

STATE OF SOUTH CAROLINA)	DECLARATION OF RESTRICTIONS,
)	COVENANTS, EASEMENTS AND
COUNTY OF CHARLESTON)	CONDITIONS

THIS DECLARATION made this the 1st day of October, 1983 in the City and County of Charleston, State of South Carolina by The Stiles Point Company, A South Carolina Limited Partnership (hereinafter referred to as the "Developer").

WHEREAS, Developer is the owner of real property lying and being situated in the City, County and State aforesaid and as appearing more particularly set forth on that plat of subdivision of land entitled "Stiles Point Plantation, Harbor Section Part Two" by Engineering, Surveying and Planning, Inc., dated August 19, 1983 and recorded September 20, 1983 in Plat Book AY, Page 56, in the R.M.C. Office for Charleston County, South Carolina (hereinafter referred to as the "Property"); and

WHEREAS, Developer has subdivided the Property according to the above referenced plat into residential lots and has provided for roads, utilities, easements and rights-of-way for same; and

WHEREAS, Developer deems it necessary and desirable for the creation of these Restrictions, Covenants, Easements and Conditions, (hereinafter referred to as the "Restrictions") which will run with the Property and all lots or parcels within, as a binding servitude thereon, for the establishment of a residential community which is aesthetically pleasing, functionally efficient and to provide for the long-term maintenance of values of the lots and homes to be located within the Property; and

WHEREAS, to this end, Developer desires to subject the Property to these Restrictions, each and every one of which is for the benefit of the Property and for each owner thereof;

NOW, THEREFORE, in consideration of the sum of Ten (\$10.00) Dollars in hand paid and in consideration of the benefits derived by Developer and subsequent owners of said lots within the Property, the undersigned does hereby establish, declare, set forth and publish these Restrictions, becoming effective on the day and year set forth above and running with the land, to be forever binding upon all persons claiming or to claim under and through the undersigned, and on all parties having or claiming to have any right, title or interest in the Property or any portion thereof.

SECTION I

Definitions

1. "Lot" means any numbered plot of land and marsh areas for each lot within the Property as further described on the above referenced plat and comprising a single residential dwelling site more particularly designated on any plat of survey recorded in the Office of the R.M.C. of Charleston County, South Carolina now or hereafter made subject to these Restrictions.

2. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any lot and designated marsh areas for lots within the Property more particularly described in any deed of conveyance or recorded plat which is a part of the Property, specifically including, but not by way of limitation, contract sellers, but excluding, however, those persons or entities who shall have such interest merely as a security interest for the performance of any debt or obligation.

3. "Person" means an individual, corporation, partnership, trust, joint venture or any other legal entity.

4. "Developer" means the Stiles Point Company, a South Carolina Limited Partnership, or any successor in interest or title to the said Stiles Point Company to all or some portion of

the Property then subjected to these Restrictions, provided in the instrument of conveyance to any such successor in interest or title, such successor is expressly designated as "Developer" hereunder by the grantor of such conveyance, which grantor shall be the "Developer" hereunder at the time of such conveyance.

5. "Restrictions" means this Declaration of Restrictions, Covenants, Easements and Conditions as the same may be amended, renewed or extended from time to time in the manner herein prescribed.

6. "Property" as used herein means that portion of a certain residential community known as Stiles Point Plantation, Harbor Section Two which is being developed on real property now owned by Developer located in the City and County of Charleston, State of South Carolina, together with such additions hereto as may from time to time be designated by Developer.

7. "Mortgage" means chattel mortgage, bill of sale to secure debt, deeds to secure debt, deed of trust and any and all similar instruments given to secure the payments of an indebtedness.

8. "Association" shall mean the Stiles Point Plantation Property Owners Association, its successors and assigns.

9. "A.R.B." shall mean the Architectural Review Board comprised of the Developer, or its duly appointed representatives, and/or the duly elected representatives of the Association.

10. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners arising at such time as the Developer may provide for same by a deed of conveyance or lease to the Association. Provided, however, the Developer reserves unto itself, its mortgagees, successors and assigns, agents and employees the right of ingress and egress across all areas designated as common areas.

11. "Dedicated Areas" shall mean any and all portions of the Property set aside and described more particularly by deed, plat or other recorded instrument to a grantee authorized by law to accept such grant of property for the benefit of the owners of lots located within the Property and, as specified in the instrument of grant, the general public, including but not limited to rights of way for roads, utility easements (including but not limited to electrical power, natural gas, telephone, cable television lines, water lines and sewer lines).

SECTION II

General Provisions

1. Unintentional Violation of Restrictions. In the event of an unintentional violation of any of the within Restrictions with respect to any lot, the Developer or its successors reserves the right, with the mutual written consent of the owner or owners of such lot or lots, and the mutual written consent of the holder of any mortgage covering said lot or lots, to amend, release or waive any of the within Restrictions as the same may apply to that particular lot or lots, but only for the duration of the unintentional violation.

2. Enforcement. Each lot owner shall comply strictly with the Restrictions, Covenants, Easements and Conditions set forth herein and in any amendments thereto. In the event of a violation or breach or threatened violation or breach, or any of the same, the Developer, the Association, the A.R.B. or any aggrieved lot owner, jointly or severally, shall have the right to proceed at law or in equity for the recovery of damages, or for injunctive relief, or both. However, it being the express intent of the Developer, that a violation of these Restrictions, whether intentional or unintentional, shall not serve to defease the lot owner of title to the lot so affected.

