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**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE PRESERVE II AT FENWICK HALL
AND
PROVISIONS FOR AND BY-LAWS OF
THE PRESERVE II AT FENWICK HALL PROPERTY OWNERS
ASSOCIATION, INC.**

THIS DECLARATION is made this 11th day of December 2019, by 1776, LLC, (a South Carolina limited liability company), hereinafter referred to as the “Declarant”.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located within The Fenwick Hall Plantation Subdivision in the City of Charleston, Charleston County, South Carolina, known generally as The Preserve II at Fenwick Hall and more particularly described on **Exhibit A** attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, Epic Development Group, L.L.C., has heretofore executed that Declaration of Covenants and Restrictions for the Preserve at Fenwick Hall dated April 29, 2005 and recorded May 4, 2005 at Book T535, Page 686, Charleston County ROD Office (which Covenants, as amended, are referred to below as the “Preserve I Covenants”); and

WHEREAS, the property described below is part of the property described in that certain Master’s Deed to 1776, LLC dated August 29, 2017 and recorded August 29, 2017 at Book 0662, Page 915 in said ROD Office; and

WHEREAS, the above Master’s Deed was executed pursuant to a mortgage foreclosure action brought by Wells Fargo Bank, N.A., as successor by merger to Wachovia Bank, National Association, as successor by merger to First Union National Bank and conveyed all of the property described in said deed free and clear of the Preserve I Covenants; and

WHEREAS, Declarant wishes to ensure that future improvements to the Property in the form of single-family homes, together with certain private community facilities and areas more fully described herein are consistent with its objectives; and

WHEREAS, Declarant further desires, *inter alia*, to establish certain unique guidelines and development standards to assist in the preservation of the character of The Preserve II at Fenwick Hall and to enhance and protect the unique natural setting of The Preserve II at Fenwick Hall; and

WHEREAS, Declarant further desires to create a mechanism for use and the maintenance of Properties, landscaping, boardwalks, walkways, docks, viewing areas, street lighting, signage, security, etc., and to preserve and maintain the natural beauty and character of Fenwick Hall, and has caused to be incorporated under the laws of the State of South Carolina a non-profit corporation, The Preserve II at Fenwick Hall Property Owners Association, Inc., for the purposes and functions more fully set forth herein and in its corporate charter,

WHEREAS, Declarant does now desire to subject the Property described in **Exhibit A** to certain additional covenants and conditions.

NOW THEREFORE, Declarant hereby declares that this Declaration and the covenants, restrictions and easements established herein are covenants to run with the land and that all the Property, as described in **Exhibit A**, and any additional property as may be added by subsequent amendment hereto, or merger with The Preserve at Fenwick Hall Property Owners Association, Inc., and in accordance with the terms and conditions hereof, is herewith subject and subordinate to the terms, provisions and conditions hereof. Said covenants and restrictions will inure to the benefit of and are binding upon each and every "Owner" and his or her respective heirs, representatives, successors, purchasers, lessees, grantees and mortgagees. By the recording or acceptance of the conveyance of a "Lot" or "Parcel" or any interest therein, the person or entity to which the interest is conveyed is deemed to accept and agree to be bound by the provisions of this Declaration and the "By-Laws" of the Association.

ARTICLE 1 DEFINITIONS

The following words and terms, when used in this Declaration or any supplemental declaration, (unless the context shall clearly indicate otherwise), shall have meanings set forth below. Other definitions may appear throughout this instrument and the By-Laws attached hereto, and shall have the meanings more particularly set forth therein.

- a) "*Architectural Review Board*" or "*ARB*" shall mean and refer to the architectural board established pursuant to this Declaration to approve exterior and structural improvements and the siting thereof, landscaping, fences and the additions and changes within the Property, and its successor or the assign of the architectural review and authority of this Declaration.
- b) "*Assessment*" shall mean and refer to any Lot Owner's share of the Common Expenses or any other charges from time to time assessed against an Owner by the Association in the manner herein provided. "Assessment" shall also mean and refer to Declarant's share of the Common Expenses or other charges from time to time assessed against Lots owned by Declarant. The term "Assessments" may also sometimes mean and refer to, collectively, the "Annual Assessment" or "Special Assessments" as the context herein shall so indicate.
- c) "*Association*" shall mean and refer to The Preserve II at Fenwick Hall Property Owners Association, Inc., a non-profit corporation organized under the laws of the State of South Carolina, its successors and assigns.
- d) "*Board of Directors*" and/or "*Board*" shall mean and refer to the Board of Directors of The Preserve II at Fenwick Hall Property Owners Association, Inc., as more fully set forth in Article IV herein.

- e) “*By-Laws*” shall mean and refer to the By-Laws of the Association which govern the administration and operation of the Association, as may be amended from time to time, which said By-Laws are attached hereto as **Exhibit B** and incorporated herein by reference.
- f) “*Cause*” for removal of an Officer or Director of the Association shall mean and refer to either (i) fraudulent or dishonest acts or (ii) abuse of authority or gross negligence in the discharge of duties for or on behalf of the Association by an Officer or Director and which cause must be established by the Board after written notice to such Officer or Director of specific charges, and opportunity of such Officer or Director to meet with the Board and refute such charges.
- g) “*Common Expense(s)*” shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association in connection with the administration of The Preserve II at Fenwick Hall, in the implementation and enforcement of the terms, provisions, and intent of this Declaration and the By-Laws.
- h) “*Declaration*” shall mean and refer to this Declaration and any supplements and Amendments thereto recorded hereinafter in the ROD Office.
- i) “*Declarant*” shall mean and refer to 1776, LLC, (a South Carolina limited liability company), its successors and assigns.
- j) “*Director*” shall mean and refer to members, or any one member, of the Board of Directors of the Association.
- k) “*Common Properties*” shall mean and refer to those parcels of land within the Property, together with any improvements thereon, which are deeded or leased to the Association and designated in such deed or lease as "Common Properties" or any property over which the Association owns or holds an easement. The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated by the Association as a "Common Property." Any property that is leased to the Association and designated in such lease as a "Fenwick Hall Plantation Common Property" shall be a Fenwick Hall Plantation Common Property but shall lose its designation and character as a Fenwick Hall Plantation Common Property upon the expiration of such lease, if not renewed or extended. An initial designation of such Common Properties is attached hereto as **Exhibit C**. Reference is also made to the Planned Unit Development Guidelines for The Shores at Fenwick Plantation a/k/a "The Preserve at Fenwick" approved by the Charleston City Council on May 11, 2004 as Ordinance 2004-47 (the "Preserve PUD").
- l) “*The Preserve II at Fenwick Hall*” or “*Subdivision*” shall mean and refer to the exclusive residential area, together with certain private community facilities and common areas, and areas more fully described herein, to be constructed on the Property.

- m) "*Lot*" shall mean and refer to any lot, whether platted or unplatted, and whether improved or unimproved; such term shall also include, without limitation, any contiguous or non-contiguous portion of a Lot ancillary to the use allowable on the remainder of the Lot, together with any and all improvements located therein or thereon.
- n) "*Majority*" shall mean those votes, totaling more than fifty (50%) percent of the total number of eligible votes. Unless otherwise specifically slated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Except as otherwise specifically provided in this Declaration or the By-Laws, all decisions shall be by majority vote.
- o) "*Master Association*" shall mean The Fenwick Hall Plantation Property Owners Association, Inc., the Declaration for which was recorded on May 4, 2005 in the Charleston County Register of Deeds Office in Book V390 at Page 247.
- p) "*Member*" shall mean and refer to all Members of the Association as provided herein.
- q) "*Membership*" shall mean and refer to membership by an Owner and/or Declarant in The Preserve II at Fenwick Hall Property Owners Association, Inc.
- r) "*Owner*" shall mean and refer to the record owner (whether one or more persons, firms, associations, corporations, partnerships, trusts, trustees, or other legal entities) of the fee simple title to any Lot; notwithstanding any applicable theory of a mortgage, such terms shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding or instrument in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. When reference is made herein to Owner(s)' voting rights, all Owners of one Lot, when more than one Owner holds record title, shall have, collectively, such voting rights in the association as may be attached to the Lot.
- s) "*Parcel*" shall mean and refer to any property, whether platted or unplatted, and whether improved or unimproved; such term shall also include, without limitation, any contiguous or non-contiguous portion of a Parcel ancillary to the use allowable on the remainder of the Parcel, together with any and all improvements located therein or thereon.
- t) The "*Property*" shall mean and refer to the property described on **Exhibit A** attached hereto and incorporated herein by reference which is hereby subjected to this Declaration.
- u) "*R.O.D. Office*" shall mean and refer to the Office of the Register of Deeds for Charleston County, South Carolina.

ARTICLE 2
THE PROPERTY

Section 2.01. The Property.

The Property which is and shall be held, transferred, sold, conveyed, leased, mortgaged, and occupied subject to these Covenants is known generally as "The Preserve II at Fenwick Hall," located in the City of Charleston, Charleston County, South Carolina, and is more particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

Section 2.02. Additional Property.

During the Declarant Control Period, it is contemplated that additional property may be annexed to the Property by Declarant, by merger or otherwise, without the consent of any Owners, the Association or its Members, or any mortgagee, to include, but not be limited to, the Lots or Parcels contemplated by the Preserve PUD which are not part of the Property (i.e., 31 platted and unplatted Lots), John Fenwick Lane and Zurlo Way, and the common area path located along Penny Creek owned by The Preserve at Fenwick Hall Property Owners Association, Inc.

ARTICLE 3
COVENANTS, RESTRICTIONS, AND AFFIRMATIVE OBLIGATIONS
APPLICABLE TO ALL PROPERTIES IN FENWICK HALL

Declarant has established the within Covenants in order to create an exclusive, private community which is unique in design, environmentally sensitive, aesthetically appealing, tranquil, functional, and convenient.

Section 3.01. Miscellaneous Covenants, Conditions, and Restrictions.

- a) The Property shall be used exclusively for
 - i. Single-family residential purposes, and associated amenities
- b) Upon the completion of construction of improvements on any Lot, each Owner, at the sole expense of such Owner, shall be responsible for maintaining such improvements in comparable or better appearance and condition as at the time of initial completion of construction thereof, normal wear and tear between routine maintenance and repair being excepted.

Section 3.02. Subdivision, Re-Platting, and Lot Specifications

- a) No Lot shall be subdivided or its boundary lines changed, nor shall application for same be made to the City of Charleston, except with Declarant's prior, written consent, which such consent may be granted or withheld in the sole discretion of Declarant, its successors and assigns. However, Declarant hereby expressly reserves for itself; its successors and assigns, the right to replat any of the Property if Declarant determines, in its sole discretion, that the reconfiguration, alteration,

or other adjustment of Property lines and boundaries would improve or enhance the value and/or aesthetic appearance of Fenwick Hall or any part thereof.

- b) Any Lot may, with Declarant's written approval, be combined to create a larger Lot or Parcel, and in such instance, Declarant may alter, without limitation, the specifications and guidelines affecting the Lot or Parcel.

Section 3.03. Easements.

There are hereby reserved for the benefit of the Association and its successors and assigns, over, under, upon and across each Lot, the following non-exclusive rights and easements:

- a) a non-exclusive, perpetual, permanent, assignable, transmissible, and commercial easement to enter upon any unimproved portions of any Lot for the purpose of maintaining the drainage system for the Property; maintaining and replacing sidewalks and paths; planting and/or maintaining landscaping; mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, dead or dying trees, or other unsightly growth; removing trash, and/or such other related purposes as the Association, in its sole discretion, deems necessary and essential to maintain the quality and distinctive character of The Preserve II at Fenwick Hall.
- b) A non-exclusive, perpetual, permanent, assignable, transmissible, and commercial easement to enter upon any Common Property for the purpose of maintaining the drainage system for the Property; maintaining and replacing sidewalks and paths; planting and/or maintaining landscaping; mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, dead or dying trees, or other unsightly growth; removing trash, and/or such other related purposes as the Association, in its sole discretion, deems necessary and essential to maintain the quality and distinctive character of The Preserve II at Fenwick Hall.

ARTICLE 4

**THE PRESERVE II AT FENWICK HALL PROPERTY OWNERS
ASSOCIATION, INC.**

Section 4.01. Establishment and Purpose of the Association.

The Preserve II at Fenwick Hall is a private, exclusive community carefully and comprehensively planned by Declarant so as to preserve, protect, complement, and enhance the natural ambiance and historical setting of Fenwick Hall.

Declarant has established the Association for the purpose of exercising powers of owning, maintaining, repairing, reconstructing, improving, and administering the Common Properties, providing common services, administering and enforcing the within Covenants and the conditions and restrictions set forth herein, levying, collecting, and

disbursing the Assessments and charges herein imposed, holding, owning, and utilizing the easements it may enjoy, and for other purposes.

It is Declarant's intention to convey a fee title to the Association of the Common Properties and any and all improvements and personal property associated therewith, which are to be held and administered in accordance with this Declaration. Declarant further intends to convey to the Association the property and pond commonly referred to as the "Back Porch" and certain other property that was contemplated to be common area by The Preserve PUD. The legal costs and expenses of such conveyances shall be borne by Declarant.

Section 4.02. Membership and Voting.

Each Owner shall, by virtue of their ownership, be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and ownership of a Lot shall be the sole qualification for such Membership. In the event that fee title to a Lot is transferred or otherwise conveyed, the Membership in the Association shall automatically pass to the transferee. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise effect an Owner's membership in the Association. No Owner, whether one or more persons, shall have more than one membership per Lot.

If a Lot is owned by more than one person, all co-Owners shall share the rights, privileges and responsibilities of Membership, subject to regulations of the Association. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Association.

Voting rights in the Association shall be based upon the number of Lots owned by each Member of the Association, with each Lot receiving one (1) vote.

Section 4.03. Board of Directors.

The Association shall be governed by a Board of Directors, which shall initially consist of three (3) members. An election of Directors shall be held not more than ninety (90) days after the Declarant Control Period has ended.

During the Declarant Control Period, as hereinafter defined, members of the Board of Directors shall be appointed by Declarant and shall serve at the sole pleasure of Declarant.

"Declarant Control Period" means the time period during which the Declarant may exercise control over the Association, which will commence on the date this Declaration is filed Of Record and ending on the earlier of:

1. the date December 31, 2030; or

2. the date which is six (6) months after the conveyance by Declarant, in the ordinary course of business to persons other than a successor Declarant, 32 Lots of the 34 platted and unplatted Lots owned by Declarant as of the date of this Declaration; or

3. the date which is six (6) months following the date Declarant terminates the Declarant Control Period by an express amendment to this Declaration filed of record.

Section 4.04. Powers and Functions of the Association.

The Association shall be and is hereby authorized and empowered to perform any and all of the following acts and services, the costs of which shall be a Common Expense:

- a) Clean-up, maintenance, landscaping, improvement, and replacement of all Common Properties and improvements thereon, therein and thereunder, including but not limited to entrance ways, access roads, feeder roads and rights-of-ways, entrance signs, roadway signs, security and related systems, utility, drainage, erosion and flood control facilities, viewing areas and facilities, walkways and leisure trails, footbridges, residual areas, landscaped areas, vegetative buffers, and all other systems or areas which are a part of or appurtenant to the Common Properties and which are not maintained by Declarant or a public authority, a public service district, a public or private utility or other person(s) or entities.
- b) Clean-up, landscaping, and maintenance of landscaping on each Lot in order to maintain and ensure the highest possible standards of appearance throughout the Subdivision. such responsibilities including but are not limited to, mowing, planting, pruning of trees and bushes, fertilizing, clearing, trimming, mulching, and applying pesticides and chemicals.
- c) Take any and all actions necessary to enforce the within Covenants, conditions, and restrictions, and to perform any of the functions or services required or delegated to the Association under this Declaration and any amendments or supplements thereto.
- d) Provide for the operation of the ARB as more particularly set forth herein.
- e) Provide or contract for security, landscaping, and managerial services and other administrative services including, but not limited to legal, accounting, and financial services, communication services informing Members of activities, notice of meetings, referendums, etc.
- f) Provide liability, hazard, or other insurance covering improvements and activities on Common Properties and providing liability and errors and omission or similar insurance for the Directors and Officers of the Association and the ARB as the Board may deem appropriate.

- g) Purchase and acquire personal property and equipment as necessary for the proper maintenance of the Common Properties.
- h) Clean-up, maintenance, landscaping, improvement and replacement of pedestrian access areas, residual tracts, walkways and leisure trails, boardwalks, docks and all other areas within the Property or in a reasonable proximity thereto should, in the opinion of the Association, their deterioration affect the appearance of the Property.
- i) Insect, pest and wildlife control to the extent that measures in addition or supplemental to those services as may be provided by applicable governmental authorities are deemed necessary or desirable in the discretion of the Board of Directors.
- j) Construct roadways and other improvements on residual areas, Common Properties, and such other areas within the Property as the Board of Directors deems appropriate, necessary, or essential for the Subdivision.
- k) Maintenance, repair, and replacement of any drainage easements, improvements, and/or facilities, and erosion and flood control improvements located within or adjacent to the Subdivision.
- l) Maintain, repair, replace, and administer rules and regulations for the use of the community docks. The Rules and Regulations for docks are described in **Exhibit D** and attached hereto and incorporated herein by reference. Said rules and regulations may be amended by the Declarant or the Association at their discretion.
- m) In the event the Board of Directors determines that any Lot Owner has failed or refused to comply properly with Owner's obligations with regard to the maintenance, cleaning, repair, and replacement of improvements and/or Lot or landscaped areas as set forth herein, in accordance with standards therefor established by the Association and uniformly applied throughout the Property then the Association, except in the event of an emergency situation, shall give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth in reasonable detail the extent of such maintenance, cleaning, repair, or replacement deemed necessary, and such Owner shall have thirty (30) days therefrom within which to complete the same in a good and workmanlike manner.

In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner, and said cost shall be added to and become a part of the Assessment to which such Owner and Owner's

Lot is subject, and shall become a lien against such Lot in favor of the Association,

All construction, materials, supplies and services to be undertaken, acquired or performed by or on behalf of the Association shall be procured from independent third-party sources unaffiliated with Declarant or any member of the Board of Directors.

The Association is further authorized and empowered to perform or provide any and all other services necessary or desirable in the judgment of the Board of Directors to carry out the Association's obligations and duties under the terms and intent of this Declaration and the By-Laws.

