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STATE OF SOUTH CAROLINA
COUNTY OF JASPER

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR RIVERTON POINTE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RIVERTON POINTE is made this 4th day of November, 2021, by TOLL SC III, L.P., a South Carolina limited partnership (hereinafter referred to as "**Declarant**").

WITNESSETH:

WHEREAS, Declarant previously recorded a Declaration of Covenants, Conditions and Restrictions for Hampton Pointe dated August 14, 2006 and recorded on September 12, 2006 in O.R. Volume 468, Page 1 of the Public Records of Jasper County, South Carolina (collectively, the "**Original Declaration**"), and Declarant now desires to amend and restate the Original Declaration in its entirety.

WHEREAS, pursuant to Section 14.1 of the Original Declaration, so long as Declarant is a Class "B" Member, Declarant may unilaterally amend the Declaration if such amendment is deemed necessary by Declarant; provided any such amendment shall not materially adversely affect any existing Member/Owner's rights under the Declaration and/or materially adversely affect the title to any Owner's Homesite, Lot or Dwelling Unit; and

WHEREAS, Declarant has determined that an amendment and restatement of the Declaration is required to update the Declaration, and that such amendment and restatement will not have a material adverse effect on any existing Member/Owner's rights under the Declaration and/or materially adversely affect the title to any Owner's Homesite, Lot or Dwelling Unit; and

WHEREAS, Declarant is the Owner of certain lands (hereinafter referred to as the "**Property**") described in Articles I and II of this Declaration, located in Jasper County, South Carolina; and

WHEREAS, Declarant desires to develop the Property as a residential community which was previously known as Hampton Pointe, and which shall now be known as Riverton Pointe (the "**Community**"), in a coordinated manner, with provisions for certain Common Property, common access ways and common regulations and cost sharing, all as more particularly set forth herein; and

WHEREAS, Declarant will establish a privately owned country club to be known as the Riverton Pointe Golf and Country Club to provide recreational amenities for the owners of the Property

which will be within and adjacent to the residential community but which will be separately owned and will not be part of the common property of the residential community; and

WHEREAS, Declarant finds that private controls over the use of the land are an effective means of establishing, preserving, maintaining and, in some instances, enhancing, the economic or intangible values pertaining to the use and enjoyment of the Property and, to this end, Declarant desires to establish on the Property certain private land use controls, conditions, protections, restrictions, equitable servitudes, encumbrances, affirmative obligations, burdens, benefits, reservations, easements, assessments, charges and liens (hereinafter referred to as the "**Declaration**" or these "**Covenants**"); and

WHEREAS, Declarant deems it desirable to provide a mechanism for the proper administration of these Covenants, including, but not limited to, the ownership, operation and maintenance of Common Property on the Property, the performance of acts of maintenance, administration, assessment, enforcement and other activities set forth in these Covenants and other mandated and discretionary functions consistent with the purpose of these Covenants which benefit the Property; and

WHEREAS, in connection with the need for such a mechanism, Declarant has caused or will cause to be incorporated under the laws of the State of South Carolina a non-profit corporation known as the Riverton Pointe Property Owners Association, Inc., for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth; and

NOW, THEREFORE, Declarant hereby declares that the Property hereof is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered, improved, and used subject to these Covenants. These Covenants, the benefits of these Covenants, and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and burden, and run with the land and any estates in the land herein referred to as the Property, and these Covenants are intended to be covenants and servitudes burdening and benefiting all persons now or hereafter deriving a real property estate in the Property whether by assignment, succession or inheritance or other method of conveyance.

**PART ONE
GENERAL REFERENCES**

ARTICLE I:

Definitions

Section 1.1: Definitions. The following words and terms, when used in this Declaration, or any supplemental Declaration, unless the context clearly shall indicate otherwise, shall have the following meanings.

(a) "Additional Property" shall mean and refer to the Additional Property described in Article II, Section 2.2 hereof

(b) "Architectural Review Board" or "Review Board" or "ARB" means the Architectural Review Board described in Section 3.2 of this Declaration.

(c) "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation for the Riverton Pointe Association, Inc., as filed with the South Carolina Secretary of State, as the same may be amended from time to time.

(d) "Assessments" or "assessments" shall mean all assessments, fees, fines, and all other charges that may be imposed and collected by the Association under Article X hereafter, including but not limited to annual assessments, special assessments and specific assessments.

(e) "Association" shall mean the Riverton Pointe Property Owners Association, Inc., a South Carolina non-profit corporation which Declarant has formed.

(f) "Board" shall mean the Board of Directors of the Association as defined herein and/or in the By-Laws of the Association.

(g) "Builder" shall mean and refer to any Person who purchases one or more Homesites (as hereinafter defined) as part of its ordinary and regular trade as a home builder for the purpose of constructing improvements for sale to consumers in the ordinary course of business. The term "Builder" shall also mean (i) any Person who purchases from Declarant one or more parcels of land of the Property and/or the Additional Property for, with the written consent of Declarant, the further subdivision, development, and resale in the ordinary course of business, and (ii) any entity formed by Declarant or its affiliates for the purpose of building product within Riverton Pointe.

(h) "By-laws" shall mean the By-laws of the Association kept at the office of the Declarant.

(i) "Club" shall mean and refer to the privately owned golf and country club known as The Riverton Pointe Golf and Country Club. The Club is owned and controlled by the Club Owner and not by the Association or the Declarant.

(j) "Club Membership Plan" shall mean and refer to that certain Amended and Restated Riverton Pointe Golf and Country Club Membership Plan dated August, 2021, as the same may be amended from time to time.

(k) "Club Owner" means the owner of the Club, its successors and assigns. The Club Owner as of the date of this First Amendment is Riverton Pointe Country Club LLC, a South Carolina limited liability company.

(l) "Club Property" shall mean the portion of the Property that is designated as Club Property by Declarant in its sole discretion regardless of when such property is actually conveyed by Declarant to the Club. The Club Property includes an 18-hole golf course, golf clubhouse, other golf facilities, and certain other recreational amenities including a swimming pool. Until Declarant has a satisfactory survey of the Club Property and has actually deeded the Club

Property to the Club, the Club Property shall be as such is designated by the Declarant as Declarant may change that designation from time to time. Declarant reserves the right in its sole discretion to determine the boundaries of the Club Property and the Common Property and to change such boundaries from time to time until the Common Property is conveyed to the Association and the Club Property is conveyed to the Club. At any point in time, Declarant may supplement this Declaration to identify the Club Property without the consent of any other party. THE ABILITY OF MEMBERS TO OBTAIN ACCESS TO AND USE OF THE CLUB PROPERTY SHALL BE SUBJECT TO AND LIMITED BY THE CLUB MEMBERSHIP PLAN, BY THE DECLARATION OF RECREATIONAL COVENANT, AND BY THE RULES AND REGULATIONS OF THE CLUB.

(m) "Common Property" shall mean and refer to those areas of land, including those with any improvements thereon, which are declared herein or in any supplemental declaration to be the "Common Property". Such Common Property will not include any Club Property, including but not limited to the golf course, the golf clubhouse, all other golf facilities, and all other recreational amenities owned by the Club. The term "Common Property" shall include any personal property acquired by the Association, if said property is designated as "Common Property." All Common Property is to be devoted to and intended for the common use and enjoyment of the Members of the Association and their families and guests. The term "Common Property" shall also refer to all areas provided for common use and enjoyment of Members, their families and guests, and designated as Common Property on plats filed of record by Declarant evidencing a specific intent to designate Common Property, whether or not such property has been actually conveyed to the Association, and whether or not such Common Property is presently designated on an existing Master Plan or subsequently designated by Declarant, which shall be at Declarant's sole discretion. No property shall become or shall constitute Common Property, even if shown as such on any Master Plan or otherwise, until such time as such property is deeded by Declarant to the Association as Common Property and Declarant may likewise modify any Common Property designation at any time prior to actual conveyance to Association, at Declarant's sole discretion. The Declarant reserves the right in its sole discretion to restrict the use of any part of the Common Property to the exclusive use of a limited number of Owners and such property shall be known as "Limited Common Property" and the term Common Property shall include all Limited Common Property, if any; provided, however, such Owners primarily benefiting from the Limited Common Property shall pay all costs and expenses associated with such Limited Common Property. Declarant hereby initially designates the former sales center commonly known as "Jack's Place" and the surrounding property, all lakes located within the Community, and all roads located within the Community, including but not limited to the roads as described on Exhibit B attached hereto, as the Common Area for the use and benefit of all Members within the Community.

(n) "Declarant" shall mean and refer to Toll SC III, L.P., a South Carolina limited partnership and its successors and specific assigns (i.e., a Person to whom rights of Declarant are specifically assigned by Toll SC III, L.P. but in no event shall "assigns" for this purpose refer to or include purchasers from Toll SC III, L.P. of Homesites and/or Dwelling Units within the Property). The term shall also be applied to any Person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, which lawfully acquires the rights, privileges and options of Declarant as hereinafter provided. In addition to any other transfer rights of the Declarant, Toll SC III, L.P., its successors and assigns, may assign to a lender in

connection with any development loan on the Property and/or the Additional Property the status and all rights of the Declarant. Such transfer may take any form including but not limited to a present assignment that may not be exercised upon until a default occurs. Upon such assignment to a lender, Toll SC III, L.P., its successors and assigns, shall continue to be the Declarant and such lender shall only become the Declarant (as well as the Class B Member) upon the earlier to occur of (i) the effective date of both the transfer and the date that such rights may be exercised by the lender under the instrument pursuant to which Declarant assigns such rights and, (ii) the date such lender becomes the actual owner of the Property and/or Additional Property through judicial foreclosure or sale made pursuant to any power of sale contained in a mortgage or by conveyance of a deed in lieu of foreclosure. The Declarant may also transfer all of its rights, privileges and options as Declarant to a successor-in-title or to the Association, provided any such successor-in-title shall acquire for the purpose of development or sale all or some portion of the Property and/or the Additional Property, and provided further, that in a written instrument, the Association or such successor-in-title is expressly assigned by Toll SC III, L.P. the Declarant's rights, privileges and options herein reserved to Toll SC III, L.P. Such an assignment may be included as a recital in any deed executed by Declarant that conveys any portion of the Property and/or the Additional Property. The foregoing shall not preclude and Declarant is specifically authorized to permit other Persons in writing on a one—time or limited basis to exercise any right reserved to Declarant in this Declaration where the Declarant does not intend to transfer the rights of Declarant in its entirety.

(n) "Declaration" or "Covenants" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Riverton Pointe, as the same may be amended or supplemented from time to time. ALL MEMBERS/OWNERS BY ACCEPTING TITLE TO ANY PORTION OF THE PROPERTY ACKNOWLEDGE THAT THE DECLARATION DOES NOT ENCUMBER THE CLUB PROPERTY (ALTHOUGH THE DECLARATION PROVIDES BENEFITS TO THE CLUB PROPERTY) AND THAT THE DECLARANT WILL FORMALLY DELETE ON A METES AND BOUNDS BASIS THE CLUB PROPERTY FROM THE LEGAL DESCRIPTION OF THE PROPERTY BY FILING AN AMENDMENT ONCE DECLARANT HAS A SURVEY OF THE CLUB PROPERTY SATISFACTORY TO DECLARANT; PROVIDED, HOWEVER, THE DECLARATION SHALL NOT IN ANY MANNER ENCUMBER THE CLUB PROPERTY IF DECLARANT FOR ANY REASON FAILS TO FILE SUCH AMENDMENT TO FORMALLY REMOVE THE CLUB PROPERTY AS BEING PART OF THE PROPERTY SUBJECT TO THE PROVISIONS OF THIS DECLARATION.

(o) "Declaration of Recreational Covenant" shall mean and refer to that certain Declaration of Recreational Covenant for the Hampton Pointe Club by Toll SC III, L.P., dated August 14, 2006, recorded on September 12, 2006 in O.R. Volume 468, Page 71 of the Official Records of Jasper County, South Carolina, as amended by that certain First Amendment to Declaration of Recreational Covenant for the Riverton Pointe Club by Toll SC III, L.P., dated as of on or about the same date as the recording of this Declaration, as further amended from time to time.

(p) "Development" shall mean and refer to the Property, the Common Property, and all improvements located or constructed thereon, and any portion of the Additional Property subjected to this Declaration. The term shall be used generally to describe the residential community of Riverton Pointe.

(q) " Dwelling Unit" shall mean any improved property intended for the use as a single family dwelling (whether attached or detached) within the Property and shall specifically include condominiums, townhouses, and other like product.

(r) "Homesite" shall mean and refer to any numbered parcel of land (whether improved or unimproved) shown as a Lot on any subdivision plat recorded by Declarant in the Official Records of Jasper County, South Carolina, or as a multi-family site on an approved site plan or as similarly shown on revised or supplemental surveys of such tracts or such additional tracts as may be added to the Property from time to time as provided herein. The term "Homesite" shall also include the dwelling or improvement placed or constructed on such parcel of land by or on behalf of Declarant or an Owner. The term "Homesite" shall include all Lots. A multi-family parcel shall be deemed one Homesite until such time as a site plan has been approved by the City of Hardeeville for such parcel, at which point each dwelling unit approved for such multi-family site shall be deemed a Homesite. A Homesite is deemed unimproved until such time as a certificate of occupancy has been issued for the dwelling(s) on the Homesite.

(s) "Institutional Lender" means any bank; the Federal National Mortgage Association (FNMA); insurance company, federal or state credit union; FHA approved mortgage lending institution; recognized pension fund investing in mortgages; federal or state savings and loan association; and the Declarant if the holder of a recorded mortgage lien upon any Homesite or Dwelling Unit which has acquired and holds title to any Homesite or Dwelling Unit as a result of foreclosure of any such mortgage lien or by deed in lieu of foreclosure, or any other Lender approved in writing by the Association.

(t) "Lot" shall mean and refer to any unimproved parcel of land within the Property upon which it is intended that a dwelling be constructed, including each individual parcel of land as shown on a recorded subdivision plat and any multi-family parcel as shown on a boundary survey recorded by Declarant.

(u) "Master Plan" shall mean and refer to any preliminary development plan for Riverton Pointe, including the Club Property, as more particularly discussed in Article II, Section 2.4 below. Inclusion of property as shown on the Master Plan shall not under any circumstances obligate Declarant to subject such property to this Declaration or the Declaration of Recreational Covenant. Any property shown on the Master Plan to be owned by the Club as Club Property as determined by Declarant will not be subject to this Declaration. References to the Master Plan are made solely for the convenience of Declarant. THE MASTER PLAN MAY BE REVISED OR CHANGED IN ANY MANNER, AT ANY TIME, AND FROM TIME TO TIME, OR THE MASTER PLAN MAY BE DISCARDED ALL TOGETHER, ALL AT THE SOLE AND ABSOLUTE DISCRETION OF THE DECLARANT.

(v) "Member" shall mean and refer to all those individuals as provided herein in Article VIII. The term Association "Membership" shall refer to the total Members of the Association.

(w) "Neighborhood" shall mean and refer to a group of Homesites and/or Dwelling Units designated as a separate area either by a supplemental declaration filed by Declarant

or other developer or upon the written request of all the owners of Homesites and/or Dwelling Units in a particular area through a neighborhood committee or neighborhood association for the purpose of receiving additional benefits and/or a higher level of service not available to all Homesites and Dwelling Units, which additional benefits and/or higher level of service shall be paid for through neighborhood assessments to be paid by the Members/Owners of the Homesites and/or Dwelling Units in the Neighborhood receiving such benefits and/or higher level of service.

(x) "Neighborhood Expenses" shall mean and refer to the actual and estimated expenses which the Association incurs or expects to incur solely for the benefit of Members/Owners within a particular Neighborhood or Neighborhoods that are in addition to any common expenses of the Association, which Neighborhood Expenses shall include a reasonable administrative charge by the Association and may include reserves for capital repairs and replacements.

(y) "Open Space" shall mean and refer to those portions of the Property, if any, which constitute protected freshwater wetlands or wetland buffers and which are protected by a recorded declaration of restrictive covenants and which cannot be improved or altered except as allowed under the recorded declaration of restrictive covenants.

(z) "Owner" shall mean and refer to the record Owner whether one or more persons, firms, associations, corporations, or other legal entities, of record title to any Homesite or Dwelling Unit situated upon the Property, but shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of the Owner.

(aa) "Person" shall mean and refer to a natural person, corporation, partnership, trustee, or any other legal entity.

(bb) "Property" or "Properties" shall mean and refer to the property described in Article II, Section 2.1 hereof but the term "Property" specifically excludes all Club Property.

(cc) "Structure" shall mean and refer to:

(i) Any material, thing or object of any kind the placement of which upon any Homesite or Dwelling Unit may affect the appearance of such Homesite or Dwelling Unit, including by way of illustration and not limitation, any building or part thereof, garage, porch, out buildings, greenhouse or bathhouse, pet house, covered or uncovered patio, swimming pool, antennas and satellite dishes, fence, curbing, paving, wall, landscaping, hardscape, lighting, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Homesite or Dwelling Unit, including, but not limited to, paint colors, materials, shutters, windows, railings, columns, or any other items attached to the exterior of any structure or on the Homesite or Dwelling Unit.

(ii) Any grading and/or excavation on a Homesite or Lot including any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Homesite or Lot, or which affects or alters

the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Homesite or Lot; and

(dd) "Turnover" shall mean and refer to the termination or relinquishment of the Declarant's Class "B" Membership and voting privileges.

(ee) "Turnover Date" shall mean and refer to the date that the Class B Membership shall cease and terminate which date is sixty (60) days after the first of the following events to occur: (a) the expiration of twenty five (25) years from the date of recording of this Declaration; (b) the date as of which ninety nine (99%) percent of the Homesites or Dwelling Units which may be developed on the Property and on the Additional Property shall have been conveyed by both the Declarant (excluding sales to Builders) and by Builders, if any, who purchased Homesites or Lots from Declarant, to an individual owner or owners for residential use or occupancy; or (c) the surrender by the Declarant of the Class B Membership and authority to appoint and remove members of the Board of the Association by an express amendment to this Declaration executed by the Declarant and recorded in the Office of the Jasper County Register of Deeds.

ARTICLE II:

Property Description/General Plan of Development

Section 2.1: The Property. The real property described in Exhibit A attached to these Covenants and incorporated herein (the "**Property**") is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants. The term "Property" shall include any Additional Property as may be subjected to the provisions of this Declaration in accordance with the provisions of Article II, Section 2.2 below but the term "Property" specifically excludes any Club Property. All Owners and the Association acknowledge and agree that this Declaration does not encumber the Club Property.

Section 2.2: Additional Property. In addition to the Property described in Section 2.1 above, wherever used in these Covenants the term "the Property" shall also mean and refer to all property which may be contiguous to the Property or located nearby (the "**Additional Property**"), if such Additional Property is voluntarily submitted hereunder by Declarant, without the need for consent of the Association, the Board, or any Member/Owner, but with the consent of the owner(s) of such Additional Property if Declarant is not the owner thereof. Declarant shall have the unrestricted right in its discretion to submit Additional Property to this Declaration and the intent of this section is that Declarant shall have the unrestricted right to submit Additional Property to these Covenants. Such submission of Additional Property herein shall become effective upon filing a document of record in the Office of the Register of Deeds for Jasper County, South Carolina, executed in recordable form, by Declarant and, if Declarant is not the owner thereof, joined in by the property owner and Declarant, describing such property and stating the intent to be bound hereby and submitted hereunder.

Section 2.3: Removing Property from Declaration. For any part of the Property owned by Declarant, Declarant reserves the right in its sole and absolute discretion, and without any approval

required from any Owner, the Association, the Board, or any other party, to at any time and from time to time remove and fully and completely release the Declaration from any portion of the Property and/or the Common Property owned by Declarant. Declarant may remove and fully and completely release the Declaration from any portion of the Property or Common Property owned by Declarant by filing a supplemental declaration which only need be signed by Declarant and Declarant shall not need the approval of the Association, the Board, any Owner, or any other party to so file such supplemental declaration.