3. Duration. These Restrictions shall be construed as Covenants running with the land and shall be binding and effective for a period of 30 years from the day and year set forth above at

which time they shall automatically be extended for successive years of ten (10) years each unless it is agreed by the vote of a majority of the then lot owners within the Property to change, amend or revoke the Restrictions in whole or in part. Every purchaser or subsequent grantee of any interest in any Property now or hereafter made subject to these Restrictions by acceptance of a deed or other conveyance, agrees that the Covenants and Restrictions contained herein may be extended as provided in this section.

4. Amendment. In addition to the authority reserved to the Developer herein, including but not limited to, those powers contained in Section I, Paragraph 5 and Section II, Paragraph 1 and 2, the Covenants contained in these Restrictions may be amended at any time by written agreement signed by a majority of lot owners, to the extent permitted by law, a majority defined as 51% of the Property owners whose lots are then subject hereto, each lot owner having one vote for each lot owned. Any such amendment shall not become effective until the instrument evidencing such change has been filed for record in the Office of the R.M.C. for Charleston County, South Carolina. Every purchaser or subsequent grantee having an interest in any Property now or hereafter made subject to these Restrictions, by acceptance of a deed or other conveyance, therefore, agrees that the Covenants and Restrictions contained herein may be amended as provided herein. However, it is the intent of the Developer that no amendment to the provisions of these Restrictions shall alter, modify, change or rescind any right, title, interest or privilege herein granted to or recorded by the holder of any mortgage encumbering any lot affected thereby unless such holder shall consent in writing thereto. Further, Developer shall have the authority to amend these Restrictions at any time by the recording of a written instrument of amendment, to comply with the requirements of any governmental body including but not limited to the Federal Housing Administration, Veterans Administration, Department of Housing and Urban Development, City or County of Charleston, State of South Carolina or other such regulatory agencies.

5. Annexation. Developer reserves the right to subject to these Restrictions additional properties, from time to time and at any time, developed or to be developed by it, its predecessors or successors in title or interest.

6. Validity. The Restrictions, Covenants, Easements and Conditions herein set forth are deemed to be severable and mutually independent so that the invalidity of any one or more of them shall in no wise effect the validity of the others. It is the intent of Developer that these Restrictions shall be supplemental to the planning and zoning ordinances of the City and County of Charleston, South Carolina. In the event of any conflict the higher and more restrictive standard shall apply.

7. Nothing herein contained shall be held to impose any Restrictions, Covenants, Easements and Conditions upon any other land of the Stiles Point Company, its successors or assigns other than the Property described herein.

SECTION III

Restrictions and Covenants

The following Restrictions, Covenants, Easements and Conditions are herewith imposed on the Property:

1. Residential use of Property. All lots shall be used for residential purposes and no general business or business activity shall be carried out upon any lot on a regular basis; provided, however, that nothing herein shall prevent Developer or any builder of homes within the Property from using any lot owned by Developer or such builder of homes or the lot owner for the purpose of carrying on business related to the development, improvement and sale of property in Stiles Point Plantation.

2. Architectural Review Board (A.R.B.). The Architectural Review Board or A.R.B. for Stiles Point Plantation, Harbor Section Part Two shall mean as follows: The Developer or its representatives, until such time as Developer has sold more than 75% of the lots in Stiles Point

Plantation, Harbor Section Part Two. Thereafter, the Developer may assign its rights for A.R.B. review and control to the Property Owners Association if then duly established and constituted. The Developer further reserves the right, but should not be obligated to assign its rights to designate the A.R.B. to the Association prior to the sale of 75% of the lots in the Property.

3. A.R.B. Review and Approval of Plans and Specifications. No building, fence, swimming pool, dock, wall, sidewalk, driveway or other exterior permanent improvement shall be commenced or erected on any lot, nor shall any exterior addition or alteration to an existing structure be made until the plans and specifications showing the nature, kind, shape, height, materials and location on a plot plan of said lot be submitted to the A.R.B. and approved in writing. In the event the A.R.B. fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted in writing, or in any event, if no written notice to remove or cease and desist the addition, alteration or change has been mailed to the lot owner or posted upon the site prior to completion thereof, then approval of A.R.B. will not be required. Neither Developer nor any member of the A.R.B., nor the Association shall be responsible or liable for any defects in any plans or specifications or structure approved by the A.R.B. nor for any structural defects in any work done according to such plans and specifications approved by the A.R.B. Further, neither Developer nor any member of the A.R.B. shall be liable in damages to anyone submitting plans or specifications for approval under this section, or to any owner of Property affected by this Declaration by reason of mistaken judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications duly submitted. Every person who submits plans or specifications to the A.R.B. for approval agrees, by submission of such plans and specifications, and every owner of any lot agrees, that he will not bring any action or suit against Developer, or any member of the A.R.B., to recover for any such damage.

4. Building Construction. Not more than one single-family dwelling, not to exceed two and one half (2 ½) stories in height, shall be erected on any lot unless otherwise approved, in writing by the A.R.B. An accessory building, not to exceed one story may be approved so long as its location complies with the setback requirements of the City of Charleston, the exterior design and construction is comparable and of the same quality with that of the main dwelling on the lot, and the location upon the lot is designated on a plot plan for approval along with the plans and specifications set forth in Paragraph 3 above and is approved by the A.R.B.