ARTICLE 5

THE PRESERVE II AT FENWICK HALL ARCHITECTURAL REVIEW BOARD

Section 5.01 Purpose.

In order to preserve the natural setting and beauty of The Preserve II at Fenwick Hall, to establish and preserve a harmonious and aesthetically pleasing design for The Preserve II at Fenwick Hall, and to protect and promote the value of The Preserve II at Fenwick Hall, the Parcels or Lots and all improvements located therein or thereon, including landscaping, grading, excavation, or filling of any nature whatsoever, outside lighting, driveways, mail boxes, decks, patios, courtyards, swimming pools, playhouses, awnings, walls, fences, garages, guest or servants' quarters, or other outbuildings will be subject to the prior review and approval of the ARB and in accordance with design and development guidelines, as well as the form of application and review procedures therefor (the Architectural Review Board Covenants, the "ARB Covenants") for such improvements or construction or development work which is published, from time to time, by the ARB, and no such improvements of any nature whatsoever will be altered or added to, or maintained upon any part of the Parcels or Lots, except in accordance with such guidelines and approval of the ARB. No site work will be undertaken upon a Parcel or Lot (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) nor any structures placed, erected, or installed upon any Parcels or Lots or adjacent to any Parcels or Lots where the purpose of the structure is to service the Parcels or Lots, except in accordance with this Article 5 and upon approval as herein provided unless specifically exempted from the application and approval requirements hereof by specific terms and conditions hereof pursuant to this Declaration or pursuant to a writing signed by Declarant in recordable form.

Section 5.02. Architectural Review Board.

The ARB shall be the governing body charged with using its best efforts to promote and ensure a high level of design, quality, harmony and conformity throughout the Development consistent with this Declaration to administer the architectural and aesthetic approval process for the Development. Until such time as Declarant no longer owns any Property held for development into additional Lots or Parcels, and no longer holds a Lot or Parcel for sale by it in the ordinary course of its business, or upon the earlier written relinquishment by Declarant in writing ("Declarant's Development Period"), Declarant shall constitute the ARB, and may approve plans and submissions or take other actions on behalf of the ARB in Declarant's own name or in the name of the ARB. After the termination of Declarant's right to function alone as the ARB, the ARB under this Declaration will consist of not more than five (5) nor less than three (3) members, who need not be Owners, appointed by the Board. The terms of office for each member, and other matters of governance to be applicable to ARB, will be established by the Board prior to the time any review and approval process hereunder would otherwise have to take place by the ARB to be established by the Board. Notwithstanding the foregoing to the contrary, any member appointed to the ARB by the Board following assignment of the whole or any portion of ARB functions pursuant to this Article is subject to the prior approval of Declarant until Declarant no longer owns any of the Property, or the earlier written relinquishment by Declarant of its authority and power to do so. The ARB is responsible for administering the ARB Covenants, adopted and amended from time to time as hereinafter provided, and for the review and approval process conducted in accordance with the ARB Covenants. The ARB is authorized to retain the services of, and compensate, consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the ARB in performing its functions set forth herein. The ARB 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 by the committee in having any application reviewed by architects, engineers or other professionals.

(a) Right to Assign ARB Functions.

Declarant reserves the right to assign to the Association, or to a committee or board established by Declarant, at its sole discretion at any time during Declarant's Development Period, the whole or any portion of its rights reserved in this Declaration which are exercisable by it sitting as the ARB. Declarant may establish ARB subcommittees for the purpose of acting on behalf of the ARB with respect to similar circumstances, situations, or types of improvements, such as modifications of existing improvements or additional new improvements ancillary to an existing Lot or Parcel, in contrast to the construction of initial improvements upon a previously unimproved Lot or Parcel. All rights and powers of the ARB may be delegated to such subcommittee with regard to the subject matter of the subcommittee. The rights and powers of the ARB may be assigned to a management

company, an architect, design professional or other entity, or any portion of such rights and powers applicable to a particular subcommittee or area of similar circumstance. The Association, and each such committee or board established by Declarant under this Declaration, does hereby agree to accept any such assignment of rights without the necessity of any further action by it. Upon the termination of Declarant's Development Period or the earlier written relinquishment by Declarant of its rights hereunder, any then remaining rights are deemed assigned to the Association, which will succeed to all the rights of Declarant over the ARB then remaining unassigned without further action on the part of either the Declarant or the Association.

(b) Liability of ARB Members.

No member of the ARB, or any assignee of rights hereunder, will be liable to any Owner for any decision, action or omission made or performed by the ARB member in the course of his duties unless the member acted in bad faith or in reckless disregard of the rights of any person or of the terms of this Declaration.

c) Indemnification.

Until all the ARB functions are assigned, Declarant will, to the full extent permitted by law, indemnify all persons designated from time to time by Declarant to serve as members of the ARB exercising unassigned rights hereunder from and against any liability, including attorney fees, as may be incurred by the members. Following any such assignment by Declarant, members of the ARB or successor board exercising rights so assigned are indemnified by the Association to which the exercised rights was assigned.

Section 5.03. ARB Covenants.

Declarant will prepare the ARB Covenants, which will apply to all development and construction activities within the Development. The ARB Covenants may contain general provisions applicable to all of The Preserve II at Fenwick Hall. During Declarant's Development Period, Declarant may amend, modify, supplement and add to the Design Guidelines; and after Declarant's Development Period, such changes may be made solely by the Board of Directors, with the advice of the ARB. The initial ARB Covenants are attached hereto as **Exhibit E** and incorporated herein.

(a) Interior Improvements.

Generally, ARB Covenants will not cover interior improvements, which will generally not be subject to review and approval by the ARB, unless the review and approval may otherwise be required because the interior improvements are made within an area plainly within view of adjacent properties. In particular, any sign or object posted inside a

residence and viewable from outside the residence is subject to prior written approval of the ARB, which it may grant or deny in its sole discretion; provided, however, the ARB will not, under any circumstances, approve any sign that disparages or is intended to disparage any person or entity.

(b) Drainage.

The ARB Covenants may provide that, in connection with the ARB's approval and to prevent excessive drainage or surface water runoff, the ARB may have the right to establish a maximum percentage of property which may be covered by buildings, structures, or other improvements, which guidelines may be promulgated on the basis of topography, percolation rates of the soil, soil types and conditions, vegetation cover, and other environmental factors, or to impose guidelines for the installation of storm water management facilities deemed appropriate to limit or control runoff.

(c) Other Guidelines.

The ARB Covenants may, in the sole discretion of Declarant and, following Declarant's Development Period, the ARB may also provide applicable guidelines: (i) prohibiting or restricting the erection and use of temporary structures; (ii) setting permissible times of construction and requirements concerning construction debris; (iii) covering the allowance of and, where allowed, the content, size, style and placement location for, signage; (iv) requiring or encouraging visually screened service yards; (v) establishing exterior lighting design and location criteria; (vi) prohibiting or limiting installation and use of wells; and (vii) setting conditions for property subdivision or consolidation, and for subjecting the Property to further covenants, conditions, restrictions and easements; provided, however, Declarant's activities may be excepted or exempted from any and all such guidelines. The within listing of possible guidelines is not an exhaustive listing and is intended merely to provide an example of the diversity of guidelines as may be incorporated in the ARB Covenants, and will not act as a limitation upon covenants and covenants as may or may not be implemented.

(d) Guidance: Final Authority of the ARB.

The ARB Covenants are intended to provide guidance, and will not be the exclusive basis for decisions of the ARB, and compliance with the ARB Covenants may not guarantee approval of any application. The ARB will have the sole discretion to determine whether plans and specifications submitted for approvals are acceptable to it, and the refusal of approval of any plans and specifications may be based by the ARB upon any ground which is consistent with the objects and purposes of this Declaration, as may be supplemented by the ARB Covenants, including purely aesthetic considerations. Any Owner that is not satisfied with the determination of the ARB shall have the right to appeal

the ARB's determination to the Board of Directors, provided a notice of such appeal is given by the Owner to the ARB and the Board of Directors within twenty (20) days following the ARB's determination. The appeal procedure shall be in accordance with such as shall be provided by the Board of Directors or as shall be stipulated in the ARB Covenants.

(e) Inspections and Permit and Certificate Issuance.

The ARB Covenants may also provide procedures for ARB inspection of work, for the issuance of a permit to commence work and for the issuance of a certificate following completion thereof, in addition to any such permits and certificates as may be issued by governmental authority with jurisdiction thereof, which may constitute conditions precedent to use or occupancy.

(f) Fees and Charges.

In addition to application fees and charges, the ARB Covenants may provide a schedule of fees, charges, required damage or other deposits, fines for noncompliance, and other amounts due and payable by an Owner as part of the application, review and approval processes, which schedule the ARB may increase, modify and amend at any time. All fees, charges and fines provided herein will constitute Specific Assessments and a lien upon the Parcel or Lot to which the fees and charges relate.

Section 5.04 ARB Landscaping Approval.

To preserve the architectural and aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever, and no construction of improvements of any nature whatsoever, will be commenced or maintained by the Association or any Owner, other than Declarant, on any portion of the Development, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, decks, patios, courtyards, amenities and recreational facilities, walls, fences, or exterior lights, nor will any building construction, exterior addition, change or alteration, be made (including, without limitation, painting or staining of any exterior surface), unless and until application is made the ARB pursuant to the ARB Covenants and the plans and specifications therefor are approved by the ARB.

Section 5.05 Approval Not a Guarantee.

No approval of plans and specifications and no publication of ARB Covenants and architectural guidelines thereunder will be construed as representing or implying that the plans, specifications, or guidelines will, if followed, result in properly designed improvements. Such approvals and guidelines will in no event be construed as representing

or guaranteeing that any dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, nor the Association, nor the ARB is responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article, or any defects in construction undertaken pursuant to the plans and specifications.

Section 5.06 Enforcement.

There is specifically reserved unto the ARB the right of entry and inspection upon any Lot or Parcel or other portion of the Property for the purpose of determining whether there exists any unapproved improvement or whether any improvement violates the terms of any approval by the ARB or the terms of this Declaration. Except in emergencies, any exercise of the right of entry and inspection by the ARB hereunder should be made only upon reasonable notice given to the Owner at least twenty-four (24) hours in advance of such entry. The Association, acting pursuant to the direction of the ARB, is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any improvement, or to remove any unapproved improvements, the prevailing party in such litigation shall be entitled to recover all legal fees and costs incurred in connection therewith.

ARTICLE 6

COVENANTS FOR ASSESSMENTS

Section 6.01. Creation of the Lien and Personal Obligations of Assessments.

Declarant covenants, and each Owner of any Lot whether or not it shall be so expressed in Owner's deed or other conveyance, shall be deemed to covenant and agree to all other terms and provisions of this Declaration and pay to the Association:

- i. Annual Assessments or charges; and
- ii. Special Assessments or charges for capital improvements to or for maintenance of Common Properties and other Common Expenses, emergencies and other purposes,

The Assessments, together with any penalty (to be set by the Board), interest, costs, and reasonable attorney's fees shall be a charge upon the Lot and shall be a continuing lien on the Lot against which each such Assessment is made. Each such Assessment, together with interest, any penalty, costs, and reasonable Attorney's fees, shall also be the personal obligation of the person(s) or entity who was the Owner of such Lot at the time the Assessment became due. The obligation for delinquent Assessments shall run with such Lot and shall pass to the Owner's successors in title. Upon written request, the Association shall provide or cause to be provided an accounting of an Owner's Assessments and any

delinquency in the payment thereof. All reports of delinquency must be given subject to any state and federal laws regarding disclosure of a debtor's financial information.

Section 6.02. Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively in connection with the operation and administration of The Preserve II at Fenwick Hall. Such use shall include, but is not limited to, the payment of all Common Expenses; to promote and maintain the health, safety, welfare, and convenience of the Owners and their guests and tenants; for the acquisition, construction, landscaping, repair, replacement, improvement, maintenance, and use of common Properties; labor, equipment, materials, services, management, supervision, security, garbage service, water, sewer and utility service in connection with the Common Properties; insurance premiums and deductibles; emergency repairs, reconstruction after casualty loss, and such other needs, without limitation, as may arise or as may be required in the reasonable discretion of the Board of Directors. Until and unless otherwise approved by the Board of Directors, except as provided in Section 6.07(a), all Assessments shall be levied in proportion to the total number of Lots, exclusive of the acreage consisting of portions of the Common Properties.

Section 6.03. Annual Assessment.

The Declarant initially and thereafter the Board of Directors shall determine the amount of the Annual Assessment based on the annual budget of the Association as provided herein. When the Board of Directors determines the Annual Assessment for the ensuing fiscal year, it shall cause to be prepared in connection therewith an annual budget showing the services provided by or on behalf of the Association and the costs thereof.

Prior to the end of each calendar year, the Board of Directors shall determine the amount of the Annual Assessment for the following calendar year, and shall notify every Owner subject thereto of their pro rata share, as set forth in Section 6.07 of this Article.

Section 6.04. Special Assessments.

- a) In addition to the Annual Assessments authorized above, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Properties, including, but not limited to, fixtures, personal property related thereto and for any other purposes not prohibited by this Declaration. such Special Assessments may be collected by the Association on a monthly, quarterly, or annual basis.
- b) In addition to the Annual and Special Assessments authorized above, the Board of Directors may levy, in any fiscal year, an amount not to exceed one hundred (100%) percent of the Annual Assessment for such fiscal year a Special Assessment applicable for the purpose of maintenance or repairs of the Common Properties, including, fixtures, landscaping, and personal property related thereto: for the costs of the taxes for and the utilities supplied to the Common

Properties; for any repairs, restoration, reconstruction, maintenance, or improvements made necessary by any emergencies including but not limited to damages resulting from storm, wind, earthquake, and flood as determined in the sole discretion of the Board of Directors, and for any other purpose not prohibited by this Declaration.

Section 6.05. Effect of Non-Payment of Assessments.

Any Assessment (whether Annual, Special, Landscaping or otherwise) not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to the lesser of (a) ten (10%) percent per annum; or (b) the maximum rate provided by applicable law. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Lot in like manner as a mortgage of real property, or both. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the outstanding Assessment(s) due and payable and collect the same through foreclosure. The Owner shall be responsible for all penalties (as may be determined by the Board), charges, interest, expenses and all collection costs (including reasonable attorneys' fees, court costs and expenses incurred), whether before or after a suit for collection or foreclosure is filed, and whether or not a suit for collection or foreclosure is filed. Such penalties, charges interest, expenses and collection costs may be added to the amount of such Assessment and may be collectible as an Assessment.

Section 6.06. Subordination of Lien.

The lien of Assessments provided for herein shall be subordinate to the lien of any first mortgage upon any Lot. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure shall extinguish the lien of such Assessments as to the payment of the portion thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve any subsequent Owner of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 6.07. Allocation of Assessments Among Lot Owners.

All Assessments provided for herein shall be divided among the Lot Owners, based upon the number of Lots owned, whether platted or unplatted.

After the date of recording of this Declaration, any multiple Lots which are merged into one Lot shall still be considered the preexisting number of Lots for purposes of the assessment and payment of Annual and Special Assessments. If Lot 19 and Lot 20 of Preserve I become part of the Association, the preexisting merger of Lot 20 into adjoining Lot 19 and Lot 21 shall not be considered a separate Lot for purposes of Annual and Special Assessments.

Notwithstanding the foregoing, the 34 Lots owned by Declarant, or conveyed or sold to a home builder by Declarant, shall be exempt from Annual Assessments until the following occurs with respect to each Lot:

- (i) When a building permit is issued for the construction of a home on the Lot, the Lot shall become subject to 50% of the annual assessments (but not special assessments) as of the date the building permit is issued (to be prorated).
- (ii) When a Certificate of Occupancy ("CO") is issued for a house, the Lot shall become subject to 100% of the annual assessments and special assessments from the date the CO is issued (to be prorated).
- (iii) If a Lot is conveyed or sold to a third party other than a home builder, it shall be subject to 100% of the annual assessments and special assessments from the date of the deed from Declarant to the third party (to be prorated).

Section 6.08 Transfer Fee Due on Conveyance of Unit.

Except as otherwise provided in this Section, upon the sale and transfer of title to any Parcel or Lot improved by a house and subject to this Declaration, the transferring Owner shall pay to the Association a transfer fee in the amount of one quarter of one percent (0.25%) of the total cost to the purchaser of the Parcel or Lot, as such cost is shown for purposes of calculating the Recording Fee (formerly known as a deed transfer fee or deed documentary tax) imposed by Charleston County, South Carolina on the transfer of title, but excluding taxes and stamps or other fees charged by Charleston County, South Carolina on such transfer. Such transfer fee shall be the obligation of transferee purchaser thereof; and, in addition, the Association shall have a lien against the Parcel or Lot to secure payment of such transfer fee. Such liens shall be prior and superior to all other liens except the Association's lien for Assessments. Such lien may be enforced by the Association by suit, judgment and foreclosure in the same manner as the Association's lien for assessments.

(a) Purpose of Transfer Fee.

All transfer fees collected pursuant to this Article shall be deposited into a segregated account (e.g., a capital reserve account) to be used for such purposes as the Board of Directors of the Association deems beneficial to the general good and welfare of the Association and its Members. By way of example, and not limitation, such transfer fees might be used to help fund repairs and improvements to the Common Areas. Nothing herein shall be construed to require that the funds so collected be applied to reduce any Assessment levied hereunder, nor shall anything herein be construed as to prohibit same.

(b) Exempt Transfers.

No transfer fee shall be levied upon transfer of title to a Lot or Parcel:

- (i) by the Declarant;

- (ii) by any builder or developer who holds title to the Lot or Parcel solely for purposes of the development and sale of a house.

ARTICLE 7

THE PRESERVE II AT FENWICK HALL COMMON PROPERTIES

All Common Properties are ultimately intended for the common use and enjoyment of the Association, the owners, and their respective guests, invitees, tenants, permittees, heirs, successors and assigns, subject to any operating rules promulgated by the Association, its successors and assigns, and nothing contained herein or set forth on any plat shall in any way or manner be construed as a dedication to the public of any of the Common Properties and other such areas and amenities associated therewith,

Section 7.01. Members' Easements of Enjoyment. Subject to the provisions of this Declaration and the rules and regulations of the Association, every Owner shall have a non-exclusive easement of enjoyment in and to the Common Properties, and such easement shall benefit and be appurtenant to and shall run with the title to each and every Lot. It is the intention of Declarant that such rights of enjoyment shall be and are hereby deemed for the use and benefit of the Property Owners, and their respective guests, invitees, tenants, permittees, heirs, successors and assigns, and successors-in-title, subject to such rules and regulations as may be established by the Board of Directors for the Association.

