

4th P
52
2374
K+L GATES

BEAUFORT COUNTY SC- ROD
BK 03252 PGS 3181-3226
DATE: 07/01/2013 04:16:31 PM
INST # 2013037945 RCPT# 715753

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
PALMETTO POINTE TOWNES TOWNHOMES

NOTICE IS HEREBY GIVEN PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET. SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976 AS AMENDED) THAT THIS AMENDED DECLARATION IS SUBJECT TO MANDATORY ARBITRATION.

CH-3170916 v3

Table of Contents

	Page
ARTICLE I PROPERTIES SUBJECT TO THIS AMENDED DECLARATION	2
<u>Existing Property</u>	3
<u>Additions to Existing Property</u>	3
<u>Replatting</u>	3
ARTICLE II DEFINITIONS	3
“Association”	3
“Board of Directors”	3
“Builder”	3
“Common Area”	3
“Declarant”	3
“Lot” 4	
“Master Palmetto Pointe Townes Association”	4
“Master Palmetto Pointe Townes Declaration”	4
“Member”	4
“Owner”	4
“Properties”	4
“Registry”	4
ARTICLE III PROPERTY RIGHTS	4
<u>Owners’ Easements of Enjoyment</u>	4
<u>Parking Rights</u>	4
<u>TV Antennas and Cablevision</u>	4
ARTICLE IV MEMBERSHIP, VOTING RIGHTS, AND PURPOSES	4
<u>Membership in Association</u>	4
<u>Classes of Membership</u>	5
<u>Declarant’s Right to Appoint Board of Directors</u>	5
<u>Association’s Responsibilities</u>	5
ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS	5
<u>Creation of the Lien and Personal Obligation of Assessments</u>	5
<u>Purpose of Assessments</u>	6
<u>Reserves</u>	6
<u>Maximum Annual Assessment</u>	6
<u>Special Assessments</u>	6
<u>Notice and Quorum for any Action Authorized Under Section Four</u>	7
<u>Uniform Rate of Assessment</u>	7
<u>Date of Commencement of Annual Assessments: Due Dates</u>	7
<u>Effect of Nonpayment of Assessments: Remedies of the Association</u>	7
<u>Subordination of the Lien to Mortgages and Ad Valorem Taxes</u>	8
<u>Working Capital Fund</u>	8
<u>Default By Association</u>	8
<u>Exempt Property</u>	8
<u>Exemption from Assessments for Property Owned by Developer or Builders</u>	8

ARTICLE VI EXTERIOR MAINTENANCE AND PARTY WALLS8
Exterior Maintenance.....9
Party Walls.....9

ARTICLE VII ARCHITECTURAL CONTROL10

ARTICLE VIII INSURANCE11
Insurance Policies and Coverage Governance.....11
Distribution of Insurance Proceeds.....12
Fidelity Insurance or Bond.....12
Association’s Insurance Rights on Lots.....12

ARTICLE IX USE RESTRICTIONS16
Rules and Regulations for the Common Areas.....16
Specific Use Restrictions16

ARTICLE X EASEMENTS16

ARTICLE XI DECLARANT’S RIGHTS17

ARTICLE XII DISPUTE RESOLUTIONS AND LIMITATIONS ON LITIGATION18
Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes18
Exempt Claims.....18
Mandatory Procedures for All Other Claims.....19
Allocation of Costs of Resolving Claims.....21
Enforcement of Resolution22
Commencement of Litigation22

ARTICLE XIII GENERAL PROVISIONS.....22
Enforcement.....22
Severability22
Amendment.....22
Management and Contract Rights of Association23
Rights of Noteholders23
Notices23
Exculpation23
Conflict with South Carolina law; Severability.....23
Disclaimer of All Warranties.....24
Disclaimer of Other Entities24

EXHIBIT “A”
EXHIBIT “B”
EXHIBIT “C”

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PALMETTO POINTE TOWNES TOWNHOMES**

THIS AMENDED AND RESTATED DECLARATION (this "Amended Declaration") is made this 25th day of June, 2013, by **REDUS SC HOUSING, LLC**, a Delaware limited liability company (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property in Beaufort County, South Carolina, more particularly described in Exhibit "A" attached hereto, which is the major portion of a residential single-family community known as **Palmetto Pointe Townes** (hereinafter the "Palmetto Pointe Townes Community"), having acquired the same by Master's Deed (the "Master's Deed") issued in a mortgage foreclosure action filed in Beaufort County, South Carolina, as C. A. No. 2009-CP-07-3835 (the "Foreclosure Action"), against Portrait Homes – Palmetto Pointe LLC (hereinafter "Former Declarant"), et al., which Master's Deed was recorded May 21, 2010, in Book 2958, Page 2582, Office of the Register of Deeds for Beaufort County, South Carolina (the "Registry"); and

WHEREAS, Former Declarant imposed upon the Palmetto Pointe Townes Community that certain Declaration of Covenants, Conditions and Restrictions for Palmetto Pointe Townes recorded December 14, 2007, in Deed Book 2661, Pages 2551-2592A, said Registry (the "Original Declaration"); and

WHEREAS, Declarant acquired all of the Former Declarant's development and declarant rights under the Original Declaration by virtue of the Foreclosure Action and the Master's Deed; and

WHEREAS, Declarant desires to change the scheme of development of Palmetto Pointe Townes Community from one that is exclusively a single-family attached residential development, i.e., a townhome development, to one that is a mix of both single-family attached and detached residences; and

WHEREAS, Declarant, due to its ownership of Lots, comprises more than sixty seven percent (67%) of the Lot Owners, and therefore has the sole right to amend the Original Declaration pursuant to Section Three of Article XII thereof, and also has the right to remove a portion of the property subject to the Original Declaration from its effect pursuant to Section Two(a) of Article I of the Original Declaration, without the consent of any other Owners of or mortgagees holding liens on Lots; and

NOTICE IS HEREBY GIVEN PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET. SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976 AS AMENDED) THAT THIS AMENDED DECLARATION IS SUBJECT TO MANDATORY ARBITRATION.

WHEREAS, in connection with its amendment of the Original Declaration as aforesaid, Declarant has (i) simultaneously herewith imposed upon the Palmetto Pointe Townes Community a new Master Declaration of Covenants, Conditions and Restrictions for Palmetto Pointe Townes Community, covering all the Palmetto Pointe Townes Community ("Master Palmetto Pointe Townes Declaration"), and has created or will create a new Master Palmetto Pointe Townes Community Association, Inc. which will have control over and eventually own all the Common Property described in the Original Declaration; (ii) by this Amended Declaration, removed from the effect hereof the Lots described on Exhibit "B" attached hereto and the Common Property described in the Original Declaration; and (iii) made other amendments to the Original Declaration to recognize that this Amended Declaration affects only the single-family attached residential units that are described on the attached Exhibit "C" (the "Palmetto Pointe Townes Townhomes"); and

WHEREAS, Declarant desires to insure the attractiveness of the Palmetto Pointe Townes Townhomes, to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the appearance of all the Palmetto Pointe Townes Townhomes and to provide for the maintenance and upkeep of the exterior of all attached residential units; and to this end, desires to subject the real property shown upon the attached Exhibit "C", to the coverage of the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property described below, and each Owner and occupant thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the appearance in the community and to provide for the maintenance and upkeep of the exterior of all residential units, to affirm the previous creation of Palmetto Point Townes Homeowners Association, Inc., a South Carolina non-profit corporation, whose name will be changed to "Palmetto Pointe Townes Townhome Owners Association, Inc.", an organization to which has been and will continue to be delegated and assigned the powers of (i) maintaining the exterior of the attached residential units and all other improvements comprising the Palmetto Pointe Townes Townhomes which are the responsibility of the Association; (iii) administering and enforcing the covenants, conditions, and restrictions herein; (iv) collecting and disbursing the assessments and charges hereinafter created; and (v) performing all other activities as required or permitted hereunder.