Section 2.4: General Plan of Development.

(a) For purposes of these Covenants the phrase "Master Plan" shall mean and refer to conceptual Master Plans, general land use maps, advertising brochures, designs and drawings commissioned by Declarant, prepared by landscape architects, planners, designers, engineers, graphic illustrators and artists and similar professionals displaying possible future uses of the Property, prepared as an aid for orderly development of the Property or as part of its communications with the public and property purchasers, or as part of its research programs undertaken by Declarant for future development of the Property. Declarant intends to develop the Property in accordance with its own conceptual Master Plan, as modified from time to time as a private residential community featuring recreational facilities, various amenities, and any other lawful activities which Declarant deems appropriate as uses for such property. Declarant reserves the right to review and modify its Master Plan at its sole option from time to time based upon its continuing research and design program.

(b) It is the intention of Declarant to transfer title to the Common Property to the Association on or before the Turnover Date, as defined herein, pursuant to the procedures set forth in Section 9.2, below. The Declarant is not precluded from conveying property to the Association prior to the Turnover Date. The Association will maintain the Common Property. Declarant shall not be required to follow any predetermined sequence or order of improvement and development; and may bring within the plan of these Covenants additional lands and develop the same before completing the development of the Property. Said conveyances by Declarant shall be for no consideration and the Common Property shall be debt free at the time of conveyance. However, the Common Property shall be conveyed subject to reimbursement for transfer of inventory and merchandise as set forth in Section 9.3 below and acceptance and assignment of any equipment leases (term or capital) that may exist at that time.

(c) Other than as stated in this Section 2.4, Declarant shall have full power to add to, subtract from, or make changes in its Master Plan. No implied reciprocal equitable servitudes or easements shall arise with respect to any lands retained by Declarant.

(d) In general, all future Owners of Homesites and Dwelling Units within the Property and Members of the Association recognize that Declarant will have portions of Riverton Pointe under development for an extended period of time. As part of development it is understood that the quiet enjoyment of the Property may be interfered with from time to time to some extent with construction operations. As stated above, Declarant has presented to the public certain renderings, plans, models showing possible future development of the Property. Declarant does not warrant in any way the designs in those renderings, plans or models or how any portions of

the improvements to the Property will actually be developed. All purchasers of Homesites and Dwelling Units within the Property accept that any such renderings, plans or models are preliminary and in no way represent the final development plan of the Property. All Owners agree that Declarant shall have the sole right of design, construction, development and improvement of the Property. Declarant expressly disclaims that any rights shall arise or any restraints be created by any reference or depiction of land use as shown on any Master Plans.

(e) The Property will be developed in phases and consequently only those phases which are completed and platted shall comprise the Homesites or Lots. Declarant hereby reserves the right, but not the obligation, to be exercised in its sole discretion, to designate the boundaries of all Homesites, Lots, and Common Property in various phases of the Property as they are developed and platted and to construct on any portion of the Property recreational facilities, including, but not limited to swimming pools and related facilities. Declarant shall have the right, but not the obligation, in its sole discretion and without any approval required from any Owner, the Association, the Board, or any other party, to make improvements and changes to all Common Property and to all Homesites or Lots owned by Declarant, including, without limitation, (1) installation and maintenance of any improvements added to the Common Property; (2) changes in the location of the boundaries of any Homesites or Lots owned by the Declarant or of the Common Property; (3) changes in the boundaries between the Property and any portion of property owned by Declarant; (4) installation and maintenance of any storm drainage system and water/sewer or other utility systems and facilities; (5) installation of security and/or refuse facilities; and (6) construction, installation and maintenance of a permanent dwelling unit or units on any Lot or Homesite without the approval of the Association, the ARB, the Board of Directors or their respective successors or assigns.

(f) The Declarant does not guarantee in any manner that any view from a Homesite or Dwelling Unit over and/or across any part of the Common Property (including but not limited to lakes, lagoons, or ponds owned by the Association) and/or the Club Property (including but not limited to the golf course or lakes, lagoons, or ponds owned by the Club) will be preserved without impairment and Declarant will not have any obligation to any Owner of a Homesite or Dwelling Unit to preserve any view over or across any portion of the Common Property or the Club Property. In addition, Declarant shall not have any obligation to prune or thin trees or other vegetation on any portion of the Common Property. Declarant shall have the right in its sole and absolute discretion to locate and/or to remove and relocate all portions of the Common Property and all structures, signs, hardscape, trees, landscaping, and lighting on any portion of the Common Property (including but not limited to any lakes, lagoons, or ponds) as the Declarant sees fit. All Owners by accepting a deed to any Homesite or Dwelling Unit acknowledge that any or all such decisions and/or changes by the Declarant may diminish, change, obstruct, or eliminate any view of a Homesite or Dwelling Unit over and/or across the Common Property and/or the Club Property. Any expressed or implied view easements and/or easements for the passage of light over, from, and/or across the Common Property and/or the Club Property are hereby expressly disclaimed.

PART TWO LAND USE RESTRICTIONS

ARTICLE III:

General Land Use Restrictions and Obligations

Section 3.1: Use of Property. Declarant does hereby declare that the Property which is the subject of this Declaration shall be utilized for residential purposes. All commercial activities (other than those relating to Association operations and/or reserved by Declarant) upon, or within said Property are hereby prohibited except as expressly allowed under this Declaration; provided, however, that this prohibition shall not be interpreted as preventing Declarant or its affiliates, agents, successors and/or assigns from the leasing of Homesites and Dwelling Units, the offering storage space, operating the development office, maintaining sales offices, model homes or real estate sales related promotional activities upon the Property. Declarant specifically reserves the right, in its sole discretion to include the sales center and/or administrative building within the covenanted Property, to sell the sales center and/or administrative building, to designate a portion of the Property as administrative and/or sales offices, and to continue to use the sales center and/or administrative building for like purposes after Turnover.

Each Owner by accepting a deed to any Homesite or Dwelling Unit acknowledges that Declarant may include additional restrictions or modifications in deeds to various properties of the Development to further define the scope of this general use condition. The allowance or approval of a proposed use under this Section shall not be interpreted as a representation that such use complies with any applicable governmental zoning and/or land use regulations. Such regulations may apply further use restrictions in addition to the above. Furthermore this section shall not prevent Declarant or the Association from charging user fees or rental fees, or from operating or leasing designated Common Property. For the purposes of this provision multifamily residential facilities or similar residential facilities shall not be prohibited, though such facilities must be specifically approved by Declarant in writing and/or designated as such by Declarant in its deeds.

Notwithstanding any other provision of this Declaration, the mining or extraction of any oil, gas or minerals of any type, including but not limited to those described in certain deeds recorded in the Office of the Register of Deeds for Jasper County in Deed Book 327 at Page 128, Deed Book 327 at Page 148, and Deed Book 327 at Page 157, are prohibited on any portion of the Property.

Section 3.2: Architectural Review.

(a) Declarant Review. The Declarant or its delegate, in its sole discretion, has the power to review and approve all activities made subject to architectural approval by these Covenants. No activity on the Property shall commence unless or until the Declarant or its delegate has given written approval. Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Section to (i) a person or committee comprised of architects, engineers, or other persons who may or may not be Members of the Association, or (ii) an Architectural Review Board (ARB) appointed by the Declarant. Said delegation shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Section, the jurisdiction of the foregoing

entities shall be limited to such matters as Declarant specifically delegates to it. Declarant's rights under this Section shall continue so long as Declarant owns any portion of the Property and/or the Additional Property, unless earlier terminated in a written instrument executed and recorded by Declarant. Unless and until such time as Declarant delegates all or a portion of its reserved rights hereunder to the Association, the Association shall have no jurisdiction over architectural matters and the Association shall have no right to impose any architectural restrictions on Declarant and/or upon the Property without the prior written consent of Declarant. Upon the sale of the last Homesite, Lot, and Dwelling Unit owned by Declarant, the Association acting through an architectural review board appointed by the Board of Directors of the Association shall assume jurisdiction over architectural matters and shall have the same rights of approval as those that vested in Declarant. EACH MEMBER/OWNER AND CO-OWNER ACKNOWLEDGES AND AGREES THAT APPROVALS BY THE DECLARANT OR, IF ESTABLISHED, THE ARB INVOLVE SUBJECTIVE DETERMINATIONS AND THAT OPINIONS MAY VARY AS TO THE DESIRABILITY OR ATTRACTIVENESS OF PARTICULAR IMPROVEMENTS. EACH MEMBER/OWNER AND CO-OWNER ACKNOWLEDGES AND AGREES THAT PRIOR APPROVAL OF ANY IMPROVEMENT DOES NOT GUARANTEE FUTURE APPROVAL OF A LIKE IMPROVEMENT AND THAT DESIGN STANDARDS MAY BE CHANGED TO PROHIBIT IN THE FUTURE IMPROVEMENTS SIMILAR OR LIKE IMPROVEMENTS PREVIOUSLY APPROVED. DECLARANT OR, IF ESTABLISHED, THE ARB MAY IN ITS SOLE DISCRETION AUTHORIZE VARIANCES FROM COMPLIANCE WITH ANY DESIGN STANDARDS, INCLUDING ALL SETBACK REQUIREMENTS AS SET FORTH THEREIN OR AS SHOWN ON A SUBDIVISION PLAT, AND PROCEDURES WHEN THE DECLARANT OR, IF ESTABLISHED, THE ARB IN ITS DISCRETION DETERMINES THAT CIRCUMSTANCES SUCH AS TOPOGRAPHY, NATURAL OBSTRUCTIONS, HARDSHIP, OR AESTHETIC CONSIDERATIONS, ENVIRONMENTAL CONDITIONS, OR OTHER CONSIDERATIONS SO REQUIRE BUT NO VARIANCE SHALL BE EFFECTIVE UNLESS IT SHALL BE IN WRITING FROM DECLARANT OR THE ARB.

(b) Architectural Review Board. Upon delegation by Declarant or upon expiration or termination of Declarant's rights hereunder, the Association acting through the ARB shall assume jurisdiction over architectural matters. The ARB shall be composed of three to nine members, at the Declarant or Association's discretion, the members of which need not be Owners of Homesites or Dwelling Units within the Property and such members shall serve for a term of one (1) year. The ARB may engage or contract with consultants as may be necessary to carry out this function. Said consultants may be compensated in such manner and amount, if any, as the Board may establish. DECLARANT SHALL ASSUME NO RESPONSIBILITY FOR THE ACTIONS OR INACTIONS OF THE ARB AND/OR THE ASSOCIATION AND ALL OWNERS AND THE MEMBERS AGREE TO HOLD DECLARANT HARMLESS IN THE EVENT OF ANY DAMAGES SUFFERED THEREBY. EACH OWNER SHALL HAVE SOLE RESPONSIBILITY FOR ENSURING THAT ANY IMPROVEMENTS APPROVED BY THE DECLARANT OR THE ARB OTHERWISE MEET ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, RULES, AND REGULATIONS, INCLUDING BUT NOT LIMITED TO APPLICABLE HEIGHT RESTRICTIONS, SETBACKS, FLOOD RESTRICTIONS OR REQUIREMENTS, SQUARE FOOTAGE LIMITATIONS, LANDSCAPE REQUIREMENTS, BUFFERS AND PARKING REQUIREMENTS.

(c) Architectural Standards. Standards for review may be published by the Declarant or its delegate and made available to Owners or prospective Owners. No approval of plans, location or specifications, and no publication of architectural standards bulletins by the Declarant or its delegate shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed building or that such standards comply with pertinent law. All Owners by accepting a deed to any Homesite or Dwelling Unit acknowledge that the Declarant has established those certain Riverton Pointe Design Guidelines effective as of June 28, 2007, last revised on or about the same date as the recording of this Declaration (the "Design Guidelines") and must comply with such Design Guidelines. The Design Guidelines may be changed from time to time at the discretion of the Declarant or its delegate, without prior notice.

Section 3.3: Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures, Landscaping and Siting.

(a) No building, dock, fence, gazebo, retaining wall, sign, pool, deck, fountain, flag, landscaping, grading, excavating, or other structure or landscaping element of any kind shall be started, erected, placed or altered on the Property until the proposed building plans, specifications, excavation and/or grading plans, tree and topographical survey, exterior color and finish, landscape plan including exterior lighting, site plan, (showing proposed location of such building or structure, setbacks, open space, drives, landscape elements, patios, decks and parking areas) shall have been approved in writing by the Declarant, its delegate, or the ARB. Refusal of approval of plans, location or specifications may be based by the Declarant, its delegate or the ARB upon any reasonable grounds, including purely aesthetic considerations, which in the Declarant, its delegate or the ARB's sole discretion shall be deemed sufficient.

(b) No alterations in the exterior appearance of any building, landscape element or Structure shall be made without the approval of the Declarant, its delegate or the ARB.

(c) Five (5) copies of all plans and related data shall be furnished to the Declarant, its delegate or the ARB, or its agent, for its records and a reasonable fee may be required at the time of submittal to cover costs of plan review by professionals, said fee to be established by the Declarant or the ARB and thereafter shall be subject to adjustment by the Board. Approval shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval unless a different expiration time is specifically stated in the approval. A statement of items found unacceptable shall accompany disapproved plans and related data.

(d) Among other items, the Design Guidelines may include suggested or required building materials, colors, setbacks, buffers, paving materials, plant materials, light fixtures, signs and graphics, benches, trash receptacles, etc.

(e) The placing of individual or clustered, private mailboxes upon Lots or mandatory guidelines regulating the size, color or siting and construction of all mail boxes will be subject to the Declarant, its delegate or the ARB's discretion.

(f) To assure that buildings and other structures will be located with regard to the topography of each property taking into consideration the location of large trees, as well as structures previously built or approved pursuant to this Article for adjacent parcels of land and other aesthetic and environmental considerations, the Declarant, its agent or the ARB shall have the right to approve (subject to the provisions of the pertinent law) the precise site and location of any structure within the Property. The location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site. In submitting site development plans for review hereunder, each Owner shall include calculations verified by an engineer or landscape architect regarding setbacks, total pervious and impervious surface coverage, open space, gross building square footage, and any other data which may be requested. Once approved, development consistent with such calculations shall be mandatory.

Section 3.4: Exterior Antennas, Towers, and Solar Panels. No outside television or radio aerial, antennae, tower, or other device for the reception or transmission of radio or television or other electronic signals shall be erected or maintained on any Homesite except as otherwise allowed below or by the Declarant or the ARB. No ham radio towers or antennae of any type will be allowed on the Property. The Declarant or if established, the ARB, shall approve any application for the installation of no more than two (2) satellite dishes per Homesite so long as the application reflects solely the minimum requirements of the Telecommunications Act of 1996, any amendments thereto, or any applicable South Carolina statutory requirements and indicates that the installation is for the personal use of the Owner, provided the location of the satellite dish(is) meets the requirements of any architectural standards of the ARB. In addition, the Declarant, or if established the ARB shall have the power to require specific forms of screening such as fences or shrubbery as it deems appropriate in order to render the installation as inoffensive as possible to other Owners. All installations must comply with local zoning requirements and building codes, if applicable.

Section 3.5: Tree Removal. Trees measuring six inches (6") or more in diameter at a distance of four feet (4') above ground level may be removed only with the written approval of the Declarant, its delegate or the ARB, and subject to compliance with any applicable laws, rules and regulations. All Owners shall be responsible for timely removing any diseased/dead trees from such Owner's homesite.

Section 3.6: Service Yard. Except as otherwise allowed by Declarant, each Homesite and Dwelling Unit shall have a visually screened area to serve as a Service Yard and an area in which garbage receptacles, fuel tanks, or similar storage receptacles, electric and gas meters, air conditioning equipment, and other unsightly objects must be placed or stored in order to conceal them from the roads, golf course, and other adjacent properties. Household fuel tanks must be permitted from the proper authorities and may be located outside of such screened areas only if located underground. Plans for such fence or screening delineating the size, design, color, texture, appearance and location must be approved by the Declarant, its delegate or the ARB in writing prior to construction.

Section 3.7: Minimizing Construction Disturbances. For any approved construction on a Homesite or Lot, the Owner and the contractor shall maintain the construction site in a clean and uncluttered condition, and construction may not commence before 7:00 a.m. or be continued after 7:00 p.m. Monday through Saturday, and is not permitted on Sunday unless specifically approved by the Declarant or the ARB. The Declarant or the Association may promulgate rules governing construction activities that may limit construction activities at certain times, e.g. holidays, tournaments and promotional events.

Section 3.8: Temporary Structures Outbuildings and Construction Site Clean-Up. No structure of a temporary character shall be placed upon a Homesite or Lot or other portions of the Property at any time except as approved by the Declarant or the ARB, provided, however, that this prohibition shall not apply to Declarant or to shelters used by contractors during the construction of any recreational facilities; it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the Property after completion of construction. The design size and color of structures temporarily placed on said Homesite or Lot by a contractor or subcontractor shall be subject to the reasonable aesthetic approval of the Declarant, its delegate or the ARB.

Section 3.9: Water and Sewage. Declarant has made arrangements for a central sewage disposal system and central water supply system. No septic tanks may be installed on any Lot or Homesite and no potable water wells may be drilled or maintained on a Lot or Homesite, provided, however, that this prohibition is not intended to prevent the Declarant, its delegate or the ARB from approving heating and cooling systems which include a closed loop groundwater well system. The Declarant, and after Turnover, the Association, may in their discretion allow shallow wells for irrigation purposes only.

Section 3.10: Animals. No animals, livestock, swine or poultry of any kind, including birds, insects and reptiles, may be raised, bred, or kept on any Homesite or Lot other than a maximum of three (3) household pets kept on any one Homesite. No livestock shall be kept on any Homesite or Lot. No animal shall be allowed to become a nuisance or kept, bred or raised for a commercial purpose. No Structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Homesite unless plans, specifications and location for said Structure have been approved by the ARB. For the purposes of this Section 6.33, the term "household pets" shall exclude those animals, such as cows, horses, snakes, swine, goats, and fowl, all of which are specifically prohibited from being kept on the Property. In order to preserve the aesthetic qualities of the Property, to maintain sanitary conditions on the Property, to prevent the spread of worms and infectious diseases on the Property, to maintain a proper respect for other Owners and users of the Property, and to maximize the overall use and enjoyment of the Property, each Person who keeps a pet within a dwelling shall abide by rules and regulations established by the Declarant or the ARB from time to time. The breach of any of these rules and regulations shall be a noxious and offensive activity constituting a nuisance. All animals shall be leashed (if outdoors) or kept within the Unit and shall not be permitted to roam free. The Association may restrict the walking of pets to certain areas. Owners who walk their pets on Common Property must clean up after their pets. Commercial activity involving pets, including, without limitation, boarding, breeding, grooming or training is not allowed. The ability to keep a pet is a privilege, not a right. If, in the opinion of the Board, any pet becomes a source of unreasonable annoyance

to others, or the owner of the pet fails or refuses to comply with these restrictions, the owner, upon written notice, may be required to remove the pet from the Property. Pets may not be left unattended or leashed in yards or garages or on porches or lanais. Pursuant to rules and regulations, the Board may further regulate pets, including but not limited to number and type of pets.

Section 3.11: Completion of Construction. The exterior of all structures on a Lot must be completed within twenty-four (24) months after the construction of same shall have commenced, except where such completion is impossible, impractical or would result in great hardship to the Owner due to strikes, fires, national emergency or natural calamities. Substantially all of the landscaping shown on the plans approved by the Declarant, its declarant or the ARB must be completed prior to occupancy of the Dwelling Unit.

Section 3.12: Unsightly Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds by such Owner or the Owner's family members or guests on any portion of the Property.

Section 3.13: Offensive Activity. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the other property in the neighborhood by the Owners thereof Further, while it is understood that the Owners will have garbage receptacles, such receptacles shall be for domestic garbage only and the Owner shall not be authorized to dispose of any hazardous waste materials on a Lot or Homesite or otherwise within the Property. The term "hazardous waste materials" shall mean any substance, material, waste, gas or particular matter which is regulated by any local government authority, the State of South Carolina or the United States Government as a "hazardous waste", "hazardous material", "hazardous substance", or restricted "hazardous waste".