5. Setbacks and Building Lines.

(a) Buildings. Any building which shall be erected on any lot shall be situated on such lot with a minimum of a forty (40) foot setback from the fronting street and a minimum of a ten (10) foot setback from side and rear lot lines. However, in each case individual setbacks and sideline clearances must be approved by the A.R.B. for the overall aesthetic appearance of the surrounding lots and the A.R.B. may approve lesser or require greater setback or sideline clearances so long as the required setbacks and sideline clearances do not specifically violate the setback and sideline clearance requirements of the City of Charleston. In certain cases, the A.R.B. may require an owner to seek a variance from the City of Charleston if necessary to protect important trees, vistas or to preserve aesthetic values in the sole determination of the A.R.B.

(b) Walls and Fences. Generally no fence or wall shall be erected any nearer to the fronting street than said minimum building setback line approved by the A.R.B. However, in certain special situations, the A.R.B. may authorize fences near the fronting or side streets on a case by case basis. All plans, specifications and locations according to a plot plan of the lot shall be submitted to the A.R.B. for review and written approval in accordance with Paragraph 3 above prior to construction. "Chain-link" fences and other fences consisting primarily of exposed metal shall not be located so as to be visible from the streets.

(c) Swimming Pools. Swimming pools shall not be nearer than 10 feet to any lot line and in all cases must be located to the rear of the main dwelling except as specifically authorized in writing by the A.R.B. and shall not project, including their retaining wall and coping, more

than 3 feet above the average topographical grade of the lot. "Aboveground" swimming pools which are substantially immovable when filled with water are expressly prohibited, the intent being to exempt children's wading pools made of non-rigid material from this paragraph.

(d) Docks and walkways over marshes and water areas. The design and specifications for docks and walkways over marsh and water areas shall be submitted to the A.R.B. for written approval as in the case of any other improvements to be located on lots. Minimum sideline clearances for docks and walkways shall be measured by extending side lot lines over marsh and water areas and shall be determined as for other structures as set forth in the codes of the City of Charleston, South Carolina. However, in each case sideline clearances must be approved by the A.R.B. for aesthetic value and the A.R.B. may require a greater side line clearance at the request of the adjoining lot owner.

(e) Subdivision of Lots. One or more lots or parts thereof may be subdivided or combined to form one single building lot when approved, in writing, by the A.R.B., and, in such event, the building line requirements provided herein shall apply to such Lots as re-subdivided or combined.

(f) Terraces, Eaves and Detached Garages. For the purpose of determining compliance or non-compliance with the foregoing building line requirements; terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a structure, shall not be considered as a part of detached garage or accessory outbuilding which has been approved, in writing, by the A.R.B.; provided, all such detached structures must be to the rear of the main dwelling and must not encroach upon the property of an adjacent owner or easement.

6. Building Requirements. The living areas of the main structure, exclusive of open porches, porte-cocheres, garages, carports and breezeways shall not be less than the below specified square feet of overall enclosed existing living space:

<u>Block #</u>	<u>Lot #</u>	<u>Minimum Square Feet</u>
	A,B,C	
	All Lots	1600
	D	
	1,2	1600
	D	
	16-21	2000
	D	
	All others except	1800
		above

(These minimum square footage requirements do not include any finished room over a garage which is heated and cooled).

Each dwelling shall contain, as a minimum, a single car garage, whether attached or detached, to the main dwelling which shall be constructed of materials which shall make its exterior appearance comparable with that of the main dwelling.

7. Obstructions to View at Intersections. The lower branches of trees or other vegetation shall not be permitted to obstruct the view at intersections. Lot owners having trees or other vegetation which in the opinion of the A.R.B. are obstructing the view at intersections, will be required to trim or remove such obstacles at the lot owners expense.

8. Mailboxes, Mailbox supports, Lightposts and Lamp Posts. All mailboxes, mailbox supports, lightposts, lamp posts and other improvements of a permanent nature affixed to the ground and visible from the fronting street shall be erected by lot owners only after approval, in writing, of the A.R.B. based upon the lot owner's or builder's submission of written plans, specifications, drawings, models or photographs which reasonably depict the proposed structure.

9. Use of Outbuildings and Similar Structures. No structure of a temporary nature, unless approved in writing by the A.R.B., shall be erected or allowed to remain on any lot, and no trailer camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this paragraph shall not be construed to prevent the Developer and those engaged in construction from using sheds or other temporary structures during construction.

10. Completion of Construction. The A.R.B. shall have the right to take appropriate Court action, whether at law or in equity, to compel the immediate completion of any residence not completed within one (1) year from the date of commencement of construction and six (6) months on the completion of the exterior.

11. Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. Such household pets must not constitute a nuisance or cause unsanitary conditions. Such household pets shall be maintained upon the owner's lot and it shall be considered a nuisance if such pet is allowed to go upon another owner's lot or to be upon the streets or other common areas unless under leash or carried by the owner.

12. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the owners of other lots in Stiles Point Plantation, Harbor Section Part Two.

13. Sign Boards. No sign boards of any description shall be displayed upon any lot with the exception of "for sale" or "for rent" or various construction signs not more than nine (9) square feet in size, shall refer only to the premises on which displayed, and shall be limited to three signs to a lot, and (b) the name of the owner and the street address, the design of which shall be furnished by the Developer upon request. No billboards or advertising signs shall be permitted, except for the above construction type signs.

