the initially designated District within the Properties.

Once a District is established, the Owners holding a Majority of the total number of Class "A" votes allocated to the Parcels within any District may at any time, with the prior written consent of the Declarant during the Development Period, petition the Board to divide the

property comprising the District into two (2) or more Districts. Such petition shall be in writing and shall include a survey of the entire parcel which indicates the proposed boundaries of the new Districts or otherwise identifies the Parcels to be included within the proposed 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, if the application is approved.

The Parcels within a particular District may be subject to additional covenants and/or the Owner(s) of Parcels within any District may be members of a District Association in addition to the Association. A District Association, however, shall not be required except as may be provided by law. 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 Parcels in any District or Districts. No District Association or District Committee shall be formed or otherwise established without the prior submission to and written approval of the Declarant of all documents creating or establishing such District Association or District Committee, including without limitation, the submission of any declaration of condominium, articles of incorporation, by-laws and other organizational and governing documents.

Any District may request that the Association provide a higher level of service or special services for the benefit of Parcels in such District and, upon the affirmative vote, written consent, or a combination thereof, of Owners holding at least a Majority of the Class "A" votes of the Parcels 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 Parcel or other equitable measure (e.g. acreage or the formula for calculation of the Allocated Share as set forth on Exhibit "C") to all Districts receiving the same service), shall be assessed against the Parcels within such District as a District Assessment pursuant to Article 8 hereof.

3.4 Voting Groups. The Declarant may designate Voting Groups consisting of one (1) or more Districts 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 and to minimize the possibility that Owners from similar Districts are able, due to the number of Parcels in such Districts, to elect the entire Board of Directors, excluding representation of others. 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 Parcels 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 4**

#### **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 regulating use of the Properties as the Board may adopt pursuant to Article 10. 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, 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. The 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, the Association shall reconvey to the Declarant any portions of the Properties originally conveyed by the Declarant to the Association for no consideration upon written request by the Declarant.

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 the 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. The 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 the By-Laws. Such sanctions may include, without limitation:

- (a) imposing monetary fines which shall constitute a lien upon the Parcel 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 Common Area, any portion of the Exclusive Common Areas, or, where applicable, the Recreational Facilities; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Parcel; and
- (e) suspending any services provided by the Association to an Owner or the Owner's Parcel 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 of a Parcel 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 Parcel. 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 liens in the Public Records for nonpayment of any assessments or fees, the towing of vehicles that are in violation of parking rules, 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 Parcel 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.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking 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 prevent the Association from enforcing any other covenant, restriction or rule.

The Association may, but is not required to, by contract or other agreement, enforce county, municipal, 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.

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 fire, police and Utility facilities, schools, parks, streets and other 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 the Declarant. The sites may include other property not owned by the Declarant provided the owner of such property consents.

4.6 Dedication of Common Area and Roads. The Association, or the Declarant, during the Development Period, may dedicate portions of the Common Area and/or any roads within Carolina Park to the Town or Charleston County, South Carolina, or to any other local, state, or federal governmental or quasi-governmental entity without obtaining any membership approval.

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

4.8 Indemnification. The Association shall indemnify every officer, director, DRB 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, DRB 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, DRB 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, DRB 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, DRB members or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director DRB 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, DRB 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 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 Development Agreement 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 the Declarant where such amendment, variance or modification will materially affect the development or uses of a Parcel or Parcels within the Properties. Every Person that acquires any interest in the Properties acknowledges that Carolina Park 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 Parcel, or (b) changes in the Master Plan relating to property outside of such Owner's Parcel. The 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 Parcel 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, including any mechanism or system for limiting access to any portion of the Properties, 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 all Occupants of its Parcel that the Association, its Board of Directors and committees, the Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers or guarantors of safety and security within the Properties and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Parcels and the contents of Parcels, resulting from acts of third parties.

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. 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, nor the Association, guarantees or represents that any view from Parcels over and across any lake, other water body, Open Space, Common Area, public park or trail, or other facility 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 Improvements 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 Parcels 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, Open Space, Common Area, public park or trail, or other facility which the Parcel may enjoy as of the date of the purchase of the Parcel may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of Improvements or barriers (both natural and artificial) within such areas.

4.13 Provision of Services. The Association may provide or contract for services and facilities for the Owners and their Occupants. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including the Declarant or any Declarant-Related Entities, to provide such 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 Parcels or only the Parcels 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 Parcels 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. By way of example, some services and facilities which may be provided include landscape maintenance, garbage collection, recycling collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, and other computer related services, patrols or security services, fire protection, Utilities, and similar services and facilities. 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 Trails. The Declarant reserves for itself, its successors and assigns, and the Association, the right to designate certain areas within the Properties, including the Common Area, to be used as recreational bike and pedestrian pathways and trails ("trail system"), as may be established, adjusted, and updated by Declarant from time to time. Upon construction of the trail system, the Association shall maintain the trails as part of the Area of Common Responsibility. Use of the trail system shall be subject to the reasonable rules and regulations of the Association and the PD Zoning Development Standards. Any individual using the trail system shall do so at his/her own risk. Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Parcel, that the Properties may contain a trail system, that such trail system may connect with the Darrell Creek Trail or with another public trail system, and that there may be certain inconveniences and loss of privacy associated with the ownership of Parcels adjacent to such trail system resulting from the use of the trail system by the Declarant, Declarant-Related Entities, the Association, the Owners, Occupants, and the public.

4.15 Presence of Wildlife. Each Owner and 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, coyotes, reptiles, and snakes. Neither the Association, the Board, the Declarant, nor any Declarant-Related Entity shall be liable or responsible of any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties, each Owner and Occupant of a Parcel 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 Declarant or any Declarant-Related Entity have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

4.16 Future Development. Each Owner acknowledges, understands and covenants to inform the Occupants of its Parcel 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 each Owner as well as any of its Occupants of its Parcel waives all claims with respect thereto. Each Owner agrees that if Owner or Owner's Occupants 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.

4.17 Powers of the Association Relating to Districts. Any District Committee established under this Declaration shall be a committee of the Association, and 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.

In addition, the Association may veto any action taken or contemplated by any District Association or District Committee which the Board determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. 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 applicable 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 Parcels 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 8.

4.18 Municipal Services. The Association may, but is not obligated to, contribute funds to the Town or other applicable governmental authorities, for the purpose of increasing the Town'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 Carolina Park.

4.19 Bodies of Water. Neither the Association, the original Declarant, any Declarant-Related Entity nor any successor Declarant shall be held liable for any loss or damage by reason of use of any body of water for any purpose by Owners or Occupants. Each Owner acknowledges, understands and covenants to inform all Occupants of its Parcel that the Association, its Board of Directors, DRB and committees, the Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers and that each Person using any bodies of water within or adjacent to the Properties shall do so only as permitted under the Governing Documents and any applicable governmental laws, ordinances, rules and regulations. Each Person assumes all risks of personal injury, and loss or damage to property, including Parcels, resulting from or associated with use of any lakes.

## **ARTICLE 5**

### **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 buffers, landscaping and other flora, parks, Open Spaces, monument parks, structures, and Improvements, including any fences, private streets, alleys, bike and pedestrian pathways/trails, and sidewalks situated upon the Common Area and any Recreational Facilities situated on the Common Area;

(iii)   any buffers, landscaping and other flora, parks, bike and 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 Areas 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;

(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 the Declarant revokes such privilege of use and enjoyment by written notice to the Association;

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

(vii)   all planter strips and landscaping within any public 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 Development Agreement or any contract or agreement for maintenance thereof entered into by the Association, including, without limitation, the Recreational Facilities.

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) 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.

(c) 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 adjacent properties 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.

(d) 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 Parcels 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, any of 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 Parcels within the District(s) to which the Exclusive Common Areas are assigned, or a Specific Assessment against the particular Parcels to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder. All costs associated with maintenance, repair and

replacement of the Recreational Facilities shall be assessed against the Obligated Owners as a Recreational Assessment.

(e) 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 Parcel and those additional areas located in rights-of-way to the back of the curb immediately adjacent to the Owner's Parcel 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, the PD Zoning Development Standards, and all other 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 Parcel, including, but not limited to, the Design Guidelines and the Development Agreement. 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 and shrub pruning;

(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;  
and

(i) Repair of exterior damage to Improvements and keeping exterior Improvements in good repair.

Every Owner shall also be responsible for the security and safety of its Parcel 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 Parcel 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 Parcels 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, monument parks, 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 such District Association fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Parcels 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 Development Agreement, the PD Zoning Development Standards, and all other 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 Parcels which serves and/or separates any two adjoining Parcels 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, which are not subject to this Declaration and which are neither Parcels nor Common Area as defined in this Declaration (hereinafter "adjacent properties"). 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 8 of this Declaration.

The Association and the Declarant shall have the authority to enter into one 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 facilities located on the Common Areas, including, without limitation, the Recreational Facilities, by the owners or operators of such adjacent properties;

(c) to permit use of any facilities located on such adjacent properties, including, without limitation, any Recreational Facilities, by the Owners of all Parcels or by the Owners of Parcels within specified Districts;

(d) 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

(e) 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.

## **ARTICLE 6**

### **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 Improvement.

(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 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 Parcels 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 3.3. Any such policies shall provide for a certificate of insurance to be furnished to the District Association and to the Owner of each Parcel 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 Parcels 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 or Occupants, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Parcels 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.