Section 3.14: Other Buildings and Vehicles. No mobile homes, trailer, tent (other than children's tents on a temporary basis), barn or similar out-building, vehicle or structure shall be placed on any Lot or Homesite at any time, either temporarily or permanently except as allowed in the rules and regulations of the Association or as approved by the ARB. Motorcycle use shall be restricted so as to allow an Owner to enter and exit the Property by riding the motorcycle in a direct route to and from the entrance to Riverton Pointe and the Owner's Homesite or Dwelling Unit. No school bus, truck or commercial vehicle over three-quarters (3/4) ton capacity, house trailer, mobile home, motor home, recreational vehicle, camper, habitable motor vehicle of any kind, boat or boat trailer, trailers of any kind, or like equipment shall be permitted on any Homesite or Lot unless enclosed within an approved out building so that it is not visible from the street or as otherwise may be permitted in writing by Declarant or, if established, the ARB or as permitted in architectural standards of the ARB. Any excessively loud vehicles will be considered a nuisance under Section 3.13.

Section 3.15: Signs. No commercial signs, including "for rent" or "for sale" and other similar signs, shall be erected or maintained on or in said Property by anyone other than Declarant, including, but not limited to, the Owner, a realtor, a contractor or subcontractor, except with the written permission of the Declarant, its delegate or the ARB, or except as may be required by legal proceedings. If such permission is granted in writing, the Declarant, its delegate or the ARB reserves the right to restrict size, color and content of such signs. Any such signs placed without the prior written approval of the Declarant may be removed by the Declarant without notice and Declarant is expressly given the right to enter a Lot or Homesite to remove such signs and such will not constitute a trespass.

Section 3.16: Restrictions of Use of Roadways. Subject to the rights of ingress and egress of Owners, Members, and their guests, Declarant and its successors shall have the powers to place any reasonable restrictions upon the use of the private roadways within the Property and leading through lands owned or managed by Declarant to the Property, including but not limited to restrictions pertaining to the speeds of vehicles, traffic and parking regulations and noise levels of vehicles. The fact that such restrictions on the use of the roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable.

Section 3.17: Landscaping Maintenance. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. All Lots and all portions of the Property and any improvements placed thereon shall at all times be maintained in a neat and attractive condition. Landscaping shall be maintained in a neat, attractive and orderly manner, including maintenance of grass, plants, plant beds, trees, turf, proper irrigation and lake/conservancy/water maintenance. In order to implement effective control, Declarant and/or Association, its agents and assigns, shall have the right to enter upon any Lot for the purpose of mowing, pruning, removing, clearing or cutting underbrush, weeds or other unsightly growth and trash, which in the opinion of the Declarant, its delegate or the ARB detracts from the overall beauty and safety of the Property, in accordance with the provisions of these Covenants, and, further, to conduct such landscaping and landscaping maintenance activities as may be authorized as a common expense under these Covenants and the By-Laws. In the event that Declarant or the Association deems it necessary to enter upon any Lot to correct any unsightly, unkept or unsafe condition, as set forth above, all expenses incurred in such corrective action shall be the responsibility of the Owner, and such expenses may be charged and collected in like manner against such Owner as an assessment obligation. Further Declarant may enter upon any unimproved lot and mow it as needed. As an additional charge, the Board in its discretion may establish a yearly charge to be paid to the Association to be specifically used for mowing of unimproved lots. Said sum may be increased from time to time as the Board of Directors of the Association deems necessary.

Section 3.18: Right of Entry. Whenever Declarant or the Association is permitted by these Covenants to correct, repair, clean, preserve, clear out, or do any action on any Homesite, Lot, or Dwelling Unit, entering such property and taking such action shall not be deemed a trespass.

Section 3.19: Consolidation of Property. Once a Homesite or Lot has been conveyed by the Declarant to an Owner, the lot shall not be further subdivided or its boundary lines changed except with the written consent of Declarant; provided, however, that nothing contained herein shall be construed to prohibit the Declarant the right to re-plat, by subdivision, consolidation or reconfiguration, any Homesites and/or Lot or Lots into one (1), two (2) or more lots which are owned by the Declarant, and the Declarant may take such other steps as are reasonably necessary to make such re-platted Homesites and/or Lot(s) suitable and fit for use for its originally intended purpose. Such steps may include but are not limited to the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of said re-platted Homesites and/or Lots. In the event of an Owner, or Owners, owning two (2) or more contiguous Homesites and/or Lots, said Owner, or Owners, may apply to Declarant for a consolidation of the two (2) or more lots into one or more Homesites and/or Lots. At its discretion, Declarant may then take such steps as are reasonably necessary to make this consolidation of record at the requesting Owner's or Owners' cost and expense. At Declarant's sole discretion, upon consolidation, the consolidated homesite or lot may be considered one (1) Homesite or Lot for purposes of these Covenants and membership in the Association and the additional membership owned by the consolidating Owner or Owners will be surrendered to Declarant and may be held by it or assigned by it to other property. In the event Declarant holds the membership, no assessments shall be due from Declarant during the period of holding. In the event Declarant does not determine to take the membership as recited herein, the Consolidating Owner shall remain liable for two assessments.

Section 3.20: Interval Ownership, Timesharing and Devices to Effect Interval Ownership Prohibited. Except for the guest house(es) as set forth in Section 3.27, no time sharing or other forms of interval ownership, including, but not limited to that defined under the Vacation Time Sharing Act, a Vacation Multiple Ownership Act, as codified in title 27, Chapter 32 of the South Carolina Code at the time this Declaration is recorded, shall be permitted on the Property without the prior written consent of Declarant, which consent may be withheld for any reason or for no reason.

Section 3.21: Rental Restrictions/Leases.

The Owners desire to maintain the quality and residential character of the Community and the value of their Dwelling Units. The provisions of this Section are intended to help achieve this purpose. No Unit Owner except the Declarant, shall be permitted to lease his Dwelling Unit unless such Owner has complied with the relevant provisions of this Declaration, the Bylaws and any applicable Rules and Regulations. Except for the guest house(es) as set forth in Section 3.27, all leases must be in writing for a term not to be less than (1) year and fully executed copies shall be provided to the Association for its records, and all leases shall provide that the lessee shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Rules and Regulations, as may from time to time be promulgated by the Board. The leasing of a Dwelling Unit shall not affect the liability of the Owner with respect to his obligations under this Declaration, the Bylaws and such Rules and Regulations. The provisions of the third and fourth sentences of this paragraph shall not apply to an Institutional Lender.

In the event the Owner shall fail to pay any Assessment levied by the Board against a leased Dwelling Unit, and such failure to pay continues for ten (10) days, the Board shall so notify the lessee of such Dwelling Unit in writing of the amount due and, within fifteen (15) days after the date of such notice, the lessee shall pay to the Association the amount of such unpaid Assessment. The amount of such unpaid Assessment paid to the Association by lessee after the nonpayment by the Owner shall be credited against and shall offset the next monthly rental installment due to the Owner following the payment by the lessee of such Assessment to the Association.

In addition to any and all lease restrictions that may be part of the Rules and Regulations, further restrictions for leasing of Dwelling Units are as follows: (i) no Dwelling Unit may be leased for transient or hotel purposes, i.e. AirBnB or the like; (ii) no Dwelling Unit may be subleased; (iii) an Owner may not lease less than the entire Dwelling Unit; (iv) Owners may only lease to natural persons (not entities); and (v) the Community shall comply with any and all leasing/owner occupancy requirements of FNMA, FHLMC, FHA, HUD or VA.

Notwithstanding anything herein to the contrary, the Owner and his tenant shall not both be permitted to use the recreational amenities at the same time. It shall be the responsibility of the Owner to notify the Association whether the Owner or the tenant shall be permitted to use the recreational amenities.

Section 3.22: Occupancy Restrictions. Except as otherwise approved by the Declarant or the Board in writing (said approval shall not be unreasonably withheld), no Homesite or Dwelling Unit may be used or occupied by more than seven (7) Persons in the main structure and two (2) Persons in any approved out building, if any, nor may a Homesite or Dwelling Unit be used or occupied by more than two (2) Persons who are not Family Members (as defined below) of the Owner of the Homesite or Dwelling Unit. Any Person who rents or leases a Homesite or Dwelling Unit is subject to the same occupancy restrictions as provided in this Section (i.e. no more than seven (7) Persons in the main structure and two (2) Persons in any out building nor more than two (2) Persons who are not Family Members of the Person leasing or renting the Homesite or Dwelling Unit may occupy or use the Homesite or Dwelling Unit during the rental or lease term). For the purposes of this Section, "Family Members" shall include: (i) the Owner of the Homesite or Dwelling Unit (or any Person who rents or leases a Homesite or Dwelling Unit), (ii) the spouse of an Owner (or the spouse of any Person who rents or leases a Homesite or Dwelling Unit), (iii) the dependent children of an Owner (or of any Person who rents or leases a Homesite or Dwelling Unit) age 23 or younger, unless such accommodation is reasonably necessary due to health or disability status and (iv) the parents of the Owner or Spouse (or of any Person who rents or leases a Homesite or Dwelling Unit).

Section 3.23: Resubdivision of Property. Once a Lot or Homesite has been conveyed by Declarant to an Owner, the Lot or Homesite shall not be split, divided, subdivided, or combined nor shall its boundary lines be altered, without the prior written approval of the Declarant or the Board of such split, division, subdivision, combination or boundary line alteration. Two or more Homesites or Lots may not be legally combined of record into one Homesite or Lot (except by Declarant which Declarant shall have the right to do at any time in its sole discretion) unless Declarant or the Board has consented in writing to such combination, such combination is approved by the City of Hardeeville or Jasper County as applicable, and the party

requesting such combination pays all costs associated therewith including the costs of a revised or amended plat in a form approved by the City of Hardeeville or Jasper County as applicable and by Declarant or the Board in writing and recorded in the Office of the Register of Deeds for Jasper County making such Homesites or Lots a single Homesite or Lot. Such combined Homesite or Lot shall continue to be treated as separate Homesites for purposes of voting and assessments unless the Declarant or the Board otherwise agrees in writing. This provision shall not apply to the Declarant who shall have the right, at its sole discretion at any time, to alter boundary lines of any Homesite or Lot or acreage of any Homesite or Lot owned by Declarant. Nothing herein contained shall be construed to prohibit the Declarant the right to re-plat any Homesites or Lots into one (1), two (2) or more Homesites or Lots which are owned by the Declarant, by subdivision, consolidation or reconfiguration, and the Declarant may take such other steps as are reasonably necessary to re-plat such Homesites or Lots. Such steps may include, but are not limited to, the relocation of easements, walkways and rights-of-way to conform to the new boundaries of said re-platted Homesites or Lots.

Section 3.24: Golf Carts, Golf Cart Paths.

(a) Golf Carts. Members may use private golf carts approved by, acquired through, and displaying a valid permit issued by the Club on the Club Property subject to South Carolina law and Club rules and regulations. The use of unauthorized golf carts on the Club Property is strictly prohibited. The Club may charge trail fees for golf carts on Club Property. The Club, in its sole discretion, may impose additional rules and regulations. Members may use private golf carts on the roads within the Common Property subject to South Carolina law and Association rules and regulations. The Board, in its sole discretion, may impose additional rules and regulations.

(b) Golf Cart Paths. Except with respect to those portions of the golf cart path that are designated as part of the trail path within the Club Property, no persons shall be permitted to jog, walk, bike, roller skate or roller blade along the golf cart paths or any other portion of the Club Property unless the prior written approval of the Club Owner has been obtained. A perpetual, non-exclusive easement over, across and through the Property is hereby granted to the Club Owner for the purpose of installing, maintaining, repairing, replacing and/or reconstructing any and all golf cart paths and irrigation and electricity lines and facilities under such paths which are located on or are required to be located on the Property, in the discretion of the Club, in order for proper use and operation of the Club to occur.

Section 3.25: Restricted Activities. The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking any vehicles (excluding vehicles owned by Declarant or the Association) on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Homesite or the Common Property; provided, street side parking may be exempt from this provision upon establishment by the Board at its discretion by written policy resolution;

(b) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(c) Outside burning of trash, leaves, debris, or other materials, except by Declarant and/or its contractors;

(d) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Homesites or Dwelling Units, except alarm devices used exclusively for security purposes;

(e) Use and discharge of firecrackers and other fireworks;

(f) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop the unauthorized discharge of firearms;

(g) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Homesite for emergency generator purposes and operation of lawn mowers and similar tools or equipment. Declarant and the Association shall be permitted to store fuel for operation of maintenance equipment and vehicles, generators, and similar equipment. This provision shall not apply to any lawful underground fuel tank as established by Declarant and/or the Association;

(h) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Homesite may conduct business activities within the Homesite so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Homesite; (ii) the business activity conforms to all zoning requirements for Riverton Pointe; (iii) the business activity does not involve door-to-door solicitation of residents of Riverton Pointe; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked at the applicable Homesite which is noticeably greater than that which is typical of Homesites in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Riverton Pointe and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Riverton Pointe, as may be determined in the Board's sole discretion. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. Leasing of a Homesite or Dwelling Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or its members or their affiliates, successors or assigns, with respect to any development activities, construction activities, sales or resales of product in Riverton Pointe or to their use of any Homesites or Dwelling Units which they own within Riverton Pointe, including the operation of a sales offices, real estate offices, timeshare or similar programs by Declarant or its members or their affiliates or successors or assigns;

(i) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Homesite without the prior approval of Declarant;

Section 3.26: Miscellaneous.

(a) Except for work done by the Declarant in connection with the construction and marketing of Homesites and/or Dwelling Units, nothing shall be built, caused to be built or done in or to any part of the Property which will alter or cause any alteration to the Common Property without the prior written approval of the Board of Directors and the Declarant. The Declarant's approval shall be required until one (1) year after the conveyance by the Declarant of the last Homesite and/or Dwelling Unit owned by Declarant.

(b) Members/Owners, their families, guests, invitees, or occupants may not obstruct the Common Property in any way including, but not limited to, interfering with any storm water drainage. Members/Owners, their families, guests, invitees, or occupants may not store anything in or on the Common Property without the prior written approval of the Board of Directors.

(c) No clotheslines and no outdoor clothes drying or hanging shall be permitted in the Development, nor shall anything be hung, painted or displayed on the outside of the windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any of the Homesites and/or Dwelling Units, and no awnings, canopies or shutters (except for those heretofore or hereinafter installed by Declarant) shall be affixed or placed upon the exterior walls or roofs of Homesites and/or Dwelling Units, or any part thereof, nor relocated or extended, without the prior written consent of the Board of Directors. Window air conditioners are prohibited.

Section 3.27: Guesthouse. Notwithstanding any other provision of this Declaration to the contrary, the Declarant expressly reserves the right to retain one or more Homesites and/or Dwelling Units in the Development as a guest house, to be used and enjoyed by the Declarant, its affiliates, employees, invitees, and licensees for any lawful purpose, which may include but is not limited to short term occupancy.

Notwithstanding any other provision of this Declaration to the contrary, Declarant's right to retain one or more Homesites and/or Dwelling Units in the Development shall not terminate unless and until the Declarant records a written statement relinquishing this right. Except as is otherwise set forth in this Section 3.27, with respect to any Homesite and/or Dwelling Unit retained by Declarant, Declarant shall have the same rights and obligations as any other Owner, and Declarant shall be entitled to one vote for each Homesite and/or Dwelling Unit it retains. Notwithstanding Section 10.10(c), any Homesite and/or Dwelling Unit retained by Declarant for the purposes permitted in this Section 3.27 shall be subject to assessment as set forth in Article V. Declarant's obligation to pay assessments for any such Homesite and/or Dwelling Unit retained by Declarant shall commencement upon the date that a certificate of occupancy is issued for the dwelling constructed upon the Homesite and/or Dwelling Unit.

Section 3.28: Maintenance of Unit. Each Owner shall maintain his Dwelling Unit and Homesite in a manner satisfactory to the Association and in accordance with this Declaration, Bylaws and rules and regulations of the Association. In the event that a Dwelling Unit or Homesite is not so maintained, the Association shall have the right to enter upon the Dwelling Unit and/or Homesite to maintain the same, after giving the Owner at least fifteen (15) days written notice to cure any maintenance problems or deficiencies. In the event that the Association exercises its right of entry for maintenance purposes, the Association shall have the right to assess the particular Owner for the cost of such maintenance. The Association, by its Board, shall have the right to establish Rules and Regulations governing the maintenance of any Dwelling Unit or Homesite.

Section 3.29: Work. No Owner shall perform or permit to be performed any work to any portion of his Homesite or Dwelling Unit, which work may require access to, over or through the Common Property or other Dwelling Units or Homesites without the prior consent of the Board of Directors except in case of an emergency. All such work may only be performed by a Person who shall deliver to the Board of Directors prior to commencement of such work, in form satisfactory to the Board of Directors:

- (a) releases of the Board of Directors and the Association for all claims that such Person may assert in connection with such work;
- (b) indemnities of the Board of Directors and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Property or other Dwelling Units;
- (c) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board of Directors; and
- (d) all other information and protections which the Board of Directors may reasonably require.

Section 3.30: Restriction of Common Property. The Board of Directors may prohibit or restrict the use of the Common Property from time to time, on a non-discriminatory basis, if and to the extent required for safety or other valid reasons.

Section 3.31: Declarant Exemption. The provisions of this Article are intended to restrict certain uses that may be harmful or affect the ambience or aesthetic appeal of the Development to be constructed by Declarant. The restrictions are not intended to prohibit Declarant from performing such work as may be necessary in the completion of the work in the Development. The restrictions of this Article shall therefore not be binding upon Declarant in the performance of any of the work required in order to complete construction of the Development. Notwithstanding any other provision of this Declaration and/or the Bylaws, the provisions contained in this Article III, as well as any other restrictions, architectural control and/or construction control provisions and/or general covenants and restrictions, including but not limited to building setbacks contained in this Declaration, the Articles of Incorporation or the Bylaws, shall not at any time apply to Declarant, or to any entities affiliated with Declarant or to

any successor Declarants, even after Turnover. This Section 3.28 may only be amended with the prior written consent of the Declarant, and, any successor Declarants, while Declarant or any successor Declarant still owns at least one (1) Homesite, Lot, or Dwelling Unit. No Member/Owner, the Board, or the Association may interfere with the development and/or building activities of the Declarant and/or its affiliates and/or successors as long as Declarant owns at least one Homesite, Lot, or Dwelling Unit.

Section 3.32: Club Property Exemption. Notwithstanding any other provision of this Declaration to the contrary, the Club Property and Club Owner shall not be subject to the terms and conditions of Article III.

ARTICLE IV

Environmental Controls

Section 4.1: Topography and Vegetation. Topographic and vegetation characteristics of a Homesite or Lot shall not be altered by removal, reduction, cutting, excavation, fill, or any other means without the prior written approval of the Declarant, its delegate or the ARB.

Section 4.2: Certain Controls. To implement effective and adequate erosion control and protect the beauty of the Property, the Declarant, its successors, assigns (including but not limited to the Association), and agents shall have the right to enter upon any portion of the Property before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon any property not owned by the Declarant or the Association as applicable for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices, the Declarant, its successors, assigns (including, but not limited to the Association), and agents, as the case may be, shall give the Owner the opportunity to take any corrective action required by giving the Owner notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by such Owner. If the Owner fails to take the corrective action specified within thirty (30) days from such notice, the Declarant, its successors, assigns (including, but not limited to the Association), and agents, as the case may be, may then exercise its right to enter upon the property in order to take the necessary corrective action. The cost of such corrective or erosion prevention measures when performed shall be paid by the Owner thereof within thirty (30) days after receipt by Owner of an invoice setting forth the cost of such work. If the Owner fails to voluntarily remit such reimbursement in a timely manner the Declarant, its successors, assigns (including, but not limited to the Association), and agents shall be entitled to enforce collection thereof in a court of competent jurisdiction and shall likewise be entitled to collect all costs and expenses of collection, including reasonable attorney's fees incurred, and shall further be entitled to collect a late charge as may be established by the Board and interest as established by the Board not to exceed an amount equal to one and one-half percent (1½%) per month of the amount of such invoice (or the maximum interest rate allowable by law) from the date of said invoice until fully paid.