Section 7.02. Perpetual Commercial Easement Over Common Properties and Obligations of the Association.

- a) Perpetual Easement. Until the Common Properties are conveyed to the Association, Declarant conveys to the Association (and the Association agrees to accept) Common Properties, a perpetual commercial easement for use of all Common Properties, together with all structures, improvements, appurtenances, landscaping, and infrastructure located thereon and/or thereunder now or at the time of such conveyance.

The Association shall be responsible for the maintenance, repair, replacement and operation of any areas intended for the common use and enjoyment of the Owners now and once such areas have been conveyed by Quitclaim Deed. Any conveyance by Declarant will be conveyed subject to all restrictive covenants of record at the time of the conveyance.

Section 7.03. Extent of Members' Easements.

The Owners' non-exclusive rights and easements for enjoyment of Common Properties shall be subject to the following:

- (a) The rights of Declarant to convey the Common Properties to the Association, subject to Owner's approval rights, if required hereunder.

- (b) Non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible, commercial easements in favor of Declarant and the Association for access, ingress, egress,

and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, and for all other lawful purposes deemed necessary, useful, or beneficial, in the discretion of Declarant and the Association; and the right of Declarant and of the Association, their successors and assigns, to grant, reserve, and accept such easements and rights-of-way through, under, over, and across the Common properties.

(c) The right of the Association, as provided in its By-Laws, to suspend the voting and enjoyment rights of any Owner for any period during which any Assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations.

(d) The right of the Declarant and the Association, as the case may be, to establish rules and regulations for the Common Properties, to charge Common Expenses and to prescribe fees and charges from time to time for use of any amenities which may now or hereafter be constructed on or near the Common Properties.

(e) All applicable covenants, conditions, restrictions and easements of record, including, without limitation, all applicable regulations and ordinances adopted or as may be adopted in the future by any governmental agency or entity having jurisdiction over the Property. This Declaration is intended as a supplement to any such governmental regulations or ordinances and shall be interpreted to be consistent therewith wherever possible.

(f) The right of the Association, in accordance with its By-Laws, to borrow money from the Declarant or the Association or any member of the Board of Directors or any lender on commercially reasonable terms for the purpose of improving and, or maintaining the Common Properties and providing services authorized herein, and in connection therewith, to mortgage all or part of the Common Properties to secure any such loan provided that any loan or other transaction between the Association and Declarant or any party affiliated with the Declarant or any member of the Board of Directors shall be subject to the approval of Members holding not less than sixty-six and two-thirds (66 2/3%) of the voting rights of the Association. Notwithstanding the foregoing, Declarant, as set forth in Article 6, is making a non-interest bearing loan to the Association for expenses incurred by Declarant to the date of the Declaration for the maintenance and repair of the Common Areas, including major repairs to the westerly dock which was damaged by multiple hurricanes; which loan shall be repaid by Special Assessments made over a period of years determined by Declarant.

ARTICLE 8
INSURANCE AND CASUALTY LOSSES

Section 8.01. Insurance.

(a) Property Insurance. The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect casualty insurance at replacement value, in such form and with such coverage and deductibles as the Board deems appropriate for the benefit of the Association, insuring all insurable improvements in and to the Common Properties against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief; such coverage, if available at reasonable costs, to be in an amount sufficient to cover the full replacement cost (without depreciation, to include anticipated costs of demolition and clearing prior to building, but subject to such deductible amounts as are deemed reasonable by the Board), of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) Liability Insurance. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy of not less than \$1,000,000, covering all Common Properties and all damage or injury caused by the negligence of the Association, ARB, their Members, Directors, and Officers, or any of their agents. Such public liability policy shall provide such coverages as are deemed necessary by the Board.

(c) Other Insurance. The Board or its duly authorized agents shall have the authority to and may obtain: (i) worker's compensation insurance to the extent necessary to comply with any applicable law; and (ii) any such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for each of the Owners, and the cost thereof shall be a Common Expense. The Association shall have exclusive authority to adjust losses under such insurance policies provided, however, that no mortgagee or other security holder of The Preserve II at Fenwick Hall Common Properties having any interest in such losses may be prohibited from participating in the settlement negotiations, if any, relating thereto.

(d) Each Owner shall be solely responsible for obtaining, at each such Owner's sole expense, public liability, property damage or casualty coverage, flood, title, and any other insurance coverage in connection with such Owner's individual Lot(s) or Parcels and all improvements thereon, as each such Owner deems necessary or appropriate.

Section 8.02. Damage to or Destruction of Common Properties.

Should any of the Common Properties or other property owned by and/or covered by insurance written in the name of the Association as such trustee for the Owners, be damaged or destroyed by fire, windstorm, flood, or any other casualty, the Board of Directors, or its agent shall be responsible for timely filing all claims and adjustments arising under such insurance. In such event, the Board shall be further responsible for

obtaining detailed estimates for repairing or restoring and/or reconstructing such damaged property to substantially the same condition as existed prior to such casualty, and such estimates must be obtained by the Board from reputable, reliable, licensed individuals or companies. The Association shall restore, repair, or replace such damaged improvements, including structures, trees, shrubbery, fences, lawns, landscaping, bridges, docks, signage, personal property, and natural vegetation, within sixty (60) days of such damage or destruction, or as soon thereafter as reasonably possible under the circumstances. In the event insurance proceeds, if any, are insufficient to repair, restore, and/or replace such damaged or destroyed property and reserve funds as may have been appropriated or established for such purpose are, in the sole discretion of the Board, insufficient or inadequate to defray the costs thereof, or would unreasonably deplete such reserve funds, the Board may levy a Special Assessment against all Owners, without the necessity of a vote of the Members, in an amount sufficient to provide adequate funds to pay such excess costs of repair, reconstruction, or replacement. Such a Special Assessment shall be levied against the Owners in the same pro rata manner as Annual Assessments are levied, and additional Assessments may be made at any time during or following the completion of any repair, reconstruction, or replacement. Any and all sums paid to the Association under and by virtue of such Special Assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds, if any, and Assessments shall be disbursed by the Association in payment of such repair, reconstruction, or replacement pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any funds remaining after defraying such costs shall be retained by and for the benefit of the Association. Special Assessments levied according to this Section may include but are not limited to Special Assessments for insurance deductibles, temporary emergency repairs and uninsured losses as well as the legal or other costs of collection.

Section 8.03. Damage to or Destruction of Improvements to Lots.

In the event of damage or destruction by fire or other casualty to any improvements to any of the Lots, the Owner thereof, at his sole expense, shall be responsible for clearing away the ruins and debris of any damaged improvements or vegetation within forty five (45) days of such damage or destruction, so that the Lot is promptly restored to a clean, orderly, safe, and slightly condition. In the event such Owner shall fail or refuse to clear away the ruins and debris of any damaged improvements within said forty five (45) day period, or such extended period as the Board may allow, in its sole discretion, the Association may enter the Lot, and its agents may undertake (but are not obligated to do so), any such clearing and charge the costs thereof to the responsible Owner.

ARTICLE 9
USE RESTRICTIONS

Section 9.01 Building Restrictions

Except as may be otherwise set forth in this Declaration, in the ARB Covenants adopted hereunder, in any Supplemental Declaration, in any agreement with Declarant, or by specific deed restriction, the following building restrictions will apply with respect to the Property, Parcels, and Lots subject to this Declaration (sometimes referred to as "Subdivision").

(a) Number of Buildings on Lots/Parcels

No structure will be constructed upon an unimproved Lot or Parcel constituting a single-family lot located within The Preserve II at Fenwick Hall other than one (1) detached, single-family dwelling of at least 2,500 square feet of living space and one (1) accessory building, which may include a detached private garage, servant's quarters, guest house or pool house, provided a single structure may incorporate all of said uses and provided such dwelling or accessory building does not overcrowd the Lot or Parcel and is not used for any activity normally conducted as a business. Such accessory building may not be constructed prior to the construction of the main building. A guest suite or like facility may be included as part of the main dwelling or accessory building, but said suite may not be rented or leased except as part of the entire premises including the main dwelling. Notwithstanding the foregoing, Declarant and Builders may construct a detached garage on a Lot or Parcel and use it in its development, sales and construction activities prior to construction of a residential dwelling thereon.

(b) Completion of Improvements

The exterior of all dwellings and other structures constructed upon any unimproved Parcel or Lot constituting a single-family lot must be completed within twelve (12) months after the construction of same shall have commenced, or such shorter period of time as shall be determined by the ARB to be suitable given the scope and complexity of the work to be performed; provided, however, a longer period of time may be granted, in the ARB's sole discretion, where completion is impossible or would result in great hardship to the Owner or builder thereof due to strikes, fires, national emergencies or natural calamities, or the complex nature of the construction. Upon completion of construction of a dwelling, as evidenced by the issuance of a Certificate of Occupancy therefor, Owner shall complete installation of all approved landscape within the same 12-month construction period. No dwelling under initial construction shall be occupied until construction is completed and all necessary approvals of any governmental authorities have been obtained.

(c) Other Requirement of Residences.

In addition, all residential structures constructed on an unimproved Parcel or Lot will be designed and constructed in compliance with the requirements of such political subdivision with jurisdiction thereof.

Section 9.02 Trees.

No Owner, other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6) inches or more at a point of four and one-half (4 ½) feet above ground level, or other significant vegetation as designated from time to time by the ARB, without obtaining the prior approval of the ARB, provided that dead or diseased trees which are inspected and certified as dead or diseased by the ARB or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any property by the Owner thereof. Nothing herein shall be construed so as to limit any applicable law or ordinance, including the Preserve PUD.

Section 9.03 Use of Units.

(a) Use Generally.

Except as permitted by Section 9.18 (Subdivision Sales and Construction Activities) with respect to development, sales and construction activities, each house will be used for residential purposes only, and no trade or business of any kind may be carried on therein. The use of a portion of a house or accessory structure as an office or art studio by an Owner or occupant will not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic. Nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on an unimproved Parcel or Lot constituting a single-family lot, or the showing thereof for sale; and nothing herein shall be construed to prevent Declarant or its permittees from erecting, placing or maintaining signs, structures and offices on Common Property and Lots owned or developed on behalf of Declarant, as it may deem necessary, for its operation and sales in the Subdivision.

(b) Residential Use.

Except as otherwise provided in this Declaration, all the houses are hereby restricted to residential uses only and for single-family occupancy, and no business or business activity shall be carried on or upon any Lot or Parcel at any time, except with the prior written approval of Declarant until expiration of the Declarant Control Period, and thereafter except with the prior written approval of the Board of Directors and in accordance with the terms and conditions set forth herein below. When used herein,

"single-family occupancy" shall mean occupancy by: (A) an individual and the individual's children and/or parents; or (B) two or more persons related by blood marriage, adoption, guardianship, or duly-authorized custodial relationship and their children and/or parents; or (C) any two unrelated persons and the children and/or parents related to either of them; or (D) a group of no more unrelated persons than the number of bedrooms in the residence located on the lot, living together as a single housekeeping unit. A group of unrelated persons will be deemed to be living together as a "single housekeeping unit" when the occupants have a family-like structure, and/or a sharing of responsibility associated with the household such as equitable rent, use of space, etc. This definition is intended to exclude (x) any group whose association is temporary or seasonal in nature, such as a group of college students sharing a house, and (y) any group providing a framework for transients or transient living.

(c) Lease or Rental of House.

No Owner shall lease or rent less than an entire house, which shall be leased or rented for residential use, as defined in Section 9.3(b) above. The houses shall not be leased or rented for hotel or transient purposes and no rental agreement or lease shall be made for an initial term of less than twelve (12) months. Subject to the foregoing restrictions and to the limitations on rentals herein provided, Owners shall have the right to lease or rent their houses, provided that any lease or rental agreement between an Owner and a tenant shall be in writing and shall provide that it is in all respects subject to the provisions of this Declaration and By-Laws, and that any failure by the tenant to comply with such provisions shall be a default under the rental agreement or lease. However, the failure of any lease or rental agreement to so provide shall not excuse any person from complying with the provisions of this Declaration, and By-Laws.

Section 9.04 Time Sharing and Vacation Multiple Ownership Plans.

No part of the Property subject to this Declaration, including Lots, Parcels, and any improvements thereon or to be built thereon, will be used for, or subject to, any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, *et. seq.*, or any subsequent laws of this State dealing with that or similar type of ownership by an Owner, or which is used for, in conjunction with and/or as an advertised part of any time share exchange program which makes available as accommodations the house and which is not otherwise registered as a Vacation Time Sharing Plan or Vacation Multiple Ownership Plan or which utilizes the house as accommodations for time share sale prospects of any person.

Section 9.05 Antennas.

No television antenna, radio receiver, or other similar device will be attached or installed on any portion of the Subdivision, except as required by the Telecommunications Act of 1996 and implementing rules thereof issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, Declarant and the Association will not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Subdivision.

Section 9.06 Clotheslines.

No clotheslines or drying yards shall be located upon the premises so as to be visible from any Common Area or from any adjoining property or Parcel or Lot.

Section 9.07 Firearms and Fireworks.

No firearms or fireworks of any variety shall be discharged upon or within any Parcel and Lot or upon any Common Area. The term "firearms" shall include, without limitation, guns, "B-B" guns and pellet guns. Notwithstanding the foregoing, the Board of Directors may, if allowed by law, contract for a professionally conducted fireworks display.

Section 9.08 Signs.

Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including, but not limited to, "For Rent", "For Sale", and other similar signs, shall be erected by an Owner, the Association, or any agent, broker, contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any window or on the exterior of any improvements or on any unimproved portion of property located within the Subdivision, without the express written permission of the ARB. The ARB may designate general guidelines for "For Sale" signs. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the ARB and may be arbitrarily withheld. Notwithstanding the foregoing, the restriction of this Section 9.08 shall not apply to Declarant or to any person having the prior written approval of Declarant. In addition, the Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas in accordance with architectural design standards adopted therefor by the ARB and approved by governmental authority with jurisdiction thereof. The allowed posting of any sign is, however, subject to the terms and conditions herein with respect to signs and other objects posted within a residence and viewable from outside such residence.

Section 9.09 Animals and Pets.

(a) No animals, livestock or poultry of any kind will be raised, bred or kept on any part of the Subdivision, except that dogs, cats or other normal household pets may be kept by the Owners inside their homes and on their Lot or Parcel. In connection with the foregoing, the Board of Directors shall have the following authorities and powers:

(i) The Board of Directors may prohibit the keeping of any dog with a prior history of causing bodily injury established through insurance claims records, or through the records of local public safety, law enforcement or other similar regulatory agency.

(ii) The Board of Directors may, in its sole discretion, establish by rule that dogs of certain breeds are potential hazards to the Development and its occupants, and may not be kept upon the Property.

(iii) The Board of Directors may establish reasonable rules and regulations to ensure that all permitted pets are properly licensed and inoculated for rabies and such other disease for which inoculation is customary for that breed of pet.

(iv) The Board of Directors may require that an Owner execute a written indemnification and hold harmless agreement in favor of the Association and the Association's management company, in form and content satisfactory to counsel for the Board, prior to bringing the Owner's pet upon the Property.

(v) The Board of Directors may, in the exercise of its reasonable business judgment, prohibit the keeping of any pet it believes creates a health hazard, is a nuisance or otherwise unreasonably disturbs the peaceful possession and quiet enjoyment of any other portion of the Project by other Owners and lessees of Owners, their families, invitees and guests.

(vi) The Board of Directors may establish reasonable rules to limit the number of allowed pets. Pets shall be kept upon a leash or under personal control of the Owner at all times when outside of a Lot or Parcel, or on the Common Areas; and the Owner shall clean up after his or her pets.

(vii) The Board of Directors shall have the right at any time and in its sole and absolute discretion to require the Owner of a particular pet to remove such pet from the Property if such pet is determined by the Board to be in violation of these restrictions.

(viii) The Board of Directors shall have the power to levy finds for violation of these pet restrictions or of any additional rule or regulation adopted by the Board therefor, and any such fine or the cost of the Association to repair any damages to Common

Areas caused by a pet shall be assessed against the Owner and Parcel or Lot as a Special Assessment.

(b) No dog pens or similar outside enclosures, or dog chains, ropes or runs shall be permitted within the Development, and no dog or other allowed pet shall be tied up outside a dwelling with a chain, rope, or other type of cord. However, pets may be kept in ARB approved fenced in enclosures.

(c) If, for any reason whatsoever, the Association needs to detain, incarcerate, capture, or tranquilize any animal or animals which may roam free, and it is found that said animals are the property of an Owner, then all fees necessary to cover such detainment, incarceration, capture, or tranquilization shall be levied against the Owner of said animal.

(d) Notwithstanding the use of the word "Owner" hereunder, the terms and provisions hereof shall extend to an Owner's family members, guests, tenants and lessees, and the Owner shall be fully responsible hereunder for the pets thereof on the same basis as the Owner would for its owned pets.

Section 9.10 Drainage.

No Owner shall channel or direct drainage water onto a neighboring Parcel or Lot or Common Area except in accordance with a drainage plan approved by Declarant. No Owner shall make any change to or modification of the originally established grades, swales and slopes of his or her Parcel or Lot in any way that changes or impedes the originally established flow of storm water drainage.

Section 9.11 Artificial Vegetation, Exterior Sculpture and Similar Items.

No artificial vegetation shall be permitted on the exterior of any portion of the Subdivision. Exterior sculpture, fountains, flags, and similar items are subject to Declarant's or the ARC's prior approval; provided, however, that nothing contained herein shall prohibit the appropriate display of the American flag.

Section 9.12 Nuisances.