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 list the Owners as additional insureds and are written:

(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 Parcels 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 list the Owners as additional insureds and provide:

(vii) a waiver of subrogation as to any claims against the Board, its agents, officers, employees, and Manager(s), the Owners and Occupants;

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

(ix) 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;

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

(xi) a cross liability provision; and

(xii) 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 may file and adjust insurance claims 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 sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant, decide within sixty (60) Days after the loss either (i) not to repair or reconstruct; or (ii) 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 Parcel.

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 Parcel, each Owner covenants and agrees with all other Owners and with the Association to carry liability and property insurance for the full replacement cost of all insurable Improvements on its Parcel, less a reasonable deductible. 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 Parcel, 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 9. Alternatively, the Owner shall clear the Parcel of all debris and ruins and maintain the Parcel 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 Parcel. 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 Parcels within such District and for clearing and maintaining the Parcels in the event the Improvements and 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 Parcels.

Each Owner, by virtue of the acceptance of title to its Parcel, 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 7**

### **ANNEXATION AND WITHDRAWAL OF PROPERTY**

7.1 Annexation by the Declarant. Until all property described on Exhibit "B" has been subjected to this Declaration or thirty (30) years after the recording of this Declaration in the Public Records, whichever is earlier, the 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 the 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 the property to be annexed, if other than the Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

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. 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, and during the Development Period, the written consent of the Declarant.

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. If the property is Common Area, the Board 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 Parcel which do not lower the standards of the covenants and restrictions herein contained. 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 the Declarant's sole discretion, including but not limited to modifications to reflect the different character and intended use of such property.

Notwithstanding anything to the contrary contained herein, attached hereto as Exhibit "D" are additional restrictions (the "Carolina Park West Additional Restrictions" or "Additional Restrictions") that shall encumber only that certain real property described on Exhibit "D". The Carolina Park West Additional Restrictions shall be incorporated into this Declaration by reference as if it were a part hereof.

7.5 Amendment. Notwithstanding anything to the contrary contained in this Declaration, this Article 7 shall not be amended during the Development Period without the prior written consent of the Declarant.

## **ARTICLE 8** **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 five types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Parcels; (b) District Assessments for District Expenses benefiting only Parcels within a particular District or Districts; (c) Special Assessments as described in Section 8.5; (d) Specific Assessments as described in Section 8.6; and (e) Recreational Assessments as described in Section 8.7. 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 Parcel against which the assessment or charge is made until paid, as more particularly provided in Section 8.8. 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 Parcel at the time the assessment arose. Upon a transfer of title to a Parcel, 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 Parcel 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 in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

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 Parcel 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 such Owner's Parcel, 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 Parcel, 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 Parcels from liability for and payment of assessments based on the Owner of and/or use of such Parcels 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; provided, however, that the fair market value of the "in kind" contribution of services, materials, or a combination of services and materials provided is of equal or greater value than the share of Common Expenses deemed satisfied by such contribution.

The Governing Documents applicable to each District may designate one or more Persons who shall be responsible for collecting all assessments levied against Parcels within such District (such Person or Persons hereinafter defined and referred to as the "District Assessor"). The District Assessor shall 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 Parcels 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.

8.2 Computation of General Assessment. At least thirty (30) 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 Parcel shall be levied in accordance with each Parcel's Allocated Share, which 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 Parcels reasonably anticipated to become subject to assessment during the fiscal year, and any income 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 any contributions of services and materials. 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 each Parcel's Allocated Share. The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner and District Assessor 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 the 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 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 Parcel changes and affects the assessment obligation of the Owner of such Parcel, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner and District Assessor at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.3 Computation of District Assessments. At least thirty (30) 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 in accordance with Section 3.3, 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 Parcels within the District(s) benefited thereby based upon each Parcel's Allocated Share and levied as a District Assessment.

The Board shall cause a copy of such budget and notice of the amount of the District Assessment for the coming year to be delivered to each Owner of a Parcel in the District and District Assessor at least thirty (30) Days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by Owners representing at least sixty-seven percent (67%) of the votes allocated to the Parcels 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 ten percent (10%) of the votes attributable to Parcels in such District. This right to disapprove shall apply only to those line items in the District budget which are attributable to services requested by the District.

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 Parcel changes and affects the assessment obligation of the Owner of such Parcel, the Board may prepare a revised District budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to the District Assessor for, and each Owner within, the affected District at least thirty (30) Days prior to its 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 shall 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 the entire membership, if such Special Assessment is for Common Expenses, or against the Parcels within any District if such Special Assessment is for District Expenses.

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 Parcels 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 Parcel or Parcels as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Parcel(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, garbage collection, recycling collection, pest control service, cable, digital, satellite, or similar television services, internet, intranet and other computer related 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 or more Parcels; and

(c) to cover all costs incurred in bringing the Parcel(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 Parcel.

In addition, fines levied by the Association pursuant to Section 4.3 shall constitute Specific Assessments.

The Association may also levy a Specific Assessment against the Parcels within any District to reimburse the Association for costs incurred in bringing the District into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules; provided however, the Board shall give prior written notice to the District Assessor and the Owners of Parcels in the District and an opportunity for the Owners within the District to be heard before levying any such assessment.

8.7 Recreational Assessments. The Association shall have the power to levy Recreational Assessments against Obligated Parcels. Recreational Assessments shall include, without limitation, expenses incurred:

(a) to cover the costs, including overhead and administrative costs, of operation of the Recreational Facilities; and

(b) to cover the costs associated with maintenance, repair, replacement and insurance of the Recreational Facilities.

At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a budget for the estimated expenses associated with the Recreational Facilities during the coming year. The budget may also include a contribution to establish a reserve fund.

The Recreational Assessments shall be levied equally against each Obligated Parcel that is a Residential Parcel. Should Parcels other than Residential Parcels be designated as Obligated Parcels in the future, then at the time of such designation, the Supplemental Declaration making such designation also shall establish a fair and equitable sharing of the Recreational Assessments for the Owners of such Parcels based upon the reasonably anticipated intensity of use for such Parcels. The aggregate amount of the Recreational Assessments shall be set at a level which is reasonably expected to produce income for the Association equal to the total budgeted expenses, including any reserves. In determining Recreational Assessments, the Board may consider other sources of funds available to the Association from operation of the Recreational Facilities.

The Board shall send a copy of the budget and notice of the amount of the Recreational Assessment for the following year to each Obligated Owner and District Assessor of an Obligated District 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 Obligated Owners representing at least sixty-seven percent (67%) of the total Class "A" votes of Obligated Owners in the Association 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 at least ten percent (10%) of Obligated Owners for a special meeting, which petition must be presented to the Board within ten (10) Days after the date of the notice of Recreational Assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for the Recreational Facilities 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 an Obligated Parcel changes and affects the assessment obligation of the Owner of such Obligated Parcel, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Obligated Owner and each District Assessor of an Obligated District at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

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

8.8 Lien for Assessments. The Association shall have a lien against each Parcel 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 as 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 Association may bid for the Parcel at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Parcel. While a Parcel 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 Parcel shall be charged, in addition to its usual assessment, its pro rata share of the assessment allocated to the Parcel 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 Parcel shall not affect the assessment lien or relieve such Parcel from the lien for any subsequent assessments. However, the sale or transfer of any Parcel 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 Parcel who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Parcel due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels subject to assessment under Section 8.9, including such acquirer, its successors and assigns.

All other Persons acquiring liens or encumbrances on any Parcel 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.

8.9 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Parcel on date which the Parcel 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 Parcel shall be adjusted according to the number of Days remaining in the fiscal year at the time assessments commence on the Parcel, and shall be due and payable on the date of conveyance.

8.10 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.

8.11 Exempt Property. The following property shall be exempt from payment of General Assessments, District Assessments, Recreational Assessments and Special Assessments:

(a) All 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 contains Recreational Facilities;

(c) 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 such recreational and Open Space purposes;

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

(e) Property owned by any District Association for the common use and enjoyment of its members, or owned by the members of a District Association as tenants in common.

In addition, any property that is owned by a quasi-governmental authority or public agency may be exempted from such assessments in the Declarant's sole and absolute discretion in a Supplemental Declaration applicable to such property.

8.12 Capitalization of Association. The Association may, but shall not be obligated to, levy against each Parcel, upon acquisition of record title by each Owner thereof other than the Declarant or any Declarant-Related Entity, a Builder, or any Owner acquiring title through the conveyance of a Parcel for which no deed recording fee is payable under South Carolina law (currently S.C. Code Ann. Section 12-24-10 et seq.), a one-time contribution to the working capital of the Association in an amount equal to one half (1/2) of the total of all annual General Assessments, District Assessments, Special Assessments, and Recreational Assessments applicable to such Parcel for that year. This amount shall be in addition to, not in lieu of, the aforesaid assessments 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 Parcel for use in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

8.13 Variation of Level of Assessments. Notwithstanding anything to the contrary contained in this Article 8 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 Declarant and the Board may, but shall not be obligated to, consider the size and location of a Parcel, the level of maintenance provided by the Association and the particular usage of any Parcel, 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 Parcels or Districts within the Properties. For purposes of illustration and not limitation, the Association may impose reduced assessments on Parcels comprised of condominium units or multi-family dwellings. In addition, the 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 Parcels from liability for and payment of assessments as the Declarant may determine from time to time and in its sole discretion. Such agreements may include, by way of example and not limitation, agreements to exempt Builders from paying all or portions of assessments for certain periods of time.