To implement effective insect, pest and forest fire control, the Declarant, its successors, assigns, and agents have the right to enter upon any portion of the Property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds or other unsightly growth, removing dead trees, removing trash, draining standing water or dispensing pesticides. The cost of this vegetation, trash and drainage control shall be kept as low as reasonably possible and shall be paid by the respective Owner and the Declarant shall be entitled to exercise the enforced collection rights specified in the preceding paragraph. Such entry shall not be made until fourteen (14) days after such Owner has been notified in writing of the need of such work and unless such Owner fails to perform the work within said fourteen (14) day period.

The provisions of this Section 4.2 are designed to promote the health and welfare of the community and shall not be construed as an obligation on the part of the Declarant to mow, clear, cut or prune any property, to provide garbage or trash removal services, to perform any grading or landscaping work, construct or maintain erosion prevention devices or storm drainage improvements, or to provide water pollution control on any privately owned property.

Entrance upon property pursuant to the provisions of this Section 4.2 shall not be deemed a trespass.

Section 4.3: Environmental Hazards. To secure the natural beauty of Riverton Pointe, the Declarant, its successors or assigns, and/or the Association may promulgate and amend from time to time rules and regulations which shall govern activities which may, in its judgment, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals. Failure of any Owner or tenant of property in Riverton Pointe to comply with the requirements of such rules and regulations shall constitute a breach of these Covenants.

Section 4.4: Erosion in Common Property. The Declarant, its successors and assigns, shall have the right, but shall not be obligated, to protect all Common Property from erosion, by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Declarant.

Section 4.5: Lagoon and Wetland Easements. All lagoons and wetland areas within the Property and/or Common Property are important aesthetic and functional resources of the overall Property development. To ensure that these important resources remain available for the enjoyment and benefit of all Owners, their guests and invitees, while not causing undue hardship to any Owner affected, the following rights and easements are hereby reserved over the Property:

(a) A non-exclusive, perpetual easement for the Declarant, the Association, and the Club Owner for ingress, egress and access to all lagoons, ponds, lakes and wetland areas within the Property, including all functional swales and all other features of the Property, whether naturally existing or constructed, that serve as an integral part of collecting, retaining, filtering and the ultimate release of stormwater within the Development, including the right of Declarant,

the Association, and the Club Owner to enter upon the designated areas to construct or maintain any improvements deemed necessary to facilitate the access to and enjoyment of the lagoons, ponds, lakes and wetland areas, and a right of the Club Owner to exercise its self-help rights as further set forth in Section 9.12 below. This easement shall be in addition to any easements depicted on any recorded plat. For the purposes of this Paragraph, the designated easement areas shall extend landward for twenty (20') feet along or around the entire perimeter of any lagoon, pond, lake and wetland area, whether such lagoon, pond, lake or wetland is presently existing or constructed in the future; provided, however, that such reserved easement is not intended to adversely affect the use or enjoyment of an individual Owner's Homesite or Lot.

(b) An exclusive, perpetual right and easement unto Declarant, assignable to the Association, the Club Owner, or to a utility company or district at Declarant's discretion, to cause treated effluent to be disposed of by spraying on the golf course and/or the Common Property, and/or by storing same in storage lagoons or in any other manner permitted by law. Each Owner acknowledges and agrees that such easement right includes the right that such effluent may end up on a portion of any Homesite or Lot due to wind and/or the location of certain sprinkler heads and/or other factors. In conjunction with this right and easement, Declarant and its assigns are also granted the exclusive right to control and dictate the water level to be maintained in all lagoon, pond, lake and wetland areas and the right of access to all such areas to install and maintain any system deemed appropriate by Declarant for the distribution of treated effluent into storage lagoons and wetlands in any manner permitted by the regulatory authorities.

(c) An exclusive, perpetual right and easement unto Declarant, the Association, and the Club Owner (i) to pump water from lagoons, ponds, lakes and other bodies of water located within the Property for the purpose of irrigating any portions of the Property, (ii) to drill, install, locate, maintain, and use wells, pumping stations, water towers, siltation basins and tanks, and related water and sewer treatment facilities and systems within the Common Property, or (iii) to spray or locate any treated sewage effluent within the Common Property.

ARTICLE V

Special Restrictions Affecting Golf Fairway

Residential Areas; Certain Rights and Easements for Club

Section 5.1: Definition. Golf fairway Homesites or Lots are defined as those Homesites, Lots, and Dwelling Units which border the golf course.

Section 5.2: Landscaping. The landscaping plan for the areas for any Homesite and/or Lot within Fifty Feet (50') of the boundary of the lot line adjacent to the golf fairway property shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect, and all individual lot landscaping plans must be approved by the Declarant, its agents, successors and assigns, or by the Board of Directors of the Club, before implementation.

Section 5.3 Golf Course Maintenance Easement. Declarant hereby reserves for itself and the Club a "perpetual, non-exclusive golf course maintenance easement area" on each Homesite and Lot adjacent to the fairways or greens of any golf course developed on the Property. This reserved easement shall permit the Declarant and/or the Club, at their election, to go onto any fairway Homesite or Lot at any reasonable hour and maintain or landscape the golf course maintenance easement area. Such maintenance and landscaping shall include removal of underbrush, trees less than six inches (6") in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer and mowing the golf course maintenance easement area. This golf course maintenance easement area should be limited to the portion of such Homesites or lots within thirty feet (30') of the lot line bordering the fairway or such lesser area as may be shown as a "golf course maintenance area" on any recorded plat of such Homesite or Lot; provided however that the above-described maintenance and landscaping rights shall apply to the entire Homesite or Lot until there has been filed by the Owner with the Declarant or Association a landscaping plan that has been approved by the Board of Directors for the Club for such Homesite or Lot or alternatively a residence as approved by the Declarant or the ARB has been constructed on the Lot.

Section 5.4: Other Golf Course Easements. The Declarant grants to the Club and authorized users and guests of the golf course, together with the Club's employees, servants, independent contractors, agents, guests, and invitees (collectively the "**Golf Course Users**") a perpetual, non-exclusive easement over and across the Property and over and across any Homesite and/or other Common Property located adjacent to the golf course for the following purposes:

(a) Retrieval of golf balls, including the right to enter on the Homesite and any other Common Property for that purpose, provided the right to retrieve golf balls shall only extend to non-enclosed portions of the Homesite, and the person retrieving the golf balls shall do so in a reasonable manner and will repair any damage caused by entry onto the Homesite or other Common Property to retrieve the golf ball.

(b) Flight of golf balls over, across, and upon a Homesite and other Common Property.

(c) Doing every act necessary and incident to playing golf on the golf course, including, but not limited to, the creation of usual and common noise levels associated with golf play, and the ability for a Golf Course User to play his/her golf ball while standing out of bounds if said golf ball lies within bounds as permitted by the rules of golf as are from time to time applicable.

A perpetual easement is hereby reserved and granted to Declarant and the Club to place "out-of-bounds" markers on a Homesite or Lot at the expense of Declarant or the Club.

Section 5.5: Distracting Activity Prohibited. Owners of golf fairway Homesites and Lots shall be obligated to refrain from any actions which would detract from the playing qualities of the golf courses or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as the maintenance of unfenced dogs or other pets on the Homesite or Lot under conditions

interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

Each Member/Owner by accepting a deed to any portion of the Property acknowledges and agrees that the golf course and all golf cart paths are for the sole and exclusive use of golf course personnel and persons validly playing golf and may not otherwise be used by any Members/Owners and/or their families, guests, or invitees for any purpose including but not limited to walking, jogging, walking pets, and/or unauthorized play or activities on the golf course. Further, each Member/Owner by accepting a deed to any portion of the Property acknowledges and agrees that any violation of this restriction by any Members/Owners and/or their families, guests, or invitees is subject to fines of \$500.00 for each violation or such other amount that may be established by the Board of Directors of the Club from time to time.

Section 5.6: Other Rights. Declarant hereby reserves for the Club the perpetual right in its discretion for the operation of lighting facilities for operation of driving range and golf practice facilities during hours of darkness. In addition, Declarant hereby reserves for the Club the perpetual right for the creation of noise related to normal maintenance and operation of the golf course, including, but not limited to, the operation of mowing, raking and spraying equipment, which noise may occur from early morning until late evening. Declarant hereby reserves for the Club a perpetual easement for the overspray of herbicides, fungicides, pesticides, fertilizers, and water, including treated effluent, over portions of Homesites and Lots and the Common Property located adjacent to the golf course.

Section 5.7: Encroachment Easements. If, after completion of the construction of the golf course and other golf facilities, minor encroachments exist of the golf course or other golf facilities onto a Homesite or Lot, the Owner of the applicable Homesite(s) or Lot(s) hereby grants to the Club easements which shall allow said encroachments to exist so long as such easements are not expanded in any way. However, should any improvement constituting an encroachment ever be abandoned for a period of six (6) months or destroyed, the easement for that particular encroachment shall be automatically terminated. The Declarant, the Club, and the Owner of any applicable Homesite or Lot shall cooperate with each other to locate and accommodate said minor encroachments.

Section 5.8: Golf Play and Maintenance Easements. Declarant reserves for the exclusive benefit of the Club with respect to golf facilities and permitted users and guests of the golf facilities perpetual, exclusive easements over the Common Property for vehicular (carts and maintenance equipment) and pedestrian ingress and egress and for construction, use, operation, repair and maintenance of irrigation lines and cart paths over, thorough and under the areas of the Common Property in the locations where such irrigation lines and cart paths are actually constructed.

Section 5.9: Liability. Neither Declarant, its members, officers, and employees, nor the Club, or any of its appointees, directors or officers, employees or its assignees, nominees, or agents, shall in any manner be held liable or responsible, either directly or indirectly, for any damage to a Homesite, Lot, and/or Dwelling Unit or to any improvement thereon or personal property, or for any injury to any person due to any golf ball, whether in motion or at rest, which has been driven

from the golf course onto the Property and/or Common Property or its environs, and each Member/Owner, for themselves, their family and their co-Owners, guests and invitees acknowledge that risks of injury to persons or property are inherent to persons or property located upon or in close proximity to a golf course, and agree that they assume all risks resulting therefrom, including but not limited to releasing all claims of negligent design or subsequent redesigns of the golf course on the Club Property or of the Homesites, Lots, or Dwelling Units, negligent construction of improvements or location of improvements. Further, each Member/Owner, by accepting a deed to such Member/Owner's Homesite, Lot, or Dwelling Unit agrees to indemnify and hold Declarant and the Club, their members, and its and their directors, officers, agents and employees harmless from and against all damages, including reasonable attorneys' fees and costs, arising out of any injury to person or property which occurs to any person or property (real or personal) proximately caused by any actions of golfers and/or golf course employees or agents, or by golf balls. This paragraph may not be amended without the prior written approval of Declarant.

Section 5.10: Access. The Declarant hereby declares and establishes in favor of the Club Owner and the Golf Course Users, perpetual rights and non-exclusive easements appurtenant to the Club for (i) ingress, egress, access and use over all portions of the Common Property necessary to allow the Club Owner and the Golf Course Users use and access to the Club, (ii) parking over all roads located within the Property during any promotional event, tournament or charity event being hosted at the Club, and (iii) unrestricted entry and access, at all times and without cost or delay, through any guardhouse and/or gated entry at any of the entrances to the Property.

Section 5.11: Drainage. Every Lot, Dwelling Unit and Homesite as well as the Common Property shall be burdened with easements for natural drainage of stormwater or any other water runoff from the Club Property, and neither Declarant, the Association, nor any Owner shall alter the natural drainage on any Lot, Dwelling Unit and Homesite or any other portion of the Property so as to materially increase the drainage of stormwater or any other water onto the Club Property.

Section 5.12: No Rights. Neither the Declarant nor the Association shall have any power to promulgate rules and regulations affecting activities on or use of the Club.

ARTICLE VI

Special Restrictions Affecting Open Space

Section 6.1: Declarant's Intention for Open Space. The Declarant will restrict as required by law those areas, if any, which are designated as fresh water wetlands and/or wetland buffers ("Open Space") on plats hereafter filed for record in the Office of the Jasper County Register of Deeds by the Declarant. Such Open Space may also be designated as Common Property at the time of their conveyance to the Association.

Section 6.2: Activities Permitted. The Declarant and the Association shall have the right to undertake all activities in the Open Space areas as permitted under restrictive covenants affecting such Open Space areas.

Section 6.3: Dumping Prohibited. No dumping of trash, garbage, sewage, sawdust or any unsightly or offensive material shall be placed upon the Open Space areas.

Section 6.4: Consistent Rights to Use Reserved. The Declarant expressly reserves to itself, its successors and assigns, every reasonable use and enjoyment of said Open Space, in a manner not inconsistent with the restrictive covenants affecting such Open Space.

Section 6.5: Corrective Action No Trespass. Where the Declarant, its successors and/or assigns, is permitted by restrictive covenants affecting the Open Space to correct, repair, clean, preserve, clear out or to do any action on the Open Space areas, entering such property and taking such action by Declarant or the Association shall not be deemed a breach of these Covenants.

Section 6.6: No General Easement Intended. The restricting of Open Space areas shall in no way grant to the public or to the Owners of any surrounding or adjacent land, the right to enter such Open Space without the express permission of the Declarant or the Association.

ARTICLE VII

Special Restrictions Affecting Waterfront and Open Space Areas

Section 7.1: Lake Front Homesites and Dwelling Units; Homesites and Dwelling Units adjacent to Open Space. For Homesites, Lots, or Dwelling Units adjacent to a lake/lagoon/pond, wetland, and/or wetland buffer:

- (a) no refuse of any kind shall be placed on or disposed of into the adjacent waters, wetland, and/or wetland buffers which are to be kept clean and free of pollution;
- (b) no water shall be removed from a lake/lagoon/pond by any Owner, it being the intention that any lake/lagoon/pond be maintained at their natural level, subject to the control of any applicable governmental authorities, the Association, and the Club; provided, however, the Association and the Club may access water from any lake/lagoons/ponds for irrigation and other purposes;
- (c) Owners shall not disturb wetland buffers and/or wetlands in any manner;
- (d) no boats or other devices of any type shall be used or permitted therein, except as may be approved by the Declarant or the Board in writing;
- (e) no alteration may be made by an Owner of a lake/lagoon/pond bottom or edge, nor shall any canals be dug or excavated, nor shall any bulkheading, docks, pilings, or other marine structures be erected adjacent thereto or thereupon without the express written consent of the Declarant, or the Association or Club as applicable; and

(f) unless the Board determines otherwise in its discretion, Owners of Homesites adjacent to a lake/lagoon/pond shall be required to maintain the area between the Owner's property line and the waterline of the lake/lagoon/pond.

By acceptance of a deed to a Homesite or a Dwelling Unit, each Member/Owner acknowledges that the water levels of all water bodies may vary. There is no guarantee by the Declarant, the Association, or the Club that water levels will be constant or aesthetically pleasing at any particular time. In fact, water levels may be non-existent from time to time.

EVERY OWNER AND MEMBER BY ACCEPTING A DEED TO A HOMESITE, LOT OR DWELLING UNIT ACKNOWLEDGES AND AGREES THAT (I) ALL LAKES, LAGOONS, PONDS AND OTHER PORTIONS OF THE STORMWATER SYSTEM OF THE DEVELOPMENT MAY BE INTERCONNECTED AND THAT THE ASSOCIATION AND THE CLUB WILL BE USING THE LAKES LAGOONS, AND PONDS OF THE DEVELOPMENT FOR IRRIGATION AND OTHER PURPOSES AND THAT THE LEVEL OF SUCH PONDS, LAKES, AND LAGOONS WILL VARY DEPENDING ON THE AMOUNT OF USE BY ASSOCIATION AND THE CLUB AND THE AMOUNT OF RAINFALL, AND (II) THE ASSOCIATION OR THE CLUB MAY BE REQUIRED BY THE SEWER AND WATER AUTHORITY HAVING JURISDICTION TO SPRAY TREATED EFFLUENT ON PARTS OF THE COMMON PROPERTY AND ON THE GOLF COURSE.

PART THREE
PROVISIONS FOR THE RIVERTON POINTE ASSOCIATION, INC.

ARTICLE VIII:

Membership and Voting Rights in the ASSOCIATION

Section 8.1: Purposes, Powers and Duties of the Association. The Association shall be formed as a mutual benefit, non-Profit corporation for the primary purpose of performing certain functions for the common good and general welfare of the residents of Riverton Pointe. To the extent necessary to carry out such purpose, the Association: (a) shall have all the powers of a corporation organized under the South Carolina Non-Profit Corporation Act of 1994, as may be amended from time to time; and (b) shall have the power to exercise all of the rights, powers, and privileges of the Association as set forth in this Declaration.

Section 8.2: Membership. Declarant, and every person and entity who acquires record title to any Homesite or Dwelling Unit of the Property shall automatically become a Member of the Association (subject to the provisions relating to multiple ownership set forth in Section 8.3 below), provided that any such person or entity holding such title or an interest merely as a security for performance of an obligation shall not be a Member of the Association.

Section 8.3: Multiple Ownership. As defined in Section 1.1(t), an Owner of a Homesite or Dwelling Unit in the Property may be more than one individual and may be a corporation or other legal entity. In such situation, however, such multiple owners or entity must designate one individual as the Member on an annual basis in accordance with the rules and

regulations of the Association. Only the person designated shall be the Member and entitled to vote and access the facilities of the Association as a Member of the Association for the year of designation. Remaining Co-Owners shall be entitled to access to Association facilities only in accordance with the rules and regulations established by the Association for family members and guests.

Section 8.4: Voting Rights. In recognition of the fact that Declarant finds it essential to maintain effective control of the Association during the development and marketing stages, Declarant hereby establishes two (2) classes of voting membership:

(a) CLASS "A" All Members as described in Section 8.2 above, including the Declarant, shall be the Class "A" Members. Each Class "A" Member shall have one (1) vote for each Homesite or Dwelling Unit owned by such Member (Homesites or Dwelling Units owned by more than one owner or by an entity are deemed to be owned by the Member for purposes of voting).

(b) CLASS "B" The Declarant (and any successor Declarant) shall be the sole Class "B" Member. The Class "B" Membership shall be a full voting membership and, during its existence, the Class "B" Member shall be entitled to vote on all matters and in all events. The Class B Member shall be entitled to a number of votes equal to the number of votes cumulatively held by all Class A Members (excluding Declarant) multiplied times three (3). The Class B membership shall cease sixty (60) days after the first of the following events to occur: (a) the expiration of twenty five (25) years from the date of recording of this Declaration; (b) the date as of which ninety nine (99%) percent of the Homesites which may be developed on the Property and on the Additional Property shall have been conveyed by the Declarant (excluding sales to Builders) and by Builders, if any, who purchased Homesites from Declarant, to an individual owner or owners for residential use or occupancy; or (c) the surrender by the Declarant of the Class B Membership and the authority to appoint and remove members of the Board of the Association by an express amendment to this Declaration executed by the Declarant and recorded in the Office of the Jasper County Register of Deeds.

(c) Adjustment of Votes. It is the intention of the Declarant that the Property will be developed in phases. Each such phase will be platted of record in the Office of the Register of Deeds for Jasper County. By acceptance of a deed conveying a Homesite, Lot or Dwelling Unit, each Member/Owner acknowledges that, upon the filing by Declarant of the subdivision plats covering such phases and the sale of Dwelling Units or the sale of Homesites or Lots shown thereon, the total votes outstanding in the Association will automatically adjust based upon the number of Homesites, Lots and Dwelling Units in the phases added and in accordance with this Declaration; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development.

(d) Casting of Votes. The votes of the Members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the Bylaws of the Association, as amended from time to time, or by law.

