

**Declaration of Covenants, Conditions &
Restrictions and By-Laws
for
Wando Plantation Master Association
and
RiverTowne Property Owners Association
March 1995**

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Wando Plantation Master Association

Declaration of Covenants, Conditions and Restrictions

and

By-Laws of Wando Plantation Master Association

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR WANDO PLANTATION MASTER ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WANDO PLANTATION MASTER ASSOCIATION is made this 2nd day of March, 1995, by RIVER TOWNE LIMITED PARTNERSHIP, a South Carolina Limited Partnership (hereinafter referred to as "Developer) and LIBERTY LIFE INSURANCE COMPANY (hereinafter referred to as "Liberty," and said Developer and Liberty each referred to singularly as "Declarant", and collectively as "Declarants").

WITNESSETH THAT:

WHEREAS, Declarants are the owners of the Property, as hereinafter defined, located in Charleston County, South Carolina, being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference and further designated thereon as the "Developer Tract" and the "Liberty Tract" and desire to subject the Property, and any additional property as may be added by subsequent amendment hereto, and in accordance with the terms and conditions hereof, to the provisions of this Declaration in order to provide a flexible and reasonable method for the administration, assessment and maintenance of the entryways, signage and landscaping along a major portion of the primary access road known or to be known as River Towne Parkway, providing access, ingress and egress from South Carolina State Highway 41 to the mixed use residential and commercial areas to be developed within the Developer Tract and Liberty Tract, and for the administration, assessment and maintenance of the lakes, lagoons, wetlands and drainageways forming the centerpiece of the master drainage plan for the entire Property.

NOW THEREFORE, Declarants hereby declare that this Declaration and the covenants, restrictions and easements established herein shall be covenants to run with the land and that all the Property, and any additional property as may be added by subsequent amendment hereto, 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 shall inure to the benefit of and shall be 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 Unit or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration and the By-Laws of the Association.

ARTICLE I

DEFINITIONS

1.1 Definitions. When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have all the following meanings, and all definitions shall be applicable to the singular and plural forms of any such term(s):

1.1.1 "Adjoining Land(s)" shall mean and refer to real property contiguous with the Property, whether or not owned by a Declarant, which is made subject hereto as provided in Article II hereof.

1.1.2 "Area of Common Responsibility" shall mean and refer to maintenance, repair and management of the Common Areas, and the street shoulders, walkways, sidewalks, street lighting, and signage along the unpaved portions of the River Towne Parkway right-of-way from its intersection with South Carolina State Highway 41 to the eastern boundary of that certain "160' S.C.E.&G. POWERLINE EASEMENT" shown and noted on the plat of the Property further described in Exhibit "A" hereto, whether said right-of-way is privately owned, dedicated to the public, or conveyed to the State of South Carolina or any municipality thereof. Furthermore, "Area of Common Responsibility" shall mean and refer to the maintenance, repair and management of all lakes, lagoons, wetlands and drainageways specifically shown and designated on any plat of the Property, or any portion thereof, as being the responsibility of the Association, and whether owned by the Association or not, and incorporated herein by a Supplemental Declaration.

1.1.3 "Assessment" shall mean and refer to the Common Expenses or other charges from time to time assessed against a Unit by the Association in the manner herein provided, and shall include both regular and special assessments.

1.1.4 "Association" shall mean and refer to Wando Plantation Master Association, a South Carolina not-for-profit corporation.

1.1.5 "Board of Directors" shall mean and refer to the Board of Directors of the Association.

1.1.6 "By-Laws" shall mean and refer to the By-Laws duly adopted by Wando Plantation Master Association which govern the administration and operation of the Association, as may be amended from time to time. Upon adoption of a final form of By-Laws by the Association, the same shall be attached to a Supplemental Declaration hereto and recorded in the R.M.C. Office for Charleston County.

1.1.7 "Common Areas" shall mean all those areas shown and designated on any plat of the Property, or any portion thereof, as a Common Area and constituting a landscaped entry feature at the entrance to the Property off South Carolina State Highway 41 or at the entrance to any neighborhood or subdivision off River Towne Parkway within the Developer Tract or Liberty Tract, and incorporated herein by a Supplemental Declaration, to be conveyed to the Association.

Furthermore, "Common Areas" shall mean and refer to all those lakes, lagoons, wetlands and drainageways specifically shown and designated on any plat of the Property, or any portion thereof, as being a Common Area, and incorporated herein by a Supplemental Declaration, to be conveyed to the Association. THE DESIGNATION OF ANY OF THE PROPERTY OR IMPROVEMENTS THEREON AS COMMON AREAS SHALL NOT MEAN OR IMPLY THAT THE PUBLIC AT LARGE ACQUIRES ANY EASEMENT OF USE OR ENJOYMENT THEREIN.

1.1.8 "Common Expenses" shall mean and refer to all liabilities or expenditures made or incurred by or on behalf of the Association, together with all funds necessary for the creation or maintenance of financial, equipment or capital improvement reserves, consistent with the provisions of this Declaration.

1.1.9 "Controlling Interest" as used herein shall mean and refer to the ownership by Developer at any time of 10% or more of the total number of Residential Units permitted by applicable zoning, from time to time existing, to be developed on the Property.

1.1.10 "Declarant", when used in the singular, shall mean and refer to each of River Towne Limited Partnership and Liberty Life Insurance Company, their successors and assigns; and when used in the plural, "Declarants", shall mean and refer, collectively, to River Towne Limited Partnership and Liberty Life Insurance Company, their successors and assigns; provided, however, that this definition shall not include the purchaser, owner, or mortgagee of any Unit.

1.1.11 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Wando Plantation and all supplements or amendments to it filed for record from time to time in the Office of the R.M.C. for Charleston County, South Carolina.

1.1.12 "Developer" shall mean and refer to River Towne Limited Partnership, its successors and assigns, provided, however, that this definition shall not include the purchaser, owner, or mortgagee of any Unit.

1.1.13 "Development" shall mean and refer to the mixed use residential and commercial community constructed or to be constructed upon the Property or portions thereof.

1.1.14 "Liberty" shall mean and refer to Liberty Life Insurance Company, its successors and assigns, provided, however, that this definition shall not include the purchaser, owner, or mortgagee of any Unit.

1.1.15 "Non-residential Unit" shall mean and refer to a portion of the Property, whether improved or unimproved, held under one ownership (which may include, without limitation, ownership by co-tenancy, joint tenancy or tenancy-in-common) which is used or is designated on the site plan thereof approved by the Town of Mount Pleasant for use for non-residential purposes. The term may include, by way of illustration and not limitation, hotels, retail, office, and other commercial establishments, industrial and institutional complexes, conference centers, medical centers, visitor attractions, golf courses and other commercial amenities, if any. The term shall not include Common Areas or the common property of any Subordinate Association, nor shall it include

property dedicated to the public unless otherwise specified in the deed from the Declarant or the Association conveying such property. It is the intent of the Declarant that any portion of the Property intended for Non-residential Unit use shall not be subject to Assessments hereunder until such time as a site plan for such Non-residential Unit(s) is approved by the Town of Mount Pleasant.