8.14 Payment of Assessments by Leasehold Owners and Improved Properties of the Declarant. Notwithstanding anything provided in this Declaration to the contrary, the Declarant (as a Member of the Association or as the Owner of any Parcel) shall not be responsible for the payment of any assessments with respect to any Parcels owned by the Declarant unless the same have been leased to a Leasehold Owner or improved by the erection of Improvements thereon in which event the Declarant or the Leasehold Owner of such Parcel shall pay assessments in the manner set forth in this Article 8.

8.15 Contributions by the 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, or from the working capital contributions collected at the sale of Parcels, 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 the working capital contributions or 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 9**

### **ARCHITECTURAL STANDARDS**

9.1 General. No Improvements shall be placed, erected, installed, constructed, or altered upon any Parcel except in compliance with this Article, and approval of the DRB under Section 9.3.

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 and/or, if applicable, by county or municipal governments, 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 DRB, 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 or any Declarant-Related Entity, 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, the 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 the 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 an DRB 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 DRB. The members of the DRB 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 DRB. The DRB 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, engineers or other professionals. In addition, the DRB or the MC may require the posting of deposits or bonds while construction is pending on any Parcel, to ensure completion of all work in compliance with plans approved by the DRB or the MC, in conformance with all Design Guidelines, and without damage to the Properties.

(a) Design Review Board. The DRB 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 DRB who shall serve at the Declarant's discretion until the termination of the Development Period. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by the Declarant. Upon expiration or surrender of such rights, the Board shall appoint the members of the DRB, 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 Parcels or comprising Parcels. 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 DRB shall have the right to veto any action taken by the MC or a District Association which the DRB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the DRB. The MC may be eliminated and its duties assumed by the DRB 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 Design Guidelines may include, by way of example and not limitation, anti-monotony provisions, wetlands development provisions, and terms regarding Open Spaces.

The DRB 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 and structures 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 DRB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The DRB shall make the Design Guidelines available to Owners who seek to engage in development or construction within the Properties.

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 DRB. 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 DRB or the MC, as appropriate, and the specific use for such portion of the Properties has been approved by the Declarant in accordance with Article 10. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and Improvements shall be submitted to the DRB 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. Either committee 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.

In the event that the DRB fails to approve or to disapprove in writing any stage of application within thirty (30) Days after submission of all information and materials reasonably requested, the application shall be deemed denied unless an extension of such time period is agreed to by the DRB and the applicant.

Notwithstanding the above, the DRB 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. However, no approval whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the DRB pursuant to Section 9.5.

(c) Copyright. Each application to the DRB 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 DRB, nor the distribution and review of the plans by the DRB shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the DRB shall hold the members of the DRB, the Association and the 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 DRB shall be acting solely in the Declarant's interest and shall owe no duty to any other person. The DRB 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 DRB 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 DRB 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 and the PD Zoning Development Standards.

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 DRB shall have the right to disapprove any submitted plans of any Parcel if such plans are not in conformity with the provisions of this Declaration or the Design Guidelines, or if the DRB, acting pursuant to Article 9 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 DRB 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 DRB. 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 DRB.

Approval by the DRB 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 DRB'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 Parcel.

(f) Easements and Common Area Dedications. As a prerequisite of approval of plans, the DRB 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 DRB shall attempt to locate any such required easements along the perimeter of the Parcel, 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 Parcel.

(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 the Properties, the DRB 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 Parcel 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 Parcels 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) Architect, Builder and General Contractor Approval. In order to ensure that appropriate standards of construction are maintained throughout the Properties, the DRB may require that all architects, Builders and general contractors be approved by the DRB prior to engaging in any construction activities within the Properties. The DRB may implement an approval process utilizing established criteria and requiring the submission of a written application for approval. Approval of any plans may be withheld until such time as the Owner's architect, Builder or contractor has been approved by the DRB. Approval of an architect, Builder or general contractor may be conditioned upon an agreement with the DRB to maintain certain insurance coverages required by the DRB, pay construction deposits to ensure completion of a project without damage to the Properties, and pay fees determined by the DRB, from time to time. Both the criteria and the application form are subject to change in the sole discretion of the DRB. Approval of architects, Builders and contractors may not be construed as a recommendation of a specific architect, Builder or contractor by the DRB or the Declarant, nor a

guarantee or endorsement of the work of such architect, Builder or contractor. The criteria and requirements established by the DRB for approval of architects, Builders and contractors are solely for the Declarant's protection and benefit and are not intended to provide the Owner with any form of guarantee with respect to any approved architect, Builder, or contractor. Owner's selection of an architect, Builder, or contractor shall be conclusive evidence that the Owner is independently satisfied with any and all concerns Owner may have about the qualifications of such architect, Builder or contractor. Furthermore, Owner waives any and all claims and rights that Owner has or may have now or in the future, against the DRB or the Declarant arising from or connected with approval or disapproval of architects, Builders or contractors.

9.4 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.

9.5 Variance. The DRB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations, or advancements in technology or products warrant such deviation. Such variances may be granted, however, only when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the DRB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. Additionally, the approval of any plans or the granting of any variances by the DRB shall not supersede any requirement for approval of such plans by the Town and shall not serve as a representation or warranty by the DRB that such plans shall be approved by the Town.

9.6 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 DRB 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 DRB, 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 on or modifications to any Parcel. In all matters, the Declarant, the Board, the DRB, the MC and their members shall be defended and indemnified by the Association as provided in Section 4.8.

9.7 Enforcement. The Declarant, any member of the DRB, the MC, the Board, and the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Parcel 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 DRB, 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 DRB, the MC, or the Board shall have the right to enter the property, 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 DRB 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 Parcel 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 Parcel, 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 Parcel and an opportunity to be heard in accordance with the By-Laws, to enter upon the Parcel and remove or complete any incomplete work and to assess all costs incurred against the Parcel and the Owner thereof as a Specific Assessment.

The DRB, 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 DRB 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 DRB, and the MC.

## **ARTICLE 10**

### **USE RESTRICTIONS AND RULES**

10.1 General. This Article sets forth certain use restrictions which must be complied with by all Owners and Occupants of any Parcel. The Declarant has established the Properties as a mixed use commercial and residential development. The Properties shall be used only for recreational, residential, office, retail, and commercial purposes consistent with the Development Agreement, this Declaration and any Supplemental Declarations.

Notwithstanding anything to the contrary contained herein, attached hereto as Exhibit "D" are the Carolina Park West Additional Restrictions that shall encumber only that certain real property described on Exhibit "D". The Carolina Park West Additional Restrictions shall be incorporated into this Declaration by reference as if it were a part hereof.



10.2 Plan of Development; Applicability; Effect. The 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, conduct of commerce, 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 Board'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. The Properties are subject to the Master Plan, the Development Agreement, the Design Guidelines, the land development, architectural, and design provisions described in Article 9, the other provisions of this Declaration governing individual conduct and uses of and actions upon the Properties, any applicable Supplemental Declaration, and the rules promulgated pursuant to this Declaration, 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.

The Properties shall be used only for such purposes permitted by the Governing Documents and specifically approved by the Declarant or its designee, consistent with this Declaration and any Supplemental Declaration. As set forth in Article 13, the Declarant retains the right, in its discretion, during the Development Period, to specifically determine, limit and otherwise review and designate the uses permitted for any Parcel or group of Parcels to one or more of the uses permitted by the Development Agreement. Such specific permitted use designations may be amended only as provided in Sections 10.3 and 13.5. The Declarant's rights with respect to approval, limitation, and designation of specific uses for any of the Properties shall be fully assignable or delegable by the Declarant at any time and from time to time. During the Development Period, the Declarant may in its discretion, further establish such rules, regulations and procedures for initial and continuing review and approval of the use or uses for all Parcels on a case by case basis.

All provisions of the Governing Documents shall apply to all Owners, Occupants, employees, lessees, clients, customers, guests and invitees of any Parcel. Any lease of any Parcel shall provide that the lessee and all Occupants of the leased Parcel shall be bound by the terms of the Governing Documents.

10.3 Procedures for Review and Enforcement of Parcel Specific Uses. In order to carry out the general plan of development, create enhancements to the Properties and maintain the values thereof, the Declarant has been given and retains in its discretion, as provided above in Section 10.1 and in Article 13 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 Parcel or portions thereof or group of Parcels, or negatively restrict any Parcel or portions thereof or group of Parcels from being used for a certain use or uses. Accordingly, 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 use or uses for the specific Parcel or Parcels or other portion of the Properties in question, has been submitted to and approved in writing by the Declarant or its designee. Thereafter, the use for all or any portion of a specific Parcel or group of Parcels shall not be changed from that last approved by the Declarant in accordance with this Article 10 unless and until an application for such change in use has been submitted to and approved in writing by the Declarant or its designee. The Declarant or its designee 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 Declarant 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 Declarant and the applicant. All such review and approval of the use or uses for any portion of the Properties shall be performed and made in the Declarant's sole and absolute discretion and an approval of a specific use for a Parcel or portion thereof, or a group of Parcels shall not be deemed an approval for any other Parcels nor shall it constitute a waiver of the right to withhold approval as to any similar proposals for use of a specific Parcel or of other Parcels within the same vicinity. The failure of an Owner to submit and obtain approval for the specific use to be carried out on or within its Parcel (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 Declarant and/or the Association as provided in this Declaration and in the By-Laws. The Declarant may, without limitation, designate all or certain of its rights and authority under this Section 10.3 to the DRB.