Section 8.5: Quorum for any Action Authorized. Except as otherwise provided in this Declaration or the By-Laws, the presence at the meeting of any Members, or of proxies,

entitled to cast twenty percent (20%) of the total vote of the Class "A" Membership and, for so long as the Class "B" Membership exists, the presence of a representative of the Class "B" Member shall constitute a quorum. If the required quorum is not forthcoming at a meeting, the meeting shall be adjourned and another meeting shall be scheduled for a date not less than ten (10) days nor more than thirty (30) days subsequent to the initial meeting. Written notice of the time and place of the adjourned meeting may be provided to Members via posted publication on the Property or as otherwise allowed under the By-Laws. The quorum requirement for the adjourned meeting shall be the presence of Members, or of proxies, entitled to cast ten percent (10%) of the total vote of the Class "A" Membership and the presence of a representative of the Class "B" Member. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such third meeting.

Section 8.6: By-Laws. The By-Laws of the Association shall be drawn and approved by Declarant to govern meetings, duties, etc. of the Association. Declarant shall cause them to be kept in the general administrator's office of the Association.

Section 8.7: Powers and Duties of Declarant/Association. Declarant shall possess all powers and rights of the Association described herein until the Turnover Date or until such rights are otherwise specifically assigned by Declarant to the Association. In general, Declarant may assign in writing, in whole or in part, any of its reserved rights, set forth in these Covenants to the Association by a specific document which may be recorded in the Office of the Jasper County Register of Deeds in Jasper, South Carolina.

Section 8.8: Board of Directors and Officers.

(a) Board. The affairs of the Association shall be managed by the Board of Directors. The number of directors and the method of election of directors shall be as set forth in this Declaration and/or in the Bylaws of the Association. Except to the extent otherwise expressly required or authorized by the South Carolina Non-Profit Corporation Act of 1994, as may be amended from time to time, or this Declaration, the Association's Bylaws or Articles of Incorporation, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members/Owners.

(b) Officers. The number of officers and the method of election of officers shall be as set forth in this Declaration and the Bylaws of the Association. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws of the Association, officers of the Association shall be nominated by Declarant and shall be appointed by the Board from such nominations until such time as Declarant no longer has the Class "B" Membership.

Section 8.9: Control by Declarant and Appointment of the Board. Until such time as Declarant is no longer the Class "B" Member, the Board of the Association shall consist of three (3) members and all members of the Board will be appointed by Declarant. Notwithstanding any other language or provision to the contrary in this Declaration, in the

Articles of Incorporation, or in the Bylaws of the Association, the Declarant hereby retains the right to appoint all members to the Board as long as Declarant is the Class "B" Member. The right of Declarant to appoint members of the Board also includes the right to remove and replace appointees until such time as Declarant's rights to appoint members to the Board ceases. Members of the Board appointed by Declarant need not be Members/Owners of the Association and may be employees of Declarant and/or its affiliates. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association, a special meeting of the Association shall be called. At such special meeting the Members/Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Notwithstanding any other language to the contrary, the Board of Directors appointed by the Declarant shall retain the power and authority to act on behalf of the Association, and to exercise all rights available to Board Members until such time as a new Board of Directors has been elected. Each Member/Owner, by acceptance of a deed to or other conveyance of a Homesite, Lot or Dwelling Unit, vests in Declarant such authority to appoint and replace directors and nominate officers of the Association as provided in this Section and in the Bylaws.

Section 8.10: Prohibited Actions. Despite any assumption of control of the Board by Members/Owners other than the Declarant, until the Declarant has sold every Homesite and/or Dwelling Unit in the Development, the Board is prohibited from taking any action which would discriminate against the Declarant, or which would be detrimental to the sale or leasing of Homesites and/or Dwelling Units owned by the Declarant, in the Declarant's sole discretion. The Board will be required to continue the same level and quality of maintenance, operations and services as that provided immediately prior to the assumption of control of the Association by Members/Owners other than the Declarant until the Declarant sells the last Homesite and/or Dwelling Unit owned by it in the ordinary course of business.

Section 8.11: Neighborhoods. If requested by any Neighborhood, the Association is authorized to provide the services requested by such Neighborhood provided the Board determines that such services are services that the Association is capable of providing and/or should be providing. The provision of such services by the Association is specifically subject to and conditioned upon the Members/Owners of Homesites and/or Dwelling Units in each such applicable Neighborhood paying for such services, including a reasonable administration fee to be charged by the Association, through neighborhood assessments.

ARTICLE IX:

Property Rights and Common Property

Section 9.1: Members' Easements of Access and Enjoyment. Subject to the provisions of these Covenants and the rules and regulations of the Association, every Member shall have a perpetual right and easement of access to and enjoyment in and to the Common Property and such easement shall be appurtenant to and shall pass with title to every Homesite, Lot an Dwelling Unit within the Property; provided, however, if any Common Property has been designated as Limited Common Property, only such Owners primarily benefiting from the Limited

Common Property and paying the costs and expenses associated with such Limited Common Property shall have access.

Each Member/Owner by accepting a deed to any portion of the Property acknowledges and agrees that the golf course and all golf cart paths of the Club are for the sole and exclusive use of golf course personnel and persons validly playing golf and may not otherwise be used by any Members/Owners and/or their families, guests, or invitees for any purpose including but not limited to walking, jogging, walking pets, and/or unauthorized play or activities on the golf course. Further, each Member/Owner by accepting a deed to any portion of the Property acknowledges and agrees that any violation of this restriction by any Members/Owners and/or their families, guests, or invitees is subject to fines to be established by the Board of the Club not to exceed \$500.00 for each violation.

Section 9.2: Conveyance of Common Property. As stated in Section 2.4 above, Declarant's intent is to transfer title to the Common Property to the Association on or before the date of Turnover. Turnover shall proceed as determined by Declarant in its discretion. The Association, the Board, and each Member/Owner by accepting a deed to any portion of the Property acknowledge and agree that the Declarant may transfer title to all or a portion of the Common Property from time to time and at any time as determined by Declarant in its sole discretion. Prior to such transfer, the Association and its Members shall be responsible for the maintenance and upkeep of all areas which are designated for common use or enjoyment by Members, notwithstanding the fact that title has not yet been conveyed to the Association. Upon transfer of title of the Common Property to the Association, the Association shall have the sole responsibility of maintenance, repair, and governing of the Common Property. With respect to all Common Property, the Association, the Board, and each Member/Owner acknowledge that:

(a) Declarant may from time to time convey to the Association certain portions of the Common Property. In addition, the Declarant may from time to time convey real property or grants of easements to the general public as may be required by governing authorities in accordance with this Declaration.

(b) The Declarant may, at Declarant's sole discretion, modify, alter, increase or change the Common Property to be conveyed to the Association in accordance with this Declaration at any time prior to conveyance of such Common Property to the Association.

(c) In addition to the property described in Section 9.2(a) above, the Declarant may convey to the Association such other real and personal property as the Declarant may determine to be necessary for the completion of the Development.

(d) The Association hereby covenants and agrees to accept all such conveyances of Common Property.

Section 9.3: Turnover Accounting Procedures. As referenced above in Section 2.4, the intent of Declarant is to transfer to the Association all Common Property on or before Turnover. At Turnover, the Declarant will deliver to the Association a special purpose statement

of net assets consisting of all tangible assets (excluding real estate, buildings, furniture, fixtures, equipment and intangible assets) of the Association at cost and all liabilities of the Association.

The Association shall be required to pay the Declarant at Turnover for the amount of the net assets as shown on such special purpose statement. The Declarant in its discretion may elect in lieu of payment to accept a credit at the Association against future assessments of the Declarant in the amount of such net assets as shown on such special purpose statement. The special purpose statement of net assets will be prepared in accordance with accounting principals generally accepted in the United States. This provision is intended to relate solely to tangible goods, the net cost of which the Association shall reimburse to Declarant and is not intended to pertain to the actual Common Property itself, which shall be transferred to the Association by Declarant at no cost and debt free, but subject to any equipment leases (term or capital) that may exist at that time.

Section 9.4: Extent of Members' Easements. The right and easements of enjoyment created hereby shall be subject to the following:

(a) The right of Declarant and of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Property and, in furtherance thereof, to mortgage said Common Property;

(b) The right of the Association, as may be provided in its By-Laws, to suspend the enjoyment of rights of any Member for any period for which any Assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of these Covenants and/or the published rules and regulations of the Association, it being understood that a suspension for either non-payment of any Assessment or a breach of the published rules and regulations of the Association shall not constitute a waiver or discharge of the Members' obligation to pay the Assessments; provided, however, the Association may not deny an Owner access to such Owner's Homesite or Dwelling Unit;

(c) The right of Declarant to dedicate or transfer to any public or private utility, fee title to or utility easements on or to any part of the Common Property; and

(d) Excluding the deeding by Declarant of utility easements and sewer and water facilities and/or any storm water facilities prior to Turnover (which Declarant shall have the right in its discretion to so deed), the right of the Association after Turnover to give or sell or lease all or any part of the Common Property, including a leasehold interest, to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such shall be authorized by the vote of three-fourths (3/4) of the membership of the Association present either in person or by proxy at a duly called meeting with a proper quorum and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken. A true copy of such Resolution together with a certificate of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer

affecting the Common Property, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Membership.

Section 9.5: Use of Common Property; Liability of Association and Declarant.

Neither the Association, its directors and officers, nor Declarant, its partners, officers, and directors, nor the Club, its directors and officers, shall be liable to any Owner, their lessees and/or guests for any damage or injury which results from the use of the Property or as a result of any rule or regulation promulgated pursuant to these Covenants or the By-Laws. Subject to all rights reserved by Declarant in these Covenants for itself and for the Club, and the members, guests, and invitees of the Club, the Common Property is for the use of the Members of the Association and their guests. The Association, by its Board of Directors, may make such rules and regulations (but may not discriminate or change the rights of the Club and its members, guests, and invitees reserved in these Covenants) as may be deemed necessary in the future to regulate the use of the Common Property, which rules and regulations shall be binding upon all Members, their guests and invitees and upon the members of the Club, their guests and invitees. Although the Association will be responsible for the general upkeep and maintenance of the Common Property as provided herein, neither the Association nor Declarant nor the Club shall be liable for any accident or injury thereupon which may be caused by Acts of God, negligence of parties not employed by the Association or Declarant, or careless or negligent activities of Members and/or their families, invitees, agents, and guests, or careless or negligent activities of members and/or guests and invitees of the Club and/or their families, invitees, agents, and guests. All parties acquiring an interest in any portion of the Property hereby agree to hold the Association, the Club and Declarant harmless from any such accident or injury. All Members and their guests agree and acknowledge that any use of the Common Property shall be at their own risk, without recourse to the Association, the Club, or Declarant. Any damage to Common Property caused by a Member/Owner or such Member/Owner's family, invitees, agents, or guests shall be the responsibility of the Member/Owner, and Declarant and/or the Association shall have the right to collect for such damages. Nothing shall be done or kept on the Common Property that will increase the rate of insurance on the Common Property without the prior consent of the Association or Declarant. No Owner shall permit anything to be done or kept on the Common Property which might result in the cancellation of insurance on any part of the Common Property, which would interfere with rights of other Owners, which would be noxious, harmful or unreasonably offensive to other Owners or which would be in violation of any governmental statute, ordinance, rule or regulation.

Section 9.6: Street Lights. Declarant may, but is not required to, enter into an agreement with the applicable utility for the installation, maintenance, and electric power for a system of street lights at Riverton Pointe. The applicable utility may own the street lights and provide them to the Association under a lease agreement which would likely extend for a period of fifteen or more years. Lease payments by the Association would equal the costs plus a normal profit margin. Each Owner by accepting a deed to any portion of the Property and the Association specifically recognize that in the event of such lease arrangement, said street lights are not owned by the Association or Declarant and that the Association will accept and assume the lease agreement.

Section 9.7: Alligators. All Owners by accepting a deed to a Homesite, Lot or Dwelling Unit acknowledge that the ponds, lakes, and lagoons of the Development may contain alligators since alligators are indigenous to this area. Alligators are a protected species and no Owner or such Owner's family, guests, or invitees may feed, molest, or otherwise physically interact with any alligator. OWNERS AND THEIR FAMILIES, GUESTS, AND INVITEES MUST EXERCISE EXTREME CAUTION AROUND ANY POND, LAKE, LAGOON, OR OTHER WATER FEATURE OF THE DEVELOPMENT. NEITHER THE DECLARANT NOR THE ASSOCIATION SHALL BE RESPONSIBLE FOR CAPTURING AND/OR RELOCATING ANY ALLIGATOR ON THE PROPERTY. NEITHER THE DECLARANT NOR THE ASSOCIATION NOR OFFICERS, PARTNERS, MEMBERS, DIRECTORS, AND EMPLOYEES OF THE DECLARANT OR THE ASSOCIATION SHALL BE RESPONSIBLE FOR ANY DAMAGE, INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGE AND/OR INJURY AND/OR LOSS OF LIFE TO ANY PERSON AND/OR ANIMAL, CAUSED BY AN ALLIGATOR ON THE PROPERTY. ALL OWNERS SHALL BE RESPONSIBLE FOR INFORMING THEIR FAMILIES, GUESTS, LESSEES AND INVITEES OF THE CONTENTS OF THIS PROVISION.

Section 9.8: Wildlife; Nuisance Wildlife. All Owners by accepting a deed to a Homesite or Dwelling Unit acknowledge that wildlife is abundant and thrives in coastal South Carolina, will be located throughout the Property, and can be very destructive to residential landscaping. Owners are also advised to use caution at night when driving through the Property and to be on the alert for wildlife crossing roadways. All Owners are advised to use a landscape plan for Homesites that contain plants known to be wildlife resistant or tolerant. Neither Declarant nor the Association will be responsible for any damage caused by wildlife, whether such damage is to landscaping, automobiles, personal injury, or otherwise. Further, neither the Declarant nor the Association can be required to at any time or in any way control the wildlife population on the Property; provided, however, the Declarant and the Board reserve the right in its sole discretion to control nuisance wildlife. All Owners shall be responsible for informing their guests, licensees and invitees of the contents of this provision.

Section 9.9: Streets. The roads of the Property will be owned, maintained, repaired, and replaced by the Association and shall be subject to the rules and regulations of the Association. Because of the private nature of the roads within the Property subject to this Declaration, the Association shall be entitled to provide control over vehicular access to various sections of the Property which it deems necessary or desirable for the health, safety or welfare of persons within the Property; provided, however, prior to the Turnover Date, Declarant shall be entitled in its sole discretion to provide control over vehicular access to various sections of the Property which it deems necessary or desirable for the health, safety or welfare of persons within the Property. Said functions may include without limitation, constructing, operating and maintaining access road control gates (including card controlled entrance gates of a type deemed appropriate by Declarant or the Association) and restricting vehicular traffic including commercial vehicular traffic within the Property, thus admitting only Members, lessees or their guests and invitees and such other persons as Declarant or the Association elects to have access. Any entrance gates shall remain open at such times as may be required under agreements with applicable governmental authorities and/or as provided under the rules and regulations of the Association adopted by the Board. All Members and lessees may be required to keep the Association informed of all persons who have overnight

accommodations at such Member's or lessee's Homesite or Dwelling Unit in order to allow the Association to enforce its vehicular access rules and regulations appropriately. The Association, to the extent permitted by law, shall have the right to post speed limits on the roads of the Property as it deems appropriate and may enforce the posted speed limits, including fining violators. Declarant and/or the Board may prohibit excessively noisy vehicles, may prohibit vehicles with more than four wheels, may restrict or prohibit two-wheel vehicles with engines in excess of one brake horsepower, and may adopt any and all rules and regulations deemed necessary or desirable by the Declarant and/or the Board concerning vehicular access to and use of the Property (but the Association may not discriminate against the Members of the Club nor deny the Members access to the Club Property). Low speed vehicles are permitted on the roads of the Property subject to South Carolina law and Association rules and regulations; provided, however, the use of off road or unlicensed vehicles of any type including but not limited to four (4) wheel all-terrain vehicles, go carts, and dirt bikes are prohibited on the roads of the Property except as specifically allowed by the Declarant or the Association. DECLARANT AND THE ASSOCIATION EACH RESERVE THE RIGHT TO CHARGE A FEE ON SUCH BASIS AS DETERMINED BY DECLARANT AND/OR THE ASSOCIATION (WHETHER A DAILY FEE, YEARLY FEE, OR SOME OTHER BASIS) FOR THE ENTRY OF ALL APPROVED COMMERCIAL VEHICLES INTO THE PROPERTY (EXCLUDING DECLARANT AND ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, CONTRACTORS, GUESTS, AND INVITEES WHO MAY NOT BE CHARGED AN ENTRY FEE OF ANY TYPE AT ANY TIME AND EXCLUDING MEMBERS AND GUESTS AND INVITEES OF THE CLUB AND THEIR GUESTS, AND INVITEES WHO MAY NOT BE CHARGED AN ENTRY FEE OF ANY TYPE AT ANY TIME), INCLUDING BUT NOT LIMITED TO ALL CONTRACTORS, MOVERS, AND ALL OTHER COMMERCIAL SERVICE PROVIDERS.

Section 9.10: Security. The Association shall maintain, repair and replace any access and/or card gates installed by Declarant on the Property and may, but shall not be obligated to, maintain or support other activities, if any, within the Property designed to make the Property safer than it otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, THE CLUB, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL MEMBERS AND OWNERS AND OCCUPANTS OF ANY HOMESITE, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY MEMBER OR OWNER, ACKNOWLEDGE THAT THE ASSOCIATION, AND ITS BOARD OF DIRECTORS, DECLARANT, ANY SUCCESSOR DECLARANT, AND THE ARB DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE ARB MAY NOT BE COMPROMISED OR CIRCUMVENTED. FURTHER, THE ASSOCIATION, AND ITS BOARD OF DIRECTORS, DECLARANT, ANY SUCCESSOR DECLARANT, AND THE ARB DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE; NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR

OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. ALL MEMBERS AND OWNERS AND OCCUPANTS OF ANY HOMESITE, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS. ALL MEMBERS AND OWNERS AND OCCUPANTS OF ANY HOMESITE AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO HOMESITES AND STRUCTURES LOCATED THEREON, AND TO THE CONTENTS OF DWELLINGS AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY MEMBER OR OWNER, OCCUPANT, OR ANY TENANT, GUEST, OR INVITEE OF ANY OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY SECURITY AND/OR CARD GATES, FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASUREMENTS UNDERTAKEN WITHIN THE PROPERTY.

Section 9.11: Administration. The administration of the Common Property by the Association shall be in accordance with the provisions of South Carolina law, this Declaration, and all other governing documents, and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently required by any Institutional Lender designated by the Declarant or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Common Property or by any title insurer.

Section 9.12: Stormwater Management System Responsibilities and Easement. The effective functioning of the stormwater management system of the Development is essential to the protection of the environment and to the long-term values of all property within the Development. The stormwater management system includes all ponds, lagoons, retention and detention areas, all functional swales and all other features of the property, whether naturally existing or constructed, that serve as an integral part of collecting, retaining, filtering and ultimate release of stormwater within the Development. Portions of the stormwater management system may be located upon Common Property, both before and after actual conveyance of Common Property to the Association, and shall be maintained in good condition and in functional working order by the Association as a common expense of the Association at all times including the time period that any such property is owned by Declarant prior to being conveyed to the Association as Common Property. Portions of the stormwater management system for the Development may also be located on the Club Property and it shall be the responsibility of the Club to maintain all elements of the stormwater management system located within the Club Property in good condition and functional working order. Because the stormwater system of the Development is interrelated, the Association and the Club shall work together to keep the stormwater system functioning properly. A perpetual nonexclusive easement is hereby reserved unto the Club to allow the Club to enter upon any portion of the Common Property as is reasonably necessary for the Club

to maintain the stormwater system located on the Club Property. Upon failure of the Association to properly maintain such stormwater system on the Common Property after receipt of written notice and reasonable opportunity to cure, the Club is authorized to take any reasonable action necessary to correct the failure on the Common Property to restore normal functioning and to assure the proper functioning of the stormwater management system. The Club shall be entitled to recover the cost any such correction from the Association. Any such entry by the Club or their authorized representatives or agents shall not be deemed a trespass. The Association and the Club shall cooperate in the maintenance of the entire stormwater system in order to allow same to operate as one cohesive system. The Association and the Club may enter into an agreement concerning the handling of the maintenance of the entire stormwater system as they seem fit (including but not limited to either the Association or the Club assuming responsibility for all or any part of the stormwater system with the other party paying for its fair share of the maintenance costs).