NOW, THEREFORE, Declarant hereby declares that all of the Properties, described in Article I, Section I below, and such additions thereto as may be hereafter made pursuant to Article I, Section 2 hereof, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the appearance and desirability of, and which shall run with, the Properties and be binding on all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
PROPERTIES SUBJECT TO THIS AMENDED DECLARATION

Section One. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Amended Declaration and within the jurisdiction of the Association is more particularly described in Exhibit "C", which is attached hereto and incorporated herein by reference ("Properties"), it being understood that the properties described on the attached Exhibit "B" shall not be covered by the restrictions and covenants of this Amended Declaration and are hereby deleted from the coverage of the Original Declaration.

Section Two. Additions to Existing Property. Additional land may be brought within the scheme of this Amended Declaration in the following manner:

(a) Additional land may be annexed to the existing property by Declarant, in future stages or development, without the consent of any other Owner or any mortgagee, provided that said annexations must occur within seven (7) years after the date of this Amended Declaration. Declarant may remove all or any property from the Exhibit "C" description by filing a written declaration of removal in the said Registry;

(b) The additions authorized under Subsection (a) above shall be made by filing of record a Supplement to Amended and Restated Declaration of Covenants, Conditions and Restrictions with respect to the additional land, which shall extend the scheme of this Amended Declaration to such properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein.

Section Three. Replatting. Declarant shall have and hereby reserves the right, at any time or from time to time, to file a replat of all or any part of the Properties owned by Declarant to effect a reconfiguration of any Lots in the Properties, subject to any necessary approval, joinder or consent of the appropriate county and/or municipal authorities.

ARTICLE II DEFINITIONS

Section One. "Association" shall mean and refer to Palmetto Pointe Townes Townhome Owners Association, Inc., fka Palmetto Pointe Townes Homeowners Association, Inc., its successors and assigns.

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

Section Three. "Builder" shall mean a person or entity to which Developer has sold an unimproved lot or lots for the purpose of constructing a residential dwelling thereon.

Section Four. "Common Area" shall mean all fixtures, real property and personal property owned or to be owned by the Master Palmetto Pointe Townes Association, as further defined in the Master Palmetto Pointe Townes Declaration.

Section Five. "Declarant" shall mean and refer to REDUS SC HOUSING, LLC, its successors and assigns, if such successors or assigns should acquire all of the Declarant's interest in the Properties.

Section Six. "Lot" shall mean and refer to any plot of land shown upon the attached site plan or approved final plat, as reasonably amended by Declarant from time to time and shall include all improvements (including single-family attached residential units) thereon, but shall exclude the Common Area. Each plot of land is the area for one (1) residential unit, designed for single-family ownership.

Section Seven. "Master Palmetto Pointe Townes Association" shall mean and refer to Master Palmetto Pointe Townes Community Association, Inc., its successors and assigns.

Section Eight. "Master Palmetto Pointe Townes Declaration" shall mean and refer to Master Declaration of Covenants, Conditions and Restrictions for Palmetto Pointe Townes Community, which has been recorded in the Registry simultaneously herewith.

Section Nine. "Member" shall mean and refer to an Owner who holds membership in the Association pursuant to Article IV of this Amended Declaration.

Section Ten. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

Section Eleven. "Properties" shall mean and refer to that certain real property hereinbefore described in Article I, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section Twelve. "Registry" shall mean and refer to the office of the Register of Deeds of Beaufort County, South Carolina.

ARTICLE III
PROPERTY RIGHTS

Section One. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area of Palmetto Pointe Townes Community Association, as provided in the Master Palmetto Pointe Townes Declaration.

Section Two. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, as provided in the Master Palmetto Pointe Townes Declaration.

Section Three. TV Antennas and Cablevision. The Association may provide one or more central television antennas for the convenience of the Members and may supply cablevision and the cost of these may be included in annual or special assessments.

ARTICLE IV
MEMBERSHIP, VOTING RIGHTS, AND PURPOSES

Section One. Membership in Association. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section Two. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to six (6) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when eighty-five percent (85%) of the Lots on the Properties are deeded to persons other than Declarant or Declarant's affiliate; or
- (b) seven (7) years after the later of the following: the date this Amended Declaration is recorded in the Public Registry or the date any amendment adding additional real estate is recorded.

Section Three. Declarant's Right to Appoint Board of Directors. Until the Class B Members are converted to Class A Members, Declarant is entitled to appoint all Board of Directors members, and the Association need not hold a meeting to elect directors until conversion of the Class B Members.

Section Four. Association's Responsibilities. The Association shall have the right and may choose, in its discretion, to exercise its right to: (i) administer, maintain and care for to repair and restore the exterior of the Lots; (ii) establish, levy and collect assessments; (iii) engage contractors, vendors, employees or agents as it deems necessary to carry out all rights, duties and responsibilities; (iv) make payment to contractors, vendors, employees or agents for services provided in caring out the purposes of the Association; (v) enforce this Amended Declaration; and (vi) perform all rights, duties and responsibilities set forth in the Declaration, Articles and Bylaws of the Association.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation of Assessments. 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, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a charge on the Lots and shall be a continuing lien upon the Lots against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his or her successors in title unless expressly assumed by them. If the Association should be dissolved or cease to exist, then in that event, every Owner

of a Lot at the time of required maintenance shall be jointly and severally liable for any and all costs attendant thereto.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for: (1) the improvement, maintenance, repair, and reconstruction of any of the equipment and facilities of the Association and the exterior of the residential units, including landscaping and irrigation; (2) the procurement and maintenance of insurance in accordance with this Amended Declaration; (3) the employment of attorneys to represent the Association when necessary; and (4) the provision of adequate reserves for the replacement of capital improvements, including, without limiting the generality of the foregoing, roofs, paving, and any other major expense for which the Association is responsible; (5) provision of extermination services; (6) payment of costs for shared services that benefit the properties including shared detention ponds offsite; (7) flood insurance for those Lots in Flood Zone A, AE and V which shall be a common expense shared by all Lots; and (8) such other needs as may arise.

Section Three. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to those portions of the Properties, which the Association may be obligated to maintain, and for unusual and unforeseen expenses of the Association. Such reserve fund is to be established, insofar as is practicable, out of annual assessments for common expense. Further, the reserve fund may be applied to operational deficits provided adequate reserves are maintained.

Section Four. Maximum Annual Assessment. From the date hereof until January 1 of the year immediately following the date this Amended Declaration is recorded, the maximum annual assessment shall be Three Thousand Four Hundred and 00/100 (\$3,400.00) Dollars per Lot.