14. Aesthetics, Nature Growth, Screening, Underground Utility Service. Trees which have a diameter in excess of eight (8") inches measured two (2') feet above ground level, shall not be intentionally destroyed or removed except with the prior approval, in writing, of the A.R.B. The owner must provide a tree survey to accompany building plans and plot plans, to be submitted to the A.R.B. Clotheslines, garbage cans and equipment shall be screened to conceal them from view of neighboring lots and streets. All residential utility service and lines to residences shall be underground. All fuel tanks must be buried.

15. Antennae. No radio or television transmission or reception towers or antennae shall be erected on the Property. In no event shall free standing transmission or receiving towers be permitted. Customary receiving antennae shall not exceed ten (10') feet in height above the roof ridge line on any house.

16. Vehicles, Cycles, Boats, and Trailers. No inoperable vehicles or habitable motor vehicles of any kind, school buses, cycles, boats, trailers, trucks, (other than "pick-ups") or other commercial vehicles over one (1) ton capacity shall be kept, stored or parked overnight, either on any street or on any lot, except within enclosed garages or carports, or to the extreme rear of the lot. No house trailers shall be allowed on any lot. All motor vehicles not having both a current South Carolina motor vehicle license registration and insurance shall be kept inside a closed garage or to the rear of the

lot. Passenger automobiles and vehicles other than the above shall not remain parked on lawns, streets, curbs, sidewalks or in rights-of-ways for more than 8 hours duration.

17. Unsightly Materials. No trash, rubbish, debris, junk, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any lot outside an enclosed structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and debris for pickup by governmental or similar garbage and trash removal service units. In the event any owner of any unsightly growth refuses to keep such property free from any such unsightly items or any weeds, underbush or other unsightly growths, then the same will be removed by the lot owner at the lot owners expense upon written request by the A.R.B. Garbage cans, trash containers, boxes, bags and other trash or debris shall not be parked on the street until the evening before or morning of pickup and all empty containers shall be removed by 8:00 p.m. on the date of pickup. An exception may be made to the above for placing grass clippings, leaves, small tree trimmings, etc. on the street for pickup.

18. Changing Elevations. No lot owner shall excavate or extract earth for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding lots, unless approved in writing by the A.R.B.

19. Sewage System. Sewage disposal shall be through municipal system or type approved by appropriate State agencies.

20. Water System. Water shall be supplied through municipal system or type approved by appropriate State agencies.

21. Model Homes. Developer, as well as any builder of homes in the Stiles Point Plantation, Harbor Section Part Two, shall have the right to construct and maintain model homes on any of the lots.

22. Easements. Lots subjected to this Declaration shall be subject to those easements, if any, shown as set forth on any recorded plat thereof. Also, easements for installation and maintenance of utilities and drainage facilities are hereby reserved over six (6') feet of each side line of each lot and over the rear ten (10') feet of each lot subjected to this Declaration. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with drainage or the installation and maintenance of utilities. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

23. Sidewalks, Walkways Visible from Streets, Driveways and Entrances to Garage. All driveways and entrances to garages shall be of a substance approved in writing by the A.R.B. and of a uniform quality.

SECTION IV

Declaration of Covenants and Conditions of Stiles Point Plantation Property Owners Association, Inc.

THIS DECLARATION, made this 1st day of October, 1983 by Stiles Point Plantation Property Owners Association, Inc., a South Carolina non-profit, non-stock corporation, hereinafter "Association", and The Stiles Point Company, a Limited Partnership duly organized and existing under the laws of the State of South Carolina, hereinafter "Company";

WHEREAS, the Company executed a certain Declaration of Restrictions, Covenants, Easements and Conditions of the Stiles Point Plantation Harbor Section Part Two (hereinafter "Restrictions") dated of even date herewith, which together with this Declaration will be recorded in the Office of the R.M.C. for Charleston County, South Carolina, and

WHEREAS, a portion of Stiles Point Plantation as described in Section I of the Restrictions was subjected to the Restrictions as well as certain Covenants, Easements and Conditions declared by the Company, by instrument dated of even date herewith and to be recorded herewith in the Office of the R.M.C. for Charleston County, South Carolina; and

WHEREAS, the Company, pursuant to the aforesaid authority, by means of this instrument is setting forth this Declaration so that the same shall contain the terms and provisions of the establishment of the Stiles Point Plantation Property Owners Association, its authority and organization as well as the Covenants for assessments on lots contained within Stiles Point Plantation;

NOW, THEREFORE, in consideration of Ten (\$10.00) Dollars and the mutual promises herein the Company declares that the real property described in Article II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, and conditions, assessments, affirmative obligations, and liens (hereinafter sometimes referred to as "the Covenants") hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) "Association" shall mean and refer to the Stiles Point Plantation Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

(b) "Stiles Point Plantation" shall mean and refer to all lands in the City and County of Charleston, South Carolina which are shown as a part of Stiles Point Plantation on recorded and unrecorded, which bear the title "Stiles Point Plantation" along with Section designation.

(c) "Company" shall mean The Stiles Point Company, a Limited Partnership duly organized and existing under the laws of the State of South Carolina, and its successors and assigns.

(d) The "Properties" shall mean and refer to the Existing Property described in Article II hereof, and additions thereto, as are subjected to this declaration or any supplemental declaration under the provisions of Article II hereof.

(e) "Residential Lot" shall mean any subdivided but unimproved parcel of land located within the Properties which is intended for use as a site for a single family detached dwelling, townhouse, or garden home (Patio or Zero lot line) or other dwelling for human occupancy as shown upon any recorded subdivision map of any part of the Properties.

