

Section 22. Irrigation. No sprinkler or irrigation systems of any type that draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals, or other ground or surface waters within the Properties shall be installed, constructed, or operated within the Properties by any person, unless prior written approval has been received from the Declarant. This Section shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article X Section 2. No individual water supply system shall be permitted upon any Lot. As of the date hereof, Grand Strand Water and Sewer Authority has available a separate irrigation water tap at reasonable rates and Declarant encourages Owners to consider this tap as a source of irrigation.

Section 23. Lakes. No lake area shown on any map of the Properties shall be used for swimming, boating or diving, nor shall the use of any personal floatation devices, jet skis or other such items be permitted on any lake. Fishing by Owners shall be permitted subject to Association rules and regulations. No piers, docks or barriers shall be constructed on any portion of lakes, streams or ponds, nor attached to the shoreline or banks thereof. Neither the Declarant nor Association shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties. Nothing shall be done which disturbs or potentially disturbs wetlands within the Properties in any manner. No dredging or filling shall be undertaken on any property adjacent to any water body or wetland. See Article IV for additional provisions regarding lakes.

Section 24. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags, and similar items are subject to Declarant's prior approval; provided, however, that nothing herein shall prohibit the appropriate display of the American flag.

Section 25. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design on a structure, as determined in the sole discretion of Declarant. Under no circumstances shall solar panels be installed that will be visible from any street in the Properties.

ARTICLE III

Construction in Accordance with Plans and Specifications

Section 1. General. All structures of every type and description shall be constructed, placed or erected within the Development in accordance with the provisions of this Article III together with other applicable provisions of this Declaration.

Section 2. Size of Residences and Lot Coverage. All residences to be constructed upon any Lot shall have a minimum of 1100 square feet of enclosed heated dwelling areas for single level dwellings, exclusive of porches, decks and garages, and a minimum of 1600 square feet of enclosed heated dwelling areas in multi-level dwellings, exclusive of porches, decks and garages as herein defined. For purposes of this Declaration, a single level or one story dwelling shall be a dwelling having living areas on only one level while a multi-level or two story dwelling shall be a dwelling having living areas located on more than one level within the dwelling.

Section 3. Setbacks. No building or structure, including porches, swimming pools or projections of any kind, shall be erected so as to extend over or across any of the Setback lines shown on the recorded plat of the Properties so as to be nearer to the Lot boundary line than such Setback line. However, (a) the location of normal air handling and heat, ventilation and air conditioning units within such Setback area shall be permissible so long as it is in conjunction with an approved residential structure on said Lot and (b) roof overhangs not to exceed Eighteen (18") inches from and as a part of the main dwelling may extend unto the Setback area. In addition, no cutting or removal of trees, shrubbery, or landscaping of any kind shall be made within any Buffer area shown on any recorded plat of the Properties, except with the prior written consent of Declarant. In the event a tree should die within such Buffer area, it may only be removed upon receipt of approval of Declarant. As the provisions contained herein are for the preservation of the aesthetics and privacy of the Project, in the event of the destruction or removal of any tree or landscaping within the aforesaid Buffer, (except destruction caused by act of God), the Owner of the Lot upon which such tree, shrub, or landscaping was located will cause same to be replaced or restored with a comparable size and type of tree or landscaping, at the Lot Owner's sole expense. Declarant and Association shall have the right to enforce this provision as set out in Article IV.

Notwithstanding the foregoing, Declarant reserves the rights provided in Article II, Section 4 of this Declaration to modify said setback lines.

Section 4. Fences, Walls and Animal Pens. Any fences, walls or animal pens sought to be constructed on any Lot shall require the specific written approval of the Declarant as to location, size, composition, configuration, exterior materials, color and other similar matters, which approval may be withheld for purely aesthetic considerations. No hedge, shrubbery or vegetation

of any kind shall be grown or placed in the form of a fence on any Lot or Lots across the front street line of the said Lot or Lots or on either of the side lines of the said Lot or Lots until such time as the Declarant approves same as to location.

ARTICLE IV

Additional Provisions as to Buffer Areas and Lakes

Section 1. Declarant's Rights and Easements. Declarant, as developer, hereby reserves and is granted an easement in favor of itself, its successor and assigns over, under, onto and across all Lots upon which a Buffer area is located for the purpose of maintaining, restoring, and replacing trees, shrubs, and landscaping and an easement over, onto and across all Lots which border any lakes or drainage easements for the purpose of maintaining and clearing such lakes and drainage easements. The reservation of these easements shall not place upon Declarant any obligation to perform such activities and such performance shall lie solely within the discretion of Declarant. The within rights of Declarant are in addition to the rights and obligations of Association set out in Article VI Section 6. The easements herein reserved and granted are perpetual, non-exclusive and shall run with title to the Lots.