1.1.16 "Occupant" shall mean and refer to any person, including, without limitation, any Owner or guest, invitee, licensee, lessee, tenant, transient paying guest or family member of an owner, lawfully occupying or otherwise using a Unit within the Development.

1.1.17 "Owner" shall mean and refer to one or more persons, including Declarant, who, individually or collectively, if more than one, owns fee simple title to any Unit in the Development. Owner shall not refer to any mortgagee (unless such mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Unit under contract (until title is conveyed of record).

1.1.18 "Parcel" shall mean and refer to each of the Developer Tract and Liberty Tract, and any Adjoining Property subjected to this Declaration, as further divided into smaller land components such as lots, multi-family tracts, or commercial sites. The whole or any portion of the Developer Tract, the Liberty Tract, or any Adjoining Property subjected to this Declaration shall not be deemed to be a "Parcel" until such time as a subdivision plat or site plan for the Units to be situated thereon has been approved by the governmental authority with jurisdiction thereof, and such plat or site plan provides for vehicular access to and from River Towne Parkway, directly or through one or more other Parcels.

1.1.19 "Property" shall mean and refer to all the land, and improvements thereon, described in Exhibit "A," and improvements thereon submitted to the provisions of this Declaration, and, upon submission to the provisions of this Declaration, the Adjoining Property which may be added pursuant to Section 2.3, or any portion thereof, together with all improvements thereon.

1.1.20 "Residential Unit" shall mean and refer to a portion of the Property, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Residential Unit as well as any improvements thereon. The term shall include within its meaning, by way of illustration and not limitation, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such; but shall not include Common Areas, common property of any Subordinate Association, or property dedicated to the public. In the case of a building within a condominium or other structure containing multiple dwellings each dwelling shall be deemed to be a separate Residential Unit. In the case of a Parcel on which improvements are to be constructed, the Parcel shall be deemed to contain the number of Units designated for residential use for such Parcel on the site plan thereof approved by the Town of Mount Pleasant, South Carolina, until such time as a survey plan creating a subdivision or condominium building or other structure containing multiple dwellings is filed of record or a certificate of occupancy issued, whichever occur first. Thereafter, the portion encompassed by such survey plan or contained in the building for which a certificate of occupancy has been issued shall

constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph. It is the intent of the Declarant that any portion of the Property intended for Residential Unit use shall not be subject to Assessments hereunder until such time as a site plan for such Residential Unit(s) is approved by the Town of Mount Pleasant.

1.1.21 "Subordinate Association" shall mean an association of Owners within one or more Parcels created by or incorporated in a Subordinate Declaration to provide for the orderly control, administration, maintenance, and management of those Parcels. Developer shall create one (1) Subordinate Association for the Parcel or Parcels to be developed from the Developer Tract; Liberty shall create one (1) Subordinate Association for the Parcel or Parcels to be developed from the Liberty Tract; and upon submission of any Adjoining Property to this Declaration pursuant to Article II and as a condition thereof, the owner or owners of said Adjoining Property shall create one (1) Subordinate Association for the Parcel or Parcels to be developed from the Adjoining Property to be made subject to this Declaration.

1.1.22 "Subordinate Declaration" shall mean and refer to the instrument or document, and any amendments thereto, which is filed of record with respect to the Parcel or Parcels within the Developer Tract and the Liberty Tract and which creates an unincorporated property owners' association or incorporates therein an incorporated property owners' association for such Parcel or Parcels, and which may impose covenants, conditions, easements, and restrictions with respect to lots, dwellings, or commercial sites or structures within such Parcel or Parcels.

1.1.23 "Unit" shall mean and refer to any lot within a Parcel upon which a dwelling intended for use as a single-family detached residence has been or shall be constructed; any lot within a Parcel upon which a dwelling intended for commercial use has been or shall be constructed; any condominium unit, either residential or commercial, within a Parcel; and any apartment within a multi-family building, not designated or defined as a condominium, which has been or shall be constructed within a Parcel. A "condominium" shall mean such unit as shall be created by a master deed for a Horizontal Property Regime under South Carolina law. A Unit shall be created upon the approval of the subdivision plat or site plan therefor by the governmental authority having jurisdiction thereof, and whether or not the improvements to be constructed thereon are complete to permit habitation thereof.

1.1.24 "Wetland Tract" shall mean and refer to any piece, parcel or tract of land within a Parcel and being or containing drainageways, easements, lakes, lagoons and wetlands serving the drainage needs within the Parcel or the drainage needs of any adjacent Parcels in accordance with governmentally approved drainage and/or mitigation plans, and shown and designated on a plat as a "Common Area;" and which, by Supplemental Declaration incorporating by reference said plat and any such governmental permit, and such additional matters as said permit shall require, is made subject to the covenants and restrictions set forth in Article III below.

ARTICLE II

PLAN OF DEVELOPMENT

2.1 Non-Severability of Rights. The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of a Unit as more specifically set forth below, and may not be severed or alienated from such ownership.

2.2 General Plan of Development. Developer shall be solely responsible for development and construction of River Towne Parkway from South Carolina State Highway 41 to the eastern boundary of that certain "160' S.C.E.&G. POWERLINE EASEMENT" shown and noted on the plat of the Property further described in Exhibit "A" hereto, and the initial installation of sidewalks, lighting and landscaping along the unpaved portions thereof, as well as the entry landscaping and signage upon the Common Area at the intersection of South Carolina State Highway 41 and River Towne Parkway. The Developer and Liberty shall each be solely responsible for development and construction of common properties and facilities and public and private rights-of-way within their respective Parcels, as well as the entry landscaping and signage at the intersection of River Towne Parkway and the entry road into each such Parcel within the Developer Tract and Liberty Tract. The Board shall adopt architectural and landscape standards to be employed in the development, construction, landscaping and signage installation upon any such entry way into a Parcel off of River Towne Parkway. No such development, construction, landscaping or signage installation upon an entry way into a Parcel off of River Towne Parkway shall be undertaken except in accordance with the architectural and landscape standards adopted by the Board therefor, and upon the Board's prior written approval in accordance with its plan submission and review procedures. The Developer and Liberty shall each be solely responsible for development, construction and installation of drainageways, easements, lakes, lagoons and wetlands serving the drainage needs within their respective Parcels, as well as the drainage needs of any adjacent Parcels served thereby in accordance with governmentally approved drainage plans. All such drainageways, easements, lakes, lagoons and wetlands with respect to which, or which is the subject matter of, a Department of the Army permit is issued by the U.S. Army Corps of Engineers shall be subject to the restrictive covenants set forth in Article III below. A Declarant, with the approval of Developer, which approval shall not be unreasonably withheld, shall designate in a Supplemental Declaration the Common Areas and the Areas of Common Responsibility for which the Association shall be responsible, provided any such designated Common Areas and Areas of Common Responsibility shall be only those that conform to the within described development plan and neither Declarant shall enlarge or expand the type of Common Areas or Areas of Common Responsibility contemplated by the within described development plan. Developer and Liberty may each convey Common Areas within a Parcel developed by it to the Association any time and from time to time without notice to or approval by the Association provided that the conveyance shall be free and clear of all liens. A Declarant shall convey all Common Areas within a Parcel developed by it to the Association no later than ninety (90) days after the date of closing the sale of the last Unit in the developed Parcel; provided, however, a Declarant shall convey all Common Areas within its Parcel sooner than aforesaid if and within the time required by an VA, FHA or other similar governmental approval. The Association shall be fully responsible and liable for the operation, maintenance and repair of all Common Areas and Areas of Common Responsibility immediately upon completion