10.4 Owners' Acknowledgment and Notice to Purchasers. All Owners and Occupants of Parcels and purchasers are given notice that the specific operational use or uses of each Parcel is limited by the use review and approval rights of the Declarant and the terms of the Governing Documents as any 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 Parcel, acknowledges the rights of the Declarant with respect to review and approval of the specific uses of the Properties, agrees to abide thereby, and further acknowledges and agrees that the specific use and enjoyment and marketability of its Parcel can be affected and that the use restrictions, specifically including the provisions of this Article, may change from time to time.

10.5 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 Parcel or of the Common Area, and all laws, Development Agreements, 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.

(b) Loading, service and refuse areas shall be constructed in accordance with the Design Guidelines and approved by the DRB. 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 Parcels.

(c) No use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device shall be audible to Occupants of other Parcels, 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 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.

(f) Structures, equipment or other items on a Parcel which have become rusty, dilapidated or otherwise fallen into disrepair are prohibited and shall be removed or repaired by the Owner of the Parcel 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.

10.6 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 Parcel for (i) emergency purposes, (ii) the operation of lawn mowers and similar tools or equipment, and (iii) ordinary household cooking and fireplace use, such as propane tanks used for gas grills. Additionally, 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 DRB, 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 DRB, and provided in either case that operation and installation of such facilities shall be according to applicable laws, ordinances, and regulations, including without limitation Development Agreements.

#### 10.7 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. A reasonable number of dogs, cats, and other common household pets may be permitted in a Residential Parcel. Additionally, pets shall be permitted on any Parcels used for commercial uses if the animal's presence is related to the approved specific use of the Parcel, (i.e. a grooming service or a retail store selling pets or pet supplies may keep pets within such Parcel); or in conjunction with the conduct of business in a Parcel, such as the use of animals to provide security for a Parcel or for the temporary keeping of pets within a Parcel by the Owner or Occupant of such Parcel. 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 Parcels.

(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 Parcels 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, they shall be removed from the Properties. 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.

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

#### 10.8 Common Area, Plazas, Sidewalks, Bike and Pedestrian Pathways and Trails.

(a) Owners and Occupants shall refrain and shall ensure that their pets refrain from any actions which deter from the enjoyment by other Owners of areas within the Properties designated as Common Area, Open Space, pedestrian plazas, sidewalks, pedestrians ways, bike ways, private streets, lanes and alleys. Notwithstanding the fact that certain pathways/trails are not a part of the Properties, Owners and Occupants of Parcels, shall refrain and shall ensure that their employees, lessees, invitees, clients, customers, guests, and pets refrain from any actions which deter from the enjoyment of such areas by other Owners or Occupants and members of the general public. The Owners or Occupants of Parcels shall be solely responsible for the actions of their employees, lessees, invitees, clients, customers, guests and pets. Prohibited activities shall include without limitation, activities which obstruct the Common Area, any Open Space, or any other greenspace, 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, erecting tents, stages or other temporary structures, installing vending machines, and soliciting. Such activities shall be permitted only 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, Open Space, pedestrian plazas, sidewalks, pedestrians 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.

#### 10.9 Parking and Vehicles.

(a) Parking of the following vehicles within Carolina Park is subject to regulation and restriction: construction vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other water craft, trailers, stored vehicles or inoperable vehicles. The foregoing vehicles may be parked only in enclosed garages approved in accordance with

Article 9 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 Parcel 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. 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.

(c) No portion of any Parcel may be used as a trailer court, mobile home park, or recreational vehicle campground.

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

10.10 Alleys. Owners of Parcels located adjacent to alleys and other permitted users of any alley shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the alley by other authorized users of the alley. Prohibited activities shall include, without limitation, obstruction of any of the alleys. For the purposes of this Section, the term "alley" shall refer to a thoroughfare providing access to, through or within Parcels which may be more particularly described on a recorded subdivision plat for such Parcels.

10.11 Environmental Protection. Except as permitted by the DRB, 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 Parcels 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 Parcel without the Owner's consent.

(c) Operation of 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 unless approved by the DRB, except that the Declarant and the Association shall have the right to draw water from such sources. Neither the

Declarant nor the Association make any representations as to the suitability of the water for any purpose.

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

(e) All areas designated on a recorded plat or by Supplemental Declaration 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 (including, by way of example and not limitation: (i) the Declaration of Restrictive Wetland Covenants: Carolina Park, Phase One, dated November 8, 2005, and recorded at Book R 566, Page 798 of the Public Records; and (ii) Declaration of Restrictive Covenants, dated November 13, 2009, and recorded at Book 0107, Page 648, of the Public Records) and be approved by all appropriate regulatory bodies. Prior to any alteration of a Parcel, the Owner shall determine if any portion thereof meets the requirements for designation as a regulatory wetland. Notwithstanding anything contained in this Section, the Declarant, any Declarant-Related Entity, 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.

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

(a) After commencement of construction of any Improvements to 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 Parcel on which Improvements are being constructed shall at all times keep streets and parking contiguous to the Parcel free from excess dirt, mud, garbage, trash or other debris as may be occasioned by construction of the Improvement.

(c) Rocks and trees removed during construction of Improvements shall be disposed of on the Parcels 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) 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 the Declarant and lines constructed or installed by or at the request of the Declarant.

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

in conformance within the Design Guidelines and unless prior written approval of the DRB is obtained. The restrictions of this Section shall not apply to the Declarant or any Declarant-Related Entity.

Unless specifically approved in writing by either the DRB or the Declarant during the Development Period, 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 DRB. The Declarant and the DRB reserve the right to 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 DRB, 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.

10.14 Fences. No fences shall be erected except in conformance with the Design Guidelines and with prior written DRB approval.

10.15 Lighting. Exterior lighting must be approved by the DRB and installed pursuant to the Design Guidelines. Seasonal decorative lights may be used only pursuant to rules and regulations established by the Board from time to time.

10.16 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 DRB. Approval shall be based on adequacy of screening and/or landscaping of the equipment. The DRB may prohibit or impose strict standards regarding window air conditioning units.

10.17 Temporary Structures. Except as specifically approved in writing in advance by the DRB, no temporary buildings (including construction trailers) shall be erected or placed on the Properties.

10.18 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 DRB. Notwithstanding the foregoing, the DRB shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations. Any permitted equipment shall be installed in the least conspicuous location on the Parcel which permits reception of an acceptable signal to the Parcel it is serving. Landscaping, painting, or screening may be required by the DRB to minimize visual impact.

10.19 Subdivision of Parcels. Subdivision of a Parcel into two or more Parcels, or changing the boundary lines of any Parcel after a plat including such Parcel has been approved and filed in the Public Records is prohibited, except with the consent of the Declarant, during the Development Period.

10.20 Prohibited Uses. Without the prior written consent of the Declarant, which consent may be withheld in the Declarant's sole and absolute discretion, no portion of any Parcel shall be used for the following purposes:

(a) Any establishment, including, by way of example and not limitation, any bar, tavern, club, book, video or gift store that is (i) engaged in the sale of obscene or pornographic materials or in the provision of adult entertainment featuring topless or nude performers or (ii) engaged in the sale of paraphernalia for illegal drug use;

(b) Funeral parlors, crematories, junk yards, automobile used parts, recycling facilities, landfills, dumping, disposal, incineration, treatment, processing or reduction of garbage or medical waste;.

(c) Automobile sales, leasing, repair or display establishments or used car rental agencies, paint and body shops or car wash and vacuuming facilities.

(d) Storage warehouses (except that self storage facilities shall be permitted), second or surplus stores, and flea markets.

(e) Tattoo parlor or body piercing parlor or establishment, or massage parlor (except for massages offered as part of the operation of a day spa or hair salon shall be permitted);

(f) Commercial excavation, mining and drilling, oil or water drilling, oil refining, quarrying, and mining.

(g) Mobile home parks, trailer courts, labor camps, junkyards, and stockyards (except that this provision shall not prohibit the temporary use of construction trailers during periods of construction, reconstruction, or maintenance).

(h) No fire sales, bankruptcy (unless pursuant to a court order) or auction house operations.

(i) Central laundry facilities, dry cleaning plants, and laundromats; provided, however, this prohibition shall not be applicable to nominal supportive facilities for on-site service oriented to pickup and delivery by the consumers.

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

No Parcel 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 any 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 DRB as provided above.

10.21 Occupants Bound. All provisions of the Governing Documents governing the conduct of Owners and establishing sanctions against the Owners shall also apply to all Occupants even though Occupants are not specifically mentioned.

10.22 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Properties. Such rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled, or modified in a regular or special meeting by Members holding at least a Majority of the total Class "A" votes.

10.23 Agricultural Uses. Declarant and any Declarant-Related Entity shall have the right to use any portion of the Properties that Declarant or any Declarant-Related Entity has not conveyed to a third party for "agricultural" purposes, as defined in S.C. Code Section 12-31-230(a), as it may be amended from time to time, and Declarant reserves the right to permit such use by others.

## **ARTICLE 11**

### **EASEMENTS**

11.1 Easements of Encroachment. Declarant hereby establishes reciprocal appurtenant easements of encroachment, and easements for maintenance and use of any permitted encroachment, between adjacent Parcels, between each Parcel and any adjacent Common Area, and between adjacent Parcels 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.