(a) After January 1 of the year immediately following the date this Amended Declaration is recorded, the maximum annual assessment may be increased by the Board of Directors effective January 1 of each year without a vote of Membership, but subject to the limitation that any such increase shall not exceed the greater of thirty percent (30%) or the percentage increase in the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for all cities over preceding twelve (12) month period which ended on the previous October 1.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, or until increased as provided for in (b) or (c) below, whichever last occurs, the maximum annual assessment may be increased above the increase permitted in Section 4(a) above 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 monthly assessment at an amount which shall not exceed one-twelfth (1/12) of the maximum annual assessment.

Section Five. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year for the

purpose of supplying adequate reserve funds for the replacement of capital improvements; for defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon a Lot, and in connection with exterior maintenance, including fixtures and personal property related thereto; for insurance costs of the Association; or for unusual, unforeseen and nonrecurring expenses of the Association, provided that any such assessment shall have the assent of the Board of Directors. Any special assessment affecting or benefiting only particular Lots shall be equitably apportioned, by the Board, among the Lots affected or benefited.

Section Six. Notice and Quorum for any Action Authorized Under Section Four. Written notice of any meeting called for the purpose of taking any action authorized under Section Four shall be sent to all Members no less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) 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 sixty (60) days following the proceeding meeting.

Section Seven. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all similar Lots and shall be collected on a monthly basis. Provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, shall at all times be twenty-five percent (25%) of the assessments for other similar Lots.

Section Eight. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each building on the day of the month on which the first Lot in such building is conveyed by Declarant, to a non-related entity for occupancy, except Declarant may elect not to pay any assessments whatsoever provided it funds any deficiency in the operational budget of the Association. Such annual assessments shall be paid ratably on a monthly basis. 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 Owner 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 an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Non-related entity means an entity, which is not owned, managed, or operated by any common individuals.

Section Nine. Effect of Nonpayment of Assessments: Remedies of the Association. A late charge of Twenty Five and No/100 Dollars (\$25.00) shall be added to any assessment not paid within fifteen (15) days after the due date, together with interest from the due date at eight percent (8%) 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, and in either event: interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot.

Section Ten. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax 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 such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section Eleven. Working Capital Fund. At the time of closing of the sale of each Lot, a sum equal to at least two months' assessment for each Lot shall be collected and transferred to the Association for use as working capital. The purpose of said fund is to insure that the Association will have adequate cash available to satisfy expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid shall not be considered advance payment of monthly installments of annual assessments.

Section Twelve. Default By Association: Upon default by the Association in the payment to the jurisdiction entitled thereto of any assessments for public improvements or ad valorem taxes levied against the Common Areas, which default shall continue for a period of six (6) months, each Owner of a Lot shall become personally obligated to pay the jurisdiction a portion of the taxes or assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total number of Lots in the Properties. If the sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the property of the Owner, his or her heirs, devisees, personal representatives, and assigns. The taxing or assessing jurisdiction may either bring an action at law against the Owner personally obligated to pay the same, or may elect to foreclose the lien against the property of the Owner.

Section Thirteen. Exempt Property. The following Property subject to this Amended Declaration shall be exempt from the assessments, charges and liens created herein:

- (a) All properties to the extent of any easement or any interest therein dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Areas;
- (c) All properties exempt from taxation by State and Local governments upon the terms and to the extent of such legal exemption;

Section Fourteen. Exemption from Assessments for Property Owned by Developer or Builders. Developer and Builders may be exempt from annual assessments on unoccupied Lots only during the Class B membership provided and for so long as Developer and Builders shall fund all Association operating deficits. A Lot initially occupied or conveyed to an Owner other than the Developer and Builders shall be fully assessed. The obligation to fund budget deficits is a lien against all the land owned by the Developer and Builders, as appropriate, included within the Properties.

ARTICLE VI EXTERIOR MAINTENANCE AND PARTY WALLS

Section One. Exterior Maintenance. In addition to maintenance and replacement of facilities and equipment of the Association, the Association may choose, in its absolute discretion, to provide exterior maintenance upon each Lot as follows: paint and/or stain the exterior of the residential unit on the Lot; repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs (excluding those planted by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefor), and other exterior improvements. Such exterior maintenance shall not include glass surfaces. Further, the Owner of any Lot may, at his or her election, plant flowers in the front and rear beds established by Declarant in developing the Lot, provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the residential unit and the remaining yard spaces. No maintenance by an Owner shall reduce the assessment payable by him or her to the Association. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information to future Members of the Association, the Declarant desires to make it known that due to differing amounts of exposure to the elements and other factors, some Lots may require more maintenance than others and that it is in the best interest of the entire Association that all units be properly maintained and that the Association shall be required to provide such maintenance provided for herein and make a uniform charge without regard to the actual cost of maintenance of each Lot.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his or her family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject, which is not subject to any maximum. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

The Association may elect not to provide the exterior maintenance on the individual Lots within the Properties, as set out above, and the Association agrees to give the Owners at least ninety (90) days of written notice of such election. The Owners and their mortgagees agree to such a right and election on the part of the Association. Upon receipt of such written notice of election, the Owners, and their mortgagees if applicable, agree to maintain the exterior of the Lots in good condition and appearance and in accordance with the provisions of this Section One and all other requirements of this Amended Declaration. In the event the responsibility to maintain the exterior of the Lots is transferred to the individual Owners as aforesaid, the Association shall be obligated to consider the amount of the Assessments then in effect under Article V above and make such a reduction in the Assessments as may be deemed appropriate, keeping in mind the need for the Association to maintain adequate reserves and preserve the financial viability of the Association.

Section Two. Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residential units upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party

walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than alterations to the interior surfaces.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his or her negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, the dispute shall be resolved pursuant to Article XII, Section Three (d).

ARTICLE VII ARCHITECTURAL CONTROL

No landscaping, building, fence, signs, wall, antenna, satellite dish, or other structure or improvement shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein (including but not limited to, color or painting or the exterior and type of exterior finish, any existing or builder-installed construction material, plant material or ground cover) be made, except in exceptional cases, when in such case, three copies of 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 Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board of Directors (said committee being hereinafter referred to as the "Architectural Control Committee"). Absent such approval, the proposed improvement may not be commenced.

In the event an Owner of any Lot in the Properties shall make unauthorized changes to the premises and the improvements situated thereon in a manner unsatisfactory to the said Board of Directors or the Architectural Control Committee, said Board of Directors or the Architectural Control Committee shall have the right, through its agents and employees, to enter upon said Lot

and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such restoration and exterior maintenance and any other costs or attorney's fees incurred in the enforcement of the rights under these provisions shall be added to and become a part of the assessments to which such Lot is subject. Any approval by the said Board of Directors or the Architectural Control Committee shall be in accordance with the requirements set forth hereafter, and must be in writing.

ARTICLE VIII INSURANCE

Section One. Insurance Policies and Coverage Governance. Insurance coverage on the Common Areas and Lots shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies upon the Lots shall be purchased by the Association for the benefit of all the Association and the Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. Owners of Lots may, at their option, obtain insurance coverage at their own expense (i) upon their own personal property (ii) their own improvements to their Lot (iii) for their personal liability and (iv) living expense and such other coverage, as they may desire.