of improvements thereto and the recording of a Supplemental Declaration describing or designating same, and whether or not same is conveyed to or accepted by the Association. As the Property is developed, Developer shall provide means of ingress and egress from all Parcels for all Owners and Occupants to and from South Carolina State Highway 41, and if necessary, convey to each Subordinate Association by temporary easement such right of ingress and egress.

2.3 Additions of Adjoining Property To Property. Any owners or owners of Adjoining Land (other than a Declarant) may apply to the Developer (or to the Board of Directors of the Association following Developer's loss of Controlling Interest) to have said Adjoining Land made subject hereto, or a Declarant may purchase Adjoining Lands and with the consent of the Developer (or the Board of Directors of the Association following Developer's loss of Controlling Interest) subject said purchased Adjoining Land to this Declaration. Upon approval of the Developer (or a majority of the Board of Directors of the Association following Developer's loss of Controlling Interest), the owner or owners of the Adjoining Land and the Developer (or the Chairman of the Board of Directors of the Association following Developer's loss of Controlling Interest) shall execute a Supplemental Declaration subjecting said Adjoining Land to the terms and condition hereof and to such other terms and conditions as shall be required by Developer (or a majority of the Board of Directors of the Association following Developer's loss of Controlling Interest), in the exercise of its or their sole discretion, as a condition of such approval. The Declarants understand and agree that the Adjoining Land currently owned by Joe Griffith, Inc. may be added and become subject to this Declaration in accordance with that certain Agreement by and between Joe Griffith, Inc. and Developer dated December 15, 1994, as said Agreement may hereafter be amended, and that certain Agreement between Liberty and Joe Griffith, Inc. dated November 18, 1994. Furthermore, the Declarants understand and agree that Liberty shall have the right, upon acquisition thereof, to add and make subject to this Declaration nineteen (19) acres, more or less, adjacent and lying parallel to the southeastern property line of the Liberty Tract and currently owned by Joe Griffith, Inc.

2.4 Interest Subject to Plan of Development. Every Owner and mortgagee shall take title, or hold such security interest with respect thereto, subject to the terms, conditions, covenants and restrictions set forth in this Declaration, and to the rights of Declarant and Developer hereunder.

ARTICLE III

WETLANDS' RESTRICTIVE COVENANTS

3.1 Wetland Tracts. A Declarant, for itself, its successors and assigns, and for the Association, which shall be responsible for maintenance, repair and management of all Wetland Tracts as an Area of Common Responsibility, hereby declares that each Wetland Tract within a Parcel of such Declarant shall be subject to the following covenants and restrictions.

3.1.1 General Intention for Wetland Tracts. It is the general intent of the Declarants to promote, maintain and enhance the conservation of the natural and scenic resources of the Wetland Tracts, to promote the conservation of soils within a Wetland Tract's included upland, the actual waters thereof, and the flora, fauna wildlife, game and migratory birds, while at the same time

enhancing the value of abutting properties adjacent to such land, and to afford and enhance recreational opportunities.

3.1.2 Prohibited Activities Within Wetland Tracts. To insure that land designated as a Wetland Tract will be improved and maintained as set forth above, the following shall be prohibited within a Wetland Tract: filling, draining, flooding, dredging, impounding, clearing, cultivating, excavating, constructing or erecting in, or otherwise altering or improving the Wetland Tract, including changing the grade or elevation, impairing the flow or circulation of waters, reducing the reach of waters, and any other discharge or activity covered by the Federal Clean Water Act, as amended, without first obtaining the requisite wetlands, water and/or flood plain permits from the appropriate governmental authorities; burning, systematically removing or cutting, or otherwise destroying any vegetation within the Wetland Tract in other than an incidental fashion; spraying with biocides; introducing exotic species into the Wetland Tract; and otherwise altering the natural state of the Wetland Tract except as allowed in the mitigation plan and/or as approved by the Department of the Army Corps of Engineer's permit therefor.

3.1.3 Reserved Rights for Wildlife Feeding and Preservation. Pursuant to an overall program of wildlife conservation and nature study, the right is expressly reserved to each Declarant and to the Association to erect wildlife feeding stations, to plant small patches of cover and food crops for quail, turkeys and other wildlife, to make access trails and paths or boardwalks through Wetland Tracts within the Declarant's Parcel for the purpose of permitting observation and study of wildlife, hiking, and riding, subject to securing any required governmental permits therefor, to erect small signs throughout such Wetland Tracts designating points of particular interest and attraction, and to take such other steps as are reasonable, necessary and proper to further the general intention for the Wetland Tract as set forth in Section 3.1.1 above and community use and enjoyment thereof.

3.1.4 Erosion Prevention Activities Permitted. Subject to securing any required governmental permits, each Declarant and the Association shall have the right to protect from erosion the Declarant's Wetland Tract's included upland by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as bulkheading, or other means deemed expedient or necessary by the Declarant or the Association. The right, subject to permitting as aforesaid, is likewise reserved to each Declarant and to the Association to take necessary steps to provide and insure adequate drainage ways, canals or lagoons in the Declarant's Wetland Tracts, to cut fire breaks, remove diseased, dead, or dangerous trees and to carry out other similar activities. Anything contained herein to the contrary notwithstanding, neither a Declarant nor the Association shall be required to engage in any such permitted activities.

3.1.5 No General Easement Intended. The establishment of restrictions herein for Wetland Tracts does in no way grant to the public or to the Owners of any surrounding or adjacent land, the right to enter upon a Wetland Tract, except in accordance with rules and regulations adopted therefor following the exercise by a Declarant or the Association of a right under Section 3.1.3 above.

3.1.6 U.S. Army Corps of Engineers Easement. There is hereby granted to the U.S. Army Corps of Engineers a non-exclusive easement and right to enforce the restrictive covenants and terms of this Article III in an action at law or in equity against any person(s) or other entity/entities violating or attempting to violate the terms hereof; provided, however, that no violation of the covenants and restrictions set forth in this Article III shall result in a forfeiture or reversion of title. In any such permitted enforcement action, the U.S. Army Corps of Engineers shall be entitled to a complete restoration for any violation, as well as any other remedy available under law or equity.