(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, 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, 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 service provider or other utility service or submetering company, the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility 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 the Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Parcel 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. Nothing contained herein shall obligate the Declarant, the Association or the Board to pursue legal recourse against any Person damaging a Parcel or any portion thereof as a result of the exercise of this easement. The exercise of these easements shall not extend to permitting entry into the structures on any Parcel, nor shall it unreasonably interfere with the use of any Parcel and, except in an emergency, entry onto any Parcel 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 Parcel for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Parcel 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 Parcel or Common Area;

(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 for Lake and Pond Maintenance and Flood Water. The Declarant reserves, creates, establishes, promulgates and declares for itself and its successors, assigns, and designees and the Association the nonexclusive, perpetual, appurtenant right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps and irrigation systems in order to provide water for the irrigation of any of the Area of Common Responsibility; (b) draw water from such sources for purposes or irrigation; (c) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (d) remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in this Declaration. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any lake, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves, creates, establishes, promulgates and declares for itself and its successors, assigns and designees, and the Association the non-exclusive, perpetual, appurtenant right and easement of access and encroachment over the Common Area and Parcels (but not the structures thereon) adjacent to or within thirty (30) feet of lake beds, ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; (d) disturb existing landscaping; and (e) pile dirt and plant materials upon such areas. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. All affected areas shall be restored to a neat and attractive condition to the extent practical, as soon as reasonably possible after completion of any construction or maintenance activities authorized in this Declaration. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

11.5 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, for the posting of signs, and for connecting and installing Utilities and Improvements on such property. In addition, the 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 the Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

11.6 Use of and Limitations on Easements and Licenses. The Owners of Parcels benefited by the easements and licenses specified in Sections 11.1 and 11.5 (if any and to the extent additional easements or licenses under Section 11.5 are for the benefit of Parcel 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.

11.7 Easement of Entry. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Parcel 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 Parcel shall be only during reasonable hours and after notice to the Owner. This easement includes the right to enter any Parcel 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.

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

(b) The Association may also enter a Parcel, excluding the interior of any structure, to abate or remove, using such measures as may be reasonably necessary, any structure, item 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.

11.9 Maintenance, Construction, Utility and Drainage Easements. The Owners of all Parcels 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 the Declarant for the benefit of the 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 the Declarant and the Association for the benefit of the Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Each Owner, by taking title to its respective Parcel, 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 the Declarant or the Association. Each Owner, by taking title to its respective Parcel, 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 Parcel 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 as soon as is reasonably practicable and without delay to the Declarant and the Association when requested by the 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 Parcel by accepting a security interest in or legal or equitable title to a Parcel, 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 Parcel serving as the security for the obligations owed to such Mortgagee or noteholder. Such easements will contain terms and conditions reasonably requested by the Declarant or the Association, as the case may be, but such easements will not unreasonably interfere with the development, use and occupancy of any Parcel or unreasonably affect access to, or operation of, any such Parcel. All temporary construction easements, and temporary access rights in connection therewith, of the 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 the Declarant and the Association shall continue in full force and effect except as hereinafter provided.

11.10 Easement for Walking Trail Access. The Declarant hereby reserves, creates, establishes, promulgates and declares perpetual, non-exclusive easements for itself, its successors, assigns and designees, the Association and the Owners, over and across any areas designated as “walking trails” or “paths” on any recorded subdivision plat of the Properties or through the recording of any Supplemental Declaration, regardless of whether such trails or paths are located on Parcels or Common Area. Use of such walking trails or paths shall be governed by reasonable rules and regulations promulgated by the Association and those rights set forth in Section 2.1.

11.11 Roadside Access Easements. There is hereby reserved to the Declarant, the Association, Parcel 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 the 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 DRB.

11.12 Easements for Special Events. The Declarant reserves, creates, establishes, promulgates and declares for itself, any Declarant-Related Entity, their successors, assigns and designees a perpetual, non exclusive, 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 or in promotion of development and sales of Parcels at Carolina Park at such locations and times as the 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 Parcel. Each Owner, by accepting a Deed or other instrument conveying any interest in a Parcel, 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 Parcel 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 Lateral Support. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements over every portion of the Common Area, every Parcel, and any Improvement which contributes to the lateral support of another portion of the Common Area or of another Parcel for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

11.14 Release of Easements. The 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, (a) 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 Article, or (b) to define the limits of any such easements.

11.15 General Development Easements. The Declarant reserves for itself, its successors, assigns and designees a blanket easement over the Properties, to allow the 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 Parcels. This blanket easement is for the purpose of enabling the Declarant to construct Improvements within the Properties, whether on Common Areas, or Parcels, in the manner that it deems appropriate. The Declarant shall have access and use of any Parcel or Common Area as is appropriate, necessary and/or beneficial to construct any Improvement within the Properties. This easement is for the further purpose of allowing the Declarant, if it deems appropriate or necessary, to repair, relocate, construct, or maintain any of the Improvements installed in the Properties.

11.16 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 12**

### **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 Parcel 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 Parcel.

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 13**

### **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 the Declarant may maintain and carry on the Properties such activities as, in the sole opinion of the Declarant, may be convenient, or incidental to the development of the Properties and/or the construction or sale of Parcels, such as sales activities, tournaments, charitable events, and promotional events, and may restrict Owners and Occupants 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 use and enjoyment of the Properties by the Owners and Occupants. 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 the 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 Parcels, 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. The Declarant and its employees, agents and designees shall also 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 it deems appropriate in its sole discretion.

13.4 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 the Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records. No such instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Articles.

13.5 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 Parcel or group of Parcels, to one or more, but less than all, of the permitted uses under the Development Agreement and the Governing Documents.

Any limitations on use imposed by the Declarant are in addition to and not in lieu of the terms of this Declaration and may not be changed without the written consent of the Declarant during the Development Period. Thereafter, or at such time as the Declarant assigns its rights in this regard to the Association, any change in the limitations on use shall require the consent of the Board and the Owner(s) of the affected Parcel or Parcels and shall be set forth in a written instrument recorded in the Public Records. The Declarant shall have the further right to establish such rules, regulations and procedures for initial and continuing review, approval and enforcement of the use or uses of and for all Parcels as provided in Article 10. Any change on the limitations on use of a Parcel and the resulting change of the actual use of such Parcel may impact each Parcel's Allocated Share. The Board may, but shall not be obligated to, revise the Association's budgets to reflect such change and send the revised budgets to the District Assessors or Owners in accordance with Article 8.

13.6 Right of the Declarant to Disapprove Actions. For two (2) years following termination of the Development Period, the 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, any Declarant-Related Entity, or any Builder under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of the Properties, 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.

(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. 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.

(c) 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 and the time period set forth in subsection (d) below has expired.

(d) 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.

13.7 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines 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 14**

### **GENERAL PROVISIONS**

#### **14.1 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 shall remain in effect for a period of twenty (20) years from and after the date of recording of this Declaration, provided that any rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of the aforesaid twenty (20) year period, this Declaration shall be automatically renewed for consecutive, unlimited ten (10) year periods, with this Declaration to be renewed at the end of each ten (10) year period for an additional period of ten (10) years unless, if during the last year of either the initial twenty (20) year period or a subsequent ten (10) year renewal period, an instrument terminating this Declaration is signed by Owners of at least seventy-five percent (75%) of the votes as weighted by Allocated Shares 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.

#### 14.2 Amendment.

(a) By the 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 Parcel 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 any of the Parcels; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, to make, purchase, insure or guarantee mortgage loans on any of the Parcels; (d) to enable any reputable private insurance company to insure mortgage loans on any of the Parcels; 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 Owner (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 16.4; 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 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. Further notwithstanding the above, Exhibit "D" of this Declaration may be amended by Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association plus Members holding sixty-seven percent (67%) of the total Class "A" votes in the District designated by Exhibit "D" hereto, and, during the Development Period, the written consent of the Declarant.

(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 (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 this Declaration.

14.3 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.

14.4 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 2.4 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 Parcels 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.

14.5 Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

14.6 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 8; (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.

14.7 Non-Merger. Notwithstanding the fact that the Declarant is the current owner of the Properties, it is the express intention of the 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 Parcels conveyed by the Declarant or its successor, but that the estates of the Declarant and individual Parcel 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.

14.8 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 and reservations 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 or reserved in this Declaration.

14.9 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 Parcel; 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, and use restrictions and rules 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 which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

14.10 Use of the Words "Carolina Park". No Person shall use the words "Carolina Park", the logo for Carolina Park, or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the term "Carolina Park" in printed or promotional matter where such term is used solely to specify that particular property is located within Carolina Park, and the Association, the Declarant and Declarant-Related Entities shall be entitled to use the words "Carolina Park" in their names.

14.11 Compliance. Every Owner and Occupant of any Parcel shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association, the Declarant or, in a proper case, by any aggrieved Parcel 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.

14.12 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to its Parcel shall give the Board 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 to provide monthly sales reports of the transfer of title to Parcels owned by the Builder in lieu of requiring a Builder to provide the aforesaid seven (7) Days' prior written notice. Such monthly reports from Builders shall include 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 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 Parcel, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title, except that for a Builder providing monthly reports as set forth above, responsibility for assessment obligations shall end upon the date of transfer of title.

14.13 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 DRB or any committee thereof are hereby waived by each Owner.

14.14 Standards for Review. Whenever in this Declaration the Declarant, the Association or the DRB 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 DRB, respectively, and such approval, consent or required action shall be final and conclusive.

14.15 Exhibits. Exhibits "A," "B," "C," and "D" attached to this Declaration are incorporated herein by this reference and amendment of such exhibits shall be governed by the provisions of Section 14.2.