(b) Coverage. All buildings and improvements upon the Lots and all personal property of the Association included in the facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land; and

(iii) Such policies shall contain clauses providing for waiver of subrogation.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner, as applicable. There shall also be obtained such other insurance coverage, as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the annual assessment described in Article V above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may

appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Amended Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to facilities held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners of damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

(f) Deductibles. The Owners of Lots suffering any loss shall be responsible to bear the cost of any deductibles among themselves, and if a deductible applies to multiple losses, the deductible shall be prorated among the Owners based on the amount of loss incurred individually to the aggregate losses.

Section Two. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association, as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the Insurance trustee shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section Three. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments, plus reserves accumulated.

Section Four. Association's Insurance Rights on Lots. The Association may elect not to provide property insurance coverage on the individual Lots within the Properties, and the Association agrees to give the Owners at least ninety (90) days of written notice of such election. The Owners and their mortgagees agree to such a right and election on the part of the Association. Upon receipt of such written notice of election, the Owners, and their mortgagees if applicable, agree to obtain property insurance coverage on his/her Lot pursuant to the following provisions:

(a) Policies. All insurance policies upon the Lots and all improvements thereon shall be purchased by the Owners at their sole cost and expense for the benefit of the Owner, the other Owners and the Association and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of insurance. Further, Owners may, at their option, obtain insurance coverage at own expense upon (i) their own personal property; and (ii) such other coverage, as they may desire.

(b) Coverage. Each Lot and the improvements thereon shall be insured by each Owner in an amount equal to one hundred percent (100%) of the insurable replacement value and the Association may require a minimum amount on a yearly basis but shall provide notice to Owners thereof. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land; and

(iii) If the Property is located in an area likely to encounter hurricanes, hurricane coverage and wind coverage; hail coverage; earthquake coverage; and flood coverage; and

(iv) Such other coverages as the Owner may require or that the Association may require from time to time.

Insurance policies obtained by the Owners on the Lots must provide that:

(i) Each Owner is an insured under the policy with respect to liability arising out of his/her ownership of the Lot;

(ii) The insurer waives its right to subrogation under the policy against any other Owner and the Association;

(iii) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the Policy;

(iv) The Association shall be named a loss payee, for the purposes set forth in this Amended Declaration;

(v) Such policy shall be primary and non-contributory, in the event that there is other insurance for the benefit of an Owner covering the same risk covered by the policy to be obtained by the Owner;

(vi) All Property Insurance policies shall have an inflation guard endorsement and an agreed amount endorsement to the extent available;

(vii) No policy obtained by an Owner covering his or her Lot may be cancelled or substantially modified without at least thirty (30) days prior written notice to the Association and any mortgagee;

(viii) All Property Insurance policies shall be written with a company licensed to do business in a state where the Property is located holding a rating of B+ or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or if not reasonably available, the most nearly equivalent rating.

(c) Liability. Public liability insurance shall be secured by each Owner with limits of liability of no less than Three Hundred Thousand Dollars (\$300,000.00) per occurrence and shall include an endorsement to cover liability of the Association.

(d) Other Insurance Coverages. There shall also be obtained such other insurance coverage, as the Association shall direct the Owners to obtain from time to time.

(e) Premiums. Premiums for insurance policies purchased by each Owner shall be paid by the Owner without right of reimbursement from the Association.

(f) Proceeds. All insurance policies purchased by the Owner shall be for the benefit of the Owner, the other Owners and the Association, and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Amended Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to Lots shall be held for the Owners of the damaged Lots to pay for the cost of repairing the damage suffered by each Owner.

(ii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

(g) Deductibles. The Owners suffering any loss shall be responsible to bear the cost of any deductibles. Each Owner shall obtain an insurance policy that does not have any deductible in excess of One Thousand Dollars (\$1,000.00).

(h) Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association, as insurance trustee shall be distributed to or for the benefit of the Owners and mortgagees in the following manner:

(i) Expense of the Trust. All expenses of the insurance trustee shall be first paid or provisions made therefor.

(ii) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners of the policies and the mortgagees thereon.

(i) Certificates of Insurance Coverage. At the time of the closing on the Lot, the Owner shall provide to the Association a certificate of insurance naming the Association as loss payee and providing for the coverages set forth herein, with a coverage period continuing through the next December 31. Each year thereafter prior to January 1, each Owner shall provide the Association a replacement certificate of insurance coverage naming the Association as loss payee and providing for the insurance coverages set forth herein, with a coverage period of January 1 through December 31 for the applicable year.

(j) Authority and Power of Attorney. Exclusive authority to adjust losses under the insurance policies obtained by the Owners shall be vested in the Association, provided however no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Each Owner, by acceptance of a deed to a Lot, irrevocably appoints the Association or its designated representative, as attorney-in-fact for the purposes of collecting and disbursing the insurance proceeds on insurance policies obtained by the owners, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all acts necessary to accomplish such purposes. This power is for the benefit of each and every Owner and their respective mortgagees, and the Association, which runs with the land and is coupled with the interest.

(k) Additional Property Coverage. The Association may procure insurance coverage on improvements within the Properties which would cover uninsured losses, but in no way is the Association obligated to obtain such insurance. The Owners agree to pay the costs of such secondary coverage that shall apply only after all other insurance policies have paid on a primary non-contributory basis. In no event shall any insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by the Owners or the mortgagees. The Owners agree that the cost of such secondary insurance shall be included in their assessments under Article V. Further, if an Owner fails or refuses to provide the Association with a copy of the insurance policy required under Section Four (or renewal or other reasonable evidence of current property damage and casualty insurance coverage on the Lot) within thirty (30) days following the Association's written notice to provide such insurance policy or evidence, the Association shall have the right to obtain and purchase such insurance as required by this Article on behalf of such Owner. In such event, the cost incurred by the Association procuring such insurance shall be assessed against the applicable Owner as an assessment levied against the Owner's Lot pursuant to Article V.

(l) Declarant Exemption. Provisions of this Article shall not apply to any Lots owned by Declarant, which Declarant shall insure under Declarant's corporate insurance policy or policies.

(m) Damage and Destruction. Any damage or destruction shall be repaired or reconstructed by the Association, unless by a vote of at least three-fourths (3/4) of all Members entitled to vote, a decision is made within sixty (60) days after the damage or loss occurs not to repair or reconstruct and the Association consents to not repair or reconstruct, and further provided, the Declarant consents not to repair or reconstruct as long as it so owns a Lot within the Properties. In the event that it should be determined by the Declarant, Association and Members in the manner described in this Amended Declaration that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then in that event the Lot shall be restored to its natural state by the Owners thereof and maintained as an undeveloped portion of the Property by the Association in a neat and attractive condition.

(n) Mortgages and Assessments. Each Owner agrees to obtain the written permission of his or her mortgagee if applicable, for the Owner to obtain insurance on his/her unit without the Association being responsible for same on the Lot and agrees to give the Association such written permission. Upon their satisfying the requirements of Article VIII, Section Four, the Owner will not be billed for insurance obtained by the Association on the Owner's individual Lot, and the Owner's assessments shall be reduced accordingly.

(o) Insufficient Insurance. In the event the improvements that are on the Lot shall suffer damage or loss from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss and damage and payable by reason thereof shall not be sufficient to pay the cost of repair, restoration or reconstruction, and the Owner of the Lot shall be assessed pursuant to Article V for the additional costs to make the repairs, restoration or reconstruction of the Lot so damaged and lost and such assessment shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the nonpayment of assessments.