3.1.7 Corrective Action No Trespass. Where a Declarant, the Association or the U.S. Army Corps of Engineers is permitted by these Covenants to correct, repair, clean, preserve, clear out or to do any action on or within a Wetland Tract, entering such property and taking such action shall not be deemed a breach of these Covenants or a trespass.

3.1.8 No Affirmative Action Required of Declarant. It is expressly understood and agreed that the reservation of rights under this Article III does in no way place a burden of affirmative action on a Declarant, that a Declarant is not bound to make any of improvements noted herein, or extend to any Owner any easement or right of use.

ARTICLE IV

PROPERTY RIGHTS

4.1 Easements for Declarant. During the period that a Declarant owns any of the Property for sale, the Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing improvements in and to any Parcel or portion thereof and for installing, maintaining, repairing and replacing other improvements to its Property as Declarant desires, the exercise of which right and easement shall be undertaken only with the prior written approval of the Developer so long as the Developer holds a Controlling Interest, which approval shall not be unreasonably withheld.

4.2 Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Parcel or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner directly affected thereby.

4.3 Changes in Boundaries; Additions to Common Areas. A Declarant, with the prior written approval of the Developer so long as the Developer holds a Controlling Interest, reserves the right and power to change the boundary lines between any Common Area and other property owned by it or to add portions of the Property to the Common Areas. Such approval by the Developer shall not be unreasonably withheld.

4.4 Easements for Utilities. There is hereby reserved for the benefit of each Declarant and/or the Association as their respective interests may appear, the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person, upon, over, under and across all or any portion of the Common Areas for constructing, installing, replacing, repairing, operating, maintaining and using master television antennae and/or television cable systems, security and similar systems, and all utility facilities and services, including, but not limited to, storm sewers, and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Developer without notice to or consent by the Association with respect to the Common Areas, and as permitted by the Subordinate Declarations, with respect to the Parcels. The Association may grant such easements in the manner set forth in the By-Laws of the Association. To the extent possible, all utility lines serving the Development and located therein shall be located underground. By virtue of any such easement, it shall be expressly permissible for the Developer and/or Association, utility company or other supplier or servicer, with respect to the portions of the Development so encumbered to: (i) erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) cut and remove any trees, bushes or shrubbery; (iii) grade, excavate or fill; or (iv) take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems. No building, fence or structure shall be erected or paving laid within any utility easement, nor any trees or shrubs planted in such easement, without the written consent of the grantee of such easement or the commission, municipality, utility or other entity controlling such sewer, water, gas or drainage facilities, as the case may be.

4.5 Municipal Easement. Police, fire, water, health and other authorized municipal officials, employees and vehicles shall have the right of unrestricted ingress and egress to the Common Areas, and any portion thereof, for the performance of their official duties.

ARTICLE V

THE ASSOCIATION

5.1 Governance. The Association shall not have any members, but shall be governed by a Board of Directors either appointed or delegated as provided in the Articles of Incorporation and further set forth herein. The procedure and administration of the Board of Directors is or shall be set forth in the By-Laws of the Association. Those By-laws may be amended, from time to time, only as provided herein. The Board of Directors shall constitute the final administrative authority of the Association, and all decisions of the Board of Directors shall be binding upon the Association and the Owners. All rights, titles, privileges and obligations vested in or imposed upon the Association shall be held and performed by the Board of Directors.

5.2 Board of Directors.

5.2.1 Subsequent to loss of Controlling Interest by Developer. Following loss of Controlling Interest by the Developer, the Board of Directors shall consist of one (1) member being

the senior elected officer of the Subordinate Association established by Developer, and in his or her absence, the next most senior officer thereof; and one (1) member being the senior elected officer of the Subordinate Association established by Liberty, and in his or her absence, the next most senior officer thereof; and for each Adjoining Property subjected to this Declaration one (1) member being the senior elected officer of the Subordinate Association established by the owner or owners of said Adjoining Property, and in his or her absence, the next most senior officer thereof; provided, however, if the total number of Board members directly representing Subordinate Associations is an even number, then one (1) additional member shall be appointed by the even number of delegates of the Subordinate Associations established by Developer and Liberty and said owner or owners of Adjoining Property. Said persons need not be Owners of Units.

5.2.2 Prior to loss of Controlling Interest by Developer. For so long as Developer owns Controlling Interest, the Board of Directors shall consist of one (1) member being the senior elected officer of the Subordinate Association established by Developer, and in his or her absence, the next most senior officer thereof; and one (1) member being the senior elected officer of the Subordinate Association established by Liberty, and in his or her absence, the next most senior officer thereof; and for each Adjoining Property subjected to this Declaration one (1) member being the senior elected officer of the Subordinate Association established by the owner or owners of said Adjoining Property, and in his or her absence, the next most senior officer thereof; and such number of members, being either one (1) member or two (2) members, being appointed by the Developer as shall, when then added to the total number of Board members representing Subordinate Associations, equal an odd number. Said persons need not be Owners of Units.

5.3 By-Laws. Each Owner hereby consents and agrees that he and the Subordinate Association of which he is a member shall be bound by the provisions of the By-Laws of the Association, as they may be amended from time to time.

5.4 Rules and Regulations. The Board of Directors shall have the authority from time to time to adopt rules and regulations governing the administration and operation of the Common Areas, subject to the terms of this Declaration. Further, the Board of Directors shall have the authority to lease or grant licenses or concessions with respect to portions of the Common Areas; provided that such grants or leases shall not be inconsistent with the provisions of this Declaration.

5.5 Indemnification of the Board. The members of the Board of Directors, the officers of the Association as may be elected by the Board, and the managing agent of the Association, if any, shall not be liable to the Owners or the Subordinate Associations for any mistake in judgment or acts or omissions not made in bad faith, as directors, officers or managing agent. The Owners shall indemnify and hold harmless those parties against all contractual liabilities to others arising out of agreements made by those parties on behalf of the Owners or the Association unless such agreements shall have been made in bad faith or with knowledge that same was contrary to the provisions of this Declaration. The liability of any Owner, as described above, shall be limited to Owner's proportionate share thereof as if same were an assessable Common Expense. All contracts and agreements entered into by the Board of Directors, officers or the managing agent shall be deemed executed by those parties as the case may be as agent for the Owners or the Association.

5.6 Board of Director's Determination Binding. In the event a disagreement arises between Owners, related to the Common Areas or the interpretation and application of this Declaration or the By-Laws of the Association, the review and determination thereof by the Board of Directors shall be final and binding upon each and every Owner and each Subordinate Association.

5.7 Management. The Board of Directors may retain a professional management company, professional manager, or full time employee to manage the Common Areas and Areas of Common Responsibility and supervise their maintenance and operation and the operation of the administrative affairs of the Association. The Board of Directors may itself subsequently elect to assume those management responsibilities and in accordance with the terms of any management contract terminate the contract of any professional manager.