(f) "Public Site" shall mean any unimproved parcel of land within the Properties, intended for use as a site for improvements designed to accommodate recreational, commercial or business enterprises to serve residents of Stiles Point Plantation and/or the public, including any use permitted under current or future planning and zoning designations. For the purpose of this Declaration, a parcel of land shall not be deemed a "Public Site" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property as a public site is made of record and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

(g) "Development Unit Parcels" shall mean and refer to those parcels or tracts of land conveyed by the Company to third parties under covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Residential Lots or Public Sites.

(h) "Unsubdivided Land" shall mean and refer to all land in the Existing Property described in Article II hereof, and additions thereto, as are subjected to this Declaration or any supplemental declaration under the provisions of Article II hereof which has not been subdivided into Residential Lots, Public Sites, or Development Unit Parcels, through metes and bounds subdivision plats filed and made of record. For the purposes of this Declaration, the following classifications of Property shall not be deemed "Unsubdivided Land" and shall be expressly excepted from the definition thereof:

(1) All lands committed to the Association through express, written notification by the Company to the Association of intent to convey to the Association.

(2) All lands designated on recorded plats or on a Master Development Plan for intended use, or by actual use, for outdoor recreation facilities; operating farms; woodland, marsh and swamp conservancies; community, civic, and cultural clubs; maintenance areas; road rights of way and drainage easements.

(3) All lands designated, in any way, as Common Properties, Restricted Common Properties, or Purchased Common Properties, as defined in Article IV, Section 6, (a) and (b) herein.

(i) "Family Dwelling Unit" and "Dwelling Unit" shall mean and refer to any improved property intended for use as a single family dwelling, including without limitation any single family detached dwelling, patio home, condominium unit or townhouse unit, located within the Properties.

(j) "Public Unit" shall mean and include any improved property which is intended and designed to accommodate public uses to serve residents and/or the public, including but not limited to all those enumerated in subparagraph (f). A parcel of land shall not be deemed to be improved until the improvements being constructed on said parcel are sufficiently complete to be subject to assessment as improved properties.

(k) "Owner" shall mean and refer to the Owner as shown by the real estate records of Charleston County, South Carolina, whether it be one or more persons, firms, associations, corporation, or other legal entities, of fee simple title to any Residential Lot, Family Dwelling Unit, Public Site, Public Unit, Development Unit Parcel, or Unsubdivided Land situated upon the Properties but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to the mortgagee, his or its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is of record a deed granting one or more parties life estate in any lot or parcel of land within the Properties, the Owner of such lot or parcel of land shall be the holder or holders of the life interest, regardless of who holds the fee interest. In the event that there is of record a long-term contract of sale covering any lot or parcel of land within the Properties, the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made but the purchaser is given the use of said property.

(l) "Resident" shall mean and refer to each owner or lessee of a Dwelling Unit who has contracted to reside in Stiles Point Plantation at least nine (9) consecutive months in any twelve (12) month period.

(m) "Member" shall mean and refer to all those Owners or Residents who are Members of the Association as defined in Section 1 of Article III.

(n) "Affiliate" shall mean any corporation more than fifty (50%) the interest or voting stock of which is owned or controlled by the any partnership or joint venture in which the Company has more than a fifty (50%) per cent equity interest or an interest in fifty (50%) percent or cash flow from such partnership or joint venture.

(o) "Master Development Plan" shall mean and refer to any drawing(s) which may represent a conceptual plan for the future development of Stiles Point Plantation. Since the concept of the future development of Stiles Point Plantation is subject to conception and continuous revision and change by the Company, present and future references to the "Master Development Plan" shall be references only to the latest revision thereof.

(p) "Intended for Use" shall mean the use intended for various parcels within the Properties as shown on the Master Development Plan of Stiles Point Plantation, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the property.

(q) "Common Areas" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Association and designated in such deed or lease as "Common Areas". The term "Common Areas" shall also include any personal property acquired by the Association if said property is designated a "Common Area". All Common Areas are to be devoted to and intended for the common use and enjoyment of the owners, residents, and their guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association, provided, however, that any lands which are leased by the Association for use as Common areas shall lose their character as Common Areas upon the expiration of such Lease.

(r) "Referendum" shall mean and refer to the power of all or some specific portion of the Members to vote by mailed ballots on certain actions by the Board of Directors of the Association more particularly set forth herein including without limitation, whether the Association shall accept any offer by the company to convey to the Association any "Common Areas", the levy of any Special Assessment; the increase of the maximum annual assessment in excess of that provided for herein, and the addition of functions or services which the Association is authorized to perform. In the event fifty-one (51%) per cent or more of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass", and the action voted upon will be deemed to have been authorized by the Members; provided, however, that in each instance where a higher percentage is required to "pass", that higher percentage shall control in that instance.

(s) "Of Record" shall mean recorded in the Register of Mesne Conveyance of Charleston County, South Carolina.

(t) "Neighborhood Area" or "Sections" shall mean and refer to areas designated as neighborhoods or phased development sections on the Master Development Plan and subdivision plats of Stiles Point Plantation.

ARTICLE II

PROPERTIES AFFECTED

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased, possessed, and occupied subject to these covenants is described as follows:

All that tract or parcel of land, situate, lying and being in Charleston County, South Carolina, which is more particularly described on that plat of subdivision of land entitled "Stiles Point Plantation, Harbor Section Part Two" and subsequent platted additions, dated August 19, 1983 and recorded in Plat Book AY, Page 56, on September 20, 1983, which is attached hereto and by specific reference made a part hereof.