ARTICLE X:

Covenant for Maintenance Assessments

Section 10.1: Creation of the Lien and Personal Obligation of Assessments. The Members/Owners of each Homesite, Lot, and Dwelling Unit within the Property hereby covenants and by acceptance of a deed to any portion of the Property shall be deemed to covenant and agree to all of the terms and conditions of these Covenants and to pay to the Association: (1) annual assessments or charges; (2) special assessments for the purposes set forth herein, (3) specific assessments as hereinafter discussed, and (4) Neighborhood assessments as hereinafter discussed; such aforementioned assessments (referred to jointly and severally as "Assessments", "Assessment", "assessments", and/or "assessment") to be fixed, established and collected from time to time as hereinafter provided. The annual, special, specific, and neighborhood assessments together with such interest thereon and cost of collection thereof as hereinafter provided shall be a charge and continuing lien on the portion of the Property and all the improvements thereon against which each assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person or entity who was the Member/Owner of such property at the time when the assessment fell due and such personal obligation will survive any sale or transfer of the applicable Homesite, Lot, or Dwelling Unit provided, however, that such personal obligation for delinquent assessments shall not pass to a Member/Owner's successor-in-title unless expressly assumed by such successor. In the case of co-Ownership of a Homesite, Lot, or Dwelling Unit, each of such co-Owners of the Homesite, Lot or Dwelling Unit shall be jointly and severally liable for the entire amount of the Assessments. Each Member/Owner further acknowledges and agrees that such Member/Owner may not exempt himself/herself/itself from liability for assessments by non-use of the Common Property, abandonment of his/her/its Homesite, Lot or Dwelling Unit or any other reasons. The obligation to pay assessments is a separate and independent covenant on the part of each Member/Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Declarant or the Association or the Board to take some action or to perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action the Declarant, the Association or the Board takes.

Section 10.2: Purpose of Assessments. The assessments levied by the Association shall be used for the improvement, maintenance, and operation of roads, rights-of-way, drainage ways, lighting, signage, staff costs, insect control, vegetation control, assessments due any master property owners or road association, drainage systems, open space maintenance, common utility services, and other Common Property expenses both prior to and after conveyance of same from Declarant to Association, including but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof and third party services such as legal and accounting. Special assessments, specific assessments and Neighborhood assessments shall be used for the purposes as set forth in this Article X hereof

Section 10.3: Basis of Annual Assessments. The total annual Assessment and the portion of the annual Assessment applicable to each Member shall be determined by Declarant, at its sole discretion, until Turnover. Such annual Assessment may be increased by Declarant each year as determined by Declarant in its sole discretion. Declarant may furnish Members with an estimate of the annual Assessment that will be applicable as each portion of the Development is completed. Once Turnover has occurred, the Board of Directors of the Association each year thereafter shall establish the budget and total annual assessment, as further provided in these Covenants and in the Association By-Laws. Notwithstanding the foregoing, the Declarant in its sole discretion as long as it is the Class B Member may waive in writing the annual assessment for a Homesite sold by Declarant to a Builder for a period not to exceed such time as the Homesite is sold and occupied by a third party purchaser.

Section 10.4: Special Assessments for Improvements and Additions; Specific Assessments. In addition to the annual Assessment authorized herein, there may be, from time to time, a need for special assessments and/or specific assessments. Accordingly:

(a) The Association shall collect from each purchaser of each Homesite and Dwelling Unit (including both the initial purchaser and all resale purchasers) at each settlement a non-refundable contribution of Nine Hundred Dollars (\$900.00), or such other amount as may be determined by the Board, which payment shall be used by the Association for such purposes deemed appropriate or desirable by the Board.

Notwithstanding the foregoing, the Declarant may exempt in writing a Builder from the payment of any such special assessment but such special assessment will be applicable upon the sale of a Homesite or Dwelling Unit by a Builder to a third party retail customer; and

(b) The Association may levy special assessments against Members/Owners and their Homesites or Dwelling Units for the purpose of defraying, in whole or in part, the cost of any substantial construction of the Common Property, including the necessary fixtures and personal property related thereto or additions to the Common Property. Any such duly approved special assessment shall be prorated among Members on the same basis as annual assessments; and

(c) The Association may levy specific assessments against a Member/Owner and/or a particular Homesite, Lot, or Dwelling Unit to cover charges (including but not limited

to any charge established by the Board from time to time for the mowing by the Association of unimproved Lots) by a Member, the Member's family, invitees, Co-Owners, and/or guests at Association facilities. In addition, the Association may levy specific assessments against a Member/Owner and/or a particular Homesite, Lot, or Dwelling Unit to cover fines and/or costs incurred in bringing the Homesite, Lot, or Dwelling Unit into compliance with this Declaration, any architectural standards of the Association, the Bylaws, and/or the rules and regulations adopted by the Board and/or costs incurred as a consequence of the conduct of the Member/Owner, the Member's family, invitees, Co-Owners, and/or guests or other occupants of the Homesite, Lot, or Dwelling Unit, their agents, contractors, employees, licensees, invitees, or guests. Also, the Association may levy specific assessments against a Member/Owner and/or a particular Homesite, Lot, or Dwelling Unit to cover the costs, including overhead and administrative costs, of providing services to Homesites, Lots, or Dwelling Units upon request of a Member /Owner pursuant to any menu of special services, if any, which may be offered by the Association. Specific assessments for special services, if any are offered, may be levied in advance of the provision of the requested service.

Section 10.5: Date of Commencement of Annual Assessments and Due Dates. The annual Assessment shall commence upon the filing of this Declaration and payment of such annual Assessments will be made in advance in monthly, quarterly, annual or semi-annual installments with the due dates being established by the Board of Directors.

Section 10.6: Proration of Assessments. Each person who becomes a Member of the Association during a year shall pay at the closing of such Member's Homesite, Lot, or Dwelling Unit a pro rata share of the annual Assessment due for that year.

Section 10.7: Duties of the Board of Directors. In addition to the duties of the Board of Directors as set forth in the By-Laws, the Board shall prepare and maintain a roster of the Members of the Association which shall be kept in the office of the Association and shall be open to inspection by any Member.

Section 10.8: Effect of Non-Payment of Assessments; Personal Obligation of Owner; Lien Remedies of the Association. If the Assessments as described herein or if any other financial obligations or reimbursements due from an Member/Owner to the Association as set forth in these Covenants are not paid on the date when due, then such Assessments shall become delinquent and shall, together with interest thereon at a rate as established by the Board not to exceed eighteen percent (18%) per annum (or the maximum interest rate allowable by law) from the due date, and the cost of collection as hereinafter provided, become a charge and continuing lien on the land and on improvements thereon, against which each such Assessment is made (i.e., the Assessment will be the personal obligation of the Member and a lien against each Homesite, Lot, or Dwelling Unit owned by such Member). The obligation of the Member/Owner at the time of the assessment to pay such assessments, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors-in-title unless expressly assumed by them; provided, however, the assessments due by such Member/Owner shall remain a lien against the applicable Homesite or Dwelling Unit unless a certificate has been obtained from the Association by the purchaser of the Homesite or Dwelling Unit pursuant to Section 10.14 below and the amount as shown on said

certificate has been collected at closing by the closing attorney and forwarded to the Association.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Member/Owner personally obligated to pay the same or to foreclose the lien against such Member's Homesite, Lot, or Dwelling Unit or both, and there shall be added to the amount of said assessment the cost of preparing and filing a complaint in such action as well as any other costs and expenses incurred, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees and costs of the action.

Section 10.9: Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any recorded mortgage held by an Institutional Lender on a Homesite, Lot, or Dwelling Unit or by any other mortgage approved in writing by the Association ("**Approved Mortgage**"). Sale or transfer of any Homesite, Lot, or Dwelling Unit shall not affect the assessment lien. No sale or transfer shall relieve such Homesite, Lot, or Dwelling Unit from liability for any assessments thereafter becoming due or from the lien thereof. Notwithstanding any provisions herein, no Homesite, Lot, or Dwelling Unit shall be exempt from said assessments, charges, or liens except as provided hereinafter in Section 10.10. Notwithstanding all of the provisions of this Section 10.9, where an Institutional Lender or other holder of an Approved Mortgage obtains title to a Homesite, Lot, or Dwelling Unit as a result of foreclosure of a first mortgage, or as a result of a deed given in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the assessments levied by the Association pertaining to such Homesite, Lot, or Dwelling Unit or chargeable to the former Owner of such Homesite, Lot, or Dwelling Unit which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless such assessment is secured by a claim of lien for assessments which is recorded prior to the recording of such mortgage. Such unpaid share of the assessments shall remain the personal obligation of the Member/Owner against whom it was assessed and, if not collectable from such Member/Owner, shall be deemed to be collectible pro-rata from all of the Members, including such acquirer, its successors and assigns. An Institutional Lender, or other holder of an Approved Mortgage, acquiring title to a Homesite, Lot, or Dwelling Unit as a result of foreclosure or a deed in lieu of foreclosure, may not, during the period of its ownership of such Homesite, Lot, or Dwelling Unit, whether or not a Homesite or Dwelling Unit is unoccupied, be excused from the payment of the assessments coming due during the period of such ownership.

Section 10.10: Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from assessments, charges and liens created herein:

- (a) The grantee in conveyances made for the purpose of granting utility easements; and
- (b) All Association Common Property within the Property, whether or not title to such Common Property has been transferred to the Association.

(c) All Homesites, Lots, Dwelling Units, or other property owned by Declarant until the Turnover Date. (See Section 10.11 regarding Declarant subsidization and Declarant assessments applicable after that date).

Section 10.11: Declarant Subsidization. Except as provided below, Declarant agrees that for so long as it maintains its Class "B" Membership, in lieu of assessments on its Homesites, Lots and/or Dwelling Units which are exempt per Section 10.10(c), it shall pay to the Association the difference between the costs and expenses incurred by the Association and the amounts levied against the Members subject to assessments. Such subsidization shall not extend to amounts properly levied against Members but not collected therefrom. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. The value of any in kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors. At Turnover, Declarant's Homesites, Lots and Dwelling Units will no longer be exempt from assessments per Section 10.10(c) but Declarant's Homesites, Lots and Dwelling Units shall be subject to the annual assessment multiplied times a factor of twenty percent (20%) (i.e., the annual assessment due for each Homesite, Lot, or Dwelling Unit owned by Declarant shall be 20% of the prevailing annual assessment). This same percentage shall also apply to any special assessments levied by the Association. This Section 10.11 may not be amended without the written consent of Declarant or Declarant's assigns. Notwithstanding the foregoing, the Declarant in its sole discretion in any year may elect to pay the prevailing assessments that would be due on the Homesites, Lots, and Dwelling Units owned by Declarant in lieu of paying the subsidy as provided for above.

Section 10.12: Contributions by Declarant. In accordance with Subsection 10.11 above, it is the Declarant's intention to support the Association by funding deficits during such time as the Declarant is the Class "B" Member of the Association. It is not, however, the intention of the Declarant to forfeit refundable reserves or deposits paid by Declarant, nor to pay for deficits created by the nonpayment of assessments by Members/Owners. It is also not the intention of Declarant to pay for expenses which are otherwise covered in the annual budget, but which, due to the requirement of an advance payment, create temporary or seasonal deficits. Accordingly, the following covenants shall apply:

(a) Declarant shall be reimbursed for all amounts paid by Declarant in the funding of deficits caused by the nonpayment of assessments by Members/Owners;

(b) Declarant shall be promptly reimbursed by the Association for all refundable deposits made by Declarant on behalf of the Association upon the Association's receipt of any and all such deposits;

(c) For the calendar year in which the Declarant's right to appoint members to the Board of the Association expires or is terminated, Declarant shall be reimbursed for all advance payments made by Declarant on behalf of the Association for which the actual expense is covered in the annual budget. In other words, at the end of the calendar year, the Association shall owe the Declarant an amount to be determined as follows:

(i) Begin by determining the difference between expenses actually incurred for the calendar year and the amount of regular annual assessments actually collected for the calendar year (not including portions allocated to capital reserves);

(ii) If there is an excess in regular annual assessments actually collected over expenses, then Declarant shall be reimbursed for all deficit payments made by Declarant for the calendar year;

(iii) If the difference determined in (i) above is greater than zero, said difference shall be multiplied by a fraction, the numerator of which equals the number of days Declarant had the right to appoint members to the Board of the Association for the calendar year, and the denominator of which equals 365. Any deficit payments by Declarant in excess of the resulting product shall be reimbursed to Declarant.

(d) Declarant shall be entitled to reimbursement from the Association in accordance with the covenants contained in this Section 10.12 at the time Declarant's right to appoint members to the Board of the Association expires or terminates. With regard to uncollected assessments, Declarant shall not be entitled to reimbursement until the assessment is actually collected. With regard to refunds of deposits, Declarant shall not be entitled to reimbursement until any such refund is received by the Association. The Declarant, however, shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. With regard to amounts owed to Declarant as provided for in this subsection, said amount owed to Declarant shall be fully due and payable by January 31st of the year next following the end of the calendar year in which Declarant's right to appoint members to the Board expires or terminates.

(e) In no event shall the Association's obligation to reimburse the Declarant as set forth in this Section 10.12 relieve the Declarant of the obligation to pay assessments after Turnover in accordance with subsection 10.11 above; however, the Declarant may set off amounts due as assessments against amounts owed Declarant hereunder.

(f) This Section 10.12 may only be amended with the prior written consent of the Declarant. Each Member/Owner, by acceptance of a deed to a Homesite, Lot or Dwelling Unit of the Property, and the Association, shall be deemed to have approved of the reimbursements to Declarant required by this Section 10.12.

Section 10.13: Reserves for Replacement. After Turnover, the Association shall establish and maintain an adequate reserve fund from assessments collected from

Members/Owners for the periodic maintenance, repair, and replacement of improvements to the Common Property (including roads), which the Association is obligated to maintain. The fund shall be funded out of regular annual assessments for Association expenses and shall include sufficient funds to cover deductibles for insurance policies held by the Association. Declarant may but is under no obligation to establish such fund prior to Turnover.

Section 10.14: Certificate of Payment. In connection with a closing, upon written demand by an Member/Owner and/or the bona fide purchaser under agreement of sale of a Homesite or Dwelling Unit, the Association shall within a reasonable period of time (but in any event prior to the applicable closing as long as the written request is received at least 10 days prior to the applicable closing) issue and furnish to such Member/Owner or purchaser a written certificate (i) stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Homesite, Lot or Dwelling Unit owned by said Member/Owner as of the date of such certificate, or (ii) if all assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Association may charge a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Homesite, Lot, or Dwelling Unit in question but shall not be binding as to the Member/Owner in question.

Section 10.15: Declarant's Right to Contribute to Revenues of the Association. Notwithstanding any other provision of this Declaration, Declarant shall have the right, in its sole discretion and from time to time, to contribute to the revenues of the Association. At the option of the Declarant, such contribution may be reflected on the books and records of the Association as a loan, in which event it shall be repaid by the Association to the Declarant, at the discretion of the Declarant. If treated as a loan, the contribution shall accrue interest, compounded monthly, from the date it is made until the date of its repayment, at the short term Applicable Federal Rate ("AFR"), as published by the Internal Revenue Service, and adjusted each month to reflect the AFR for such month.

Section 10.16: Neighborhood Assessments. Upon the request of a Neighborhood for the Association to provide additional services as set forth in this Declaration, the Association is hereby authorized to levy Neighborhood Expenses as hereinafter provided. If the Board in its sole discretion has agreed to provide such neighborhood services, at least 30 days before the beginning of each applicable fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood, if any, on whose behalf Neighborhood Expenses are expected to be incurred by the Association during the coming year. Each such neighborhood budget shall include any costs for additional services or a higher level of services requested for the Neighborhood, including any contributions needed for reserves. The budget shall also reflect the sources and estimated amounts of funds to cover such Neighborhood Expenses, which may include any surplus to be applied from prior years. All such neighborhood assessments shall be in addition to the other assessments of the Association Assessments.

The Association is hereby authorized to levy neighborhood assessments equally against all Members/Owners of Homesites and/or Dwelling Units in the Neighborhood which are subject to assessment under this Declaration to fund Neighborhood Expenses; provided, however,

if otherwise determined by the Board in its discretion or if so specified in an applicable supplemental declaration or if so directed by petition signed by two thirds of the total Members/Owners of Homesites and/or Dwelling Units within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures may be levied on each of the benefited Members/Owners of Homesites and/or Dwelling Units in the Neighborhood in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget setting forth the Neighborhood Expenses and notice of the amount of the Neighborhood assessments applicable to the Member/Owner of each Homesite and/or Dwelling Unit in the Neighborhood for the coming year, such budget to be delivered to each Member/Owner of a Homesite and/or Dwelling Unit in the Neighborhood at least 30 days prior to the beginning of the fiscal year, with the budget and assessment becoming effective on the first day of the fiscal year. Such budget of the Neighborhood Expenses and Neighborhood assessment shall automatically become effective unless at least 15 days prior to the effective date of the budget and the assessment, the Board is notified in writing by at least two-thirds of the total Members/Owners of Homesites and/or Dwelling Units in the Neighborhood objecting to the budget to be applicable for the next fiscal year. In such case, the total budget of Neighborhood Expenses for the previous year shall be applicable for the next fiscal year with the Board determining the line item allocation of such total budget.

The Board shall in no way be responsible for calling and/or attending any Neighborhood meetings and the Board may rely on all communications from Members/Owners of Homesites and/or Dwelling Units in the Neighborhood without investigation of any kind. If the proposed budget of Neighborhood Expenses for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget that is in effect for the immediately preceding year shall continue for the current year. The Board may revise the budget for any Neighborhood and the amount of any Neighborhood assessment from time to time during the year, subject to notice requirements and the right of the Members/Owners of Homesites and Dwelling Units in the Neighborhood to disapprove the revised budget in the same manner as for the original budget set forth above.

All amounts collected by the Association as Neighborhood assessments shall be held in trust for and expended solely for the benefit of the Neighborhood for which they were collected and shall be accounted for separately from the Association's general funds. Notwithstanding any other provision of this Declaration, the Association shall only be required to provide services for the Neighborhood for which and to the extent the Association actually receives good funds for the Neighborhood assessments. If the Association has or in any way experiences problems collecting Neighborhood assessments, the Board of the Association in its sole discretion may at any time terminate the services by the Association, and upon such termination of services, the Association shall deliver any balance of the Neighborhood assessments held by the Association to either the Members/Owners of Homesites and Dwelling Units in the Neighborhood who have paid the assessments on a pro-rata basis or to any governing body of the Neighborhood, if any. The Declarant under no circumstances shall be responsible for any Neighborhood Expenses.

Section 10.17: Club Assessments. The Club Owner shall not be a Member in the Association but shall contribute an amount equal to three (3) times the current annual assessment amount for a single Lot per annum as the Club's contribution to the maintenance expenses of the Common Property. Under no circumstances shall the Association have the right to lien the Club Property. The Club Owner shall have no further obligations with respect to assessments.

ARTICLE XI

Functions of the Riverton Pointe Property Owners Association, Inc.

Section 11.1: Association. The Association, its successors and assigns, shall be considered: (a) an assignee of Declarant; (b) the authorized and ratified agent of the Members/Owners with respect to the functions specified herein; (c) a third party beneficiary under these Covenants; and (d) as an Owner of Property subject to these Covenants. The Association and its successors and assigns shall have the standing and authority at law or in equity to carry out and enforce these Covenants.