Further, the Board of Directors shall enter into management contracts only if such contracts shall (i) permit the termination thereof for cause by the Association upon 60 days prior written notice; and (ii) be for a period of not more than five (5) years. Such contracts may permit renewals thereof for periods not to exceed five (5) years at a time, by mutual consent.

5.8 Insurance.

5.8.1 Acquisition of Insurance Coverage. The Board of Directors shall obtain insurance coverage for the Common Areas and the property under Areas of Common Responsibility to cover the insurable interest of the Association against loss or damage by fire or other casualty. The insurance shall be for the full insurable value (based upon current replacement cost) thereof and the insurance premiums shall be a Common Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association. The insurance coverage shall, if possible, provide that the insurance as to the interest of the Association shall not be invalidated by any act or neglect of any Owners.

The coverage shall contain an endorsement to the effect that said coverage shall not be terminated for non-payment of premiums without at least thirty (30) days prior written notice to the Association. The insurance policies shall contain waivers of subrogation with respect to the Board of Directors, its employees and agents, Subordinate Associations and their Boards, Owners, members of their household and mortgagees, and, if available, shall contain a replacement clause endorsement.

5.8.2 Appointment of Trustee for Proceeds. The Board of Directors may, at its discretion, retain any bank or trust company to act as Trustee, agent of depository on its behalf for the purpose of receiving or distributing any insurance proceeds. The fee of any trustee shall be a Common Expense.

5.8.3 Reconstruction of the Property. The insurance proceeds shall be applied by the Board of Directors on behalf of the Association for the reconstruction or restoration of the damaged property.

5.8.4 Acceptance of Insurance Proceeds. Payment by an insurance company to the Board of Directors of any insurance proceeds coupled with the receipt and release from the Board of Directors of the company's liability under said policy shall constitute a full discharge of said insurance carrier.

5.8.5 Other Insurance. The Board of Directors shall also obtain comprehensive public liability insurance including liability for injuries or death to persons, and property damage, in such limits as it shall deem desirable, and workman's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, Subordinate Association and the Association, their officers, members of the Board of Directors, and the Declarant, the manager or managing agent, if any, and their respective employees and agents, if any, form liability in connection with the Common Areas and insuring the officers of the Association and members of the Board of Directors from liability for good faith actions. The premium for such insurance shall be a Common Expense.

ARTICLE VI

ASSESSMENTS AND CHARGES

6.1 Assessments. Assessments shall be computed and assessed against all Units as follows:

6.1.1 Association Expenses. The Assessments shall be based upon annual estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and discharge of the Association's Areas of Common Responsibility. Such estimated expenses may include, among other things, the following: expenses of management; taxes and special assessments; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a manager (if any); utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve, surplus, and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners under or by reason of this Declaration. Such expenses shall constitute the Common Expenses.

6.1.2 Annual Budget. The Assessments shall be determined on a calendar year basis. On or before November 1 each year, the Association shall prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget shall itemize the estimated Common Expenses of the Association for such calendar year, anticipated receipts (taking into account the number and type of Units subject to Assessments at the beginning of the year and the number and type of Units reasonably anticipated to be subject to Assessments during the year), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Assessments for the upcoming fiscal year and as the major guideline under which the Association shall be operated during such annual period. In preparing the overall budget and setting the Assessments, the Board shall separately prepare a sub-budget of such estimated Common Expenses

and anticipated revenues for Units within Parcels containing Wetland Tracts or whose drainage is served by Wetland Tracts in any adjacent Parcel, such separate sub-budget being solely an accounting of Common Expenses attributable to the maintenance and repair of Wetland Tracts as an Area of Common Responsibility and the total amount of Assessment derived from such separate sub-budget being the "Drainage Assessment." The purpose of preparing such separate Drainage Assessment is to subtract the amount thereof from the total Assessment in apportioning the net Assessment derived from such subtraction among all Units, such net amount being the "Net Assessment," so that the Drainage Assessment is only apportioned among Units within Parcels containing Wetland Tracts or whose drainage is served by Wetland Tracts in any adjacent Parcel. In the event the Board fails for any reason to adopt a budget for the succeeding year, then and until such time as it is adopted, the budget and annual Assessments in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the "CPI-U," as hereinafter defined, and such increased budget shall be the budget for the succeeding year, until a new budget is adopted. The Declarants shall estimate the budget for the first year of the Association. At least sixty (60) days following the close of the Association's fiscal year, the Board of Directors shall cause an unaudited financial statement of the Association to be prepared by a public accountant licensed to practice in the State of South Carolina, which shall be distributed to each Subordinate Association.

The "CPI-U" shall mean the Consumer Price Index for All Urban Consumers (1982-84=100), or, if such index is discontinued or revised, by reference to such other government index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if such index had not been discontinued or revised.

Any Common Expense which is attributable to a capital expenditure and which would increase the annual budget in excess of 115% of the previous year's budget shall require a 67% vote of the Board of Directors.

6.1.3 Unit's Assessment. Each Unit shall be responsible for its allocable share of the Net Assessment plus, if a Unit is located within a Parcel containing a Wetland Tract or whose drainage is served by a Wetland Tract in any adjacent Parcel, its allocable share of the Drainage Assessment. Each Unit shall be responsible for that portion of the Net Assessment determined by multiplying the Net Assessment by a fraction, the numerator of which is the number of Equivalent Units assigned to the Unit and the denominator of which is the total number of Equivalent Units assigned to all Units subject to Assessment. Each Unit within a Parcel containing a Wetland Tract or whose drainage is served by Wetland Tracts in any adjacent Parcel shall be responsible for that portion of the Drainage Assessment determined by multiplying the Drainage Assessment by a fraction, the numerator of which is the number of Equivalent Units assigned to the Unit and the denominator of which is the total number of Equivalent Units assigned to all Units subject to the Drainage Assessment. Equivalent Units for the purpose of determining a Unit's share of Assessments shall be assigned as follows:

(a) Each Residential Unit shall be assigned an "Equivalent Unit" for purposes of calculating the Residential Unit's share of an Assessment of 1.0.

(b) Each Non-residential Unit shall be assigned an "Equivalent Unit" for purposes of calculating the Non-residential Unit's share of an Assessment computed as follows:

each 10,000 square feet of Non-residential Unit unimproved land, and any fraction thereof, whether or not shown upon a recorded plat and whether or not comprising surface land or under water, shall be allocated .50 Equivalent Units, plus each 1,000 square feet of gross floor area of Non-residential improvements, and any fraction thereof, shall be allocated 1.0 Equivalent Units. For purposes hereof, "improvements" shall mean any structure intended for commercial use and occupancy as permitted by this Declaration and for which an initial certificate of occupancy has been issued or which is substantially complete as determined by the general contractor, whichever is earlier. The term "improvements" shall not include golf courses, parking lots, parking garages, roadways or driveways. For example, a 100,000 square foot unimproved Non-residential Unit shall be assigned 5 Equivalent Units. The same Non-residential Unit with a one-story 50,000 square foot office building shall be assigned 55 Equivalent Units (5 unimproved land Equivalent Units plus 50 improved land Equivalent Units).