All of the real property hereinabove described shall sometimes be referred to herein as the "Existing Property". The Company intends to develop the existing property in accordance with a Master Development Plan. The Company reserves the right to review and modify any proposed Master Development Plan at its sole option from time to time based upon its continuing research and design program. The Master Development Plan shall not bind the Company, its successors and assigns to adhere to the Master Development Plan in the development of the land shown thereon.

Subject to its right to modify the Master Development Plan as stated herein, the Company shall convey to the Association properties designated for such conveyance in its periodically revised Master Development Plan, or other such document or publication hereafter designated by the Company, and, in addition, may at its option convey to the Association as provided in Article IV those parcels of land designated on any Master Development Plan as properties which may be transferred to the Association, as, in the reasonable exercise of its discretion, it so chooses without regard to the relative location of such portions or sections within the overall plan. Once conveyed to the Association these properties shall become Common Areas. The Company shall not be required to follow any predetermined sequence or order of improvements and development; and it may bring within the plan of these covenants additional lands, and develop the same before completing the development of the Existing Property. Other than as stated in this paragraph, the Company shall have full power to add to, subtract from or make changes in the Master Development Plan regardless of the fact that such actions may alter the relative maximum potential voting strength of the various types of membership of the Association.

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Additions. During the period of development, which shall by definition extend from date to December 31, 2032, the Company, its successors, and assigns, shall have the right, without further consent of the Association to bring within the plan and operation of this Declaration any property which is contiguous or nearly contiguous to Stiles Point Plantation if acquired by the Company prior to or during the period of development. Such property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under this and the succeeding subsections, shall be made by filing a Supplementary Declaration of Covenants and Conditions with respect to the additional property which shall extend the operation and effect of the covenants and conditions of the Declaration of such additional property.

The Supplementary Declaration may contain such complementary additions and/or modifications of the covenants and conditions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Company to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modifications shall have no effect on the property described in Section 1 of this Article II.

(b) Other Additions. Upon approval in writing of the Association pursuant to simple majority of the vote of those present at a "duly called meeting", as defined in Article III Section 6, the owner of any property who desires to add it to the plan of these Covenants and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Conditions with respect to the additional property which shall extend the operation and effect of the covenants and conditions of the Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and/or modification of the covenants and conditions contained in this Declaration as may be necessary or convenient, in the judgment of the Association, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modification shall have no effect on the property described in Section 1, of this Article II.

(c) Mergers. Upon merger or consolidation of the Association with another association, corporation, or organization, as provided for in the Bylaws of the Association, its property

rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall effect any revocation, change, or addition to the covenants established by this Declaration within the Existing Property including, without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association.

(d) Additional lands which become subject to this Declaration under the provisions of this Section II may in the future be referred to as a Plantation part of Stiles Point.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Property Owner and every Resident shall be a Member of the Association. The Company, its successors in title and interest, representatives or assigns, shall be a Member of the Association.

Section 2. Voting Rights. The Association shall have two types of regular voting membership and one type of special voting membership which provides the Company with the power to elect a portion of the Board of Directors:

TYPE A: Type A Members shall be all Owners (including the Company) of Family Dwelling Units or Resident Lessees of Family Dwelling Units.. A Type A Member shall be entitled to two votes for each \$250.00 in Annual Assessments paid to the Association. In computing the number of votes to which a Type A Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$250.00.

TYPE B: Type B Members shall be all those Owners (including the Company) of platted Residential lots, Public Sites, or Development Unit Parcels and all those Owners (including the Company) of Unsubdivided Lands held and intended for future development by the Company or a third party. A Type B Member shall be entitled to one vote for each \$125.00 in Annual Assessments paid to the Association. In computing the number of votes to which a Type B Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$125.00.

TYPE C: Type C Members shall include all those Owners (including the Company) of property located outside Stiles Point Plantation who are approved for membership by application and majority vote of the Association and who have paid the current membership dues as determined by the Association. A Type C Member shall not be entitled to vote in the Association.

TYPE D: The Type D Member shall be the Company. The Type D Member shall be entitled to cast votes for the election of members of the Board of Directors as set out in Section 4 of this Article.

Payment of special assessments shall not entitle Type A, B and C Members to additional votes.

When any property entitling the Owner to Membership as a Type A, B or C Member of the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, their acts with respect to voting shall have the following effect:

- (1) If only one votes, in person or by proxy, his act shall bind all;

(2) If more than one vote, in person or by proxy, the act of the majority so voting, shall bind all;

(3) If more than one vote in person or by proxy, and the vote is evenly divided on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes;

(4) If an instrument or order is filed with the Secretary of the Association showing that any such tenancy is held in unequal interest, a majority or even division under subparagraph 2 and 3 immediately above shall be a majority or even division in interest in the property to which the votes are attributable.

(5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his Resident lessee by giving written notice to the Secretary of the Association; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.

The Type A, B, and D Members are sometimes hereinafter collectively referred to as the "Members". Type C Members are sometimes hereinafter referred to as "Associate Members."

Section 3. Governance. The Association shall be governed by a Board of Directors consisting of Three (3), Five (5), Seven (7), Nine (9), or Eleven (11) Members. Initially, the Board shall consist of Three (3) Members, with the number in subsequent years to be determined by the members of the Board of Directors as provided for in the Bylaws of the Association.

Section 4. Election of The Board of Directors.