No rubbish or debris of any kind will be dumped, placed, or permitted to accumulate upon any portion of the Subdivision, nor will any nuisance or odors be permitted to exist or operate upon or arise from the Subdivision, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of the Subdivision. Noxious or offensive activities will not be carried on in any part of the Subdivision, and the Association and each Owner and occupant will refrain from any act or use which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other

portions of the Subdivision or which could result in a cancellation of any insurance for any portion of the Subdivision, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security and fire alarm devices used exclusively for such purposes, will be located, used, or placed within the Subdivision, except as may be permitted pursuant to terms, conditions, rules and regulations adopted therefor by the Board of Directors. Any Owner or occupant who dumps or places any trash or debris upon any portion of the Subdivision will be liable to the Association for the actual costs of removal thereof plus an administrative fee of \$100.00, or such other sum set therefor by the Board as a recoupment of administrative costs in administering the cleanup and notices to the Owner and occupant, and such sum will be added to and become a part of that portion of any Assessment next becoming due to which such Owner and his property is subject.

Section 9.13 Motor Vehicles, Trailers, Boats, Etc.

Each Owner will provide for parking of automobiles off the streets and roads within the Subdivision. There will be no outside storage or parking upon any portion of the Subdivision of any mobile home, boat, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), or commercial vehicles of any type, motorcycles, or golf cart, except with respect to which an exception as to time and location has been granted by the ARC or pursuant to guidelines and rules adopted therefor. Any permitted parking of a mobile or motor home in accordance herewith will not be construed as to permit any person to occupy such mobile or motor home, which is strictly prohibited. There shall be not driving of any all-terrain vehicles (ATVs) upon the roadways or pathways within the Property. Furthermore, although not expressly prohibited hereby, the Board of Directors may at any time prohibit or write specific restrictions with respect to the operating of mobile homes, motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts and other vehicles, or any of them, upon any portion of the Subdivision if in the opinion of the Board of Directors such prohibition or restriction will be in the best interests of the Subdivision. Such policies may change from time to time with changing technology. No owners or other occupants of any portion of the Subdivision will repair or restore any vehicle of any kind upon or with a property subject to this Declaration except (A) within enclosed garages; or (B) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

Section 9.14 Mining and Drilling:

No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the Subdivision, nor shall any oil, natural gas, petroleum, asphalt or hydrocarbon products or materials of any kind be produced or extracted from the premises.

Section 9.15 Garbage Disposal.

Each Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the Board of Directors, or a roll-out garbage rack of the type approved by the Board of Directors, which shall be visible from the streets on garbage pickup days only. No garbage or trash incinerator shall be permitted upon a Lot or Parcel. No burning, burying or other disposal of garbage on any Parcel or Lot or within the Subdivision shall be permitted (except licensed contractors may burn construction debris if, and only if, permitted to so by the ARC, but only during the period of construction of improvements on the Parcel or Lot); provided, however, Declarant or the Board of Directors shall be permitted to modify the requirements of this Section where necessary to comply with orders of governmental bodies.

Section 9.16 Maintenance and Repair of Lots/Parcels

Each Owner shall maintain his Lot or Parcel, personal property, and all improvements, structures and landscaping constructed, placed, installed and/or erected ("Improvements") upon his/her Lot or Parcel in good condition at all times, except any portions thereof to be maintained by the Association, if any, as expressly provided in this Declaration, any promulgated rules, regulations and guidelines of the ARB Covenants, and the requirements of any controlling governmental authority. The exterior of all Improvements, including, but not limited to, roofs, walls, doors, windows, shutters, patio areas, pools, fences, walls, screenings and awnings shall be maintained in good condition and repair, and in a neat, clean and attractive manner. All exterior stained or painted areas shall be stained or painted as reasonably necessary, with colors which are harmonious with other Lots and Parcels, and no excessive rust deposits, mold, mildew, algae or other like growth on the exterior of any improvement, peeling of paint or discoloration of same shall be permitted. No Owner shall change the exterior color of any Improvement without the consent of the ARB. All sidewalks, driveways and parking areas within the Owner's Lot or Parcel, or serving the Owner's Lot or Parcel, shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as reasonably necessary for functionality and aesthetics.

The Owner of each Lot or Parcel containing a home shall be required to maintain the landscaping of his Lot or Parcel. All such landscaping shall be maintained by the Owner in neat and good condition and appearance and, as reasonably required, mowing; watering; edging; trimming; fertilizing; mulching; and weed, insect and disease control shall be performed by the Owner. Underground sprinkler systems may be installed, maintained and used to irrigate all landscaping on the Lot, or any other landscaping which the Owner of the Lot is required to maintain pursuant to the Declaration and ARB Covenants. Landscaped areas shall not be paved or covered with gravel or any artificial surface without the prior written consent of the ARB. All dead or diseased grass, lawn,

plants, shrubs, trees or flowers shall be promptly replaced, and excessive weeds, underbrush or unsightly growth shall be promptly removed. No artificial grass, plants or other artificial vegetation shall be placed or maintained on the exterior of any Lot/Parcel without the prior written consent of the ARB. Notwithstanding the foregoing, no Owner shall install or maintain any landscaping on any portion of his Lot or Parcel to be maintained by the Association, if any, without the prior written consent of the Association.

The outer boundary of the Ponds will extend beyond the edge of the water line and the top of the bank to the rear lot line of the adjacent Lots or Parcels. Each Owner of a Lot or Parcel which has a rear lot line which abuts the portion of any Pond which is immediately adjacent to the edge of the water line (a "Waterfront Lot") or owns a portion of the Pond shall be required to maintain the adjoining area located between such Owner's Waterfront Lot and the edge of the water line of the adjacent Pond ("Waterfront Area"). The Waterfront Area shall be landscaped and sodded by the Owner of the adjoining Waterfront Lot, and any embankment shall be maintained by such Owner so that grass, planting or other lateral support to prevent erosion of the embankment shall not be changed without the prior written consent of the Association, the ARB and the controlling governmental authority, if any. Further, each Owner of a Waterfront Lot shall be responsible for maintaining on a regular basis such Waterfront Area in a neat and clean condition and in such manner as to prevent erosion of the embankment and of any condition or problem that disrupts or interferes with the proper functioning of the Subdivision's Storm Water Management Systems and facilities that are a part of such Pond. If the Owner of any Waterfront Lot fails to maintain such embankment or Waterfront Area as part of the landscape maintenance obligations in accordance with the foregoing, the Association shall have the right, but not the obligation, to enter upon any such Waterfront Lot or area to perform such maintenance work which may be reasonably required, all at the expense of the Owner of such Waterfront Lot. No docks, bulkheads, moorings, pilings, boat shelters or other structure shall be constructed by the Owner of any Lot, parcel or Waterfront Lot on the Waterfront Area and embankment located between the edge of the water line of a Pond and the adjoining Waterfront Lots, except for those constructed by the Declarant or approved in writing by the ARB.

Section 9.17 Owner's Maintenance of Unimproved Parcel or Lot.

Each Owner will be responsible for maintaining with a bush hog, or similar device, the Owner's unimproved Parcel and Lot from the adjoining roadway to a distance of at least 40 yards from the adjoining roadway.

Section 9.18 Subdivision Sales and Construction Activities.

Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, the Declarant and its agents, employees, successors, and assigns, including any

Builder to which Declarant assigns the rights hereunder and as may be further restricted by Declarant under any such assignment, are permitted to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the development, completion, improvement, and sale of the whole or any portion of the Property, including, without limitation, the installation and operation of development, sales and construction trailers and offices, signs and models, provided that the location of any such trailers of any assignees of Declarant's rights under this Section are subject to Declarant's prior written approval.

Section 9.19 Owner Recording Additional Restrictions on Parcels or Lots.

No Owner may impose additional restrictive covenants on Owner's Parcels or Lots beyond those contained in this Declaration.

Section 9.20 Assignment of Declarant's Rights to the Association.

Declarant reserves the right to assign to the Association, at its sole discretion, its rights reserved in this Declaration. The Association hereby agrees to accept any and all assignments of rights hereunder, and no further action will be required by it.

Section 9.21 Other Rights and Reservations.

THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE WILL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

Section 9.22 Association Right to Repair and Remedy.

If an Owner fails to maintain or keep his Lot or Parcel, including any improvements, structures, items, things or the like thereon, in compliance with this Declaration, the Association shall have the right, but not the obligation, upon fifteen (15) days' written notice to the Owner, to enter upon the Lot or Parcel for the purpose of performing such maintenance, repairs and/or actions described in the notice to the Owner to bring the Lot or Parcel into compliance, as applicable; provided, however, if the maintenance, repair or act is necessitated due to an emergency which threatens harm, damage or loss to any person, to the Lot or Parcel (including any improvements, structures, items, things or the like thereon), or any other personal or real property, the Association shall have the right, but not the obligation, to perform such maintenance, repair or act without prior notice. In any case, the Owner shall be responsible for the cost of performing such maintenance, repairs or act, and the expense of collection (including without limitation, costs and reasonable attorneys' fees), if any, whether before or after a suit is

filed, and whether or not a suit is filed. Such costs, including collection costs) may be assessed against the Owner as an Assessment and may be collectible as such.

ARTICLE 10 GENERAL PROVISIONS

Section 10.01. Duration.

The Covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Declarant, the Association, or any Lot Owner, their respective, heirs, personal representatives, successors, successors-in-title and assigns, for a period of twenty-five (25) years from the date of recordation of this Declaration in the R.O.D. Office. Upon the expiration of said twenty-five (25) year period, this Declaration shall be automatically renewed and extended for additional successive ten (10) year periods, unless otherwise agreed to in writing by the Association.

Section 10.02 Control of Declarant.

NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE Association, Declarant hereby retains for the duration of the Declarant Control Period the right to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association. Every Owners of a Lot or Parcel subject to this Declaration agrees that Declarant will have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 10.02. The provisions of this Section 10.02 are supplemental to, and not in substitution of, other rights retained by Declarant pursuant to this Declaration.

(a) Voting Agreement and Proxy.

By acceptance of a deed or other conveyance of a real estate interest subject hereto, or by agreeing in writing to have the Parcel or Lot be subject to this Declaration, and Owner-Member does hereby grant, and if further required, does agree to vote in a manner to provide, to Declarant all voting rights and other corporate powers specifically reserved to and designated for Declarant under this Declaration. **IN CONNECTION WITH THIS VOTING AGREEMENT, EACH MEMBER APPOINTS DECLARANT AS PROXY FOR SUCH MEMBER WITH FULL POWER OF SUBSTITUTION TO VOTE FOR THE MEMBER ON ALL SUCH MATTERS ON WHICH THE MEMBER MAY BE ENTITLED TO VOTE, AND WITH RESPECT TO WHICH THERE IS A RESERVATION OR DESIGNATION OF VOTING RIGHTS IN DECLARANT UNDER THE DECLARATION, AND WITH ALL POWERS WHICH THE MEMBER WOULD POSSESS IF PERSONALLY PRESENT AT ANY MEETING OF MEMBERS. SUCH APPOINTMENT WILL**

BE UPON A MEMBER'S ACCEPTANCE OF A DEED OR OTHER CONVEYANCE AND WITHOUT THE NECESSITY OF FURTHER ACTION BY DECLARANT OR THE MEMBER, A POWER COUPLED WITH AN INTEREST AND IRREVOCABLE. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Owner-Member is filed Of Record, or on such date the Owner of a Lot of Parcel agrees in writing to have Owner's Parcel or Lot subject to this Declaration.

Section 10.03. Amendments.

Declarant specifically reserves for itself and its successors and assigns, and the Association once Declarant assigns its rights to the Association, the exclusive right and privilege to amend this Declaration at any time, by written instrument duly recorded in the R.O.D. Office, with or without the prior consent or approval of either any Owner or mortgagee holding a lien on any Lot. This right of amendment shall not apply to any issue relating to the voting rights of members of the Association, the rights of use and enjoyment of common Properties, the make-up of the Board of Directors and the appointment or election of Directors thereto, or the powers and authorities of the Board of Directors granted herein. The Declarant's right of amendment, as described herein, shall cease and be of no further force and effect at such time as the Declarant no longer holds title to any Lot.

Any amendment made pursuant to this Section shall be effective only upon the date of recordation of such instrument in the R.O.D. Office or such other later date as may be specified in such amendment; and each Owner, by the acceptance and recordation of a deed of conveyance to a Lot, agrees for himself, and his successors in title, to be bound by such amendments as are permitted under this Section.

Section 10.04. Enforcement and Waiver.

Declarant, the Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, covenants, conditions, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws and any promulgated rules, regulations, guidelines and the like (collectively herein, the "Governing Documents"). The prevailing party in such litigation shall be entitled to recover all legal fees and costs incurred in connection therewith. Failure by Declarant, the Association, or by any Owner to enforce in whole or in part any Governing Document, regardless of the number or kind of violations or breaches which may have occurred, shall in no event be deemed a waiver of the right to do so thereafter. The Governing Documents shall be governed by, construed, and is enforceable under the laws of the State of South Carolina.

Upon the violation of the Governing Documents, including without limitation, the failure to timely pay any Assessments, the Board, or the ARB as applicable, shall have the power (A) to impose reasonable monetary fines which will constitute an equitable charge and continuing lien as an Assessment and for which the Owner shall be personally

responsible, (B) to suspend an Owner's right to vote in the Association, and/or (C) to suspend an Owner's (and/or any person occupying or visiting the Lot, Parcel or Owner) right to use any of the Common Properties; provided, however, an Owner's (and/or any person occupying or visiting the Lot, Parcel or Owner) access to its Lot or Parcel over any private roads and streets constituting Common Properties shall not be terminated hereunder. The amount of any fine shall be reasonably determined by the Board, or the ARB as applicable, in its sole discretion and from time to time, and shall not exceed any amount mandated by applicable law, if any. The Board shall have the power to impose all of any combination of foregoing sanctions. An Owner (and/or any person occupying or visiting the Lot, Parcel or Owner) shall be subject to the foregoing sanctions in the event of such violation by such Owner (and/or any person occupying or visiting the Lot, Parcel or Owner). The Board shall have the right to charge an Owner a fine for each violation of the Governing Documents, with repeat and continuing violations subject to additional fines as determined within the sole discretion of the Board from time to time. In the event of a continuing violation (a single violation that persists), the Board may impose a daily fine against the Owner until such time as the violation is cured or removed. Any such suspension of rights may be for the duration of the violation and for any additional period thereafter, not to exceed thirty (30) days; except in the case of a default in payment of any Assessment due, in which case the suspensions set forth in (B) and (C) above may continue until the default in payment is fully cured. Fines shall be due and payable upon receipt. Unpaid fines shall bear interest at ten percent (10%) per annum, or the maximum permitted by law, and shall include all expenses, including reasonable attorneys' fees, and collection and court costs, whether or not any action is filed, associated with the enforcement of the Governing Documents and/or the curing or removal of any violation. All the provisions of the Governing Documents relating to the late payment and collection of Assessments shall be applicable to any fine which is not paid when due.

If an Owner fails to cure or remove such violation within thirty (30) days of the first written notice of the violation to Owner, the Association shall have the right, but not the obligation, upon (15) days' written notice to the Owner, to enter upon the Lot or Parcel for the purpose of performing such maintenance, repairs and/or actions described in the notice to the Owner to bring the Lot or Parcel into compliance, as applicable, and the Owner shall be responsible for the cost of performing such maintenance, repairs or act, and the expense of collection (including without limitation, costs and reasonable attorneys' fees), if any, whether before or after a suit is filed, and whether or not a suit is filed. Such costs, including collection costs) may be assessed against the Owner as an Assessment and may be collectible as such.

Section 10.05. Interpretation.

The Board of Directors shall have the right to determine all questions arising in connection with this Declaration and the By-Laws and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding upon the Owners. In all cases, the provisions of this Declaration and the By-Laws shall be

given the interpretation or construction, in the opinion of the Board, that will best preserve, protect, maintain, and benefit the Association.

Section 109.06. Severability.

Should any covenant or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase, or term of this Declaration be declared or rendered void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto or the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 10.07. Assignment.

Declarant reserves the right to assign to the Association or any one or more persons, firms, corporations, partnerships, or associations, any and all rights, powers, duties, easements and estates reserved or given to the Declarant in this Declaration, including, without limitation, the right to grant and assign utility easements from time to time over, under, and within Common Properties, except that any such easement or estate granted pursuant to this Section for the transmission of utilities shall be limited to utilities serving one or more Lots or Parcels.

Section 10.08. Notice.

Any notice, demand, or other instrument or written communication required or permitted to be given, served, made or delivered to Declarant hereunder may be given, served, made or delivered by e-mail, or by service in person or by mailing the same by certified mail, return receipt requested, postage prepaid, or by overnight courier (e.g., Federal Express), addressed as follows:

1776, LLC
Attn: Eugene Zurlo
36 Prioleau Street, Unit N
Charleston, SC 29401
genezurlo@aol.com

with a copy to:

Brian Hellman, Esq.
Hellman Yates and Tisdale, PA
105 Broad Street, Third Floor
Charleston, SC 29403
bh@hellmanyates.com

or to such other addresses as Declarant may request by written notice to the Owners. Any such notice, demand or other instrument or written communication mailed as above provided shall be deemed to have been given, served, made or delivered at the time that it was personally served or with sufficient postage placed in the mail, certified return receipt requested, or delivered to the overnight courier. Email notices shall be deemed to have been given, served, made, or delivered at the time electronically sent to the Owner. Delivery of any notice, demand or communication to an Owner shall be made in accordance with the By-Laws.

Section 10.09. Limited Liability.

Neither Declarant, nor the Association, nor the ARB shall be liable for injury or damage to any person or property (a) caused by the elements or by any Owner or any other person; (b) caused in whole or in part from rain or other surface water or any tidal waters which may leak or flow from and/or on or along any portion of the Common Properties; or (c) caused by the malfunction or failure of any pipe, plumbing, drain, conduit, pump, road, appliance, structure, equipment, security system, utility line, or facility which the Association is responsible for maintaining.

Declarant, ARB, and the Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored or left in or upon any portion of the Common Properties or any other portion of the Subdivision, nor any alleged trespass or damage resulting from entering upon any Lot under any authority provided herein and taking actions thereon as are allowable hereunder.

Further, no diminution, abatement or deferral of Assessments or any dues or charges shall be claimed or allowed by reason of any alleged failure of Declarant or the Association to take action or perform a function required to be taken or performed by Declarant or the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of Declarant or the Association, or from any action taken by them to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay any such Assessment authorized herein being separate and independent obligations on the part of each Owner.