6.1.4 Declarant Obligation for Assessments: Subsidies. Anything contained in Section 6.1.3 to the contrary notwithstanding, so long as a Declarant owns any Unit for sale or a Parcel upon which additional Units are to be constructed, the Declarant may annually elect either to pay the regular Assessment for each such Unit or to pay the difference between the amount of Assessments collected on all other Units not owned by Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than its regular Assessment. Unless the Declarant entitled to such election otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding year. Where more than one Declarant so elects to pay the difference between collected Assessments and actual expenditures as aforesaid, such difference shall be allocated between each Declarant in proportion to the sum of each Declarant's Units at the beginning of the year and Units reasonably anticipated to be subject to Assessment at the end of the year. Furthermore, so long as a Declarant owns any Unit for sale or a Parcel upon which additional Units are to be constructed, the Declarant may, but shall not be obligated to, reduce the regular Assessment for any year to be paid by Owners of Units within a Parcel or Parcels developed by the said Declarant, which may be a contribution to the Association, an advance against future regular Assessments due from said Declarant, or a loan to the Association, in the Declarant's sole discretion. The amount and character (contribution, advance or loan) of such subsidy shall be conspicuously disclosed as a line item in the budget and shall be made known to the Owners. The payment of such a subsidy in any year shall under no circumstances obligate such Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and such Declarant.

6.1.5 Notice and Payment. The Assessments shall be made on a calendar year basis in advance. The Association shall furnish to each Subordinate Association a copy of the budget and notify each Subordinate Association as to the amount of the Assessments with respect to all Owner-members of such Subordinate Association on or before December 1 each year for the calendar year next following such date. Each Subordinate Association shall distribute copies of the notice of assessment and budget to its Owner-members on or before December 15 of each year. The Association, may at its election, send such notices and copies of the budget directly to the Owners. The Assessments shall be payable in one installment to the Subordinate Association by the tenth day of the month of January during the calendar year to which the assessment relates, and by the Subordinate Association to the Association by the fifteenth day of that month. The failure of the Association to give timely notice of any Assessments as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

6.2 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Property, hereby covenants, and each Owner of any Unit by acceptance of a deed or other conveyance and each Subordinate Association, is deemed to covenant and agree with each other and with the Association to pay to the Association: (1) Common Expenses as defined herein which shall include reserves deemed necessary or beneficial by the Board of Directors, and (2) special assessments for capital improvements, necessary for reserves or for any other purpose adopted by the Board of Directors. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on each Unit and shall be continuing lien upon each Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Section, the Association may prepare a written notice of lien setting forth the amount of the unpaid Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the Charleston County R.M.C. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Unit which shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Unit. Each such assessment, together with such interest, costs and reasonable attorney's fees shall be the personal obligation of the person who was the Owner of such Unit at the time when the assessment fell due and also of any subsequent Owner. Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and Occupants and in particular for improvements and maintenance (including the payment of ad valorem taxes and other assessments) of the Common Areas and the services and facilities devoted to this purpose.

6.3 Subordinate Association's Obligation to Pay Assessments. Payment in full of all Assessments applicable to Owner-members of a Subordinate Association shall also be the obligation of the Subordinate Association. For convenience, the Assessments applicable to all Owner-members of a Subordinate Association shall be billed to the Subordinate Association which shall immediately thereafter bill its Owner-members for its collection. The obligation of each Subordinate Association is for the payment in full of all Assessments billed to Owner-members of that Subordinate Association. Collection of all portions of the Assessments from Owner-members of the Subordinate Association shall not be a precondition of payment by the Subordinate Association of the Assessments or an excuse for non-payment of those Assessments. Likewise, payment by an Owner of his prorata share of the Assessment to the Subordinate Association shall not relieve the Owner of responsibility for the failure of the Subordinate Association to pay the full amount of the Assessment due by the Subordinate Association to the Association. The rights of the Association are cumulative and may be pursued collectively or separately without resort, or necessity of resort, to any remedy prior to any other. All costs incurred by the Association for collection of the Assessments, or any portion thereof, shall also be the obligation and liability of the Subordinate Associations.

6.4 Reserves. Any portion of the Common Expenses collected for a reserve fund or funds, if any, may be placed in an account separate from the general operating account of the Association.

6.5 Attorneys' Fees and Costs. In any suit or action brought by the Declarant, an Owner, the Association or a first lienholder or their heirs, successors or assigns to enforce any of the terms, provisions, or restrictive covenants of this Declaration, the prevailing party shall be entitled to his costs and disbursements and reasonable attorneys' fees in such suit or action and any appeal thereof.

6.6 Maintenance, Repairs and Replacements of the Common Areas. Maintenance, repairs and replacements of the Common Areas shall be performed by the Association as part of the Common Expenses and a reserve fund for this purpose may also be included as a Common Expense.

6.7 Special Assessments. Without limiting the types or purposes of other special assessments, the Board of Directors may levy in any year, a special assessment for the purpose of paying any unbudgeted increase in taxes, or for defraying in whole or in part, the cost, which shall be the amount of the deductible under any insurance policy in the event of an insured loss, of any taxes or construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, or other repairs, reconstruction, alterations or improvements due to emergencies of any type.

6.8 Statement of Account. Upon payment of a reasonable fee not to exceed \$50.00 and upon written request of any Owner, mortgagee, prospective mortgagee, or prospective purchaser of a Unit, the Association shall issue a written statement setting forth the following:

- (a) The amount of the unpaid assessments, if any, with respect to such Unit.

(b) The amount of the current annual Assessment and the date or dates upon which installments thereof become due.

Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. A purchaser of a Unit shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Unit up to the time of the grant or conveyance; provided, however, that this provision shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

6.9 Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessments which are not paid by an Owner to its Subordinate Association and by that Subordinate Association to the Association when due shall be delinquent. If the Assessment is not paid, then the Association may bring an action at law against the Subordinate Association or the Owner personally for its collection, or foreclose the lien against the Owner's Unit in accordance with Article 5.2 herein. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his Unit.

6.10 Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any unpaid taxes and any mortgage or mortgages, but they shall be superior to the assessments levied by any Subordinate Association. Sale or transfer of any Unit shall not affect the lien of the Assessments. However, the sale or transfer of any Unit which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish the lien of the Assessments as to payment thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve the Unit from liability for any Assessments thereafter becoming due or from the lien thereof. Notwithstanding anything in this Declaration to the contrary, no amendment, or change or modification of this section shall be effective unless such amendment, change or modification shall be first consented to, in writing, by all mortgagees of record of all Units which are subject to the terms of this Declaration.