Section 11.2: Limitation on Duties and Obligations. The Association shall strive to carry out and put into effect the functions and services specified or reasonably implied in this Declaration; however, the functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board with due consideration given to the amount of reserves and revenues available to the Association, and the relative demands upon the resources which the Association can utilize to maintain Common Property and to increase the use and enjoyment of the Property as a whole. The Association shall not be obligated to incur debt or deficits of expenditures over revenues in order to carry out its monetary function.

The Association and its Directors and Officers shall not be liable to any Property Owner/Member, their lessees or guests, for any damage or injury that results from any rule or regulation promulgated pursuant to these Covenants.

Section 11.3: Powers of the Association. The Association shall have and may exercise any right or privilege given to it expressly in these Covenants or, except to the extent limited by the terms and provisions of these Covenants, given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under these Covenants, including the right to engage necessary labor and acquire use of, or purchase necessary property, equipment or facilities; employ personnel necessary to manage the affairs of the golf course, and other facilities of the Association; obtain and pay for legal, accounting and other professional services as may be necessary or desirable; and to perform any function by, through, or under contractual arrangements, licenses or other arrangements with any governmental or private entity as may be necessary or desirable.

Section 11.4: Ownership and Maintenance of Common Property. The Association shall be authorized to own and shall maintain all Common Property within Riverton Pointe as well as the equipment, furnishings, and improvements devoted to the following uses:

- (a) for roads or parkways throughout the Property, if any, provided they are not transferred to Jasper County or the State of South Carolina;
- (b) for sidewalks, walking paths or trails, if any, throughout the Property;
- (c) for providing any of the services which the Association is authorized to offer hereunder;
- (d) for insect and forest fire control within the Property; and
- (e) for drainage and irrigation facilities serving the Property.
- (f) for management of the lagoon/pond/lake system in accordance with any agreements affecting same.
- (g) for wetland and wetland buffer areas in accordance with permits.

Section 11.5: Authorized Services. The Association shall be authorized but not required to provide the following services:

- (a) cleanup and maintenance of all dwelling unit exteriors, residential lots, roads, roadways, parkways, to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local government, if applicable, and cleanup and maintenance of other Common Property within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole.
- (b) landscaping of roads and parkways, sidewalks and walking paths, if any, and any other Common Property;
- (c) lighting of roads, sidewalks and walking paths, if any, throughout the Property;
- (d) security functions, including but not limited to maintenance of electronic and other security alarm devices and control centers for the protection of persons and property within the Property;
- (e) insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;
- (f) the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;

(g) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property;

(h) to administer the ARB in the event that the Association is designated by the Declarant as the agent of the Declarant for such purpose;

(i) to construct improvements on Common Property for use for any of the purposes or as may be required to provide the services as authorized in this Article;

(j) to provide administrative services including but not limited to: legal; accounting and financial; and communication services informing Members/Owners of activities, notice of meetings, referendums, etc., incident to the above-listed services;

(k) to do any other thing or things necessary or desirable in the opinion of the Board to keep the Property neat and in good order, or which is considered of general benefit to the Members/Owners or occupants of the Property.

(l) to enter into such service agreements with the Club as determined by the Board of Directors of the Association.

Section 11.6: Rights of Club. In the event the Association fails to perform its maintenance obligations as set forth in this Declaration, in particular, its obligations to maintain the Common Property which benefits the Club Property, and the Association fails to: (i) remedy same within fifteen (15) days after receipt of notice from the Club; or (ii) complete such repair, replacement or other maintenance within a reasonable time after notice if such maintenance cannot reasonably be completed within said fifteen (15) days, then the Club shall have the right, but not the obligation, to make such perform such maintenance or other remedy as is necessary at the expense of the Association. The Association agrees to reimburse the Club for all out of pocket costs incurred in exercising the Club's rights under this section within fifteen (15) days of written request from the Club.

Section 11.7: Information. It shall be the responsibility of the Association to make available to Members/Owners and mortgage lenders making loans to Owners, and to holders, insurers or guarantors of any first mortgage on a Homesite or Dwelling Unit within the Property, current copies of the Declaration, By-Laws, other rules and regulations relating to the Property, and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal working hours or under other reasonable circumstances.

ARTICLE XII

Rules and Regulations

Section 12.1: Establishment of Rules and Regulations. Subject to the provisions hereof, the Association may establish reasonable rules and regulations concerning the use of Homesites, Lots, Dwelling Units, easement areas, Open Space and the Common Property and facilities located thereon; provided, however, in no event may the Association discriminate against the Club and/or the members, guest, and/or invitees of the Club. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Members and Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Members and Owners, their families, tenants, guests, invitees, servants and agents, until and unless any such rules or regulations are specifically overruled, cancelled or modified by the Board of Directors of the Association or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding ninety (90%) percent of the total votes in the Association; provided, however, as long as there is a Class B Membership, the written consent of the Declarant shall also be required to overrule, cancel, or modify an existing rule and/or regulation of the Association.

Section 12.2: Authority and Enforcement. Subject to the provisions of Section 12.3 hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board of Directors of the Association shall have the power to:

- (a) impose reasonable monetary fines on the Member/Owner guilty of such violation which shall also constitute an equitable charge and a continuing lien upon the properties of such Member/Owner;
- (b) suspend a Member/Owner's right to vote in the Association; and
- (c) suspend the right of a Member/Owner, his family, guests, tenants or invitees, or co-Owners, to use the Common Property other than the right of ingress and egress to a Homesite or Dwelling Unit and the Board of Directors of the Association shall have the power to impose all or any combination of these sanctions.

A Member/Owner shall be subject to the foregoing sanctions in the event of such a violation by such Member/Owner, his family, guests, tenants or invitees, or by his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed sixty (60) days.

Section 12.3: Procedure. Except with respect to the failure to pay assessments, the Board of Directors of the Association shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of a Member/Owner, his family, guests, tenants or invitees, or co-Owners, for violations of the Declaration, the By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be served upon the person responsible for such violation specifying:
 - (i) the alleged violation;

(ii) the action required to abate the violation; and

(iii) a time period of not less than five (5) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(b) If the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs within twelve (12) months of such demand, the Board of Directors of the Association may serve such person with written notice of a hearing to be held by the Board of Directors in executive session. The notice shall contain:

(i) the nature of the alleged violation;

(ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;

(iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his behalf; and

(c) The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director or other individual who deliver such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

Section 12.4: Right of Abatement.

(a) If a Member/Owner shall fail to take reasonable steps to remedy such violation or breach within the period as required above, then the Association shall have the Right of Abatement. In addition, if any assessment, interest, cost or charge required by this Declaration is not paid within sixty (60) days after such assessment is due or such charge is imposed, the Association shall have the right to notify any or all mortgagees having a security interest in the Member/Owner's Homesite or Dwelling Unit that such Member/Owner is in default in the performance of his obligations under these Covenants, and of those actions taken or proposed to be taken by the Association as a result of the default.

(b) The Right of Abatement, as used in this Section means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Homesite, Lot or Dwelling Unit as to which a violation, breach or other condition to be remedied

exists, and to take the actions specified in the notice to the Member/Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions of this Declaration or the rules and regulations adopted by the Association, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions; provided such entry and such actions are carried out in accordance with the provisions of this Section or as otherwise provided in this Declaration, and with the cost thereof, including the costs of collection and reasonable attorneys' fees, together with interest thereon at the lower of the highest rate permitted by law or a rate to be established by the Board not to exceed 18% to be a binding personal obligation of such Member/Owner enforceable in law, as well as a lien on such Member/Owner's Homesite, Lot, or Dwelling Unit enforceable pursuant to the provisions of Article X hereof.

PART FOUR GENERAL PROVISIONS

ARTICLE XIII

General Rights Reserved by Declarant for Itself and for the Association and the Club

Section 13.1: Easements Retained by Declarant.

(a) The Declarant reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right across the Property for ingress and egress by vehicular and pedestrian traffic over such drives, roadways, walkways and paths as are currently in place on the Property and which may be constructed on said Property in the future.

(b) The Declarant reserves unto itself, its successors, assigns and licensees, and the Club Owner, a perpetual, alienable and releasable easement and right on, over and under the ground of the Property to erect, maintain, and use electric, telephone and cable television, wires, cables, conduits, pipes, drainage ways, sewers, wells, pumping stations, tanks, water effluent and irrigation mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage or other public conveniences or utilities on, in or over those portions of the Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of the Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the Declarant, or (b) such portion of the Property as may be designated as the site for a building on a plot plan or for erection of a building which has been filed with the Declarant, its delegate or the ARB and which has been approved in writing by said Declarant, its delegate or the ARB.

(c) The Declarant further reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use wires, cables, conduits, pipes, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable, telephone,

gas, sewer, water or other private or public conveniences or utilities, on, in or over up to ten (10') feet of the front and rear each Homesite or Lot, and up to seven and one half (7.5) feet along both sides of each Homesite or Lot and such other areas as are shown on the applicable plats. Moreover, the Declarant, its successors, assigns or licensees, may cut, at its own expense, drainways for surface water wherever and whenever such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance and an easement for such purpose is reserved unto the Declarant of up to seven and one half (7.5) feet in width along each side lot line and up to fifteen (15) feet in width along each rear lot line and such other areas as are shown on the applicable plats. Notwithstanding the foregoing, in no event may such easements encroach upon any building situated on a Homesite or Lot.

(d) These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Owner caused by such utility installation shall be repaired and said grounds returned to their prior condition by the Declarant as best as reasonably possible.

(e) In addition, the Declarant reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right on and over and under the Property to dispense pesticides and take other action which in the opinion of the Declarant is necessary or desirable to control insects and pests, to cut fire breaks and other activities which in the opinion of the Declarant are necessary or desirable to control fires on the Property.

(f) The Declarant further reserves to itself, its successors, assigns and licensees, the right to locate wells, pumping stations, siltation basins and tanks, or spray treated effluent within the Property on any un-subdivided land, in any Common Property or Open Space, or on any property designated for such use on the applicable plat of the Property, or to locate same upon any property with the permission of the respective Owner. These reservations shall not be considered an obligation of the Declarant to provide or maintain any such utility or service.

(g) Such rights may be exercised by any licensee of Declarant or may be delegated to the Association and/or the Club as determined by Declarant, but this reservation shall impose no responsibility upon Declarant to construct or maintain any such utility or service. Declarant expressly reserves the right to transfer said utilities and utility easements, in whole or in part, to another entity, whether public or private, which undertakes to provide such utility service.

(h) Declarant further specifically reserves the right in perpetuity (notwithstanding the fact that Turnover has occurred and notwithstanding whether or not Declarant owns any portion of the Property) to have access to and to use any of the Common Property for itself, its officers, its employees, its guests, and its invitees without being subject to any fees of any kind. Said use may include, but shall not be limited to use of the Common Property by prospective purchasers, realtors or referrers for Riverton Pointe and/or any other project owned or controlled by Declarant and/or its affiliates and any other use which may promote Riverton

Pointe and/or any other project owned or controlled by Declarant and/or its affiliates in a constructive and positive manner. Provided, however, Declarant shall be obligated for assessments after Turnover per Section 10.11. This right is reserved for the express purpose of providing Declarant the ability to maintain reasonable marketing and sales activities for Riverton Pointe as well as any other projects owned or controlled by Declarant and/or its affiliates.

Section 13.2: Ingress and Egress; Roadways. All Owners/Members, in accepting title to property conveyed subject to these Covenants, waives all rights of uncontrolled and unlimited egress and ingress to Homesites and Dwelling Units (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Owner/Member and successors in title) and agrees that such ingress and egress to Homesites, Dwelling Units, and Common Property may be limited to roads built by the Declarant and will be subject to rules and regulations of the Association. No implied reciprocal equitable servitude or easement shall arise with respect to any lands retained by Declarant.

Section 13.3: Encroachment Easements. If any buildings, Dwelling Units, or other improvements initially constructed by Declarant on any of the Homesites or Lots (including, without limitation, any roof overhangs, balconies, siding, porches or other structures which may be attached to the walls or roofs of such buildings) encroach onto or over or extend into the air space or any portion of the Common Property, or conversely, if any such improvements initially constructed on the Common Property by Declarant encroach onto or over portions of any Homesite or Lot, a valid easement for the encroachment and for the maintenance, repair and replacement thereof shall exist in perpetuity.

Section 13.4: Entrance Easements and Entrance Monuments. Declarant hereby reserves such easements over the Property as may be necessary for landscaping or for the erection and maintenance of entrance monuments, subdivision signs, walls, fences and other structures intended to provide an attractive atmosphere. Such easements shall be perpetual in duration and shall include the right to erect, maintain, repair, replace and re-erect any such structures within the easement areas as well as the right to plant grass, plants, flowers, shrubs and trees to tend and garden the same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance for the benefit of all Members and Owners within Riverton Pointe. To the extent any such easements affect a Homesite as shown on a recorded plat of the Development, all Members and Owners taking title to any Homesite upon which such an easement lies, will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in any instrument conveying such easements to the Association. Such easements shall be Common Property. In addition, or alternatively, such entrance monuments or other similar improvements may be constructed within or upon rights of way within the Development. In all such cases, such improvements shall be maintained by the Association as any other Common Property.

Section 13.5: Additional Covenants. While any portion of the Property is still owned by Declarant or its affiliates, Declarant expressly reserves the right to impose additional restrictive and protective covenants upon such portion of the Property owned by Declarant or its affiliates (or consented to by the owner of such property if not owned by Declarant) provided that the same are not inconsistent with and do not lower the standards of the restrictions as herein provided. Said

additional covenants, if any, shall be effective upon Declarant filing of record in Jasper County one or more supplemental declarations imposing such additional covenants on the applicable property owned by Declarant (or with the consent of the owners of such property if not owned by Declarant). Declarant may also impose such additional restrictions by reference to such in the deed transferring said Property. It shall be the responsibility of each Owner/Member within the Property to comply with any restrictions applicable to such Owner/Member's property or any additional restrictions which may be imposed by governmental authorities.

Section 13.6: Additional Easements Reserved for the Club. Notwithstanding any other provision of these Covenants to the contrary:

(a) Declarant does hereby reserve for the benefit of the Club and the members (and the members families, guests and invitees), guests, and invitees of the Club a perpetual, non-exclusive easement over all roads of the Common Property, which now exist or which exist in the future on the Common Property, for vehicular and pedestrian ingress and egress and for installing, operating, repairing, and maintaining irrigation lines across, along, and under any and all paved and non-paved or dirt roads, as necessary or convenient for golf course play and/or operation, maintenance, installation, and/or repair of any Club Property. There shall be no charge for the members of the Club and their guests and invitees and/or the guests and invitees of the Club to use the roads of the Association; provided, however, the Club, its successors and assigns, will repair any damage to the roads caused by the Club and/or its employees and agents in exercising its easement rights hereunder;

(b) Declarant hereby reserves for the benefit of the Club and the members (and the members families, guests and invitees), guests, and invitees of the Club exclusive perpetual easements for vehicular and pedestrian ingress and egress over cart paths located on any Common Property (provided, however, such easements over areas of the roads of the Association shall be non-exclusive with respect to vehicular and pedestrian ingress and egress over the roadway itself) and for use, operation, repair and maintenance of irrigation lines and cart paths over, through and under the Common Property;

(c) Declarant does hereby reserve for the benefit of the Club a perpetual easement to have signage together with accompanying hardscape, landscaping, and lighting at the entrance to Riverton Pointe in such location as established by Declarant and a perpetual easement to access such signage to maintain, repair, and replace such signage together with accompanying hardscape, landscaping, and lighting. The Association shall be responsible for maintaining all landscaping and lighting at the entrance to Riverton Pointe, including that of the Club, but the Club shall be responsible for the costs of maintaining, repairing, and replacing its actual sign.

Section 13.7: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of Declarant, for a period of forty (40) years from the execution of this Declaration, subject to the right reserved unto Declarant, its successors and assigns, to add additional restrictive covenants with respect to the Property subject to this Declaration and the further right to limit or

amend the application of these Covenants. After the initial forty (40) year period of duration, all said covenants, restrictions and obligations shall be automatically extended for successive periods of ten (10) years unless an instrument signed by one hundred percent (100%) of the then existing Members/Owners of Homesites, Lots, or Dwelling Units has been recorded agreeing to terminate this Declaration, in whole or in part.

Section 13.8: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of the restrictions contained herein by a Member/Owner, his family members, Co-Owners, guests, invitees, or agents, Declarant shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event, and Declarant shall have the right to recover all costs and expenses of suit in such action, including reasonable attorneys' fees. The failure to enforce any rights, reservations, restrictions or conditions contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. Upon the creation and activation of the Association pursuant to Part Three hereof, the rights and powers of Declarant under this Section shall automatically be assigned to and vest concurrently in the Association, and Declarant and the Association shall henceforth have concurrent and independent rights of enforcement as provided herein.

Section 13.9: Declarant Approval. Whenever any matter shall require the approval or consent of Declarant hereunder, or any other action or decision on behalf of Declarant, the written decision of Declarant shall control in the event of any dispute.

Section 13.10: Severability and Rule against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or until twenty-one (21) years after the death of the survivor of those decedents of Her Majesty Queen Elizabeth II, the Queen of England, which are living as of the date this Declaration is executed.

Section 13.11: Modifications and Additions. Declarant may include in any contract or deed hereafter made, modifications and/or additions to the restrictive covenants as contained herein, with such modified covenants being made applicable by reference to conveyances of land made subsequent to such modifications.

Section 13.12: Assignment. Declarant reserves the right to assign, in whole or in part, to its successor-in-title to any portion of the Property as a successor Declarant, or to the Association any of the rights reserved in these Covenants. Such assignment shall be in writing and shall be effective upon delivery.

Section 13.13: Use of Trademark. Each Member/Owner and any Co-Owners, by acceptance of a deed to any lands, tenements or hereditaments within the Property hereby acknowledges that "Riverton Pointe", "Riverton Pointe Association", Riverton Pointe Club, and

designs may be service marks and trademarks of the Declarant. Each Member/Owner agrees to refrain from misappropriating or infringing these service marks or trademarks. Declarant has the right to use all such service marks and trademarks for realty purposes.

ARTICLE XIV:

AMENDMENTS

Section 14.1: Amendments:

(a) So long as Declarant is the Class "B" Member, these Covenants may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Homesites, Lots, or Dwelling Units subject to these Covenants, (iii) if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Homesites, Lots, or Dwelling Units subject to these Covenants, (iv) if such amendment would enable any governmental agency, such as the Veterans Administration or reputable private mortgage insurance company to insure Mortgage loans on the Homesites, Lots or Dwelling Units subject to these Covenants, (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration, (vi) if such amendment is for the purpose of deleting from this Declaration any portion of the Property owned by Declarant as provided in Article II of this Declaration, (vii) if such amendment is for the purposing of annexing Additional Property as provided in Article II of this Declaration, and/or (viii) if such amendment is deemed necessary or desirable by Declarant; provided any such amendment shall not materially adversely affect any existing Member/Owner's rights under this Declaration and/or materially adversely affect the title to any Owner's Homesite, Lot or Dwelling Unit. EVERY MEMBER/OWNER AND CO-OWNERS BY ACCEPTING A DEED TO A HOMESITE, LOT OR DWELLING UNIT ACKNOWLEDGES THE RIGHT OF THE DECLARANT TO UNILATERALLY AT ANY TIME AND FROM TIME TO TIME TO AMEND THESE RESTRICTIONS AND THIS DECLARATION AS SET FORTH ABOVE WITHOUT ANY INTERFERENCE FROM THE MEMBERS/OWNERS, CO-OWNERS, AND/OR THE ASSOCIATION OR THE BOARD AND WITHOUT ANY SIGNATURE REQUIRED ON ANY SUCH SUPPLEMENTAL DECLARATION TO ACCOMPLISH SUCH AMENDMENT BUT DECLARANT'S SIGNATURE.