(a) Each member of Types A, and B Membership classes shall be entitled to as many votes as equals the number of votes he is entitled to, based on his ownership of or tenancy in one or more of the various classifications of property as computed by the formula set out in Section 2 hereof, multiplied by the number of directors to be elected. Members may cast all of such votes for any one director or may distribute them among the number to be elected or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof. This right, when exercised, is termed Cumulative Voting Members, except the Type D Member, are divided into classes for the sole purpose of computing voting rights and shall not vote as a class. Type D Members shall have one (1) vote for each Family Dwelling Unit, platted Residential Lot and Public Site owned, and four (4) votes for each acre owned that is designated a Development Unit Parcel or Unsubdivided Land, multiplied by the number of directors to be elected in the election.

Section 5. Members to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the Association shall accept any offer by the Company to convey to the Association any "Purchased Common Properties", the increase of maximum assessments by the Association in excess of those increases authorized herein, the levy by the Association of any Special Assessment, and the addition of functions or services which the Association is authorized to perform. In the event fifty-one (51%) per cent, or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor. At any time that the A, and B Members have the ability to elect a majority of the Board of Directors, the Members may require a referendum on any action of the Board of Directors by presenting to the Secretary of the Board within thirty (30) days of the taking of

such action or ratification by the Board of its intent to take such action a petition signed by not less than fifty (50%) per cent of the Members.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association the presence at the meeting of Members or proxies entitled to cast sixty (60%) per cent of the total vote of the Membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such second meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this Article III, Section 6, and any other requirements for such "duly called meeting" which may be established by the Bylaws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Article VIII, Section 2 shall govern in that instance; nor shall this provision apply as to assessment actions, in which case the quorum requirement established by Article V, Section 7 shall govern. For the purpose of this section, "proper notice" shall be deemed to be given when posted to the last known address of each Member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered.

Section 7. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by Proxy authorized in writing, provided, however, that Proxy authorization shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed or delivered to the Association.

Section 8. Ballots by Mail. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for the vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6 of this Article III. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

ARTICLE IV

PROPERTY RIGHTS IN THE VARIOUS COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment in Common Properties. Subject to the provisions of these covenants, the rules and regulations of the Association, and any fees or charges established by the Association every Type A, B, C and D Member and every guest and tenant of such Type A, B, C and D Member shall have a right of easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Residential Lot, Family Dwelling Unit, Public Site, Public Unit, or Development Unit Parcel.

Employees of the Type D Member shall have access to and enjoyment of the Common Properties subject to rules and regulations and user fees established by the Board of Directors.

A Member's spouse and children and any other persons who reside with such Member in "Stiles Point Plantation" shall have the same easement of enjoyment under this Section as a Member, and in those instances where a lot or dwelling unit or other property in "Stiles Point Plantation" is owned or occupied as a Tenant by two (2) or more persons (who do not have the relationship of spouse, parent, or child, one to the other) or by a corporation, or partnership, such joint owners, the principal officers of such a corporation, and the partners of such a partnership shall also have the same easement of enjoyment under this Section as a Member.

Section 2. Members' and Residents' Easements of Enjoyment in Restricted Common Properties. Subject to the provisions of these covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Type A and D Member, but not Type B or C Member and every Resident Lessee and Company employee have a right and easement of enjoyment in and to the "Restricted Common Properties" and such easement shall be appurtenant to and shall pass with the title or lease of every Family Dwelling Unit.

Type A and D Member's spouse and children and any other persons who reside with such Member shall have the same easement of enjoyment under this Section as a Member, and in those instances where a lot or dwelling unit or other property in "Stiles Point Plantation" is owned or occupied as a Tenant by two (2) or more persons (who do not have the relationship of spouse, parent, or child, one to the other) or by a corporation, or partnership, such joint owners, the principal officers of such a corporation, and the partners of such a partnership shall also have the same easement of enjoyment under this Section as a Type A Member.

Section 3. Change from Restricted Common Property to Unrestricted Common Property. By an affirmative vote of seventy-five (75%) per cent of the votes cast at a meeting of the Association called for the purpose of voting on such proposal, A "Restricted Common Property" may be changed into an unrestricted "Common Property".

Section 4. Title to Common Properties and Restricted Common Properties. The Company covenants for itself, its successors, and assigns that it shall convey to the Association at no cost to the Association, by deed or lease, subject to any indebtedness or mortgages, resulting from the installation of improvements to the Common Property, if any, those parcels of land and facilities described in Section 6 of this Article IV hereof. The Association shall immediately become responsible for all payments for indebtedness, maintenance, operation and such additional construction of improvements as may be authorized by the Association's Board of Directors subject to the Declaration of Rights, Restrictions, Covenants and Conditions. It is the purpose of this provision to provide that the Association shall be responsible for all maintenance of Common Properties and Restricted Common Properties upon which all improvements made by the Company, if any, have been completed and the property has been conveyed or leased to the Association.