Section 10.10. Gender and Number.

All pronouns used herein shall be deemed to include the masculine, the feminine and non-personal entities, as well as the singular and plural wherever the context requires or permit.

Section 10.11. Construction.

The language in all of the parts of this Declaration and the By- Laws shall be construed as a whole according to its fair meaning, and not strictly for or against either Declarant, ARB, the Association, or the Lot and Parcel Owners. By the acceptance and the recordation of a deed of conveyance to any Lot Owner in the R.O.D. Office, such Owner acknowledges that such Owner and/or his counsel have reviewed this Declaration, and that

any rule of construction to the effect of ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Declaration, the By-Laws, or any amendments thereto.

Section 10.12. Termination of Association.

In the event this Declaration is declared void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto or the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording of this Declaration, all Common Properties and other properties belonging to the Association at the time of such adjudication shall revert to the Declarant, its successors and assigns, and Declarant, its successors and assigns, shall own and operate said Common Properties and other properties as trustee for the use and benefit of the Owners as set forth herein. If said adjudication shall occur on a date more than ten (10) years after the date of recording of this Declaration, all Common Properties and other properties owned by the Association at such time shall be transferred by the Association to a trustee appointed by the Court of Common Pleas of Charleston County, South Carolina, which trustee shall own and operate said Common Properties and other properties for the use and benefit of Owners within the Subdivision as set forth herein.

(a) In any of the foregoing events, each Lot shall continue to be subject to the Assessments which shall be paid by the Owner to Declarant or trustee, whichever becomes successor in title to the Association. The amount of the Assessments which may be charged by Declarant or trustee shall be established in accordance with the provisions set forth herein.

(b) Any past due Assessments together with any delinquent payment fees thereon, and all costs of collection, interest and reasonable attorney's fees, shall continue to be the personal obligation of the Owner and a continuing lien on the Lot and all improvements thereon against which the Assessment was made.

(c) Declarant or trustee, as the case may be, shall be required to use the funds collected as Assessments for the operation, maintenance, repair, and preservation of the Subdivision in accordance with this Declaration, and Declarant or trustee may charge as a part of the costs of such services and functions a reasonable fee for its services in carrying out the duties herein provided. Neither Declarant nor the trustee shall have the obligation to provide for the operation, maintenance, repair, and upkeep of the Common Properties once the funds provided by the Assessments may have become exhausted.

(d) Declarant or trustee shall have the right and power to convey title to the Common Properties and to assign the rights of Declarant and the Association hereunder, provided that such conveyance is first approved in writing by the Owners by a two-thirds majority vote, with voting rights in the same percentages as set forth for the Association Members herein. The agreement of the required percentage of Owners to such a conveyance and/or assignment of rights shall be evidenced by the sworn statement executed by the proper

authorized office(s) of Declarant, or the trustee, attached to or incorporated in such instrument executed by Declarant or trustee, stating that the agreement of the required parties was lawfully obtained in accordance with this Declaration.

Section 10.13. Estoppel Certificates.

Within five (5) business days after written request from any Owner of a Lot or portion thereof Declarant and/or Association shall deliver a certificate to such Owner, which shall be addressed to such Owner and such existing or prospective mortgagees or purchasers of such Member's interest in the Property as such Owner may designate in its request, and which shall certify with respect to such Owner, as to the annual amount of Assessments or other amounts payable under this Declaration chargeable to such Owner and the payment status of such Assessments and other amounts, whether the improvements on such owners portion of the Property have been duly approved by the ARB and are otherwise in compliance with the provisions of this Declaration, and such other matters as the requesting Owner may reasonably require to be contained in such certificate. The addressee of any such certificate shall be entitled to rely on the matters set forth therein, and Declarant and/or the Association, as the case may be, shall be estopped from subsequently making any claims contrary to those set forth on such certificate.

IN WITNESS WHEREOF, 1776, LLC by The Eugene J. Zurlo Living Trust dated December 11, 1997, its Sole Member, has caused these presents to be signed this 11th day of December 2019.

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

1776, LLC
By: The Eugene J. Zurlo Living Trust
dated December 11, 1997, its Sole
Member

Aden Ferillo
Witness

Eugene J. Zurlo
Eugene J. Zurlo, Trustee

Jane Jennings
Witness

Charlotte R. Zurlo
Charlotte R. Zurlo, Trustee

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me by 1776, LLC, by The Eugene J. Zurlo Living Trust dated December 11, 1997, its sole member by Eugene J. Zurlo, Trustee and Charlotte R. Zurlo, Trustee this 11th day of December, 2019.

Aden Ferillo (SEAL)
Notary Public for South Carolina

My commission expires: 12/18/28

Aden Ferillo
Notary Public, State of South Carolina
My Commission Expires December 18, 2028

EXHIBIT A

PROPERTY SUBJECT TO COVENANTS AND RESTRICTIONS

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**Lot 2, 3.98 Wetland acres, 12.43 Highland acres, 16.41 total acres**" on a plat entitled "SHOWING THE SUBDIVISION OF TMS# 346-00-00-002 TO CREATE NEW LOTS 1,2,3 AND RESIDUAL THE PRESERVE AT FENWICK PLANTATION TO BE OWNED BY EPIC DEVELOPMENT, LLC." dated June 15, 2005 prepared by David L. Gray, PLS-12839 of GPA Professional Land Surveyors, and recorded on July 25, 2005 in Plat Book EJ at Page 107 in the ROD Office for Charleston County, South Carolina. Said parcel having such size, shape, buttings and boundings as will more fully appear by reference to said plat.

SAVING AND EXCEPTING the below parcels:

- a) Lots 58 and 59 shown on plat at Plat Book L14, Page 0094.
- b) Lot 55 shown on plat at Plat Book L14, Page 0316.
- c) Lot 40 shown on plat at Plat Book L09, Page 0097.
- d) Lots 52 and 53 shown on plat at Plat Book L13, Page 0238.
- e) Tract 1 shown on plat at Plat Book L19, Page 0037.

ALSO

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**Lot 3A, The Preserve at Fenwick Plantation TMS 346-00-00-259 Owner: 1776 LLC 189,371.73 SF, 4.347 AC**" on a plat entitled "A SUBDIVISION PLAT OF TMS# 346-00-00-259 INTO LOT 3 (4.389 AC) AND LOT 3A (4.347 AC) OWNED BY 1776, LLC LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated September 8, 2018 prepared by Philip R. Bryan, Jr. S.C.P.L.S. 28597 of SWA Surveying LLC, and recorded on November 15, 2018 in Plat Book L18 at Page 0568 in the ROD Office for Charleston County, South Carolina. Said parcel having such size, shape, buttings and boundings as will more fully appear by reference to said plat.

ALSO

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**MARSH, 95.979 AC**" on a plat entitled "A BOUNDARY SURVEY OF TRACT "C" CONTAINING 153.153 ACRES OWNED BY FENWICK ACRES LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated March 23, 1999 prepared by Douglas L. DeWolff S.C. Reg. 17565 of Southeastern Surveying Inc., and recorded on March 26, 1999 in Plat Book ED at Page 070 in the ROD Office for Charleston County, South Carolina and the two (2) docks located thereon. Said parcel having such size, shape, buttings and boundings as will more fully appear by reference to said plat.

ALSO

All that lot, piece, or parcel of land on John Fenwick Lane being shown as a portion of **“RESIDUAL LOT 3 10.340 AC”** lying between Lot 19 and Lot 15 on a plat entitled **“A FINAL SUBDIVISION PLAT OF LOTS 19 THRU 25, LOTS 31 THRU 35 AND PUBLIC RIGHT-OF-WAY”** dated January 25, 2006, last revised April 13, 2006, by Southwestern Surveying of Charleston, Inc., and recorded May 5, 2006 at Plat Book EJ, Page 727 in the ROD Office for Charleston County, South Carolina, less and except Lot 16 as shown on that plat recorded at Plat Book L16, Page 0553, said ROD Office. Said parcel having such size, shape, buttings and boundings as will more fully appear by reference to the above plats.

EXHIBIT B

BY-LAWS OF THE PRESERVE II AT FENWICK HALL PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1

General

Section 1.01. Applicability. These By-Laws provide for the self-government of The Preserve II at Fenwick Hall Property Owners Association, Inc., in accordance with the Articles of Incorporation filed with the Secretary of State of South Carolina and the Declaration of Covenants and Restrictions for The Preserve II at Fenwick Hall, recorded in the ROD Office for Charleston County, South Carolina (the "Declaration").

Section 1.02. Name. The name of the association is The Preserve II at Fenwick Hall Property Owners Association, Inc. ("Association").

Section 1.03. Definitions. The terms used herein shall have their generally accepted meanings or such meaning as are specified in Article I of the Declaration.

Section 1.04. Membership. Each Lot Owner shall, by virtue of their ownership, be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and ownership of a Lot shall be the sole qualification for such Membership. In the event that fee title to a Lot is transferred or otherwise conveyed, the Membership in the Association shall automatically pass to the transferee. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise effect an Owner's membership in the Association. No Owner, whether one or more persons, shall have more than one membership per Lot.

If a Lot is owned by more than one person, all co-Owners shall share the rights, privileges and responsibilities of Membership, subject to regulations of the Association. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Association.

Voting rights in the Association shall be based upon the number of Lots owned by each individual Member of the Association, with each Lot receiving one (1) vote, and on the same basis as the division of Annual Assessments set forth in Article 4 of the Declaration.

Section 1.05. Majority. As used in these By-Laws, the term "majority" shall mean those votes, totaling more than fifty percent (50%) of the total number of eligible votes. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By- Laws, all decisions shall be by majority vote.

Section 1.06. Establishment and Purpose of The Association. The Preserve II at Fenwick Hall is a private, exclusive community carefully and comprehensively planned by Declarant so as to preserve, protect, complement, and enhance the natural ambiance of The Preserve II at Fenwick Hall.

Declarant has established the Association for the purpose of exercising powers of owning, maintaining, repairing, reconstructing, improving, and administering the Common Properties, providing common services, administering and enforcing the within Covenants and the conditions and restrictions set forth herein, levying, collecting, and disbursing the Assessments and charges herein imposed, holding, owning, and utilizing the easements it may enjoy, and for other purposes.

Declarant's intention to convey or transfer to the Association the Common Areas described in the Preserve PUD that Declarant owns. The legal costs and expenses of such conveyances shall be borne by Declarant.

ARTICLE 2

Meeting of Members

Section 2.01. Annual Meetings. The regular annual meeting of the members shall be held during the third quarter of each year with the date, hour, and place to be set by the Board of Directors.

Section 2.02. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President, the Secretary, or by request of any two (2) or more members of the Board of Directors, or upon written petition of twenty-five percent (25%) of the Owners. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition, and the Secretary shall send notice of the meeting in accordance with these By-Laws.

Section 2.03. Notice of Meetings. It shall be the duty of the Secretary to e-mail, mail or deliver to each Owner of record a notice of each annual or special meeting of the Association at least fifteen (15) days prior to each meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it will be held. The

notice of an annual meeting shall state the time and place of the meeting. In the case of notices other than by e-mail, if any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall designate in writing to the Secretary such other address. The mailing or delivering of notice of meetings in the manner provided in this Section shall be considered proper service of notice.

Section 2.04. Waiver of Notice. Waiver of notice of meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of such notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 2.05. Quorum. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, entitled to cast fifty percent (50%) of the vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or by these By-Laws shall not be counted as eligible votes toward the quorum requirement.

Section 2.06. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Owners holding the Majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 2.07. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Board Secretary or Management Agent of the POA prior to the opening of the meeting for which it is to be used. Proxies may be delivered by e-mail to the Board Secretary or Management Agent of the POA, or by personal delivery, U.S. mail or telefax transmission to the Board Secretary or the Management Agent of the POA. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 2.08. Action Without a Meeting. Any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter.

(a) A written ballot shall

(1) Set forth each proposed action; and

(2) Provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall:

(1) Indicate the number of responses needed to meet the quorum requirements;

(2) State the percentage of approvals necessary to approve each matter other than election of directors; and

(3) Specify the time by which a ballot must be received by the Association in order to be counted,

(d) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Section 2.09. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these By-Laws or Articles of Incorporation.

Section 2.10. Record Date. The Association may establish such record date for Membership as may be authorized by the South Carolina Nonprofit Corporation Act or applicable South Carolina law.

ARTICLE 3

Board of Directors

Section 3.01. Composition. The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of five (5) persons. If not appointed by

the Declarant pursuant to Section 4.03 of the Declaration, the directors shall be Owners of Lots or spouses of such Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time, and no co-owners may serve on the Board at the same time.

Section 3.02. Directors During Declarant Control Period.

The Association shall be governed by a Board of Directors, which shall consist of three (3) members. An election of Directors shall be held not more than ninety (90) days after the Declarant Control Period has ended.

During the Declarant Control Period, as hereinafter defined, the Board of Directors shall be appointed by Declarant and shall serve at the sole pleasure of Declarant, and shall not be required to be Members of Owners.

"Declarant Control Period" means the time period during which the Declarant may exercise control over the Association, which will commence on the date this Declaration is filed Of Record and ending on the earlier of:

1. the date December 31, 2030; or
2. the date which is six (6) months after the conveyance by Declarant, in the ordinary course of business to persons other than a successor Declarant, 32 Lots of the 34 platted and unplatted Lots owned by Declarant as of the date of this Declarant; or
3. the date which is six (6) months following the date Declarant terminates the Declarant Control Period by an express amendment to this Declaration filed of record.

Section 3.03. Veto Power.

Declarant shall have the veto power over all actions of the Board of Directors of the Association as is more fully provided below. This power shall expire when the Declarant Control Period ends. This veto power shall be exercised only by Declarant, its successors and assigns. The veto shall be as follows:

No action authorized by the Board shall become effective, nor shall any action, policy or program be implemented until and unless:

- (a) Declarant shall have been given written notice of the meeting at which an action is to be taken by e-mail, or certified mail, return receipt requested or by personal delivery, at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies with the terms of these By-Laws as to regular and special meetings of the Directors, 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 said meeting; and

(b) Declarant shall be given the opportunity at any such meeting, if Declarant so desires, to join in, or to have its representatives or agents join in, discussion from the floor of any prospective action, policy or program to be implemented by the Board. Declarant and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the Association and/or the Board. At such meeting, Declarant shall have, and is hereby granted, a veto power over any such action, policy or program authorized by the Board of Directors and to be taken by said Board, the Association or any individual member of the Association if Board approval is necessary for said member's action. Said veto may be exercised by Declarant, its representatives, or agents at the meeting held pursuant to the terms and provisions hereof or in writing within ten (10) days of written notice of the proposed action. Any veto power shall not extend to the requiring of any action or counteraction on behalf of the Board or Association. If Declarant so desires, Declarant may construe this veto power as Declarant, being a member of the Board of Directors, existing in a class of directors independent from the other Board members with a term equal to the term of the veto power and with the powers as described herein.

Section 3.04. Election and Term of Office.

(a) Directors shall serve for terms as provided herein, to wit: initially, the term of two (2) Directors shall be fixed at one (1) year; the term of two (2) Directors shall be fixed at two (2) years; and the term of one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years. If additional directors shall exist, their initial terms shall be fixed so as to create a staggered term thereafter. The members of the Board of Directors shall hold office until their respective succession shall have been elected by the Association or until they resign, whichever first occurs.

(b) Notwithstanding the foregoing, when an election is held for new Board members after Declarant no longer has authority to appoint Board members pursuant to Section 4.03 of the Declaration, the three (3) year term, two (2) year terms, and one (1) year terms shall be determined in accordance with the number of votes received by each candidate (e.g., the Board candidate with the most votes will receive the three (3) year term.)

Section 3.05. Removal of Members of the Board of Directors. Any one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Moreover, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than sixty (60)

days past due in payment of any assessment may be removed by the vote of a Majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 3.06. Vacancies. Vacancies in the Board of Directors caused by any reason, except the removal of a director by vote of the membership, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office for the remainder of the term of the director being replaced.

Section 3.07. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority vote of the members. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors.

Section 3.08. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract, unless requested by any other director to leave the room during the discussion.

Section 3.09. Nomination of Directors. Except with respect to Directors selected by the Declarant, nomination for election to the Board shall be made by the Board or any Member. Nominations shall be permitted from the floor, also. All candidates shall have a reasonable opportunity, if they so desire, to communicate their qualifications to the members and to solicit votes.

Section 3.10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least twice during each fiscal year.

Section 3.11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director given by mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Vice President, Secretary, or Treasurer in like manner on like notice on the written request of at least two (2) directors.

Section 3.12. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of the notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book recorded therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. A Majority of directors shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 3.14. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 3.15. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent must describe the action taken and be signed by no fewer than all of the directors and such written consent or consents shall be filed with the minutes of the Board of Directors.

Section 3.16. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Property and may do all such acts and things as are not by the Declaration, the Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following (subject, however, to the limitation provided for in the Declaration), in way of explanation, but not limitation:

- a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

- b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;
- c) providing for the operation, care, upkeep, and maintenance of all Common Properties;
- d) designate, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Properties, Association property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e) collecting the assessment, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds, and using the proceeds to administer the Association;
- f) making and amending rules and regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;
- g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Property in accordance with the other provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty;
- i) enforcing by legal means the provisions of the Declaration, these By Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;
- l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expense incurred; and contracting with any person for

the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

- m) making rules and regulations for the use of the Common Areas, including the docks, ponds, and "Back Porch" area where the gazebo is located.

Section 3.17. Limitations on Powers and Duties of the Association. Notwithstanding any other provision contained herein to the contrary, neither the Board of Directors acting on behalf of the Association, nor the Association as an entity, shall have any right, privilege, power nor standing to proceed on any cause of action, claim or demand arising from or related to any property, real, personal or intangible, unless such property is owned and titled to the Association and the Association shall have no right, title, power or privilege to act on behalf of any other person, including Owners, derivatively or otherwise, in respect to any other property not owned and titled to the Association.

Section 3.18. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

Section 3.19. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement of the Common Property and facilities without the approval of the members of the Association; the Board shall also be authorized to borrow money for other purposes; provided, however, the Board shall obtain membership approval in the same manner as provided in Article 7 of the Declaration for special assessments if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Property.