ARTICLE IX USE RESTRICTIONS

Section One. Rules and Regulations for the Common Areas. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Lots; provided, however, such rules and regulations shall be way of a supplement, and not contrary, to any uniform rules and regulations adopted by the Board of Directors of Master Palmetto Pointe Townes Association. Such rules and regulations of the Association may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Amended Declaration.

Section Two. Specific Use Restrictions. The Lots shall be subject to all those Use Restrictions which are set forth in Article VIII of the Master Palmetto Pointe Townes Declaration.

ARTICLE X EASEMENTS

All of the Properties shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title.

So long as Declarant owns any property described on Exhibit "A", Declarant reserves blanket easements and the right to grant such specific easements over all the Properties, including Lots, as may be necessary in conjunction with the orderly development of the property described on Exhibit "A" or any adjacent property (including without limitation the planning, construction, marketing, leasing, management and maintenance of improvements) for use, enjoyment, access, construction and maintenance of public or private utilities and storm drainage (whether subsurface or surface). No such easements may be located within the area beneath any building located thereon.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves and walls.

Declarant reserves access easements over all Lots for construction, either for that Lot or any adjacent property and easements for the installation of public or private utilities and storm drainage (whether subsurface or surface). There are reserved cross-easements in favor of Owners of Lots that comprise a building for access to and from each other Lot comprising the building and the Common Area adjacent to the Lots comprising the building, including, but not limited to the transportation of rollout garbage containers; however, this does not include access to approved decks, patios or areas with approved fences.

ARTICLE XI **DECLARANT'S RIGHTS**

The right is reserved by Declarant, or its agents, to place and maintain on the Properties all model homes, sales offices, advertising signs and banners and lighting in connection therewith and other promotional facilities at such locations and in such forms as shall be determined by Declarant. There is also reserved unto Declarant, its agents and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Properties for such sales purposes. Declarant also reserves the right to maintain on the Properties without charge (a) a general construction office for Declarant's contractors and (b) appropriate parking facilities for the employees of Declarant's agents and contractors. Notwithstanding any other provision to the contrary, no annual or special assessment shall be due for any models of the Declarant.

Notwithstanding any provision herein to the contrary, the rights and easements created under this Amended Declaration are subject to the right of Declarant to execute all documents and do all other acts and things affecting the Properties, which in the Declarant's opinion, are required to implement any right of Declarant set forth in this Amended Declaration (including the making of any dedications or conveyances to public use) provided any such document or act is not inconsistent with the then existing property rights of any Owner. Notwithstanding any provision to the contrary, Declarant reserves the right and power, and each Owner by acceptance

of a deed to a Lot is deemed to and does give and grant to Declarant a power of attorney, which right and power is coupled with an interest and runs with the title to a Lot and is irrevocable (except by Declarant), without the consent, approval or signature of each Owner, to (i) amend the Declaration and all attachments, to the extent necessary to confirm to the requirements then governing the purchases or insurance of mortgages by The Mortgage Corporation, Federal National Mortgages Association, Governmental National Mortgages Association, Federal Home Loan Mortgage Corporation, Mortgage Guaranty Insurance Corporation, Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other similar agency or organization, (ii) induce any such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lot ownership, (iii) to correct typographical errors, surveyor errors in descriptions or otherwise, or obvious factual errors or omissions, the correction of which would not impair the interest of any Owner or mortgagee, (iv) bring this Amended Declaration into compliance with South Carolina law, (v) to amend any Exhibits, (vi) to exercise any Special Declarant Rights or development rights; or (vii) to amend this Amended Declaration in any manner which does not materially affect an Owner's use and enjoyment of his or her Lot; and further provided that if there is an Owner other than the Declarant, the Declaration shall not be amended to increase the scope or the period of control of the Declarant. Each deed, mortgage, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and consent to the reservation of, the power of Declarant to vote in favor of, make, execute and record any of the foregoing amendments. The rights of Declarant under this Section shall terminate at such time as Declarant no longer holds or controls title to a Lot and the right of Declarant to add the Additional Property has expired.

ARTICLE XII **DISPUTE RESOLUTIONS AND LIMITATIONS ON LITIGATION**

Section One. Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes. The Association, Declarant, all Persons subject to this Amended Declaration, Owners and any Person not otherwise subject to this Amended Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties in order to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Properties including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Amended Declaration, the By-Laws, the Association rules, or the Articles (collectively "Claim"), except for those Claims authorized in Section Two, shall be resolved using the procedures set forth in Section Three in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

Section Two. Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section Three;

- (a) any suit by the Association against any Bound Party to enforce the provisions of Article V (Assessments);

(b) Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article VII (Architectural Control) and Article IX (Use Restrictions); and

(c) Any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of South Carolina in the absence of a claim based on the Declaration, By-Laws, Articles or rules of the Association, if the amount in controversy exceeds \$5,000.00.

Section Three. Mandatory Procedures for All Other Claims. A All claims other than Exempt Claims, including all disputes pertaining to the purchase, construction and maintenance of the units, including express and implied warranties, to the extent that such warranties exist and have not otherwise been waived by the Owner, shall be resolved using the following procedures:

(a) Notice. Any Bound Party having a claim ("Claimant") against any other Bound Party ("respondent"), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

- (1) The nature of the Claim, including date, time, location, persons involved and respondent's role in Claim;
- (2) The basis of the Claim ("Claimant") (i.e., the provisions of this Amended Declaration, the By-Laws, the Articles or rules or other authority out of which the claim arises);
- (3) What Claimant wants Respondent to do or not to do to resolve the Claim;
- (4) The Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

- (1) Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good negotiation.
- (2) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

- (1) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have 30 additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree.
- (2) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.
- (3) If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth when and where the Parties met, that the parties are at an impasse, and the date that mediation was terminated.
- (4) Each Party shall, within five days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand (“Settlement Demand”) to the Respondent. The Respondent shall make a formal written settlement offer (“Settlement Offer”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimants original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer.

(d) Final and Binding Arbitration. Any and all claims, disputes and controversies by and between the Declarant, Association and/or Owners or any combination thereof arising from or related to the Properties (including Lots and Common Areas), any improvements to the Properties, the sale of any part of the Properties, including, without limitation, any claim of breach of contract or warranty, negligence, negligent or intentional misrepresentation or non disclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of Construction Arbitration Services, Inc. (“CAS”), American Arbitration Association (“AAA”), or DeMars & Associates, Ltd.

("DeMars") in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or void ability for any cause, the scope of arbitrable issues and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement, and notwithstanding provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC § 1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

Section Four. Allocation of Costs of Resolving Claims.

(a) Each Party shall bear its own costs incurred prior to and during the proceedings described in Section Three (a), (b) and (c), including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section Three (c).

(b) Each Party shall bear its own costs (including the fees of its attorney or other representative) incurred after the Termination of Mediation under Section Three (c) and shall share equally in the costs of conducting the arbitration proceeding (collectively, "Post Mediation Costs"), except as otherwise provided in subsection Section Four (c).

(c) Any Award, which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add such Claimant's Post Mediation Costs to the

Award, such Costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than Respondent's Settlement Offer to that Claimant shall also award to such Respondent its Post Mediation Costs, such Costs to be borne by all such Claimants.

Section Five. Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section Three and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any Award following arbitration, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section Three, in such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys fees and court costs.