6.11 Mechanic's Liens. The Board of Directors may cause to be discharged any Mechanic's Lien or other encumbrance which in the opinion of the Board of Directors may constitute a lien against the Common Areas. Where less than all of the Owners are responsible for the existence of said lien, the Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same, and for all costs and expenses including attorney's fees and court costs incurred by reason of the lien.

ARTICLE VII

CONDEMNATION

7.1 Condemnation of Common Areas. Whenever all or any part of the Common Areas shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, the award or proceeds made or collected for such taking or sale in lieu thereof shall be disbursed or held as follows:

7.1.1 If the taking or sale in lieu thereof involves a portion of the Common Areas, then the award shall be payable to the Association. If the portion of the Common Areas so taken or conveyed was improved in any way, then the Association shall repair, rebuild, replace or renovate the improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefor, in accordance with plans approved by the Board of Directors. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Units, without the necessity of a vote of Association members, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such special assessments shall be levied against the Owners in the same manner and proportion as the Assessments are levied, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction.

7.1.2 If the taking or sale in lieu thereof includes all or any part of a Unit or Parcel and also includes any part of the Common Areas, then in the absence of an agreement between the parties a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association, the Subordinate Association and the Owners so affected so as to give just compensation for the land and/or improvements taken.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 8.2 hereof, shall be proposed and adopted as set forth in the By-Laws.

8.2 Amendments by Declarant. Notwithstanding any other provision herein or in the By-Laws, Declarant may amend this Declaration without the consent of any Owner or mortgagee or any Subordinate Association (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Declaration; (iii) if such amendment is required by a mortgagee to enable it to make mortgage loans on any Unit or other improvements subject to this Declaration; or (iv) if any such amendment is necessary to enable any governmental agency or reputable private mortgage insurance company to insure Mortgages on the Units subject to this Declaration.

8.3 Enforcement. Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as they may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Unit, if any. Failure to comply with such rules or regulations shall be grounds for imposing fines, for instituting an action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by the

Board of Directors on behalf of the Association or, in a proper case, by a Subordinate Association or an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration, the By-laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, Subordinate Association or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the equitable remedy of injunction to restrain any such violation or omission. Failure on the part of Declarant, the Association, Subordinate Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall not be construed as an acquiescence thereto and shall not be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to any violation or breach occurring prior to subsequent thereto. No right of action shall accrue in favor of nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

8.4 Duration. The provisions of this Declaration shall run with the land and be binding upon the title to the Property, shall be binding upon and inure to the benefit of all Owners and Subordinate Associations, the Declarant, the Association and all mortgagees, and their respective heirs, executors, legal representatives, successors and assigns, and successors in title, and shall be and remain in effect for a period of thirty (30) years from and after the date of the recording of this Declaration, provided their rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if, during the last year of an initial thirty (30) year period or the last year of any ten (10) year renewal period, seventy-five percent (75%) of the total votes of all Owners are cast in favor of terminating this Declaration at the end of the then current term. Such vote shall be held by referendum by both Subordinate Associations, and the Owner of each Unit shall be entitled to cast one (1) vote for each Unit owned. In the event that the Owners vote to terminate this Declaration, an instrument evidencing such termination shall be filed of record in the Records of the R.M.C. for Charleston County, South Carolina, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in the Development, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of this Declaration shall run with the land and be binding upon the title to the land as provided hereby. No termination of this Declaration shall be enforceable or valid if the Developer owns Controlling Interest, unless Developer consents in writing to the termination.

8.5 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Robert F. Kennedy.

8.6 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the R.M.C. office for Charleston County, South Carolina. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

8.7 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

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

8.9 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, Developer, the Owners, the Association, the Subordinate Associations and their mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of Developer and mortgagees herein provided, the members of the Association shall have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

8.10 Notice of Sale, Lease or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Unit, the Owner must promptly furnish to the Association, in writing, the name and address of such purchaser, lessee, mortgagee, or transferee. Purchaser is hereby put notice of a lien on any Unit for unpaid Assessments of any seller, prior to closing, and that such lien will follow and be a lien or encumbrance upon the Unit, and not follow the seller, his heirs or assigns individually.

8.11 No Trespass. Whenever the Association, is permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be trespass.

8.12 Notices. Notices required hereunder shall be deemed given when in writing and delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners and Subordinate Associations shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Units. All notices to the Association shall be delivered or sent in care of Declarant at Declarant's main office in Mount Pleasant, Charleston County, South Carolina, or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant at Declarant's main office in Mount Pleasant, Charleston County, South Carolina, or to such other address as Declarant may from time to time notify the Association. Notices to mortgagees shall be delivered or sent to such addresses as such mortgagees specify in writing to the Association.

8.13 Successors and Assigns. Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein shall be binding upon and inure to the benefit of the Declarant, Association, Subordinate Association and Owners and their respective heirs, successors and assigns and successors in title.

IN WITNESS WHEREOF, the duly authorized officers of the undersigned Declarant have executed this Declaration the day and year first above written.

WITNESSES:

RIVER TOWNE LIMITED PARTNERSHIP
a South Carolina Limited Partnership

BY: Wild Dunes Development Corporation, a
~~Georgia~~ Corporation

ITS: Sole General Partner

By: [Signature]
Executive Vice President
Its: President

WITNESSES:

LIBERTY LIFE INSURANCE COMPANY
a South Carolina Corporation

By: [Signature]
Its: Assistant Secretary

[Signature]
[Signature]

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named River Towne Limited Partnership, by Wild Dunes Development Corporation, its General Partner, by Edward R. Gird, III, its Authorized Officer, sign, seal and as its act and deed deliver the within written Declaration of Covenants, Conditions and Restrictions and that (s)he with the other witness named above witnessed the due execution thereof.

Brian J. Gird

SWORN TO before me this 3rd day
of March, 1995

Dana C. Jumper (SEAL)
Notary Public for South Carolina

My Commission Expires: 10-31-2001

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Liberty Life Insurance Company, by Robert T. Coleman, its Authorized Officer, sign, seal and as its act and deed deliver the within written Declaration of Covenants, Conditions and Restrictions and that (s)he with the other witness named above witnessed the due execution thereof.

Shannon Youngblood

SWORN TO before me this 2nd day
of March, 1995

Lisa W. Goddard (SEAL)
Notary Public for South Carolina

My Commission Expires: My Commission Expires 10-01-2004

Exhibit "A"

Developer Tract:

All those certain pieces, parcels and tracts of land lying and being in Charleston County, known as "Tract C-1 315.995 Acres" and shown on that certain plat prepared by SouthStar Surveying, Inc., entitled "PLAT OF THE ADJUSTMENT BETWEEN TRACTS A-1, A-3, AND C-1, RIVER TOWNE, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA" dated June 12, 1994, and revised June 29, 1994, and recorded on July 8, 1994, in Plat Book EA, at Page 114 in the RMC Office for Charleston County.