Section 2. Rights of Enforcement. In the event an Owner does not replace trees and/or restore landscaping as and when required under Article III, Section 3 above, Declarant and Association may each enforce such Owner's obligations either by an action in specific performance or may perform such work themselves and the cost and expense of such work and materials, shall be due and payable by such Owner within seven (7) days of demand by Declarant or Association, as the case may be. In the event such Owner refuses to make such payment as aforesaid, the Declarant and Association shall have the right to bring an action for the collection of same plus attorney's fees related thereto; and Association shall have the additional right to enforce collection thereof in the manner provided under Article VII Section 6.

Section 3. Ownership and Control of Lakes. No right title or interest, including, without limitation, riparian rights, in any lake shall attach to or become a appurtenant to the title to any Lot by reason of or upon conveyance of such Lot by Declarant unless such conveyance specifically includes such rights. The Declarant does not warrant, nor shall Declarant be obligated to maintain, any lake levels whatsoever nor shall Declarant be responsible for any flooding, erosion or any naturally occurring conditions, including with limitation, odors or mosquitos, in or on any lake at any time. The lakes shall be conveyed by Declarant to the Association as Common Area and Association shall assume and be responsible for all lake maintenance as more fully provided in Article VI Section 4.

ARTICLE V.

Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is an Owner of any Lot which is subjected by this Declaration to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Assessment.

Section 2. Articles of Incorporation and Bylaws. A copy of the Articles of Incorporation of the Association and Bylaws of the Association are attached hereto as Exhibit "B" and Exhibit "C", respectively, and made a part and parcel hereof.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners excepting the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one (1) vote be cast with respect to any such Lot. When a purchaser of an individual Lot or Lots takes title thereto from the Declarant, such purchaser automatically becomes a Class A Member.

Class B. The sole Class B Member shall be the Declarant. The Class B Member shall be entitled to total votes in an amount equal to twice the number of the Class A votes plus one. The Class B membership shall cease and become converted to Class A membership upon the happening of the earlier of the following:

- (a) conveyance by Declarant to Lot Owners of all Lots subject to or, which may become subject to, this Declaration; or
- (b) December 31, 2002; or
- (c) when, in its discretion the Declarant so, determines.

From and after the happening of whichever of said events which occurs earlier, the Class "B" Member shall be deemed to be a Class "A" Member and entitled to one vote for each Lot owned in the manner provided above.

ARTICLE VI.

Property Rights in the Common Areas

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot. This right and easement shall be for use in common with all other such members, their tenants, guests and invitees. In the event that Declarant incorporates additional land under the provisions of this Declaration pursuant to Article X, Section 2 of this Declaration, all Owners of Lots within such additional phases shall have the same rights and privileges with regard to use of the Common Areas as the Owners of Lots originally made subject to this Declaration.

Section 2. Title to Common Areas. Subject to the provisions of Article I Section C, the Declarant hereby covenants for itself, its successors and assigns, that within 60 days of conveyance of the first Lot, it will convey to the Association, by Quit-Claim Deed, fee simple title to the Common Areas upon the conditions set forth herein, subject to those rights reserved unto Declarant pursuant to this Declaration and to the provisions of this Declaration.

In lieu of the conveyance provided for herein with regard to the streets and roads, Declarant may cause such streets and roads to be dedicated to any governmental entity, as provided for in Section 3(a) hereof. In the event the streets and roads are dedicated to a governmental entity, acceptance of such dedication may be conditioned upon the agreement of the Association that the Association shall maintain, (at Association's sole cost and expense) any and all landscaping, shrubbery and the entrance sign to the Development which may be located within the dedicated areas.

Section 3. Extent of Member's Easements. The rights and easements created hereby shall be subject to the following:

(a) The right of the Declarant, and/or of the Association, to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration (and subject to the condition set out in Section 2 immediately above), to any governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely limit the use of the Common Areas by the Members of the Association;

(b) The right of the Declarant, and/or of the Association, to grant and reserve easements and rights-of-way through, under,

over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage and other utilities and services, including, without limitation, a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Areas for the completion of the Development, for the operation and maintenance of the Common Areas and perpetual non-exclusive easements as for ingress and egress and utility installation and maintenance to any other property of Declarant regardless of whether or not made subject to this Declaration;

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

(d) The rights of the Association, in accordance with law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas and in pursuance thereof, to mortgage the same.