Section Six. Commencement of Litigation. (i) Any litigation by the Association other than the "Exempt Claims" set out in Section Two or (ii) any arbitration against the Declarant shall both require an affirmative vote of seventy five percent (75%) of the Members of the Association prior to the institution of such action. Notwithstanding any other provision herein to the contrary, under no circumstances shall the Association be entitled to file any lawsuit against the Declarant, but any action against the Declarant shall be pursuant to arbitration as set forth in this Amended Declaration. The Association and Owners agree to give the Declarant written notice of any claim or defect in the Properties, and further grant the Declarant a sixty (60) day period within which to investigate the claim or defect and respond to the Association and/or Owners, prior to requesting arbitration.

ARTICLE XIII GENERAL PROVISIONS

Section One. Enforcement. The Declarant, Association, or any Owner shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Amended Declaration. Failure by the Declarant, Association or 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 Two. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section Three. Amendment. The covenants and restrictions of this Amended Declaration shall run with and bind the land perpetually. Except as provided herein, this Amended Declaration may be amended by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners. No amendment in any circumstance may alter, amend, or eliminate any right, privilege, or benefit of Declarant, and further no amendment relating to the maintenance, repair, replacement and ownership of the permanent ponds on the Properties shall be permitted without the review and approval by the governmental office having jurisdiction for watershed protection.

Section Four. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Properties. Declarant contemplates that the initial manager may be the Declarant or a firm affiliated with the Declarant. The initial Board of Directors of the Association shall ratify and approve the management contract, which will provide for such manager or management company to act as a managing agent for the Association with respect to the Properties at a rate equal to the greater of: (i) Fourteen Dollars (\$14.00) per month for each Lot that has become subject to an assessment by the Association under Article V, Section Eight of this Amended Declaration, or (ii) Four Hundred Dollars (\$400.00) per month. Any such contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract, without justification or penalty, upon sixty (60) days notice.

Section Five. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot ("Mortgage Holder") will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

Section Six. Notices. Any notice required or desired to be given under the provisions of this Amended Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the last known Mortgage Holder or other party entitled to notice, at the last known address for each such party, all as shown on the books and records of the Association at the time such notice is given.

Section Seven. Exculpation. It is expressly understood and agreed that nothing contained in this Amended Declaration shall be interpreted or construed as creating any liability whatsoever, directly or indirectly, against Declarant or any of its officers, members, managers, employees, agents, attorneys, heirs, executors, legal representatives, successors or assigns (collectively the Declarant Related Parties) for monetary relief or damages. In particular, and without limiting the generality of the foregoing, if any proceeding shall be brought to enforce the provisions of this Amended Declaration, the party instituting such proceeding shall not be entitled to take any action to procure any money judgment against the Declarant or any related parties.

Section Eight. Conflict with South Carolina law; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Amended Declaration conflict with any provisions of South Carolina law, the provisions of South Carolina law shall control unless South Carolina law permits the Declaration to override South Carolina law, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation,

provision, paragraph or clause of this Amended Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or affect of the rest of this Amended Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

Section Nine. Disclaimer of All Warranties. Declarant and Developer hereby disclaim and exclude any and all warranties, expressed or implied (including, without limitation, any implied warranty of habitability, merchantability, quality or fitness for particular purpose), with respect to the Properties, Common Area and the Lots. The Association and any Lot Owner knowingly agree to waive any and all rights that they may have pursuant to the implied warranty of habitability. The Association and Lot Owners acknowledge and agree that the sole warranties that apply to the Properties, Common Area and the Lots are solely contained within the purchase agreement for the acquisition of the Lots.

Section Ten. Disclaimer of Other Entities. Owners and the Association acknowledge and understand that their relationship is with the Declarant pursuant to the written terms of this Amended Declaration, and no other entity notwithstanding anything to the contrary in advertising, promotional or other materials. Owners and the Association acknowledge that they have no claim against any entity including affiliates, subsidiaries, parents or otherwise under common control of Declarant, and Owners and the Association waive and release any such claims, if any.

Section Eleven. Assignments by Declarant. All rights which are specified by this Amended Declaration to be the rights of the Declarant are assignable, mortgageable, pledgeable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of the Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liabilities for the acts of any other party which previously exercised or subsequently shall exercise such rights.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed in its corporate name and its corporate seal to be hereunto affixed, by authority of its Board of Directors, the day and year first above written.

REDUS SC HOUSING, LLC

By: Jill Marie Tent
Its: ASS Vice President

REDUS SC Housing, LLC
a Delaware Limited Liability Company
By: REDUS Properties, Inc. its Member
and a Delaware Corporation
By: Jill Marie Tent / Assistant Vice President

Kimberly Vizzini Strickland
Signature of Witness #1
Kimberly Vizzini Strickland

Cara Young
Signature of Witness #2

STATE OF Florida SS:
COUNTY OF Duval

I, Kimberly Vizzini Strickland, a Notary Public in and for said City and State do hereby certify that Jill Tent personally appeared before me this day and acknowledged and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by its AV President.

Witness my hand and official seal, this 25 day of June, 2013.

Kimberly Vizzini Strickland
Notary Public
My Commission Expires: _____

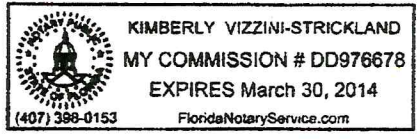


EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY ACQUIRED BY DECLARANT

All that certain piece, parcel or tract of land situate, lying and being in the town of Bluffton, Beaufort County, South Carolina, containing 16.747 acres, more or less, as shown on that certain survey prepared by Coastal Surveying Co., Inc., certified by Michael R. Dunigan, S.C.P.L.S. # 11,905, entitled "An A.L.T.A. I A.C.S.M. Land Title Survey of 16.747 Acres on Hwy #46," dated August 28, 2006, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 119, Page 90, and being more particularly shown and described as follows: Beginning at a found iron pin in the north right-of-way of South Carolina Highway #46 and being South 62°12'04" East, a distance of 23.83 feet and South 73°27'40" East, a distance of 2381.82 feet from the intersection of the eastern right-of-way of South Carolina Highway # 170 and the northern right-of-way of aforesaid Highway #46, said iron pin has the state plane coordinates of NI48,323.92 and E2,006,829.79 and is shown as the southwest corner of Parcel 386, as shown on P.B. 105, Page 155 of the Beaufort County, South Carolina Recorder's Office; thence North 16°33 '36" East, a distance of 1088.44 feet to a point; thence South 72°58' 51" East, a distance of 157.61 feet to a point; thence South 17°01 '09" West, a distance of 129.98 feet to a point; thence South 72°58'51" East, a distance of 566.44 feet to a point; thence South 04°39'51" East, a distance of 37.35 feet to a point; thence along a curve, deflecting to the right, a distance of 53.03 feet, having a radius of 1066.00 feet, a chord bearing of South 02°53' 13" East and a chord of 53.02 feet to a point; thence North 73°32' 10" West, a distance of 12.43 feet to a point; thence South 16°27' 50" West, a distance of 867.79 feet to a point in the north right-of-way of aforesaid Hwy. #46; thence North 73°26'24" West, a distance of 743.18 feet to the Point of Beginning.

Reference is hereby made to the aforesaid plat and to the record thereof for all purposes of description and identification and for all other purposes allowed by law.