Section 3.20. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director, and the Declarant, against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director or the Declarant in connection with any action, suit, or other proceedings to which such officer or director may be a party by reason of being or having been an officer, director or otherwise acted in accordance with the terms hereof or on behalf of the Association hereunder. Neither the officers and directors nor Declarant shall not be liable for any mistake of judgment, negligent or otherwise, except for individual willful misfeasance, malfeasance, misconduct or bad faith. Neither the officers

and directors nor Declarant shall have any personal liability with respect to any contract or other commitment made by any of them, in good faith, on behalf of the Association (except to the extent that such officers and directors or Declarant may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director and Declarant free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director or Declarant, or former officer or director may be entitled. The Association shall maintain adequate general liability and officers 'and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Section 3.21. Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3.22. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

ARTICLE 4 **Officers**

Section 4.01. Designation. The principal offices of the Association shall be the President, the Vice President, the Secretary, and the Treasurer. The President and Vice President shall be elected by and from the Board of Directors. The Secretary and Treasurer shall be elected by the Board of Directors, but need not be Board members. The Board of Directors may appoint one or more Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any assistant or subordinate officers shall not be required to be members of the Board of Directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one (1) office.

Section 4.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 4.03. Removal of Officers. Upon the affirmative vote of a Majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4.04. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.05. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the South Carolina Nonprofit Corporation Code, including, but not limited to, the power to appoint committee from among the member from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.06. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 4.07. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under South Carolina law.

Section 4.08. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent,

Section 4.09. Other Officers. Other officers may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

Section 4.10. Agreements. Contracts. Deeds. Leases. Etc. All agreements, contract, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE 5
Rule Making and Enforcement

Section 5.01. Authority and Enforcement. The Property shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Lots and the Common Property; provided, copies of all such rules and regulations shall be furnished to all Owners and Occupants, The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Property for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any Occupant of a Lot violates the Declaration, By Laws, or a rule or regulation and a fine is imposed, notice of such violation shall be sent to the Owner and the Occupant, and the fine shall first be assessed against such Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Lot Owner shall pay the fine upon notice of the Association, and the fine shall be an assessment and a lien against the Lot until paid. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 5.02. Fining and Suspension Procedures. The Board shall not impose a fine, suspend the right to vote (unless an Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association in which case such suspension shall be automatic), or suspend the right to use the Common Property unless and until notice of the violation is given as provided in subsection 2(a) below:

(a) Notice. If any provision of the Declaration or By-laws or any rule or regulation of the Association is violated, the Board shall serve the violator with written notice sent by e-mail or by certified mail, return receipt requested, which shall state: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both; (iv) the name, address, and telephone number of a person to contact to-challenge the proposed action; and in a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of receipt of the notice. If a challenge is not made, the sanction shall be effective upon the date of the notice; provided, the Board may, in its discretion, waive any sanction if the violation is cured within ten (10) days from the date of notice. In the event of a continuing violation, each day the violation continues constitutes a separate offence, and fines may be imposed on a per diem basis without further notice to the violator.

Section 5.03. Additional Enforcement Rules. Notwithstanding anything to the contrary herein contained, the Association, acting through its Board of Directors, may elect to enforce any provisions of the Declaration, the By-laws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in of parking rules and monetary damages or both-without the necessity for compliance with the procedure set forth in Section 5.02. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Lot or upon any portion of the common Property to abate or remove, using such force as may be reasonably necessary' any structure' thing or condition which violates the Declaration, the By-Laws, or the rules and regulations. All costs of-self-herp, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided herein for the collection of assessments.

ARTICLE 6 **Miscellaneous**

Section 6.01. Notices. Unless otherwise provided in these By-laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if emailed, delivered personally, or if sent by United States mail, first class postage prepaid:

(a) If to an owner, at the physical or email address which the Owner has designated in writing or email and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner; or

(b) If to an Occupant, at the address of the Lot occupied; or

(c) If to the Association, the Board of Directors or the managing agent at the principal office of the Association or managing agent, if any, or at such other email or physical address as shall be designated in writing or email with the Secretary.

Section 6.02. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws or the Declaration.

Section 6.03. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By Laws or the intent of any provisions thereof.

Section 6.04. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 6.05. Fiscal Year. The fiscal year of the Association may be set by resolution of the Board of Director's In the absence of such resolution by the Board of Directors. The fiscal year shall be the calendar year.

Section 6.06. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the Owners may, by a Majority of the Association vote, require that the accounts of the Association be audited as a Common Expense by an independent accountant.

Section 6.07. Conflicts. The duties and powers of the Association shall be those set forth in the South Carolina Nonprofit Corporation Code, the Declaration, these By-Law's, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided however, that if there are conflicts or inconsistencies between the South Carolina Nonprofit Corporation Code, the Declaration, these By-Laws, or the Articles of Incorporation, then the provisions of the South Carolina Nonprofit Corporation Code, as may be applicable, the Declaration, the Articles of Incorporation and these By-Laws, in that order, shall prevail, and each owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 6.08. Amendment. Except where a higher vote is required for action under a particular provision of the Declaration or By-Laws, in which case such higher vote shall be necessary to amend, these By-Laws may be amended only by the affirmative vote, and written consent of a majority of the members of the Board of Directors of the Association; provided, however, that no amendment to these By-Laws shall be in conflict with the Declaration, and no amendment to these By-Laws shall change, alter, or affect any rights or privileges of the Declarant, without the prior written consent of the Declarant. Any amendment duly certified and recorded (containing any additional signatures required by the Declaration) shall be conclusively presumed to have been duly adopted in accordance with the Declaration and By-Laws.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective challenge any such amendment may be brought after such time.

EXHIBIT C

INITIAL COMMON PROPERTY DESCRIPTION

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**MARSH, 95.979 AC**" on a plat entitled "A BOUNDARY SURVEY OF TRACT "C" CONTAINING 153.153 ACRES OWNED BY FENWICK ACRES LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated March 23, 1999 prepared by Douglas L. DeWolff S.C. Reg. 17565 of Southeastern Surveying Inc., and recorded on March 26, 1999 in Plat Book ED at Page 070 in the ROD Office for Charleston County, South Carolina and the two (2) docks located thereon. Said parcel having such size, shape, buttings and boundings as will more fully appear by reference to said plat.

ALSO

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**ZURLO WAY 42' R/W (Private Road) 19,950 SF, 0.458 AC**" on a plat entitled "A SUBDIVISION PLAT OF LOT 2 OWNED BY PENNY CREEK ASSOCIATES, LLC TO CREATE LOT 52, LOT 53 AND ZURLO WAY RIGHT-OF-WAY THE PRESERVE AT FENWICK PLANTATION LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated June 9, 2013 prepared by John T. Byrnes, III S.C. Reg. 16115 of Seamon Whiteside & Associates Surveying LLC, and recorded on July 2, 2013 in Plat Book L13 at Page 0238 in the ROD Office for Charleston County, South Carolina.

ALSO

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**PROPERTY OWNERS ASSOCIATION (OPEN SPACE) 1776, LLC 60,999.41 SF, 1.40 AC**" on a plat entitled "A SUBDIVISION PLAT OF TMS #346-00-00-259 INTO LOT #2 (0.34 AC), OPEN SPACE (1.4 AC), AND LOT #3A RESIDUAL (2.6 AC) OWNED BY 1776, LLC LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated June 19, 2019 prepared by Philip A. Bryan S.C.P.L.S. No. 28697 of Southeastern Land Surveying LLC, and recorded on August 6, 2019 in Plat Book L19 at Page 0336 in the ROD Office for Charleston County, South Carolina.

ALSO

ALL that certain piece, parcel or tract of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, being shown as "**TRACT 2 (OPEN SPACE) TOTAL ACREAGE 146191.05 SF, 3.356 AC**" on a plat entitled "A SUBDIVISION PLAT OF TMS #346-00-00-796 INTO TRACT 1 (1.591 AC), TRACT 2 (3.356 AC) OWNED BY 1776, LLC LOCATED IN THE CITY OF CHARLESTON CHARLESTON COUNTY, SOUTH CAROLINA." dated June 11, 2019 prepared by Philip A. Bryan S.C.P.L.S. No. 28697 of

Southeastern Land Surveying LLC, and recorded on August 6, 2019 in Plat Book L19 at Page 0337 in the ROD Office for Charleston County, South Carolina.

EXHIBIT D
DOCK RULES AND REGULATIONS
FOR
THE PRESERVE II AT FENWICK HALL
PROPERTY OWNERS ASSOCIATION, INC.

Section 1. Definitions. These Rules and Regulations (the "Dock Rules") are adopted by the Board of Directors (the "Board of Directors") of The Preserve II at Fenwick Hall Property Owners Association, Inc. (the "Association") pursuant to Section 4/04(1) (Docks) of the Declaration of Covenants and Restrictions for The Preserve II at Fenwick Hall Property Owners Association, Inc. (the "Declaration"). The terms used in these Dock Rules have the same meaning as set forth in the Declaration unless otherwise expressly stated.

1.1 "Dock" means all structures and fixtures of any kind which are part of the existing two (2) docks or future docks on Penny Creek, plus any modification of the docks. It includes, without limitation, any dock, floating dock, finger pier, piling, walkway, bulkhead, cleat, wall, fence, sign, float, dock storage boxes, utility lines and outlets, and all additions or modifications thereof.

1.2 "Dock Committee" means any committee of the Association elected or designated by the Board of Directors to establish and enforce these Dock Rules. If no Committee has been appointed by the Board of Directors, the Board of Directors shall be deemed to be the Committee. The Board of Directors shall provide for the terms of the members of the Dock Committee and shall determine which member of the Dock Committee shall serve as its chairman. A majority of the Dock Committee shall constitute a quorum to transact business in any meeting, and the action of a majority present shall constitute the action of the Dock Committee. The Board of Directors may rescind or modify any action of the Dock Committee.

1.3 "Dock Expenses" means all expenses incurred by the Association in connection with the maintenance and management of the Dock.

1.4 "Slip" means a portion of the Dock which is intended for use by one (1) Vessel. The Board of Directors shall determine the length and location of each Slip on each Dock and shall try to maximize the number of Slips while keeping each Vessel a reasonable length apart.

1.5 "Slip Renter" means an Association Lot Owner or resident of a Unit who has the right to use a Slip pursuant to a written agreement (the "Slip Rental Agreement") with the Association. (See Sections 4 and 5.)

1.6 "Vessel" means any leisure or recreational motor boat, sailboat or other watercraft using or proposing to use the Dock or a Slip. Unless otherwise expressly permitted by the Board of Directors, houseboats, house-like barges, seaplanes, and commercial marine vessels are prohibited. In the event of any dispute as to whether a particular vessel or boat is permitted to be kept in a Slip or otherwise operated within the Dock, the determination of the Board of Directors, in its sole discretion, shall be dispositive.

Section 2. Restrictions on Dock Use Rights. Any right of a Unit Owner or any other person to use a Slip is subject to:

2.1 The right of the Association to borrow money for the purpose of improving the Dock and, in connection therewith, to mortgage the Dock.

2.2 The right of the Association to take such steps as are reasonably necessary to protect the Dock against foreclosure, tax liens and governmental actions.

2.3 The right of the Association to suspend the use by any Owner or tenant of an Owner during any period during which the Unit Owner is not in good standing under the Declaration, By-Laws, or Slip Rental Agreement.

2.4 The right of the Association to maintain the Dock and Slips. For the purpose of performing maintenance on the Dock, the Association, through its duly authorized agents, employees or independent contractors, shall have the right, after reasonable notice to the Slip Renter, to enter upon any Slip or Vessel at reasonable hours on any day. Such notice shall not be required in the event of an emergency.

2.5 These Dock Rules, the Articles of Incorporation, the Declaration and the By-Laws of the Association.

2.6 The right of fire, police, Coast Guard, health and sanitation and other public service personnel and vehicles to have access to, and use of, the Dock and any Vessel for the purpose of performing their duly authorized duties.

2.7 Any rights or restrictions lawfully imposed by any federal, state, county or municipal regulatory entity, including the right of the Declarant or Association to install or construct any facilities or improvements lawfully required by such regulatory entities.

2.8 In case of any personal emergency or apparent emergency originating in, or threatening any Slip or Vessel located at or near the Dock, regardless of whether the Vessel owner is present at the time of such emergency, the right of any

person authorized by the Board of Directors or Dock Committee to enter such Slip and the Vessel located therein for the purpose of remedying or abating the cause of such emergency.

2.9 The right of any Unit Owner or tenant of a Unit Owner to have reasonable access to the Dock (but not to or across any Vessel at the Dock) for the purpose of fishing or crabbing, provided that such use is conducted in a manner which (a) is unlikely to cause injury to a Vessel at the Dock, the Dock, or a person on the Dock or on a Vessel at the Dock, and (b) does not interfere with the safe operation of the Dock or a Vessel at the Dock.

Section 3. Rules Regarding Use of Slips and Dock.

3.1 Slip Renter's Responsibility. Each Slip Renter shall keep his Slip and Vessel at all times in a neat, clean and safe condition. If the Slip Renter fails to do so, in the opinion of the Dock Committee, the Association may cause the necessary work to be done and the Slip Renter shall reimburse the Association therefor (and, if the Slip Renter is an Owner, the Owner shall be subject to a Special Assessment therefor, pursuant to the Declaration). The Association or the Dock Committee shall have the right to remove from the Dock at the Slip Renter's cost any Vessel which is not maintained in a neat, clean and safe condition, as determined by the Dock Committee, but the Association and the Dock Committee shall have no liability to any Vessel owner to keep the owner's Slip or Vessel in a neat, clean and safe condition. If the expense of any maintenance, repair or reconstruction of any portion of the Dock or the Property is necessitated by the negligent or willful acts or omissions of a Slip Renter, or his agents, lessees, invitees, licensees, family or guests, such expenses and any other costs or expenses incurred by the Association as the result of such acts or omissions shall be borne by such Slip Renter (and, if the Slip Renter is an Owner, the Owner shall be subject to a Special Assessment therefor, pursuant to the Master Deed).

3.2 One Vessel. Except as otherwise expressly approved in writing by the Dock Committee, only one (1) Vessel may be moored in a Slip at any time.

3.3 Commercial Activities. Except as otherwise approved in writing by the Board of Directors, no trade or business shall be conducted or carried on upon any Slip or any Vessel at any Slip. The foregoing does not apply to the activities of the Association or any activity required by a governmental agency.

3.4 Pets. No pets or other animals shall be permitted to stay aboard any Vessel unless accompanied by a person. All pets on the Dock shall be controlled by their owners in such a manner as not to disrupt the activities or passage of other persons and shall be attended at all times. Pets that are disruptive to persons on the

Dock may be required to be leashed or may be prohibited from the Dock in the sole discretion of the Dock Committee. Pet owners are responsible for cleaning up after their pets.

3.5 Mooring Rules and Regulations. Each Vessel operator is solely responsible for the proper docking of his Vessel and is required to maintain mooring lines in good and sufficiently strong condition to secure the Vessel at all times. Any mooring rules or procedures issued by the Dock Committee shall be complied with at all times. Vessels moored in a Slip shall not be permitted to extend onto the pier or beyond the limits of the Slip allocated to the Slip Renter. The estimated size and dimensions of a Slip do not ensure that a Vessel of that size can be moored in the Slip because of the need for reasonable maneuvering room, tidal movement, variances in Vessel characteristics, depth requirements, and projections (including all bowsprits, booms, pulpits, ladders, and other projections and overhangs).

3.6 High Wind and Flood Threats. During high velocity wind or flooding threats, each Slip Renter and Vessel operator using the Slip shall be responsible for following all safety precautions that may be issued or recommended by the National Hurricane Center, National Weather Service, U.S. Coast Guard, the Association (or its authorize agent) or any other applicable agency, which may include removing the Vessel from the Dock to protect the Dock from potential damage. If a Slip Renter plans to be absent during the hurricane season, such Slip Renter shall prepare his Slip and secure or remove, as appropriate, his Vessel prior to his departure in accordance with the standards established by the Dock Committee, or designate a responsible and competent firm or individual to care for his Slip and Vessel should there be a hurricane or other storm. The Slip Renter shall notify the Dock Committee of the name, address and telephone number of such firm or individual. Such firm or individual shall be subject to the approval of the Association. If a Vessel in a Slip sinks as a result of a storm, or for any other reason, the Slip Renter shall remove the sunken Vessel from the Dock immediately after the occurrence of such event and, if not so removed within forty-eight (48) hours after the sinking, or such additional time as the Dock Committee may authorize, the Association may (but shall not be obligated to) remove the sunken Vessel and impose a Special Assessment against the Slip Renter, if an Owner, or a special charge, if not an Owner, for the cost of such removal and any storage. Each Slip Renter shall indemnify, defend and save the Association, the Board of Directors, the Dock Committee, and their agents, employees and designees for and from any costs, loss or damage incurred in connection with the exercise or nonexercise of the Association's rights hereunder.

3.7 Open Fires. No open fires shall be permitted on any Vessel or the Dock unless expressly approved by the Dock Committee. Gas grills are permitted at the discretion of the Dock Committee.

3.8 Cleaning of Fish. No fish or other marine life of any kind shall be cleaned, prepared or processed in any manner on the Dock unless all debris is completely removed from the Dock and the area is immediately washed to remove any residue.

3.9 Inspection and Removal of Vessels. The Association shall have the right to inspect, or authorize appropriate government officials to inspect, any Vessel in a Slip at the Dock to determine its compliance with all applicable municipal, county, state and federal fire, safety and other regulations. The Association shall have the right (but shall not be required) to remove or cause to be removed any Vessel from the Dock which fails to comply with said regulations or these Dock Rules.

3.10 Garbage and Trash Disposal. No garbage, refuse, trash or rubbish shall be deposited on the Dock except in trash receptacles as permitted by the Association.

3.11 Overnight Use. No person may live aboard a Vessel moored at the Dock. Unless otherwise required by applicable law, regulation or court order, authorized persons may not stay overnight on a Vessel except for short periods of time expressly approved by the Dock Committee, or when required to monitor or deal with an unusual condition or an emergency on the Vessel or on the Dock. All provisions of these Dock Rules shall apply to persons staying overnight under such circumstances.