Section 4. Maintenance. The Association shall at all times maintain all Common Areas in good repair, and shall repair or replace as often as necessary, the paving, drainage structures, street lighting fixtures, landscaping, entrance signage, and other amenities (except utilities) situated on the Common Areas (and within dedicated streets and roads) and maintain and keep in a clean condition all lakes which are Common Areas. The Board of Directors acting on a majority vote shall order all work to be done and shall pay for all expenses including all electricity consumed by the lighting located in the Common Areas and all other common expenses. All work pursuant to this Section and all expenses hereunder shall be paid for by such Association through assessments imposed in accordance with Article VII. Excluded herefrom shall be paving and maintenance of individual Lot driveways which shall be maintained by each Owner. Nothing herein shall be construed as preventing the Association from delegating or transferring its maintenance obligations to a governmental authority under such terms and conditions as the Board of Directors may deem in the best interest of the Association.

Section 5. Additional Structures. Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Declarant, erect, construct or otherwise locate any structure or other improvement in the Common Areas.

Section 6. Delegation of Use.

(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by members of the Owners' family who occupy the residence of the Owner within the Properties.

(b) Tenants. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants who occupy a residence within the Properties.

(c) Guests. Any recreational facilities and other Common Areas, situated upon the Properties may be utilized by guests of Owners or tenants subject this Declaration, the By-Laws of the Association and to the rules and regulations of the Association governing said use and as established by its Board of Directors.

Section 9. Rules and Regulations. The use of the Common Areas by an Owner or Owners, and all other parties authorized to use same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association governing such use, or which may hereafter be prescribed and established by the Association.

Section 10. Easement for Utilities. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and reasonable easement and right of ingress and egress, over, upon, across and under the Setback areas, Buffers and easement areas on each Lot as shown on the recorded map of the Properties and/or as set forth herein and over, upon, across and under the Common Areas for the erection, maintenance, installation and use of electrical and telephone wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities, including an easement for privately owned television and other communications cable and equipment, and the Declarant may further cut drainways for surface water when such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installations and to maintain reasonable standards of health, safety and appearance. Declarant further reserves the right to locate wells, pumping stations, and tanks on Common Areas, or to locate same upon any Lot with permission of the Owners of the Lots immediately adjacent to such Lot. It shall not be necessary to obtain the consent of Owners of Lots adjoining my existing utilities or pump stations. Such rights may be exercised by the licensee of the Declarant but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility service. No structures or other items, including walls, fences, paving or planting shall be erected upon any part of the properties which will interfere with the rights of ingress and

egress provided for in this paragraph. Specifically, no Owner shall erect any structure, including, without limitation, walls, fences or paving or within the areas designated on the Plat of the Properties as a "Drainage Easement", "Utility Easement", "Buffer", or "Sewer Easement" nor shall any Owner change the grade of any such easement area, provided however, that driveways may cross utility and drainage easements at the front the Lots subject to prior approval of Declarant and that any planting in easement areas shall not interfere with the applicable easement and shall be limited to grassing and small shrubbery. Each Owner shall keep drainage ditches and swales located on his/her Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon such Lot as may be reasonably required for proper drainage. Declarant may, at its sole option, convey any such drainage easements to an appropriate governmental entity. The easements referred to in this paragraph are, without limitation, those shown upon the recorded plat of the Properties; as set out in easements of record; upon the plans of the Development; or which are located on, over or under the ground.

In addition to the foregoing rights reserved to Declarant, and not in limitation thereof, Declarant further reserves unto itself, its successors and assigns, a perpetual, alienable commercial easement and right of ingress and egress over, upon, across and under the Common Areas and all streets and roads within the Properties for the purpose of providing drainage and utility installation, construction, reconstruction, and maintenance to adjacent property now or hereafter owned by Declarant and for the installation and maintenance of any pipes, drainways or other installations necessary for the foregoing and further for the installation, maintenance, repair, replacement and operation of water lines and other utilities which serve or shall serve property presently owned by Declarant. Declarant, its agents, contractors, servants, employees and assignees may enter upon the easement areas for the purposes of maintaining, repairing, replacing and operating such water lines and other utilities and drainage facilities and for the purpose of installing additional utilities and drainage facilities. Declarant further reserves unto itself, its successors and assigns, a perpetual, alienable easement and right-of-way over, under and across those areas designated as "Drainage Easement" on the plat of the Properties referred to in Exhibit "A" hereto for the purpose of providing drainage of the Properties and lands now or hereafter adjacent to the Properties or in the vicinity thereof (whether or not a part of the Properties) and for the installation, repair and maintenance of pipes and other facilities necessary for such drainage. Declarant, its agents, contractors, servants, employees and assignees may enter upon any of the easement areas so designated on the recorded plat of the Properties for the purpose of maintaining, repairing, replacing and operating any of the drainage facilities, pipes, ditches, and drainage areas located thereon. The Owners of Lots on which such easements are located shall not interfere in any manner with such easements or any of the