Lakes, Marsh, natural areas, trail areas, etc., may be conveyed in large or small parcels from time to time after the Company has completed the surveying and platting of all adjacent sections or neighborhoods for Residential Lots or Public Sites which may abut such lakes, marshes, natural areas, trail areas, etc. The Company covenants for itself, its successors and assigns, that it shall convey by deed or lease to the Association all such properties within two (2) years of notification to the Association, in writing, of its intent to convey such properties, provided, however, that in the case of Common Properties or Restricted Common Properties, upon which improvements are made by the Association, if any, such notification of "intent to convey" shall be deemed to be made prior to such time as the improvements have been commenced. Such notification will not normally show metes and bounds and, in any event, the metes and bounds as shown on the recorded plat and deed to the Association shall govern. All said parcels of land may be conveyed to the Association subject to:

- (1) all restrictive covenants of record at the time of conveyance;
- (2) all existing mortgages; and
- (3) a reservation by the Company of the right to substitute or add new mortgages thereon, provided however, that in no event shall the Association be obligated to assume the payment of principal or interest on any such mortgages.

The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting property conveyed to the Association shall be the obligation of the Association unless otherwise agreed, in writing. Notwithstanding anything in the foregoing to the contrary, the Company shall not be required to convey the above referred to parcels where such conveyance would be prohibited under agreements existing on the date hereof or hereafter but, in such case, shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.

Section 5. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its By-Laws, to borrow money from the Company or any lender for the purpose of improving and/or maintaining the Common Properties, Restricted Common Properties and providing services authorized herein and in aid thereof to mortgage said properties; and

(b) The right of the Association to assume and pay any liens or encumbrances against the Common Property or Restricted Common Property at the time of conveyance; and

(c) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures; and

(d) The right of the Association, to suspend the rights and easements of enjoyment of any Member or Tenant or Guest of any Member for any period during which the payment of any assessment against property owned by such Members remains delinquent, and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment, and provided that the Association shall not suspend the right to use any roads belonging to the Association subject to the rules, regulations and fees, if any established by the Association for such use.

(e) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties, Restricted Common Properties and any facilities included therein, provided, however, that such rights of the Association shall not be construed to impair or qualify an Owner's rights of ingress and egress to his property.

(f) The right of the Company or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility or drainage easements on any part of the Common Properties or Restricted Common Properties.

(g) The right of the Association to give or sell all or any part of the Common Properties and Restricted Common Properties, including leasehold interest, to any public agency, authority, public service district, utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedication, transfers and

determinations as to purposes and conditions shall be authorized by the affirmative vote of three-fourths (3/4) of the votes cast at a duly called meeting of the Association, subject to the quorum requirements established by Article III, Section 6, and unless written notice of the meeting and of the proposed agreement and action thereunder is sent to every Member of the Association at least thirty (30) days prior to such meeting. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Properties or Restricted Common Properties prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the membership.

(h) The rights of reversion of the Lessor of any Common Properties or Restricted Common Properties leased by the Association upon expiration of the lease.

Section 6. The Company covenants for itself, its successors, and assigns, that, prior to 2032, it shall convey to the Association, by deed, lease, or other instruments sufficient to convey to the Association the full beneficial use, those properties designated on the Company's Master Development Plan as "Common Properties" or "Restricted Common Properties", including the properties listed below. Such conveyance shall be subject to all the restrictions and limitations of the various Articles of this Declaration and any other restrictions and limitations of record and shall include the following:

(a) As Common Properties. There shall be conveyed to the Association without charge by the Company and the Association shall accept title to the following:

(1) Any private community roads and rights of way thereof within the properties which connect Residential Lots, Family Dwelling Units, Public Sites or Units, and Development Unit Parcels, to public roads or highways.

(2) All walkways and trails not contained, or designated on the Master Development Plan to be contained, within a Public Site or Development Unit Parcel.

(3) Lakes, marshes and other open spaces designated as such on the Company's Master Development Plan or subdivision plats recorded in the Register of Mesne Conveyance, Charleston County, South Carolina.

(b) As Restricted Common Properties. There shall be conveyed to the Association and the Association shall accept title to all properties designated by the Company for the exclusive common use and enjoyment of Owners and tenants of Family Dwelling Units, their immediate families, guests accompanying such Owners, and the Company.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Company, for each lot, parcel or tract owned within Stiles Point Plantation, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the property owners and residents in Stiles Point Plantation and for the improvement and maintenance of the Common Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Twenty-Five Dollars (\$125.00) per unimproved Lot, Two Hundred and Fifty Dollars (\$250.00) for any Lot improved by a dwelling subject to property tax assessment, and Fifty Dollars (\$50.00) per acre of Unsubdivided Land, Public Sites and Development Unit Parcels.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by the Board of Directors of the Association not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Board of Directors of the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot from the Company. The first annual assessment shall be adjusted and pro-rated according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every member subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by the Secretary of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 8.5 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL REVIEW BOARD

In accordance with the Restrictive Covenants of Stiles Point Plantation, no building, fence, wall or other structure shall be commenced, erected or maintained nor shall any exterior addition to nor change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Board ("A.R.B.") composed of three (3) or more representatives appointed by the Board of Directors of the Association. The initial members of the A.R.B. shall be the initial members of the Board of Directors of the Association or a Committee so appointed as the A.R.B. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Areas may be annexed to Stiles Point Plantation with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans

Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 1st day of October, 1983.

Declarant: The Stiles Point Company

By: _____
John J. Mikell, its
General Partner

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me Randolph W. Cooper and made oath that (s)he saw the within-named JOHN J. MIKELL, sign, seal and deliver the within Declaration of Restrictions, Covenants, Easements and Conditions; and that (s)he with John C. Conway, Jr. witnessed the execution thereof.

Randolph W. Cooper

SWORN TO before this

1st day of October, 1983

_____(SEAL)
Notary Public for South Carolina
My Commission Expires: _____