**[SIGNATURES BEGIN ON THE FOLLOWING PAGE.]**

4/25/2012






Carolina Park Master Association, Inc., a South Carolina nonprofit corporation, as the Original Master Association, by its execution of this Declaration by and through its authorized representative on this 26<sup>th</sup> day of April, 2017, hereby consents to the foregoing amendment and restatement of the Original Master Declaration and to the adoption of the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park and certifies that this amendment and restatement of the Original Master Declaration was duly adopted pursuant to the terms of the Original Master Declaration.

Brady Kelly  
Witness

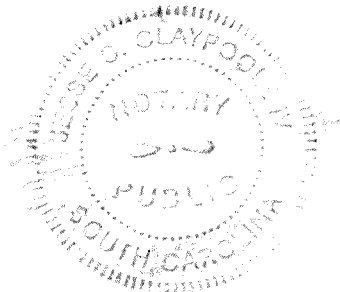
Anna Patterson  
Witness

By:   
Edmund F Navarro  
President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

I, Jose S. Claybrook IV (Notary Public for the State of South Carolina), do hereby certify that Carolina Park Master Association, Inc., a South Carolina nonprofit corporation, by and through Ed Navarro, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as the act and deed of said company.

Witness my hand and official seal, this the 26<sup>th</sup> day of April, 2012.



Notary Public  
My Commission Expires: 10/4/20

4/25/2012

Carolina Park Recreation Association, Inc., a South Carolina nonprofit corporation, as the Recreation Association, by its execution of this Declaration by and through its authorized representative on this 26<sup>th</sup> day of April, 2012 hereby consents to the foregoing amendment and restatement of the Recreation Declaration and to the adoption of the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park and certifies that this amendment and restatement of the Recreation Declaration was duly adopted pursuant to the terms of the Recreation Declaration.

Ken Kelly  
Witness

Donna Patterson  
Witness

By: Edmund F Navarro  
President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

I, Jose S. Cleypode (Notary Public for the State of South Carolina), do hereby certify that Carolina Park Recreation Association, Inc., a South Carolina nonprofit corporation, by and through Fel Murria, its president, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as the act and deed of said company.

Witness my hand and official seal, this the 26<sup>th</sup> day of April, 2012.


Notary Public  
My Commission Expires: 10/4/20

EAST47364412.7

Carolina Park Residential Association West, Inc., a South Carolina nonprofit corporation, as the Carolina Park West Association, by its execution of this Declaration by and through its authorized representative on this 21<sup>st</sup> day of April, 2012, hereby consents to the foregoing amendment and restatement of the Carolina Park West Declaration and to the adoption of the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park and certifies that this amendment and restatement of the Carolina Park West Declaration was duly adopted pursuant to the terms of the Carolina Park West Declaration.

Anna Patterson  
Witness

CAROLINA PARK RESIDENTIAL  
ASSOCIATION WEST, INC., a South Carolina  
nonprofit corporation

By:   
Edmund F Navarro  
Manager

[Corporate Seal]

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

## ACKNOWLEDGMENT

I, Jesse S. Chapman (Notary Public for the State of South Carolina), do hereby certify that Carolina Park Residential Association West, Inc., a South Carolina nonprofit corporation, by and through Ed Nunn, its president, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as the act and deed of said company.

Witness my hand and official seal, this the 26<sup>th</sup> day of April, 2012

Notary Public  
My Commission Expires: 10/4/20


[Notary Seal]



Carolina Park Block One Association, Inc., a South Carolina nonprofit corporation, as the Block One Association, by its execution of this Declaration by and through its authorized representative on this 26<sup>th</sup> day of April, 2012, hereby consents to the adoption of the terms and conditions of this Master Declaration of Covenants, Conditions and Restrictions for Carolina Park and hereby consents, acknowledges and affirms that this Master Declaration of Covenants, Conditions, and Restrictions for Carolina Park shall henceforth be and constitute the "Master Declaration" referred to in Section 1.1.19 of the Block One Declaration for which all property described in the Block One Declaration is subject.

Brian Kelly  
Witness

Donna Patterson  
Witness

By:   
Edmund F Hawaro  
President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

I, Scott S. Chapman (Notary Public for the State of South Carolina), do hereby certify that Carolina Park Block One Association, Inc., a South Carolina nonprofit corporation, by and through Ed Navarro, its president, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as the act and deed of said company.

Witness my hand and official seal, this the 26<sup>th</sup> day of April, 2012.

A circular library stamp from the University of California, San Diego. The text "UNIVERSITY OF CALIFORNIA" is curved along the top inner edge, and "SAN DIEGO" is curved along the bottom inner edge. In the center, the word "LIBRARY" is at the top, "1964" is in the middle, and "PUBLIC" is at the bottom.

Notary Public  
My Commission Expires: 10/4/20

4/25/2012

## **EXHIBIT "A"**

### **Land Initially Submitted**

All those certain pieces, parcels and tracts of land situate, lying and being in the County of Charleston, State of South Carolina, and more fully shown and designated as: TRACT B, 805.973 ACRES, TMS 540-00-00-035, and PARCEL II, 5.069 ACRES, TMS 540-00-00-099, and PARCEL III, 5.092 ACRES, TMS 540-00-00-141, as more fully shown on a plat, consisting of two sheets, entitled, "A BOUNDARY SURVEY OF TRACT B TOTALING 816.725 ACRES OWNED BY CDM OF CHARLESTON, LLC LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY, SOUTH CAROLINA," dated August 28, 2003, prepared by Southeastern Surveying, Inc. and recorded in Plat book EG at pages 611 through 612 in the RMC Office for Charleston County, South Carolina.

TMS 540-00-00-035 (Tract B)  
TMS 540-00-00-099 (Parcel II)  
TMS 540-00-00-141 (Parcel III)

### ***ALSO***

All those certain pieces, lots and tracts of land situate, lying and being in the County of Charleston, State of South Carolina, and more fully shown and designated as Lots B-1, B-2 and B-3 on a plat, consisting of one sheet, entitled, "A SUBDIVISION PLAT OF LOTS B-1, B-2, AND B-3 CAROLINA PARK BLVD. OWNED BY CAROLINA PARK ASSOCIATES, LLC, LOCATED IN THE TOWN OF MT. PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA," dated March 15, 2007, as last revised April 19, 2007, prepared by Southeastern Surveying of Charleston, Inc., and recorded in Plat Book EK at page 724 in the RMC Office for Charleston County, South Carolina.

TMS 598-03-00-108 (Lot B-1)  
TMS 598-03-00-109 (Lot B-2)  
TMS 598-03-00-110 (Lot B-3)

### ***ALSO***

All those certain pieces, parcels and tracts of land situate, lying and being in the County of Charleston, State of South Carolina, and more fully shown and designated as "New Parcel A" and "New Parcel C" on a plat entitled "Showing the Subdivision of Tract A, TMS No. 540-00-00-012 to Create New Parcel A, New Parcel C and Tract A (Residual Area) Owned by CDM of Charleston, LLC," dated November 30, 2011, prepared by GPA Professional Land Surveyors and recorded 12/30/2011 in Plat Book L11 at pages 0337 and 0338.

TMS 598-03-00-342 (New Parcel A)  
TMS 598-03-00-344 (New Parcel C)

***ALSO***

All that certain piece, parcel and tract of land situate, lying and being in the County of Charleston, State of South Carolina, and more fully shown and designated as "New Parcel B-1" on a plat entitled "Showing the Subdivision of Tract B, TMS No. 540-00-00-035 to Create New Parcel B-1, New Parcel B-2 & Tract B (Residual Area) Owned by CDM of Charleston, LLC", dated November 30, 2011, prepared by GPA Professional Land Surveyors and recorded 12/30/11 in Plat Book L11 at pages 0339 and 0340 in the RMC Office for Charleston County, South Carolina.

TMS # 598-03-00-345 (New Parcel B-1)

## **EXHIBIT "B"**

### **Land Subject to Annexation**

All those certain pieces, parcels and tracts of land situate, lying and being in the County of Charleston, State of South Carolina, and more fully shown and designated as:

**1. TRACT A, 232.706 ACRES, TMS 540-00-00-012**, as more fully shown on a plat, consisting of three sheets, entitled, "A PLAT SHOWING THE BOUNDARY OF TRACTS A, B, C AND D" dated February 2, 1998, prepared by Southeastern Surveying, Inc., and recorded March 10, 1998, in Plat Book EC at pages 365 through 367 in the RMC Office for Charleston County, South Carolina,

*ALSO*

**2. TRACT B, 816.725 ACRES, TMS 540-00-00-035**, consisting of three parcels, as more fully shown on a plat, consisting of two sheets, entitled, "A BOUNDARY SURVEY OF TRACT B TOTALING 816.725 ACRES OWNED BY CDM OF CHARLESTON, LLC LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY, SOUTH CAROLINA" dated August 28, 2003, prepared by Southeastern Surveying of Charleston, Inc., and recorded in Plat Book EG at pages 611 through 612 in the RMC Office for Charleston County, South Carolina,

*ALSO*

**3. TRACT C, 258.05, ACRES, TMS 540-00-00-018**, as more fully shown on a plat, consisting of three sheets, entitled, "A PLAT SHOWING THE BOUNDARY OF TRACTS A, B, C AND D" dated February 2, 1998, prepared by Southeastern Surveying, Inc., and recorded March 10, 1998, in Plat Book EC at pages 365 through 367 in the RMC Office for Charleston County, South Carolina,

*ALSO*

**4. PARCEL II, 5.069 ACRES, TMS 540-00-00-099**, as more fully shown on a plat, consisting of one sheet, entitled, "AN EXHIBIT PLAT OF PARCEL I AND II BEING A PORTION OF A 926.885 ACRE TRACT OWNED BY CDM PARTNERS LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY, SOUTH CAROLINA" dated June 5, 2000, prepared by Southeastern Surveying, Inc., and recorded June 13, 2000 in Plat Book EE at page 72 in the RMC Office for Charleston County, South Carolina,

*ALSO*

**5. PARCEL III, 5.092 ACRES, TMS 540-00-00-141**, as more fully shown on a plat, consisting of one sheet, entitled "A BOUNDARY PLAT OF PARCEL III CONTAINING 5.092 ACRES, ALSO KNOWN AS CAROLINA PARK BLVD. OWNED BY CDM OF CHARLESTON, LLC LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY,

SOUTH CAROLINA" dated September 14, 2004, prepared by Southeastern Surveying of Charleston, Inc. and recorded in Plat Book DE at page 284 in the RMC office for Charleston County, South Carolina.