3.12 Vessel Operating and Licensing Standards. All Vessels using the Dock must: (1) except during a period of temporary repair, be fully equipped and operable in accordance with the standards imposed by the U.S. Coast Guard, including fire protection, sanitary equipment and emergency equipment, and (b) comply with all licensing and registration requirements. No Vessel using a Slip shall discharge sewage or any other substance (other than bilge water meeting applicable standards) into the water at or near the Dock.

3.13 Hazardous or Toxic Waste. The handling, storage, transportation and disposal of hazardous or toxic materials shall be prohibited aboard Vessels at the Dock and on the Dock unless expressly approved by the Dock Committee and done in accordance with applicable law; provided, however, that this shall not prohibit the proper handling, storage and transportation of approved products used by a Vessel operator in connection with the normal operation, maintenance and cleaning of a Vessel. The Association shall have the right to immediately remove, or cause the removal of, any hazardous or toxic material on or near the Dock.

3.14 Temporary Removal of Vessels. From time to time, the Dock Committee or the Association may require that Vessels be removed or relocated to allow maintenance, repairs, construction or dredging, at which time a Vessel using a Slip may be temporarily moved to another Slip or other facilities, for such period as may be necessary in the opinion of the Board of Directors. If relocated to other facilities, no charges for use of the Slip will be imposed by the Association during the period of removal.

3.15 Use by Dennis D. Curtin. Dennis D. Curtin and his family and guests shall have the right to use the docks, park on or along Common Areas or adjacent to the westerly dock, and to moor a Vessel in a Slip at the westerly dock at the northeasterly (outside) 26 feet for a period until December 31, 2030, for consideration provided to Declarant and the Association, the receipt and sufficiency of which are acknowledged, and no rental shall be due the Association through December 31, 2030. This right shall exist notwithstanding the Dock Rules and Regulations (**Exhibit D**) and the lack of ownership of a Lot by Dennis D. Curtin.

Section 4. Who May Rent or Use Slips

4.1 Only Owners or Tenants May Rent Slips. The roads and parking spaces at The Preserve II at Fenwick Hall are private. For reasons of security, adequacy of parking and accessibility, all Slip Renters shall be a Unit Owner or a resident of a Unit, or a Board member (including Board members appointed by Declarant). If a Slip Renter no longer owns, leases or occupies a Unit, the Slip Renter will not be permitted to rent a Slip unless expressly permitted in writing by the Board of Directors.

4.2 Who May Use a Slip. Persons using a Slip must either (a) be a Slip Renter, or (b) be the guest of a Slip Renter, in which case the guest must be accompanied by the Slip Renter or another Unit Owner or Unit resident or be visiting a Unit Owner or resident. In all cases, the person using a Slip must have the permission of the Slip Renter to use the Slip and must use the Slip of the Slip Renter, unless otherwise expressly approved by the Dock Committee. The Slip Renter shall be responsible for notifying the Dock Committee in writing that an authorized guest will be using the Slip during a specified period.

4.3 Ownership or Leasing by Legal Entities. Whenever any Slip is rented (pursuant to Section 4.2) by a Unit Owner or tenant which is a non-natural person (such as, but not limited to, a corporation, partnership, limited liability company or other entity, other than the Association or the Declarant), the entity shall designate, in writing, at the time of signing the Slip Rental Agreement, specific residents or guests (not to exceed six (6)) who shall be entitled to use the Slip. This right of use

shall not be deemed to modify the use restrictions set forth elsewhere in these Dock Rules. The adult individuals or members of the families designated by the non-natural entity to use the Slip shall, upon request of the Dock Committee, execute a written document approved by the Dock Committee, in its sole and absolute discretion, agreeing to comply with these Dock Rules and the Master Deed.

4.4 Termination of Use of Slip on Demand of Association. Upon demand to the Slip Renter or any Slip user from the Dock Committee or the Board of Directors to remove or terminate use of the Slip for failure to comply with these Dock Rules, the Slip Renter shall immediately cause such occupying party to cease using the Slip.

Section 5. Slip Rental Procedure.

5.1 Priority of Slip Selection. Unit Owners or tenants desiring to rent a Slip shall submit to the Association, in form specified by the Association, an application for rental of a Slip. The Association may require payment of a reasonable application fee in order to ensure that the applicant has a serious interest in renting a Slip and to cover the administrative costs of the rental process. The Association shall maintain a register (the "Slip Register") showing the name of the Applicant, the date of the Application (which cannot precede the date on which the applicant contracts to purchase or rent a Unit), relevant information about the proposed Vessel, and such other information as the Dock Committee determines is relevant. At such time as a Slip is available for use, the Dock Committee shall review the Slip Register to determine whether there are qualified persons on the Slip Register whose Vessel could use the Slip(s) available. The qualified registrant which was the first to register shall be offered the first opportunity to rent the Slip. If the first qualified registrant elects not to rent the available Slip, or fails to sign the Slip Rental Agreement and pay the Security Deposit and Initial Rental Payment (as defined below) within five (5) calendar days of being notified that the Slip is available (or such additional time as the Slip Committee shall expressly grant), then the next qualified registrant shall be offered use of the Slip, etc., until the Slip is rented. When a qualified registrant fails to rent a Slip offered to it, the name of the registrant shall be removed from the Slip Register unless the registrant expressly requests that its name be maintained on the Slip Register, in which event the qualified registrant shall be assigned a new priority as of the date so requesting.

5.2 Term of Slip Rental. Unless otherwise expressly approved by the Board of Directors, the term of any Slip rental shall not exceed one (1) year; provided, however, that this shall not preclude the Slip Renter from extending the term of its Slip rental for additional one (1) year rental periods if a Vessel has actually occupied the Slip for at least one-half (1/2) of the previous rental period and the Slip Renter is then complying with the terms of the Slip Rental Agreement,

these Dock Rules, the Declaration, and the Rules and Regulations of the Association. If the Slip Renter is not then complying with such obligations, the Slip shall be offered to other qualified registrants seeking such Slip in accordance with Section 5.1, above. If a Slip rental is extended, the terms of extension shall be those in effect at the time of extension.

5.3 Rental Rates and Deposits. It is intended that rates for the rental of Slips reasonably offset Dock Expenses, including, without limitation, providing utilities to the Dock, maintenance and repair of the Dock (including reserves for periodic maintenance and repair), insurance allocable to the Dock and any deductible payments that may occur in the event of an insured loss, and administrative and operating costs of the Dock Committee and the Association relating to the Dock. The Board of Directors shall determine the rental rates which shall be in effect from time to time, and the payments should be by foot of space rented with the "per foot" price being equal for all Slips unless otherwise determined by the Dock Committee based upon desirability of location on the Dock or other objective criteria. At the time of signing the Slip Rental Agreement, the Slip Renter shall pay to the Association a security deposit (the "Security Deposit") equal to two (2) months rent for the Slip, plus the Slip rent for the forthcoming rental period. Rent for the next rental period shall be payable no later than the last day of the preceding month at such location as is specified by the Board of Directors. The Board of Directors may impose a charge for late payments. At the end of the Slip rental term, the Association shall return to the Slip Renter any portion of the Security Deposit which remains after payment of any outstanding rent, late charges, costs of any repairs or extraordinary maintenance necessitated by the acts or omissions of the Slip Renter or any person using the Slip with the Slip Renter's permission, etc.

5.4 Slip Rental Agreement. Each Slip Renter shall sign and deliver to the Association a Slip Rental Agreement in form approved by the Board of Directors, together with the Security Deposit and the applicable rent. The Rental Agreement shall contain the following provision, among others:

"The undersigned Slip Renter acknowledges receipt of a copy of the Dock Rules for The Preserve II at Fenwick Hall Property Owners Association, Inc., which Dock Rules are issued pursuant to the Declaration of the Association. By executing the Agreement, the Slip Renter agrees to be bound by and to comply with the Dock Rules and the Declaration, as they may be amended from time to time. The Slip Renter shall be liable for all damages caused to the Dock, Vessels or other property of the Association or other Slip Renter or Unit Owners as a result of the negligence, willful act or failure to comply with the Dock Rules and the Declaration by Slip Renter or its guests, agents, licensees or invitees. The Association shall not be liable to any Slip Renter or other person or entity for any damage to persons or property caused by the

failure of the Slip Renter or any other person to comply with such requirements."

Section 6. Insurance. The owner of any Vessel occupying a Slip shall maintain liability insurance on the Vessel in the amount reasonably specified by the Board of Directors from time to time, and the policy for this insurance shall name the Association as an additional insured. The Owner shall provide the Association a certificate of such coverage together with proof of payment therefor.

Section 7. Notice Procedure. Notices required pursuant to these Dock Rules shall be deemed given when in writing and delivered by email, by hand, or three (3) calendar days after being deposited in the United States Mail, First Class, postage prepaid.

All notices to Slip Renters shall be delivered or sent to such address as has been designated in writing to the Association, or if no address has been so designated, at the address of such Slip Renter's respective Unit.

All notices to the Association, the Board of Directors or the Dock Committee shall be delivered or sent in case of the Association at an email or physical address designated by the Association in the Slip Rental Agreement, or to such other address as may be given by notice from the Board of Directors from time to time.

EXHIBIT E
ARCHITECTURAL REVIEW BOARD COVENANTS

Dear Future Resident of The Preserve,

In South Carolina, Charleston in particular, there is a wonderful pride in preservation. Each citizen, over hundreds of years, has understood the importance of protecting and improving the land and the lifestyle native to the Lowcountry. It is the goal of the development at The Preserve to carry these positive Charleston traditions to an even higher level than ever before.

Careful considerations will be made with regard to vegetation, topography, view, climate, and the specific needs of each homeowner at every opportunity. The first consideration will be a required understanding of the design and lifestyle guidelines set up to protect and enhance the natural beauty of the site and create the unique qualities of our neighborhood. These General Covenants are intended to provide understanding of how your homesite will be planned and developed.

The Architectural Review Board is committed to assisting and working cooperatively with future residents through the process of designing and building their home at The Preserve. The vision of The Preserve will only be achieved through excellence in design and construction. The intentions of The Preserve is to be a neighborhood of individuals and families that are eager to continue the Lowcountry's environmental sensitivity and retain the natural beauty of the neighborhood for all to enjoy.

Respectfully,

Architectural Review Board,
The Preserve II at Fenwick Hall

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ABOUT THE PRESERVE

The Preserve II at Fenwick Hall (“The Preserve”) is a residential community between the Historic 1730 Fenwick Hall Plantation and Penny Creek. Tucked into dense maritime forest, the community will be one of the most ideally protected, yet it is only a few miles from downtown Charleston. Penny Creek, a historically utilized waterway, provides a water access and a unique natural gathering place for the community. Two common boat docks will offer never-ending views over the marsh, as well as deep water access to the Intracoastal Waterway and Historic Charleston and the barrier islands such as Kiawah, Seabrook, Sullivan's Island, and the Isle of Palms. A walking trail provides even more scenic enjoyment of the Preserve's marsh edge and the forested community.

OBJECTIVES OF THE ARCHITECTURAL REVIEW BOARD

The philosophy of the Architectural Review Board is to facilitate the environmental vision of The Preserve and minimize the impact of development on the existing natural environment. The architecture will not be burdened by a particular period, style, foreign or regionalist influence, or traditional approach. The most important requirement of the architecture is that it be as complementary of the natural setting in color, material, sheen, texture, and form.

Another facet of complimenting nature will be the planning of each home's location on its respective site. The philosophy is that as much of the natural character of each lot should remain as intact as possible and that the architecture should embrace the specific features that make up the character of each lot.

FUNCTION OF THE ARCHITECTURAL REVIEW BOARD

The Covenants provide control of the design and protection of the environment at The Preserve to the Architectural Review Board.

No building, fence, or other structure shall be erected, placed, or altered nor shall a building permit for such improvement be applied for on any property in The Preserve until the proposed design is approved in writing by the Architectural Review Board. All structures must also meet the requirements of the City of Charleston Building Code and any other applicable laws, codes, and regulations, and The Preserve PUD.

The South Carolina Department of Health and Environmental Control (DHEC) Office of Ocean and Coastal Resource Management (OCRM) has jurisdiction over some aspects of the construction process at The Preserve, especially for lots on "critical areas" that share edges with salt marsh or ponds. The OCRM also regulates compliance with the Storm Water Management Act.

The Architectural Review Board was not created to simply approve or disapprove each home. Instead, it is our goal to work with the design team to make every stage of design rewarding and to ensure quality final results.

PURPOSE OF THE COVENANTS

It is the purpose of the Covenants to encourage a long-lasting excellence in architectural and construction quality. Each home should achieve an identity of its own without disturbing the sense of belonging within the community. These standards are not meant to dilute the creative process of design. Instead, they are intended to protect the property values of all homeowners in The Preserve by minimizing the impact of the development through harmonious design, therefore maximizing the expectations of architectural and construction quality.

Less formally, the Covenants require that each homeowner acknowledge and commit to the community promise of preserving nature.

THE PRESERVE CONCEPT

Detailed site documentation will consistently be the first step in the exciting process of designing a home in the Preserve. This data will provide a basis for maximizing the success of each home. The most important concept for each lot in The Preserve will be the way the home integrates with its natural and man-made surroundings. Lots were laid out to maximize prominent views, existing vegetation, water features, and topography. Each home will be designed to accommodate both the owner's needs and a high degree of respect for the natural setting.

Another key consideration in early planning will be the privacy between each home, the common areas, and the streets and walking paths. Homes will be sited in order to make use of the natural buffer. At The Preserve, we want the fabric of the neighborhood to be the existing natural environment, with each structure seen as a complimenting element.

SINGLE FAMILY HOMES

These guidelines are meant to be a foundation for achieving the above concepts.

ARCHITECTURAL DESIGNS

Only after extensive site evaluation has taken place and consideration has been given to surrounding properties, should the architectural design process begin. The concept of harmoniously integrating with nature by being unobtrusive in form, texture, sheen, and color will be the prominent consideration.

SETBACKS

Setbacks are to be provided on individual plats in addition to the overall plat and vary from lot to lot. It is the design team's responsibility to become totally familiar with a lot's setback requirements prior to proceeding with design.

Generally, no exception will be allowed on setbacks. Generally, only when an alteration is driven by the protection of a natural feature will it be considered by the Architectural Review Board. The setback lines are dimensioned from the property line or the OCRM "critical line", using whichever is most restrictive.

ACCESS TO BUILDABLE AREA

Access to each site should always be designed in response to nature. Services including

driveways, turn-arounds, free-standing garages, and parking places should be suitably and functionally placed on the lot. To minimize the impact on common areas, sharing ingress/ egress to streets with neighbors will be welcomed.

BUILDING SIZE

Each lot will help define the scale of home it can comfortably accommodate. Living space must be a minimum of 2,500 square feet. Also, a minimum first floor size may be set for some lots. Building heights shall be determined according to tree cover, neighboring homes, and lot location. As a general rule, each home shall be between two and two and a half stories above flood level, but shall not exceed 35' above it. Federal flood regulations will also require particular attention in resolving building heights.

LOT COVERAGE

Lot coverage percentages will be decided on a site by site basis, but shall comply with the City of Charleston zoning requirements.

MASSING

It is encouraged to have a collection of smaller massing elements, whether or not attached.

MATERIALS AND COLORS

Natural colors that are consistent with the natural surroundings are generally required. High quality woods, brick, and medium to dark stucco will be the recommended materials for siding and foundation. Roofs of slate, wood shake, tile, and dark, "non-reflective" metals are encouraged. Architectural grade shingles, in approved colors will also be allowed.

Roof pitches will be typically required to be a minimum of 8/12 for major roof elements.

SUPPORT FACILITIES

The Covenants require that every home have an enclosed service area, suitable for garbage collection, electric meters, air-conditioning units, bicycles, etc., and screened from view. Antenna and satellite dish locations must be approved by the Architectural Review Board. Vents and pipes on the roof or exterior must be painted to blend in.

LANDSCAPE GUIDELINES

The natural features of The Preserve are priceless and to be protected. Additionally, the setting is as fragile as it is beautiful. One cannot expect that hundreds of years of growth will be quickly restored after it is scarred by construction. Acknowledging this, the Architectural Review Board will carefully take on the duty of protecting the land and vegetation and, thus, the community vision and property values.

EXISTING VEGETATION

The ecosystem relies on a plant base that has developed over thousands of years to provide the correct wildlife habitats, proper air and water purification, adequate drainage, and control of erosion. Significant and/or special trees and shrubs are essential in this ecosystem and their value will be considered in the design process. In order to ensure vegetative preservation, the following guidelines shall be followed:

1. The removal of any tree or any area of understory growth will require prior permission from the Architectural Review Board.
2. Tree removal required to develop the property (i.e., the structure and paved areas) may require mitigation at the Architectural Review Board's discretion.
3. The removal of trees on lots that already have homes is not permitted without Architectural Review Board approval.
4. Pruning must be handled with care. These areas are special to the Lowcountry environment and are among the most sensitive landscapes on earth. In order to prevent thoughtless pruning, the Architectural Review Board's approval will be required for any such alterations. The goal is to minimize the need to prune at all and to conform to natural patterns of growth where pruning is absolutely necessary.

Violation of the above guidelines will result in substantial fines and mitigation requirements.

LANDSCAPING GUIDE

The fundamental goals of every landscaping plan will be:

1. To produce a scheme that maximizes significant existing natural elements and minimizes the impact of the structure on the property.
2. To provide continuity between man-made and natural landscape using native plant species.
3. To create no elements that define or suggest property lines.
4. To maintain or enhance the lot's drainage ability. Typically, the use of flowering trees and shrubs, both perennial and annual, will be common additions to each site's natural

features. The design team should carefully consider the tolerance of salt-air, sandy soil, drought, and wildlife in order to select plants that will thrive on each particular site. Irrigation systems will almost always be included in landscaping plans to protect the investment of the plantings. Drip irrigation systems are encouraged over sprinklers. With proper selections and layout, most plants will stabilize after one growing season and irrigation systems will not be necessary.