This being the same property conveyed to Portrait Homes - Palmetto Pointe, LLC by deed of Palmetto Pointe Developers, LLC, to be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, simultaneously herewith.

TMS#: p/o R610-036-000-0454-0000

LESS AND EXCEPTING those certain lots, pieces, parcels and plots of land which have previously been released from the lien of said Mortgage and identified as:

Lot #1142-0205	TMS#R612-036-000-0756-0000
Lot #1142-0206	TMS#R614-036-000-0757-0000
Lot #1142-0402	TMS#R614-036-000-0763-0000
Lot #1143-0403	TMS#R614-036-000-0454-0000
Lot #1142-0601	TMS#R614-036-000-0771-0000
Lot #1142-0603	TMS#R614-036-000-0773-0000
Lot #1142-0201	TMS#R614-036-000-0752-0000
Lot #1142-0202	TMS#R614-036-000-0753-0000

Lot #1142-0203	TMS#R614-036-000-0754-0000
Lot #1142-0204	TMS#R614-036-000-0755-0000
Lot #1142-0301	TMS#R614-036-000-0836-0000
Lot #1142-0302	TMS#R614-036-000-0759-0000
Lot #1142-0303	TMS#R614-036-000-0760-0000
Lot #1142-0304	TMS#R614-036-000-0761-0000
Lot #1142-0401	TMS#R614-036-000-0762-0000
Lot #1142-0404	TMS#R614-036-000-0765-0000
Lot #1142-0605	TMS#R614-036-000-0775-0000

EXHIBIT "B"
REMOVED PROPERTY

All that certain piece, parcel or tract of land situate, lying and being in the town of Bluffton, Beaufort County, South Carolina, containing 16.747 acres, more or less, as shown on that certain survey prepared by Coastal Surveying Co., Inc., certified by Michael R. Dunigan, S.C.P.L.S. # 11,905, entitled "An A.L.T.A. I A.C.S.M. Land Title Survey of 16.747 Acres on Hwy #46," dated August 28, 2006, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 119, Page 90, and being more particularly shown and described as follows: Beginning at a found iron pin in the north right-of-way of South Carolina Highway #46 and being South 62°12'04" East, a distance of 23.83 feet and South 73°27'40" East, a distance of 2381.82 feet from the intersection of the eastern right-of-way of South Carolina Highway # 170 and the northern right-of-way of aforesaid Highway #46, said iron pin has the state plane coordinates of N 148,323.92 and E 2,006,829.79 and is shown as the southwest corner of Parcel 386, as shown on P.B. 105, Page 155 of the Beaufort County, South Carolina Recorder's Office; thence North 16°33 '36" East, a distance of 1088.44 feet to a point; thence South 72°58' 51" East, a distance of 157.61 feet to a point; thence South 17°01 '09" West, a distance of 129.98 feet to a point; thence South 72°58'51" East, a distance of 566.44 feet to a point; thence South 04°39'51" East, a distance of 37.35 feet to a point; thence along a curve, deflecting to the right, a distance of 53.03 feet, having a radius of 1066.00 feet, a chord bearing of South 02°53' 13" East and a chord of 53.02 feet to a point; thence North 73°32' 10" West, a distance of 12.43 feet to a point; thence South 16°27' 50" West, a distance of 867.79 feet to a point in the north right-of-way of aforesaid Hwy. #46; thence North 73°26'24" West, a distance of 743.18 feet to the Point of Beginning.

Reference is hereby made to the aforesaid plat and to the record thereof for all purposes of description and identification and for all other purposes allowed by law.

This being the same property conveyed to Portrait Homes - Palmetto Pointe, LLC by deed of Palmetto Pointe Developers, LLC, to be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, simultaneously herewith.

TMS#: p/o R610-036-000-0454-0000

LESS, However, the following described Townhome Lots:

ALL those certain pieces, parcel or tracts of land lying and being situate near Pritchardville in Bluffton Township, Beaufort County, South Carolina, being shown and described by courses and distances on a Subdivision Plat of Palmetto Point Townes recorded in Plat Book 120 at Page 50, Office of the Register of Deeds for Beaufort County, South Carolina as follows:

<u>Lot Number on Plat</u>	<u>Tax Parcel Number</u>
Lot 0101	R614 036 000 0746
Lot 0102	R614 036 000 0747
Lot 0103	R614 036 000 0748
Lot 0104	R614 036 000 0749
Lot 0105	R614 036 000 0750

Lot 0106	R614 036 000 0751
Lot 0201	R614 036 000 0752
Lot 0202	R614 036 000 0753
Lot 0203	R614 036 000 0754
Lot 0204	R614 036 000 0755
Lot 0205	R614 036 000 0756
Lot 0206	R614 036 000 0757
Lot 0301	R614 036 000 0836
Lot 0302	R614 036 000 0759
Lot 0303	R614 036 000 0760
Lot 0304	R614 036 000 0761
Lot 0401	R614 036 000 0762
Lot 0402	R614 036 000 0763
Lot 0403	R614 036 000 0454
Lot 0404	R614 036 000 0765
Lot 0501	R614 036 000 0766
Lot 0502	R614 036 000 0767
Lot 0503	R614 036 000 0768
Lot 0504	R614 036 000 0769
Lot 0505	R614 036 000 0770
Lot 0601	R614 036 000 0771
Lot 0602	R614 036 000 0772
Lot 0603	R614 036 000 0773
Lot 0604	R614 036 000 0774
Lot 0605	R614 036 000 0775
Lot 2301	R614 036 000 0853
Lot 2302	R614 036 000 0854
Lot 2303	R614 036 000 0855
Lot 2401	R614 036 000 0856
Lot 2402	R614 036 000 0857
Lot 2403	R614 036 000 0858

Reference is hereby made to the aforesaid plat and to the record thereof for all purposes of description and identification and for all other purposes allowed by law.

LESS, Also, the following described Townhome Lots 0701 through 0705:

All that certain piece, parcel or tract of land situate, lying and being in the Town of Bluffton, Beaufort County, South Carolina having and containing 0.221 Acres, more or less, and being shown and described as Lots 0701-0705 on a plat entitled "Subdivision Plat of Palmetto Point Townes" prepared by Surveying Consultants, certified by Terry G. Hatchell, RLS(SC) #110059, said plat being dated April 12, 2013, said plat is not recorded at this time.