*ALSO*

**6. TRACT D: TMS #: 540-00-00-022**

**Parcel One-A (STAFFORD TRACT)**

ALL AND SINGULAR that certain piece, parcel or tract of land, together with any improvements thereon or to be constructed thereon, situate, lying and being in Christ Church Parish, Charleston County, South Carolina, containing approximately two hundred ninety-three and seventy-eight hundredths (293.78) acres of highland, together with a highland island of approximately one and thirty-five hundredths (1.35) acres and marsh lands consisting of approximately one hundred twenty-one and eighty-four hundredths (121.84) acres, more or less, according to a plat thereof made for International Paper Company by Herbert A. Niemyer, Jr., C.E. & L.S., dated August 1, 1981, and recorded November 28, 1984, in Plat Book BC at page 56, in the RMC Office for Charleston County, South Carolina.

**Parcel One-B**

ALL those pieces, parcels or lots of land, together with any improvements thereon or to be constructed thereon, situate, lying and being in Christ Church Parish, Charleston County, State of South Carolina, and shown and designated as the following parcels: c, i, h, g, f, and c; k, l, m, n, o, and k; r, y, x, w, v, u, and r; and aa, ae, af, and aa, containing in the aggregate .674 acres, more or less, as shown on that plat of Forsberg Engineering and Surveyors, Inc. entitled, "PLAT OF LOTS 1, 3-14 ALSTON POINT CHARLESTON COUNTY, S.C.," dated January 22, 1985, and recorded April 17, 1985, in Plat Book BD at page 146 in the RMC Office of Charleston County, South Carolina.

**TOGETHER WITH:**

All property now or hereafter shown on the Master Plan as defined in Section 1.32 of this Declaration, and any real property located within one (1) mile of the perimeter boundary of the real property described in this **Exhibit "B"**



## EXHIBIT "C"

### Formula for Assessments and Voting Rights

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

a. Residential Parcel. Each Residential Parcel, including each unit within a residential condominium, shall be assigned one Assessment and Voting Point, regardless of the size of either the Residential Parcel or the Improvements thereon.

b. Apartment Parcel. Each Parcel containing apartments shall be assigned 0.5 Assessment and Voting Points for every apartment unit contained on the Parcel. For example, an apartment building comprised of 50 units shall be assigned 25 Assessment and Voting Points.

c. Land Points. Each Parcel that is not a Residential Parcel or a Parcel containing residential apartments shall be assigned one point for each 10,000 square feet of land, or fractional portion thereof, comprising the Parcel ("Land Points").

d. Building Points. Each Parcel that is not a Residential Parcel or a Parcel containing residential apartments shall be assigned one point for each 3,000 square feet of gross floor area within the Improvements (as defined below) comprising the Parcel, or fractional portion thereof, ("Building Points"). As used in this Exhibit, "Improvements" shall mean enclosed structures intended for use and occupancy as permitted by these restrictions and for which an initial certificate of occupancy has been issued or which is substantially complete as determined by the general contractor, whichever is earlier.

e. Benefit Factor and Land Classification.

i. The total Land Points and Building Points for each Parcel that is not a Residential Parcel or a Parcel containing residential apartments shall then be multiplied by a Benefit Factor, as shown below, based on the Land Classification to calculate the total Assessment and Voting Points for the Parcel. 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>
Retail, Office, Hotel or Restaurant	1.5
Campus, Civic, Churches	0.5

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

- (a) Retail, Office, Hotel or Restaurant – retail stores, offices, hotels and restaurants;
- (b) Multi-family Residential – apartments; and
- (c) Campus/Civic – Hospitals or ambulatory care, academic campuses, town hall, police department, fire department, wellness center, church, sales office, and library.

If, based on the use of the building, the Parcel may be classified into more than one Land Classification, the Land Classification with the highest Benefit Factor shall apply to the entire building. Parcels 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 Parcel, (c) change in use of the Parcel approved pursuant to Article 10, or (d) on an annual basis in conjunction with the preparation of the budget as set forth in Section 8.2 of the Declaration. Additionally, Declarant shall have the right to amend this Exhibit “C” upon the commencement of a type of use not included on this Exhibit “C”.

f. Examples.

i. A 25,000 square foot unimproved Parcel is assigned 3 Land Points (which would also equal the Assessment and Voting Points for that unimproved Parcel). The same Parcel improved with a 9,000 square foot retail building being used by a retail tenant is assigned three Building Points for a total of six Land Points and Building Points. This Parcel would then have 9 Assessment and Voting Points, as follows:

$(3 \text{ Land Points} + 3 \text{ Building Points}) \times 1.5 [\text{Benefit Factor Retail/Restaurant Space}] = 9$  Assessment and Voting Points.

ii. A 30,000 square foot unimproved Parcel is assigned 3 Land Points. The same Parcel improved with a three-story building having a total of 38,000 square feet, used for office space is assigned 13 Building Points for a total of 16 Land Points and Building Points. Based on a Land Classification of Office/Campus/Civic and a Benefit Factor of 1.5, this Parcel would then have 24 Assessment and Voting Points, as follows:

$(3 \text{ Land Points} + 13 \text{ Building Points}) \times 1.5 [\text{Benefit Factor for Office/Campus/Civic}] = 24$  Assessment and Voting Points.

2. Assessments. The decimal share of the total assessment to be levied on a particular Parcel, which shall become the particular Parcel’s Allocated Share, shall be computed by dividing the Assessment and Voting Points assigned to that Parcel by the total Assessment and Voting Points for all Parcels subject to the particular assessment. The Board of Directors shall establish an annual cut off date for computing point totals for all Parcels. The decimal share of the total assessment for the Parcel and the votes attributable to the Parcel (including a summary of the computations) shall be sent to each Owner with the annual notice of assessment.

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

**EXHIBIT “D”**  
**ADDITIONAL RESTRICTIONS FOR CAROLINA PARK WEST**

Pursuant to the powers retained by Declarant under the Declaration and as set forth in Section 7.4 of the Declaration, Declarant hereby subjects the real property described on Attachment “1” hereof to the additional restrictions set forth below (the “Additional Restrictions”), which shall apply to such property in addition to the provisions of the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of the Declaration, including these Additional Restrictions, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

**ARTICLE 1**  
**Definitions**

The definitions set forth in Article 1 of the Declaration are incorporated herein by reference together with any other capitalized terms defined therein.

**ARTICLE 2**  
**District Designation**

Pursuant to Section 3.3 of the Declaration, the Declarant hereby establishes and designates the real property described on Attachment 1 attached hereto as the “Carolina Park West District” (which also may be referred to as the “CP West District”).

**ARTICLE 3**  
**Additional Use Restrictions**

3.1. Residential Use. All Parcels in the Carolina Park West District are hereby restricted to single-family residential use and shall be Residential Parcels. Residential Parcels 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 Parcel; (b) the activity conforms to all zoning requirements for the District; (c) the activity does not involve regular visitation of the Residential Parcel by clients, customers, employees, suppliers, or other invitees or door-to-door solicitation of residents of the District; (d) the activity does not increase traffic or include frequent deliveries within the District; (e) the activity conforms to the requirements of a customary home occupation as adopted from time to time by the Town of Mt. Pleasant; and (f) the activity is consistent with the residential character of the District and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the District, as may be determined in the sole discretion of the Board.

No other business, trade, or similar activity shall be conducted upon a Residential Parcel 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 (c) a license is required.

The leasing of a Residential Parcel shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the District or its use of any Residential Parcel which it owns within the District, including the operation of a timeshare or similar program.

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

3.2 Leasing. Residential Parcels may be leased for residential purposes only. All leases of any Residential Parcel, or any portion thereof, shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board.

3.3 Occupancy of Unfinished Dwellings. No dwelling erected upon any Residential Parcel 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, with "fully completed" meaning the date that a certificate of occupancy has been issued by the controlling governmental authority.

3.4 Vehicles.

a. Automobiles, non-commercial trucks and vans shall be parked only in garages, driveways, other appropriate spaces or areas designated for parking by the Declarant and/or the Association, or otherwise as permitted by applicable law. No motorized vehicles shall be permitted on pathways, sidewalks, or unpaved areas except for public safety vehicles authorized by the Board. No automobile or non-commercial truck or van may be left upon any portion of the District, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle shall be considered a nuisance and may be removed from the District.

b. Recreational vehicles shall be parked only in the garages, if any, serving the Residential Parcels or, with the prior written approval of the DRB, other hard-surfaced areas which are not visible from the street. "Visibility" shall be determined by the DRB in its sole discretion. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, boats, "jet skis" or other watercraft, trailers, other towed vehicles, motorcycles, mini-bikes, scooters, go-carts, golf carts, campers, buses, commercial trucks and commercial vans. Any recreational vehicle parked or stored in violation of this provision shall

be considered a nuisance and may be removed from the District. The Declarant and/or the Association may designate certain parking areas within the District for recreational vehicles subject to reasonable rules and fees, if any.

c. Construction, service and delivery vehicles may be parked in the District during daylight hours for such periods of time as are reasonably necessary to provide service or to make a delivery within the District.

d. All vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt. Any vehicle parked in violation of this Section or any parking rules promulgated by the Board may be towed in accordance with the Governing Documents.