-ALSO
Easement Parcel

All that certain Entrance Easement as shown on Exhibit C attached to Reservation of Easement and Restriction made by Wild Dunes Associates, LP, dated May 16, 1994, and recorded in Book B-243, Page 262 in the RMC Office for Charleston County. Said Entrance Easement being a portion of Tract A-1 as shown on a plat entitled "A SUBDIVISION PLAT OF A 690.044 ACRE TRACT OF LAND INTO TRACTS A-1, A-3, B AND C-1 OWNED BY WILD DUNES ASSOCIATES LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Southeastern Surveying, dated December 13, 1993, and recorded on May 13, 1994, in Plat Book EA, at Pages 20-24 in the RMC Office for Charleston County.

Said Entrance Easement being more particularly described as follows: Beginning at the northeasternmost point of Tract A-1, being the point of beginning, turn S27°59'13"E for a distance of 330.45' to a point; thence turning and running S36°21'11"W for a distance of 445.0' to a point; thence turning and running N65°53'45"W for a distance of 261.60' to a point; thence turning and running N33°41'24"E for a distance of 171.26' to a point; thence turning and running N10°53'08"E for a distance of 66.19' to a point; thence turning and running N04°05'08"E for a distance of 70.18' to a point; thence turning and running N17°14'29"E for a distance of 75.91' to a point; thence turning and running N25°01'01"E for a distance of 82.76' to a point; thence turning and running N56°18'36"E for a distance of 213.34' to the point of beginning. Saving and excepting particular portions of said Entrance Easement as are now incorporated into Tract C-1 as shown on that certain plat entitled "PLAT OF THE ADJUSTMENT OF PROPERTY LINES BETWEEN TRACTS A-1, A-3 AND C-1 RIVER TOWNE TOWN OF MT. PLEASANT CHARLESTON COUNTY, SOUTH CAROLINA" prepared by SouthStar Surveying, Inc., dated June 12, 1984, and revised June 29,

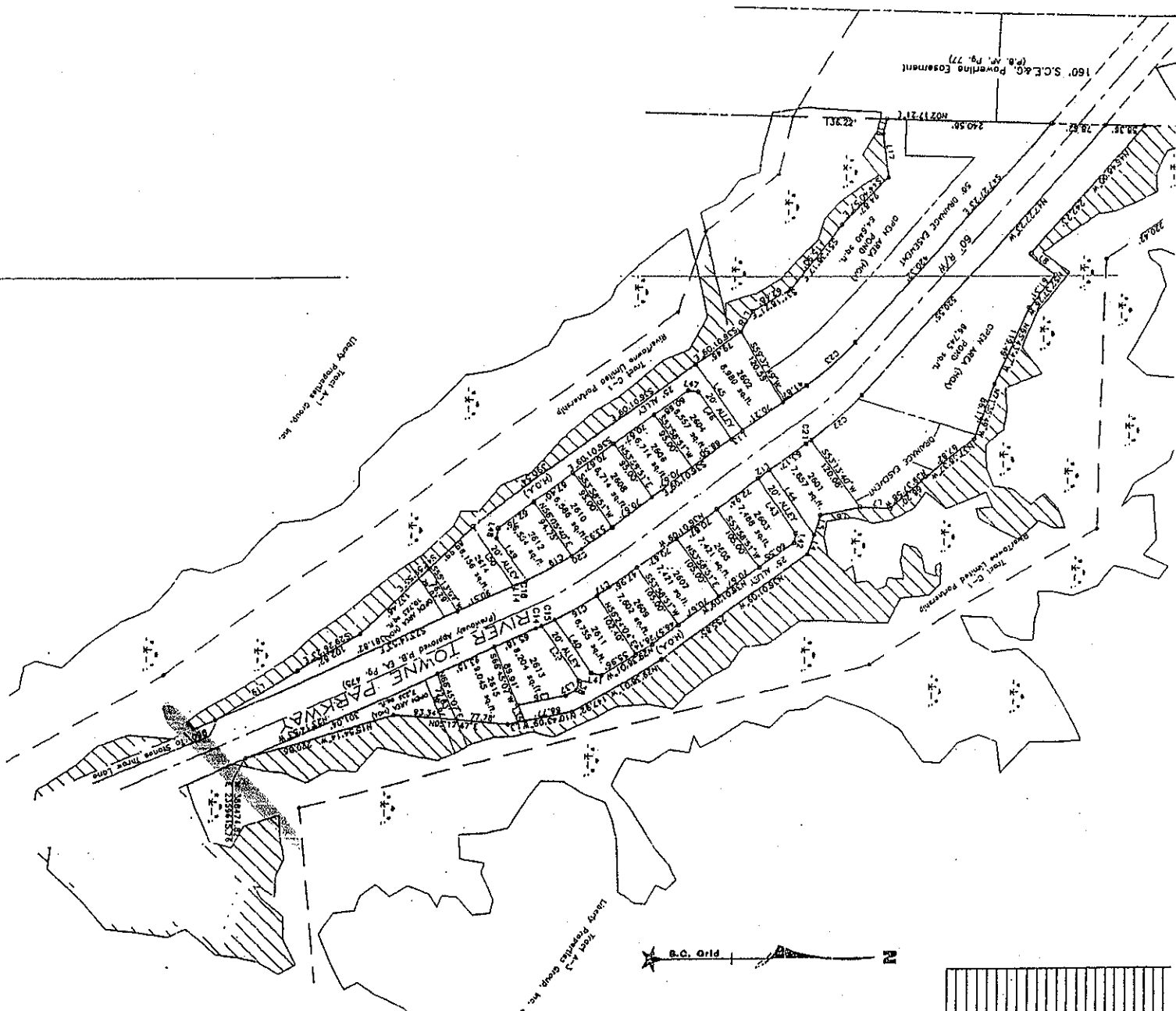
ICES:
 N' SOUTHSTAR SURVEYING, INC.
 JUNE 30, 1994
 BOOK EA, PAGES 114
 CHARLESTON COUNTY
 N' SOUTHSTAR SURVEYING, INC.
 JULY 28, 1994
 BOOK EA, PAGES 475
 CHARLESTON COUNTY
 BOOK Y197, PAGE 496
 o. 540-00-00-005

RON PIN OLD (SIZE AND TYPE NOTED)
RON PIN NEW (5/8" ROD)
CONCRETE MONUMENT OLD
CONCRETE MONUMENT NEW
COE JURSDICTIONAL, WETLAND
WETLANDS BUFFER
HOMEOWNERS ASSOCIATION

[illegible][illegible]

Properly Survey

Surveyor, a Registered Professional Land Surveyor in the State of Colorado, certifies to ownership shown herein. The above was made in accordance with the various laws of

[illegible]

CURVE
C14
C15
C16
C17
C18
C19
C20
C21
C22
C23