HARDSCAPE STANDARD

Shared drives among neighbors are encouraged although each lot will be permitted one independent driveway access from the street. In accordance with the low-impact goal of The Preserve, soft pervious material such as pine bark, gravel, oyster shell, and wood chips with subdued tones are desired. Concrete and asphalt drives will only be permitted upon Architectural Review Board approval. The general dimension standards made to prevent unnecessary clear cutting are as follows:

1. Widths should not exceed 12' on curves and 10' elsewhere.
2. Curved driveways should have no less than a 15' radius.
3. Garage backup area should be a minimum of 25' from the door.
4. Guest parking spaces may be allotted for up to two cars at 18' in depth and 10' in width each.
5. No hardscape areas within 5' of any property line will be allowed, except driveways.
6. Drive aprons (8' in from street curb) will be of granite pavers over reinforced concrete with select stone pavers purchased from a designated source.

SOFTSCAPE STANDARDS

TREES:

No less than two-thirds of the introduced plantings shall be native species. This includes specific varieties of oaks, magnolias, hickories, palmettos, pines, maples, etc. All trees required for mitigation must be native in species.

Large specimen oaks (24" or greater in caliper) and any other significant trees will be strictly protected.

SHRUBS:

All shrub installations must be of minimum three gallon size. Straight line hedges along property lines will normally be discouraged.

GRASS, GROUND COVER, AND MULCH:

Large grass yards are generally discouraged as they are alien to this site. Ground covering is especially encouraged in shaded areas.

TREE REPLACEMENT STANDARDS

1. The minimum tree requirement for developed lots will be one tree (3" or greater in caliper, 3' above existing grade) per 1000 square feet (palmetto trees count as only half). The number of trees must also reach 75% of the number of trees shown on the tree and topo survey of the undeveloped lot. Whichever method requires more additional trees will be used for all lots.
2. All specimen trees shown on the tree survey outside of the building footprint will be carefully protected from the process of construction. Trained arborists are required for all pruning prior to construction. Any trees that are damaged or die as a result of improper management will require mitigation and may involve fines.
3. If mitigations exceed the capacity of the lot, then the prescribed trees shall go towards the enhancement of common spaces within The Preserve.
4. Special consideration will be made to save the natural vegetation around the building envelope, as well as between streets, homes, and setback lines. These areas are unimaginably critical in creating the community-wide undisturbed natural setting the Architectural Review Board so adamantly supports.

EXISTING HOME GUIDELINES

The focus of the Architectural Review Board after the completion of construction will be to ensure the community standards are maintained by each homeowner. The goal is to preserve the beauty, natural and man-made, and foster the aesthetically pleasing qualities and evidences of time.

HOME IMPROVEMENTS

Alterations, including painting, staining, re-roofing, and affecting the exterior appearance or structure must first be submitted to the Architectural Review Board for approval. Also, all proposed changes to hardscape or landscape features such as fences, fountains, lighting, game equipment, sculptures, art, swimming pools, courts, drives, and walks must be approved by the Architectural Review Board prior to installation. The following standards are for the design or alteration of such features

MAILBOXES

Each home is required to have the approved Preserve mailbox and post with the appropriate lot number. Mailboxes will be distressed copper on wood posts and shall be

purchased from The Preserve Property Owners Association.

SIGNAGE

No signs, including those for the purposes of renting, selling, and events are permitted. Owner's names and house names shall not be placed on the front of homes or on signs, gates and fences.

BOATS AND CAMPERS

Storage of such vehicles and/or trailers is required to be out of sight in garages or below houses.

EXTERIOR LIGHTING

All exterior lights should be designed and installed with consideration to neighbors and nearby street traffic. Lights may not shine directly toward the marsh or lagoons as this will disorient many species of wildlife. Additional guidelines are as follows:

The use of exposed, non-hooded spotlights and floodlights will not be allowed. Low voltage, high quality metal fixtures are encouraged, and should blend in with landscaping.

Lighting should be limited to pedestrian paths and should be turned off when not in use. No lights shall be directed towards any man-made structure.

The source of exterior lights should not be visible from adjacent properties or streets.

The Architectural Review Board will work with the design team to design functional and aesthetically pleasing solutions to their lighting needs, including landscape lighting. As a general rule, the spotlighting of significant features in the landscape will replace gridded streetlights and excessive yard lighting throughout The Preserve. The overall luminosity of each lighting scheme should be equal or less than that of a full moon.

FENCING AND GATES

Although they are discouraged, approval from the Architectural Review Board may be given prior to the installation of any fence or gate. Fences and gates shall not exceed five (5) feet in height and should be screened with continuous vegetation. Fences will not be allowed to encompass an entire lot and must be at least ten (10) feet from property lines.

SATELLITE DISHES

The Architectural Review Board reserves the right to disallow any dish location that is overly obtrusive on the natural surroundings. Dish placement will generally not be allowed on roofs, and when ground placement is necessary, planted or approved screening will be mandatory. Also, the dish must be painted to blend with vegetation or

the portion of the house it attaches to.

PLAY AND SPORTING EQUIPMENT

All play structures, goals, nets, and related objects must be approved by the Architectural Review Board before installation. It will be required that permanent equipment be painted or stained to blend with surrounding elements and may require additional screening.

STORM PROTECTION

Storm protection systems, typically removable panels or hinged shutters, will be required to match the color and sheen of the surface onto which they are attached. The systems may only be utilized when The Preserve is experiencing serious weather conditions and are not to be used as a means of securing the property during homeowner absences.

FLAGPOLES

Free-standing flag poles are discouraged and must be approved by the Architectural Review Board prior to installation. Appropriate screening, location, and color will be considered in the approval process.

REVIEW PROCESS DESCRIPTION

The Architectural Review Board has organized the process of design to create a systematic and uniform review method for all building, remodeling, and/or alteration proposed at The Preserve. All submittals to the Architectural Review Board must be made by an Architect (or engineer where appropriate) registered in the State of South Carolina.

Architects should support The Preserve's vision, yet develop an architectural design that is an attractive, non-repetitive addition to the community as a whole.

The Architectural Review Board does not intend to confine or define creative efforts, but reserves the right to disapprove designs on purely aesthetic grounds, which may include, but are not limited to:

1. Neighborhood compatibility;
2. Site relationships;
3. Design consistency;
4. Building material, style, color, mass, height, and square footage;
5. Impact on existing vegetation, tree canopy, root systems, drainage, and grading;
6. Window style, patterns, proportions, detailing, and lighting; and
7. Massing.

The Architectural Review Board will work with Owners, Architects, Landscape Professionals, and Contractors to assist in creating a consistent design within the expectations for The Preserve. The Architectural Review Board will be available to promptly answer questions.

To be considered for approval, submittals shall be accompanied by the appropriate form, completed in full and all review fees must be paid. The Architectural Review Board will refuse to review a submittal if submittals are not complete. The Architectural Review Board encourages the participation of the Owner and Architects in every review meeting. Design approval is valid for six (6) months.

FEE

A non-refundable fee, currently \$3500, will accompany the first drawing submissions.

SITE ANALYSIS

A thorough analysis of the property, made by the Owner, Architect, Landscape

Professional, Contractor & Architectural Review Board representative, will begin every design process. Attendance by all will be required. The walk-through will familiarize everyone with the vision, one another, and also with the proposed homesite, evaluate the health and location of specimen trees, other vegetation, and existing topography, and increase awareness of the Covenants. The Architectural Review Board or its representative will provide comments with respect to any issues raised during the site visit/analysis.

PRELIMINARY REVIEW

After the Site Analysis has been held and a consensus has been agreed upon, the design team will begin documenting the layout in a precise manner. One (1) complete set, consisting of the following drawings, size 24" x 36", is required for the Preliminary Review:

1. PROPOSED SITE DEVELOPMENT

This drawing overlays the Tree and Topographical Survey and shall include, but is not limited to, the following:

- a. View orientation.
- b. Major features on adjacent properties within 50' of property line.
- c. Building, pool, and decking locations with estimated square footage requirements.
- d. Site access.
- e. Areas requiring minimal or maximal privacy.
- f. Potential variances clearly highlighted in red.
- g. The general design goals of the home.

2. TREE AND TOPOGRAPHICAL SURVEY

Crucial to preparing an understanding of the site is obtaining a Tree and Topographical Survey for the property from a South Carolina Registered Land Surveyor. The survey must be made within eight (8) months of its submittal. The survey must be at least 1/8"=1' or 1"=10'-0" scale and show legal description of the site, including:

- a. Recorded property lines, easements, and setbacks.
- b. The topographical contours of the lot.
- c. The location, genus, and species of all oak trees over 3" in diameter and other trees in excess of 5" in diameter at waist height.
- d. Any prominent natural features.
- e. Adjacent residences with roof heights from MSL, garages, and driveways.
- f. Utility locations.

3. EXISTING SITE CONDITIONS

This drawing overlays the Tree and Topographical Survey and shall include, but is not limited to, the following:

- a. Oak trees 24" in caliper or greater highlighted in red.
- b. Hardwood trees 12" in caliper or greater highlighted in blue.
- c. Unusual characteristics of natural vegetation or understory growth.
- d. Existing oak canopy delineated.
- e. Locations of diseased or damaged trees highlighted in yellow.
- f. Locations of tree restricted from removal with respective ground area delineated by shading or hatching.
- g. Existing drainage patterns.

4. DIMENSIONED SITE PLAN

The site plan shall be drawn at 1"=20'-0" scale and shall show the roof plan of the house and easement and setback dimensions conforming to the requirements. Driveways and paths must be located along with proposed service areas, HVAC units, and electric meter. Dimensions must be given for drives, turnarounds, guest parking, and garage access. The following calculations will also be made:

- a. Area of building footprint (heated and unheated space).
- b. Area of first floor decks, stairs, and porches.
- c. Area of drive, paths, pools, and HVAC units.
- d. Total of these areas in square feet (area of improvements).
- e. Total of high ground area of the lot in square feet.
- f. The percentage of total area of improvements on total high ground area.

Any variance to established guidelines should be clearly noted and highlighted in red.

5. FLOORPLANS

Floor plans should be drawn at 1/8" scale, and depict the layout of heated, unheated, screened, and covered square footage calculations (measured from outside face of exterior walls for each level, including stairs and mezzanines).

For area calculation of unheated space, measure from centerline of walls that separate spaces.

6. EXTERIOR ELEVATIONS

All exterior sides of the structure or structures shall be drawn at 1/8" scale. Materials such as wood, stucco, masonry, and metal shall be accurately and clearly depicted by rendering. Interior floor levels, roof ridge height, existing and proposed topography, and flood levels must be included on each elevation.

7. GRADING AND DRAINAGE PLAN

This drawing should be presented at a scale of 1"=10' or 1/8"=1'-0" with setbacks included. The roof plan and dirt fill areas must be shown to ensure that existing vegetation is not to be scarred. The proposed grading, inclusive of landscape berms and drainage flow must be shown in detail. Spot elevations should be given at all structure corners, stair bases, garage doors, and every 15' along the driveway.

8. PERSPECTIVES AND MODELS

Although not required by the Architectural Review Board, sketches, perspective renderings, and models are always encouraged to help the review process. Exterior color strategies may also be experimented with, but will not be formally reviewed or approved until construction is approved.

9. STAKEOUT

For the Preliminary Stake Out, the proposed corners of the home shall be marked with stakes at least two (2) feet above the ground. A string shall connect all the stakes outlining the shape of the building footprint, including decks, stairs, planters, and driveway. The lot line nearest the home shall be defined with a string as well. All trees proposed for removal must be tied about their circumference with red surveyor's ribbon.

The Stake Out must be completed one (1) week prior to the Preliminary Review date.

FINAL REVIEW

After adjustments have been made to Preliminary Review submittals, the design team should begin the construction documents. A written response and stated solutions to the comments made during the Preliminary Review and the following documents must be completed and submitted before Final Review by the Architectural Review Board:

1. DIMENSIONED SITE PLAN

Same as preliminary with approved changes.

2. FOUNDATION AND FRAMING PLANS

Description at 1/4" scale of foundation and framing elements, including size, location, material, and how they relate to surrounding vegetation.

3. FLOOR PLANS

Drawn at 1/4" scale with approved changes and necessary information for construction.

4. EXTERIOR ELEVATIONS

Similar to preliminary, but drawn at 1/4" scale, every side of the home shall be accurately represented. All materials must be labeled. Proposed grade levels and floor heights must also be noted.

5. BUILDING SECTIONS

Drawn at 1/4" scale as necessary for construction.

6. ELECTRICAL AND MECHANICAL PLANS

Drawn at 1/4" scale as necessary for installation. Electrical plans must show the meter location and mechanical plans must show HVAC stands.

7. DETAILS

The following are required details, however, details should be provided wherever necessary:

Typical wall section.

Exterior trim.

Window and Door details.

Exterior walls and screens.

Railings.

Samples of all exterior material selections with finishes.

8. SPECIFICATIONS

The means and methods should clearly define the quality of all work and materials in full.

9. FINAL LANDSCAPE PLAN

At 1/8"=1'-0", a plan must be submitted including the following:

- a. Location of the home and driveway with existing and introduced landscaping elements.
- b. A proposed plant list with common and scientific names, variety, quantity, and size.
- c. Tree analysis including 70% of existing trees and all mitigation trees highlighted in red.

- d. Location of lighting directed at landscaping elements, house, trees, walks, fences, gates, pools, decks, play structures, sculpture, and fountains with catalogue descriptions.
- e. Substantial screening around HVAC units, service areas, and electric meters. Foundation screening should be a minimum of half the foundation wall.

Finally, the Landscape Professional and the Architectural Review Board will walk the site to discuss the proposed plans and the installation process before approval.

10. FINAL STAKE OUT

Similar to the Preliminary Stake Out with updates and renewed approval by the Architectural Review Board. If any changes are made to the location or layout, a revised final stake out may be required.

PRE-CONSTRUCTION

GENERAL REGULATIONS

All builders of residences at The Preserve must be licensed by the City of Charleston and the State of South Carolina. At minimum, a South Carolina residential builder's license is required.

The conduct of all workmen is the responsibility of the General Contractor. No loud music is allowed. Workers should park in front of the site and out of the right of way of the street.

The construction of all residences must be completed within sixteen (16) months of the issuance of the Building Permit. Any exception of such regulation requires approval from the Architectural Review Board.

Contractors who continually violate the Construction Guidelines may be charged steeper deposits or, in extreme conditions, be prohibited from working at the Preserve.

Every job site must contain a job sign. The owner's name and prior address, Architect, Builder, and Landscape Professional will be displayed on the signs.

The following steps shall be completed before construction may begin:

1. Design shall be approved by the Architectural Review Board.
2. A \$5000 deposit shall be held by the Architectural Review Board. The deposit shall be paid by the owner.
3. Install tree protection prior to clearing the site. Any clearing between the setbacks and the property line requires on-site approval by the Architectural Review Board.
4. Obtain Preserve Building Permit from the Architectural Review Board.
5. Order job sign.
6. Obtain City of Charleston Building Permit.
 - a. Survey for Average Natural Ground Elevation (avg. entire lot to within 6")
 - b. Survey for Base Flood Elevation (BFE)
 - c. Structural Elevation showing first floor height and roof peak height above BFE.
 - d. Site plan with Architectural Review Board approval.
 - e. Construction Documents (two full size sets and one half size set; bound)
7. Post Building Permit on job site.
8. Place dumpster and portable toilet at Architectural Review Board approved location.

DURING CONSTRUCTION

All construction at The Preserve will be under constant observation to ensure the Architectural Review Board standards are met. As a measure of our commitment, three mandatory field inspections will be conducted by the Architectural Review Board or its representative during construction.

FIRST SITE REVIEW

The first required site review will take place after the foundation layout but not before a foundation survey has been submitted. This inspection covers the conformance with construction documents of the footprint orientation and dimensions, with particular attention on setbacks and adjacent property lines. A "stop work" order may be issued if the location is found to be inaccurate or unacceptable due to site conditions. A foundation survey must be submitted within 14 days of foundation completion and construction may continue when the appropriate sign off is secured.

SECOND SITE REVIEW

The second site review shall occur when notification by the contractor that framing is complete and a sample board showing the proposed colors on the proposed materials has been erected for on-site approval. The sample board should be placed close to or on the house so as to be viewed in true context. The Approved Final Color Form must then be submitted to the Architectural Review Board office

THIRD SITE REVIEW

The final mandatory site review occurs when the home and landscaping are complete. A copy of the Final Site Review Form shall be sent to the owner and contractor with a punch list or final approval.

JOB SITE APPEARANCE

The task of maintaining job sites in a clean and tidy manner is important not only to the affect it has on surrounding beauty, but also to the efficiency of the construction itself. All construction materials must be kept within property lines and out of streets. Access over/through and storage on adjoining properties is especially forbidden without permission from appropriate owners. Storage should be located in an inconspicuous area of the lot, as approved, and should be organized and neat. Job trailers require pre-approval.

A job toilet is required on every job site during all phases of construction. It must be located at least 30 feet from the nearest street with the door facing away from the street and neighboring homes, as approved on the site plan. One commercial dumpster will be placed on each job site. No trash is to be piled openly. Trash pick-up is a responsibility of the contractor and should not be handled carelessly. The Architectural Review Board reserves the right to issue a "stop work" order if the site is not being properly maintained. If issued, the cost of cleaning will be deducted from the Construction Deposit with possible fines.

A temporary power pole should be installed plumb, no less than 15 feet inside the front property line. No signs may be attached to the pole. Sanitary, sewer, and water lines shall be installed using shallow trenching equipment so as to avoid large roots.

POST CONSTRUCTION

Several requirements must be satisfied by the owner and contractor before the final inspection may take place. The construction of the residence should be entirely complete and all landscaping elements should be planted. All debris must be removed from the site and surrounding area. The construction sign, sample board, job toilet, and temporary utilities should be removed as well. The contractor should complete the Final Inspection Checklist provided and notify the Architectural Review Board. If Final Inspection is not requested within fourteen (14) months of the date of Certificate of Occupancy issuance, the New Home Construction Deposit will become a fine.

The following should be completed prior to requesting a Final Inspection:

1. Complete construction.
2. Removal of construction debris.
3. Removal of temporary utilities, job toilet, sample board, and job sign.
4. Install landscaping and The Preserve mailbox.
5. Submit as-built survey and landscape certificate to the Architectural Review Board. The as-built survey must include setbacks, lot coverage percentages in pervious and impervious materials, and roof ridge height.
6. Any damage to the streets, common areas, rights of way, utilities, or drainage areas shall be repaired.

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