3.5 Combustible Liquid. There shall be no storage of gasoline, kerosene, propane, heating or other fuels, except for a reasonable amount of fuel that may be stored in containers appropriate for such purpose on each Residential Parcel for emergency purposes and operation of lawn mowers, grills, and similar tools or equipment and except as may be approved in writing by the DRB. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

3.6 Guns. The discharge of firearms on the District is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop any such discharge.

3.7 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.

3.8 Drainage and Grading.

a. Catch basins and drainage areas are for the purpose of natural flow of water only. No Improvements, obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

b. Each Owner shall be responsible for maintaining all drainage areas located on its Residential Parcel. Required maintenance shall include, but not be limited to, maintaining ground cover in drainage areas and removing any accumulated debris from catch basins and drainage areas.

c. Each Owner shall be responsible for controlling the natural and man-made water flow from its Residential Parcel. No Owner shall be entitled to overburden the drainage areas or drainage system within any portion of the District with excessive water flow from its Residential Parcel. Owners shall be responsible for all remedial acts necessary to cure any unreasonable drainage flows from Residential Parcels. Neither the Association nor the Declarant bears any responsibility for remedial actions to any Residential Parcel.

d. Use of any areas designated as “drainage easement areas” on any recorded subdivision plat of the District, shall be subject to strict prohibitions against encroachment of structures into, over or across the drainage easement areas, and the right of the Declarant to enter upon and maintain the drainage easement areas. Such maintenance activities may include disturbance of landscaping pursuant to the terms contained in any declaration of easements, notwithstanding approval of the landscaping as set forth in Article 9.

e. No Person shall alter the grading of any Residential Parcel without prior approval pursuant to Article 9 of the Declaration. The Declarant hereby reserves for itself and the Association a perpetual easement across the District for the purpose of altering drainage and water flow. The exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Residential Parcel without the Owner’s consent.

f. All Persons shall comply with any and all applicable erosion control ordinances and regulations in construction of Improvements on any Residential Parcel and in conducting any activity within non-disturbance buffer zones.

3.9 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 District. 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.

3.10 Streams. No streams, which run across any Residential Parcel, may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board, except that the Declarant shall have such rights as provided in Article 11 of the Declaration.

3.11 Timesharing. No Residential Parcel within the District shall be made subject to or be operated as a timesharing, fraction sharing, or similar program whereby the right to exclusive use of the Residential Parcel rotates among participants in a program on a fixed or floating time schedule over a period of years, except as permitted in writing by the Declarant during the Development Period and the Association thereafter.

#### **ARTICLE 4**

##### **Specific Architectural Guidelines and Restrictions**

In addition to the requirements of Article 9 of the Declaration, the following items are strictly regulated, and the reviewing body pursuant to Section 9.2 of the Declaration shall have the right, in its sole discretion, to prohibit or restrict these items within the Carolina Park West District. Each Owner must strictly comply with the terms of this Section unless approval or waiver in writing is obtained from the DRB. The DRB may, but is not required to, adopt additional specific guidelines as part of the Design Guidelines.

a. Signs. No signs or displays of any kind shall be erected by or on behalf of an Owner or Occupant without the prior written consent of the DRB, except (1) such signs as may be required by legal proceedings; and (2) not more than one (1) professional security sign of

such size deemed reasonable by the DRB in its sole discretion. Unless in compliance with this Article 9, no signs or other displays shall be posted or erected by or on behalf of any Owner or Occupant within any portion of the District, including the Common Area, any Residential Parcel or any structure or dwelling located on the Common Area or any Residential Parcel (if such sign would be visible from the exterior of such structure or dwelling as determined in the reviewing body's sole discretion), or within any Adjacent Property.

Except as provided in Section 13.2 of the Declaration or unless a written variance is granted pursuant to Section 9.5, no "for sale" or "for lease" signs shall be permitted within any portion of the District, including any Residential Parcel. In addition, no brochure racks, information tubes, boxes or any other item or object may be placed on or erected within the District or attached to or placed on or adjacent to any permitted sign, either permanently or temporarily, without the prior written consent of the DRB. The Declarant and the DRB reserve the right to prohibit other types of signs and/or displays, and may also restrict the size, content, color, lettering, design and placement of any approved signs and/or displays. All approved signs and/or displays must be professionally prepared. This subsection shall not apply to entry, directional, marketing, or other signs installed by the Declarant or its duly authorized agent(s) as may be necessary or convenient for the marketing and development of the District. In addition to all other rights and remedies set forth in the Declaration, the DRB, the Declarant, and the Board shall have the right to enter property and to remove any sign or display posted in violation of this provision, and such entry shall not constitute a trespass.

b. Tree Removal. No trees that are more than six (6) inches in diameter at a point two (2) feet above the ground shall be removed without the prior written consent of the DRB; provided however, any trees, regardless of their diameter, that are located within ten (10) feet of a drainage area, a sidewalk, a residence, or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without the written consent of the DRB. The DRB may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed. The above requirements shall be in addition to, and not in lieu of, any requirements with respect to tree removal imposed by any governmental authority.

c. Lighting. Exterior lighting visible from the street shall not be permitted except for: (1) approved lighting as originally installed on a Residential Parcel; (2) one (1) approved decorative post light; (3) pathway lighting; (4) street lights in conformity with an established street lighting program for the District; (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 DRB. 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.

d. Temporary or Detached Structures. Except as may be permitted by the DRB during initial construction, or the MC thereafter, no temporary house, dwelling, garage or outbuilding shall be placed or erected on any Residential Parcel. Except as otherwise specifically provided by the Declaration or these Additional Restrictions, no mobile home, trailer home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Residential Parcel as a temporary or permanent dwelling.

e. Accessory Structures. With the approval of the DRB, detached accessory structures may be placed on a Residential Parcel 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 Parcel. With the exception of a garage that is attached to a dwelling and except as may be provided otherwise by the DRB, an accessory structure placed on a Residential Parcel shall be located only behind the dwelling as such dwelling fronts on the street abutting such Residential Parcel or in a location approved by the DRB. All accessory structures shall be located within side and rear setback lines as may be required by the DRB or by applicable zoning law. The Design Guidelines may include requirements with respect to accessory structures on Residential Parcels which have not been designated as Residential Parcels.

f. Antennas and Satellite Dishes. No transmission antenna, except for customer-end antennas that receive and transmit fixed wireless signals, may be erected anywhere on the District without written approval of the DRB. No direct broadcast satellite ("DBS") antenna or multi-channel multi-point distribution service ("MMDS") larger than one meter (39.37") in diameter shall be placed, allowed, or maintained upon any portion of the District, including but not limited to any Residential Parcel. 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 DRB and the Association 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 available on the Residential Parcel which permits reception of an acceptable signal. Except as otherwise provided by this subsection, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the District, including but not limited to any Residential Parcel, whether attached to a structure or otherwise; provided, however, that the Association shall have the right to erect, construct and maintain such devices.

g. Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of Declarant.

h. Standard Mailboxes. All dwellings within the District shall have standard mailboxes conforming to postal regulations and the guidelines for such mailboxes adopted by the DRB. The DRB may adopt different standard mailboxes for each District. By accepting a Deed to a Residential Parcel, each Owner agrees that the DRB may remove any non-approved mailbox in a reasonable manner; all costs for same shall be paid by Owner of such Residential Parcel, and all claims for damages caused by the DRB are waived.

i. 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 District to another. Upon written request of an Owner, the DRB may waive the minimum square footage requirement if, in the DRB'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 District.



## ATTACHMENT 1

### LEGAL DESCRIPTION OF THE LAND COMPRISING CAROLINA PARK WEST

ALL those certain pieces, parcels or lots of land, lying and being situated in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, known and designated as Lots 1 through 54, inclusive, Phase 1, Carolina Park Subdivision, as shown on plat prepared by GPA Professional Land Surveyors, entitled, "Final Subdivision Plat Showing Carolina Park Subdivision, Residential Area 1 – Phase I (20.529 Acres) Carolina Park Associates, LLC, Located in the Town of Mt. Pleasant, Charleston County, South Carolina." Recorded on January 12, 2009 in the RMC Office for Charleston County in Plat Book L09, Pages 0006 - 0007. Said lots having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

TMS 598-03-00-208 through -261

### *ALSO*

ALL those certain pieces, parcels or lots of land, lying and being situated in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, known and designated as Lots 55 through 128, inclusive, Phase 2, Carolina Park Subdivision, as shown on plat prepared by GPA Professional Land Surveyors, entitled, "Final Subdivision Plat Showing Carolina Park Subdivision, Residential Area 1 – Phase II (20.747 Acres) Carolina Park Associates, LLC, Located in the Town of Mt. Pleasant, Charleston County, South Carolina." Recorded on January 12, 2009 in the RMC Office for Charleston County in Plat Book L09, Pages 0008 - 0009. Said lots having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

TMS 598-03-00-262 through -335