Said property is more particularly described as follows: Commencing at a point which marks the intersection of said western 66' right-of-way known as Stardust Lane and the northern 75' right-of-way known as South Carolina Highway #46 aka May River Road, said point having SC Grid Coordinates of N. 148,112.10, E. 2,007,542.13 and being a point near a PK nail found;

Thence proceeding along the western right-of-way of Stardust Lane, N. 16° 27' 50" W for a distance of 867.79' to a 5/8" iron rebar found;

Thence S 73° 32' 10" E for a distance of 12.43' to a 5/8" iron rebar found;

Thence along a slight curve to the left, said curve having a radius of 1066.00', an arc length of 53.03', a delta angle of 2° 51' 01" and having a chord bearing of N 02° 53' 13" W for a chord distance of 53.02' to a point near a 5/8" iron rebar found;

Thence, N 04° 39' 51" W for a distance of 37.35' to a 5/8" iron rebar found;

Thence leaving the western right-of-way of Stardust Lane and proceeding along the northern most property line of Palmetto Point Townes, N 72° 58' 51" W for a distance of 566.44' to a 5/8" iron rebar found;

Thence along a tie line S 25° 32' 41" W for a distance of 27.84' to a point which marks the Point of Beginning;

Thence along the back property line of Lots 0701-0705, S 72° 58' 51" E, for a distance of 126.67' to a point;

Thence along the eastern property line of Lot 0705, S 17° 01' 09" W for a distance of 76.17' to a point;

Thence along the front of Lots 0701-0705, N 72° 58' 51" W for a distance of 126.67' to a point;

Thence along the western property line of Lot 0701, N 17° 01' 09" E for a distance of 76.17' to a point; said point being the Point of Beginning;

Said 0.221 Acre parcel to be known as Lots 0701-0705 replaces a parcel having 0.198 Acres and being shown as lots 0701-0704 on a recorded plat entitled "Subdivision Plat of Palmetto Point Townes" prepared by Surveying Consultants, certified by Terry G. Hatchell, RLS(SC) #11059, said plat dated 1/26/2007; revised 2/4/2007 and recorded in PB 120, Page 50 on 5/30/2007.

REDUS SC Housing LLC, by virtue of that certain Master's Deed from Marvin H. Dukes III, Master in Equity against: Portrait Homes – Palmetto Pointe LLC, dated May 12, 2010, filed for record on May 21, 2010, and recorded in Deed Book 2958, Page 2582 and corrected in Deed Book 3205, Page 1383, in the Office of the Register of Deeds for Beaufort County, South Carolina.

TMS ##: R614 036 000 0776, R614 036 0000 0777, R614 036 000 0778, R614 036 000 0779 and R614 036 000 0806

EXHIBIT "C"
LEGAL DESCRIPTION OF PALMETTO POINTE TOWNES TOWNHOMES

ALL those certain pieces, parcel or tracts of land lying and being situate near Pritchardville in Bluffton Township, Beaufort County, South Carolina, being shown and described by courses and distances on a Subdivision Plat of Palmetto Point Townes recorded in Plat Book 120 at Page 50, Office of the Register of Deeds for Beaufort County, South Carolina as follows:

<u>Lot Number on Plat</u>	<u>Tax Parcel Number</u>
Lot 0101	R614 036 000 0746
Lot 0102	R614 036 000 0747
Lot 0103	R614 036 000 0748
Lot 0104	R614 036 000 0749
Lot 0105	R614 036 000 0750
Lot 0106	R614 036 000 0751
Lot 0201	R614 036 000 0752
Lot 0202	R614 036 000 0753
Lot 0203	R614 036 000 0754
Lot 0204	R614 036 000 0755
Lot 0205	R614 036 000 0756
Lot 0206	R614 036 000 0757
Lot 0301	R614 036 000 0836
Lot 0302	R614 036 000 0759
Lot 0303	R614 036 000 0760
Lot 0304	R614 036 000 0761
Lot 0401	R614 036 000 0762
Lot 0402	R614 036 000 0763
Lot 0403	R614 036 000 0454
Lot 0404	R614 036 000 0765
Lot 0501	R614 036 000 0766
Lot 0502	R614 036 000 0767
Lot 0503	R614 036 000 0768
Lot 0504	R614 036 000 0769
Lot 0505	R614 036 000 0770
Lot 0601	R614 036 000 0771
Lot 0602	R614 036 000 0772
Lot 0603	R614 036 000 0773
Lot 0604	R614 036 000 0774
Lot 0605	R614 036 000 0775
Lot 2301	R614 036 000 0853
Lot 2302	R614 036 000 0854
Lot 2303	R614 036 000 0855
Lot 2401	R614 036 000 0856
Lot 2402	R614 036 000 0857
Lot 2403	R614 036 000 0858

Reference is hereby made to the aforesaid plat and to the record thereof for all purposes of description and identification and for all other purposes allowed by law.

PLUS, the following described Lots 0701 through 0705:

All that certain piece, parcel or tract of land situate, lying and being in the Town of Bluffton, Beaufort County, South Carolina having and containing 0.221 Acres, more or less, and being shown and described as Lots 0701-0705 on a plat entitled "Subdivision Plat of Palmetto Point Townes" prepared by Surveying Consultants, certified by Terry G. Hatchell, RLS(SC) #110059, said plat being dated April 12, 2013, said plat is not recorded at this time.

Said property is more particularly described as follows: Commencing at a point which marks the intersection of said western 66' right-of-way known as Stardust Lane and the northern 75' right-of-way known as South Carolina Highway #46 aka May River Road, said point having SC Grid Coordinates of N. 148,112.10, E. 2,007,542.13 and being a point near a PK nail found;

Thence proceeding along the western right-of-way of Stardust Lane, N. 16° 27' 50" W for a distance of 867.79' to a 5/8" iron rebar found;

Thence S 73° 32' 10" E for a distance of 12.43' to a 5/8" iron rebar found;

Thence along a slight curve to the left, said curve having a radius of 1066.00', an arc length of 53.03', a delta angle of 2° 51' 01" and having a chord bearing of N 02° 53' 13" W for a chord distance of 53.02' to a point near a 5/8" iron rebar found;

Thence, N 04° 39' 51" W for a distance of 37.35' to a 5/8" iron rebar found;

Thence leaving the western right-of-way of Stardust Lane and proceeding along the northern most property line of Palmetto Point Townes, N 72° 58' 51" W for a distance of 566.44' to a 5/8" iron rebar found;

Thence along a tie line S 25° 32' 41" W for a distance of 27.84' to a point which marks the Point of Beginning;

Thence along the back property line of Lots 0701-0705, S 72° 58' 51" E, for a distance of 126.67' to a point;

Thence along the eastern property line of Lot 0705, S 17° 01' 09" W for a distance of 76.17' to a point;

Thence along the front of Lots 0701-0705, N 72° 58' 51" W for a distance of 126.67' to a point;

Thence along the western property line of Lot 0701, N 17° 01' 09" E for a distance of 76.17' to a point; said point being the Point of Beginning;

Said 0.221 Acre parcel to be known as Lots 0701-0705 replaces a parcel having 0.198 Acres and being shown as lots 0701-0704 on a recorded plat entitled "Subdivision Plat of Palmetto Point

Townes” prepared by Surveying Consultants, certified by Terry G. Hatchell, RLS(SC) #11059, said plat dated 1/26/2007; revised 2/4/2007 and recorded in PB 120, Page 50 on 5/30/2007.

REDUS SC Housing LLC, by virtue of that certain Master’s Deed from Marvin H. Dukes III, Master in Equity against: Portrait Homes – Palmetto Pointe LLC, dated May 12, 2010, filed for record on May 21, 2010, and recorded in Deed Book 2958, Page 2582 and corrected in Deed Book 3205, Page 1383, in the Office of the Register of Deeds for Beaufort County, South Carolina.

TMS ##: R614 036 000 0776, R614 036 0000 0777, R614 036 000 0778, R614 036 000 0779 and R614 036 000 0806

The above-described Lots are a portion of the property conveyed to Portrait Homes - Palmetto Pointe, LLC by deed of Palmetto Pointe Developers, LLC, dated May 7, 2007, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on June 11, 2007, in Book 2567 at Page 1658.