(b) By Members/Owners and Declarant. Except as otherwise provided in this Declaration, these Covenants may be amended at any time and from time to time by the affirmative vote of at least two-thirds (2/3) of the Member/Owners present in person or by proxy at a special or annual meeting of the Member/Owners, where a quorum is present; provided, however, such amendment by the Member/Owners shall not be effective unless also signed by the Declarant if the Declarant is the owner of any real property subject to these Covenants or any portion of the

Property or Additional Property; and provided further, however, no amendment affecting the Declarant's right to add Additional Property and/or to delete property shall be effective unless also signed by the Declarant.

(c) Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Club Owner and/or its successors and/or assigns, no amendment to this Article, and no amendment in derogation of any rights reserved or granted to the Club Owner by other provisions of this Declaration, may be made without the prior written approval of the Club Owner and/or its successors and/or assigns.

ARTICLE XV

Notice

Section 15.1: How Notice Given. Any notice required to be sent to any Member/Owner under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as Member/Owner in the public records of Jasper County, South Carolina, on the first day of the calendar month in which said notice is mailed.

Section 15.2: Notice to Co-Owners. Notice to one (1) of two (2) or more co-owners of a Homesite, Lot, or Dwelling Unit shall constitute notice to all co-owners.

Section 15.3: Notice of Address or Ownership Change. It shall be the obligation of every Member/Owner to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member/Owner following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title.

ARTICLE XVI

Enforcement, Severability and Interpretation

Section 16.1: Who May Enforce Generally. In the event of a violation or breach of any of the affirmative obligations or restrictions contained in this Declaration by any Member/Owner or family members, guests, invitees, or agents of such Member/Owner, the Declarant or the Association or any other Members/Owners, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event, provided however that the right of Declarant hereunder shall not be construed to impose any obligation on Declarant for enforcement; provided, however, no Member/Owner shall have the right to enforce any provision of this Declaration for which the Declarant and/or the Association is seeking the enforcement of and no Member/Owner shall interfere in any way with such enforcement efforts of the Declarant or the Association. In all enforcements of the provisions of this Declaration, the Declarant and the

Association shall have the exclusive right to handle such enforcement proceedings without interference from any other party.

Section 16.2: Enforcement by the Association. In addition to the foregoing, the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. The Association may engage a person or persons to respond to complaints received as to violations of the Covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Declarant or Association may engage legal counsel to bring an appropriate injunctive action, including any appeals, to enforce these Covenants, including the rules and regulations of the Association. Violators shall be obligated to reimburse the Association in full for all its direct and indirect costs, including but not limited to reasonable legal fees incurred by the Association in maintaining compliance with these Covenants, including the rules and regulations of the Association, in the event the Association prevails in such proceedings.

Section 16.3: Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel compliance to the terms hereof or to prevent the violation or breach in any event. No failure of Declarant to exercise or enforce and no delay in exercising or enforcing any right, power or privilege under the Covenants shall operate as a waiver thereof; nor shall any single or partial exercise and any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to legal fees incurred by the Declarant in maintaining compliance with these Covenants, including the rules and regulations of the Association, in the event the Declarant prevails in such proceedings.

Section 16.4: Against Whom May the Covenants be Enforced. The obligations and benefits prescribed by the Covenants shall run with the Property and shall be enforceable against the Declarant, its successors or assigns, the Association and against any Member/Owner, his family members, guests, invitees, and agents and any other person whose activities bear a relation to the Property when the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations or attempts to violate or circumvent the covenants and restrictions set forth in this Declaration.

Section 16.5: Litigation. In addition to compliance with the alternative dispute resolution procedures provided below, if applicable, the Association will not initiate any judicial or administrative proceeding unless first approved by a vote of the Members/Owners entitled to cast seventy-five percent (75%) of the total votes in the Association, excluding the votes held by Declarant, except that no such approval will be required for actions or proceedings:

- (a) initiated while Declarant owns any portion of the Property or the Development; or
- (b) initiated to enforce the provisions of this Declaration, the Design Guidelines, the Articles of Incorporation and/or By-Laws of the Association, and rules and regulations adopted by the Board, including collection of assessments and foreclosure of liens; or

(c) initiated to challenge *ad valorem* taxation or condemnation proceedings;
or

(d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or

(e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section will not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings except any such amendment must also be approved by Declarant for so long as Declarant owns any portion of the Property or the Development.

In the event any claim is made against Declarant or any litigation is instituted against Declarant, then the Association shall assess all Members, other than the Declarant, for the costs of such action, proceeding, and/or claim and/or litigation, including, without limitation, attorneys' fees incurred, and funds from regular assessments shall not be used for any such action, proceeding, and/or claim and/or litigation.

Section 16.6: Means of Enforcement. Enforcement of these Covenants shall be by any proceeding at law or in equity, whether it be to restrain violation or to recover damages or to create any lien created by these Covenants.

Section 16.7: Severability. Should any covenant or restriction herein contained, or any Part, Article, Section, paragraph, sentence, clause, phrase, or term in this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matters and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 16.8: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants, and which will preserve the Property as a situs for a high amenity, attractive, well maintained, privately-governed residential community.

Contrary to any restrictive common law rule of construction, these Covenants shall be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Members and Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant and/or Association, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster

the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 16.9: Authorized Action. All action which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provided otherwise.

Section 16.10: Gender, Tense and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 16.11: No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration and shall in no event be considered a waiver of the right to do so thereafter as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

Section 16.12: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

Section 16.13: No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT OR ASSOCIATION PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY MEMBER/OWNER.

Section 16.14: Agreement to Encourage Resolution of Disputes without Litigation. The Association, the Declarant, all Owners and all Persons subject to this Declaration (and any Person not otherwise subject to this Declaration who agrees to submit to this Article) (collectively, “**Bound Parties**” and each a “**Bound Party**”), agree to attempt to resolve disputes against other Owners, the Declarant and/or the Association without the emotional and financial costs of arbitration/litigation (as applicable). Accordingly, each Bound Party agrees not to file arbitration/suit (as applicable) against another Owner, the Association and/or the Declarant in any tribunal with respect to a Claim described in subsection (b), unless and until he has first submitted such Claim to the alternative dispute resolution procedures set forth in Section (a), (b), and (c) in a good faith effort to resolve the Claim. The provisions of this Section shall not apply to any efforts of the Association to collect Assessments or other amounts owed to the Association from any Owner (but not including Declarant).

As used in this Article, the term “**Claim**” shall refer to any claim, grievance, or dispute arising out of or relating to:

- (i) The interpretation, application, or enforcement of this Declaration, the Bylaws and/or any Rules and Regulations or architectural guidelines;

(ii) The rights, obligations, and duties of any Bound Party under this Declaration, the Bylaws and/or Rules and Regulations or architectural guidelines;

(iii) The design or construction of improvements within the Community, including, without limitation, any improvements located within the Common Property or the Limited Common Property; and/or

(iv) Any actions taken or untaken by the Board or by the Declarant.

The foregoing notwithstanding, the following shall be considered Claims and shall be subject to the binding arbitration procedure set forth below, but shall not be subject to the procedures set forth in Sections (a), (b) or (c) below:

(v) Any action to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the arbitrator may deem necessary in order to maintain the status quo and preserve the ability to enforce the provisions of this Declaration; and

(vi) Any suit as to which the applicable statute of limitations would expire within ninety (90) days of giving the Notice required by Section (a), unless the party or parties against whom the Claim is made agree in writing to toll, or extend, the Claim's statute of limitations to comply with this Article.

The foregoing notwithstanding, the following shall not be considered a Claim unless all parties to the matter otherwise agree to submit the matter to the procedures set forth below: Any suit that does not include Declarant and/or the Association as a party if such suit asserts a Claim that would constitute a cause of action independent of the Declaration.

Dispute Resolution Procedure.

(a) Notice. The Bound Party asserting a Claim ("**Claimant**") against another Bound Party ("**Respondent**") shall give written notice ("**Notice**") to each Respondent and Declarant (if the Declarant itself is not the Respondent and is still selling Dwelling Units in the Community) stating plainly and concisely:

(i) The nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) The legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) The Claimant's proposed resolution or remedy; and

(iv) The Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(c) Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other agreed upon period), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by Declarant if Declarant is not a party to the Claim and if the Declarant is still selling Dwelling Units in

the Community or, if Declarant is a party to the Claim, to an independent agency providing dispute resolution services in the County in which the Property is located. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, (i) the mediator may issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated; or (ii) either party may deem the mediation terminated. The Claimant shall thereafter be entitled to file arbitration as set forth below.

Each Bound Party shall bear its own costs hereunder, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

(d) Binding Arbitration. If parties to such Claim cannot resolve the Claim as set forth in sub-Section (c) above, or the Claim is exempt from the above resolution process as set forth in Section (b), then such Claims shall be resolved by binding arbitration. Each Bound Party shall bear its own costs hereunder, including attorney's fees and each Bound Party shall pay an equal share of the arbitrator's fees.

(i) Such binding arbitration shall be before a single arbitrator selected through the American Arbitration Association ("AAA"), unless a single arbitrator is otherwise mutually agreed upon by the Respondent(s) and Claimant(s). Absent a mutual agreement to the contrary, the arbitration shall be conducted in accordance with its Expedited Procedures of the Commercial Arbitration Rules, which rules can be viewed at www.adr.org. If AAA is unable to arbitrate a particular Claim, then that Claim shall be resolved by binding arbitration by a single arbitrator selected through AAA's successor or an equivalent organization, or by any other single arbitrator mutually agreed upon by the parties. **The arbitrator may not preside over any form of representative, collective or class proceeding, all of which are hereby expressly waived and precluded by this paragraph. Absent agreement of the parties, no arbitration between the parties or any claims asserted in an arbitration between the parties shall be consolidated with another arbitration for any purposes.** Notwithstanding anything in the Commercial Arbitration Rules to the contrary, and except as provided for in the Act or as provided for in state or federal statutory law that may not be waived, in no event shall any Bound Party be entitled to recover its attorney's fees or costs in any arbitration.

(ii) The provisions of this sub-Section shall be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq.

(iii) Each Bound Party agrees that Declarant may include in any arbitration Declarant's claims against its design professionals, contractors, subcontractors and suppliers for contribution, indemnity or any other contractual or common law relief.

(iv) **EACH BOUND PARTY HEREBY WAIVES THE RIGHT TO A PROCEEDING IN A COURT OF LAW (INCLUDING WITHOUT LIMITATION A TRIAL BY JURY) FOR ANY CLAIMS OR COUNTERCLAIMS BROUGHT HEREUNDER.**

(c) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file arbitration without the need to again comply with the procedures set forth in (a) – (c) of this section.

ARTICLE XVII

The Club

Section 17.1: Mandatory Membership. EVERY OWNER OF A HOMESITE OR DWELLING UNIT BY ACCEPTING A DEED TO A LOT, HOMESITE OR DWELLING UNIT ACKNOWLEDGES THAT THE OWNER OF THE LOT, HOMESITE OR DWELLING UNIT IS REQUIRED TO BECOME A MEMBER OF THE CLUB (EITHER A CLUB MEMBER OR A FULL GOLF MEMBER) AS PROVIDED IN AND SUBJECT TO THE PROVISIONS OF THE CLUB MEMBERSHIP PLAN AND THE DECLARATION OF RECREATIONAL COVENANT AND SHALL BE SUBJECT TO THE RULES AND REGULATIONS OF THE CLUB AND TO ALL FEES AND DUES OF THE CLUB. FURTHER, NO OWNER MAY SEPARATE THIS MANDATORY MEMBERSHIP IN THE CLUB FROM HIS/HER/ITS LOT, HOMESITE OR DWELLING UNIT AND ANY TRANSFER OF A LOT, HOMESITE OR DWELLING UNIT SHALL AUTOMATICALLY TERMINATE AN OWNER'S MEMBERSHIP IN THE CLUB EXCEPT AS THE CLUB OTHERWISE ALLOWS.

THE ABILITY OF MEMBERS TO OBTAIN ACCESS TO AND USE OF THE CLUB PROPERTY SHALL BE SUBJECT TO AND LIMITED BY THE CLUB MEMBERSHIP PLAN, BY THE DECLARATION OF RECREATIONAL COVENANT AND BY THE RULES AND REGULATIONS OF THE CLUB. No Owner is permitted to use the Club Property, unless such Owner is a Member in good standing with the Club. The Club Owner or the Club operator has the exclusive right to determine from time to time, in their sole discretion and without notice or approval of any change, how and by whom the Club Property shall be used. By way of example, but not limitation, the Club Owner has the right to approve users and determine eligibility for use, to modify the Club Membership Plan, and to sell, lease, or otherwise dispose of the Club Property in any manner whatsoever and to any person whomsoever

NO PERSON OTHER THAN AN OFFICER OR DULY AUTHORIZED AGENT OF THE CLUB OWNER IS AUTHORIZED TO MAKE ANY REPRESENTATION, WARRANTY, CONTRACT OR AGREEMENT ON BEHALF OF THE CLUB WITH RESPECT TO MEMBERSHIPS IN THE CLUB, THE TERMS AND CONDITIONS OF SUCH MEMBERSHIPS (INCLUDING FEES, DUES OR CHARGES) OR OTHERWISE WITH RESPECT TO THE CLUB OR ITS FACILITIES. ACCORDINGLY, NO PERSON MAY RELY ON ANY SUCH REPRESENTATION, WARRANTY, CONTRACT OR AGREEMENT UNLESS MADE, IN WRITING, BY AN OFFICER OR DULY AUTHORIZED AGENT OF THE CLUB OWNER. THIS NOTICE SHALL SPECIFICALLY DISCLAIM ANY AUTHORITY OF ANY PROPOSED OR ACTUAL SELLER OF A LOT, DWELLING UNIT OR HOMESITE TO MAKE ANY REPRESENTATION, WARRANTY, CONTRACT OR AGREEMENT IN SUCH REGARD.

EACH GRANTEE WHO IS A MEMBER OF THE CLUB SHALL DEAL DIRECTLY WITH THE CLUB OWNER AS TO ALL RELEVANT MATTERS, AND THE ASSOCIATION SHALL HAVE NO STANDING OR AUTHORITY TO NEGOTIATE, AGREE, OR

OTHERWISE DEAL WITH THE CLUB ON BEHALF OF SUCH PARTIES WITH RESPECT TO THEIR MEMBERSHIPS IN THE CLUB OR ANY TERMS OR CONDITIONS OF SUCH MEMBERSHIPS. THE CLUB SHALL HAVE NO OBLIGATION OR DUTY TO THE ASSOCIATION EXCEPT AS SPECIFICALLY SET FORTH IN THIS DECLARATION.

Section 17.2: Application Process. Prior to acquiring title to the Lot, Dwelling Unit or Homesite, the proposed grantee shall make application for a membership to the Club in such manner and using such forms and procedures as the Club may specify from time to time. Such applications, together with all required supporting information, shall be submitted within 90 days of executing a contract to acquire the Lot, Dwelling Unit or Homesite, but not later than thirty (30) days before the proposed closing of the conveyance of the Lot, Dwelling Unit or Homesite to the grantee and shall be diligently pursued thereafter. Should the Club Owner approve the proposed grantee for membership, the grantee shall, at the closing of the acquisition of the Lot, Dwelling Unit or Homesite, pay any applicable membership contribution or transfer fee and dues and fees due the Club, whereupon the Club shall issue a membership certificate as well as a document, evidencing the grantee's compliance with this Covenant. On the other hand, if the Club Owner rejects the application, the Club Owner shall provide the proposed grantee with a document, so stating. In such case, the grantee may proceed with the acquisition of the Lot, Dwelling Unit or Homesite but any subsequent grantee shall be required to comply with this covenant as a condition to the acquisition of title to the Lot, Dwelling Unit or Homesite.

Section 17.3: Compliance with Membership Plan Documents. The Club Owner shall process all applications for membership made by proposed grantees and otherwise deal with such grantees in accordance with the Club's Membership Plan and other documents related to same in effect at the relevant time.

Section 17.4: Claim of Lien. Each grantee, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Lot, Dwelling Unit or Homesite, shall be deemed to have covenanted and agreed that all membership contributions, transfer fees, dues, fees and other charges owed to the Club with respect to the membership associated with grantee's Lot, Dwelling Unit or Homesite, together with interest, late fees, costs and reasonable attorneys' and paraprofessional fees at all levels of proceedings including appeals, collection and bankruptcy, shall be a charge and continuing lien in favor of the Club Owner encumbering each Lot, Dwelling Unit or Homesite and all personal property located thereon owned by the grantee. The lien granted hereunder may be enforced by the Club Owner. The lien created under this Declaration for any assessments of the Association is superior to the lien created by this Section 17.4.

Section 17.5: Subordination of the Lien to Mortgages. The lien created under this Article XVII for amounts owed to the Club, and related fees and expenses shall be subordinate to bona fide first mortgages on any Lot, Dwelling Unit or Homesite, if the mortgage is recorded in the Public Records prior to the claim of lien. The Club's claim of lien shall not be affected by any sale or transfer of a Lot, Dwelling Unit or Homesite, except in the event of a sale or transfer of a Lot, Dwelling Unit or Homesite pursuant to a foreclosure (or deed in lieu of foreclosure) of a bona fide first mortgage, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a claim of lien encumbering the Lot, Dwelling Unit or Homesite or chargeable to the former grantee of the Lot, Dwelling Unit or Homesite which became due prior to such sale or transfer. Any sale or transfer pursuant to a foreclosure shall not relieve the grantee from liability for, nor the Lot, Dwelling Unit or Homesite from the lien of any fees or charges made thereafter. Nothing herein contained shall

be construed as releasing the party liable for any delinquent fees or charges from the payment thereof, or the enforcement of collection by means other than foreclosure.

Section 17.6: Non-payment. If any amounts owed to the Club by the grantee are not paid by the due date set forth in the Club Membership Plan documents, then, in addition to any other remedies available to the Club Owner under the Club Membership Plan or otherwise, the Club Owner may bring an action to foreclose the lien against a grantee's Lot, Dwelling Unit or Homesite. The Club Owner shall not be required to bring such an action if it believes that the best interests of the Club would not be served by doing so. There shall be added to the claim of lien all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and bankruptcy.

ARTICLE XVIII

Insurance

Section 18.1: Liability. The Association shall obtain or cause to be obtained "broad-form" comprehensive general liability insurance and property damage insurance, including medical payments, insurance, insuring the Association, Owners, in their capacity as Owners and Association Members, and any managing agent retained by the Association, against any liability to the public or to other Owners, their occupants or invitees, relating in any way to the ownership, use and/or maintenance of the Common Property and any part thereof, covering liability for loss or damage to persons or property in those amounts, against those risks and in those insurance companies which the Board shall from time to time determine, but in no event less than One Million (\$1,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against death, bodily injury and property damage that results from the operation, maintenance, repair, replacement or use of the Common Property and all other risks which are customarily covered in insurance policies for similar communities. All liability insurance contracts shall contain severability of interest provisions or endorsements precluding the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners and cross liability endorsements to cover liabilities of the Association or the Owners as a group to a single Owner. Any allocable share of liability coverage attributable to a Limited Common Property appurtenant to a Unit shall be allocated as a Specific Assessment to such Unit, as applicable.

Section 18.2: Property.

(a) The Board shall obtain or cause to be obtained blanket "all-risk" hazard insurance coverage covering damage to and insuring all of the Common Property, including fixtures and equipment therein and thereof, and including all personal property owned by the Association (the "Insured Property"). The Insured Property shall be insured in and for the interest of the Association or the Board, all Owners and their Institutional Lenders, as their interests may appear, in a company or companies acceptable to the standards set by the Board in an amount equal to the maximum insurable replacement value, as determined annually by the Board, with an "agreed amount endorsement" or its equivalent and an "Inflation Guard Endorsement" (provided these two endorsements are commonly available and required by prudent institutional mortgage investors in the area in which the Community is located) exclusive of land, excavation, foundations and other items normally excluded from property insurance policies.

(b) In the event any portion of the Community is situated within an area having special flood hazards and for which insurance has been made available under the National Flood Insurance Program (the "NFIP"), or any other successor agency providing this insurance, the Association shall maintain and pay the cost of the premiums for a "master" or "blanket" policy of flood insurance on any property covered by the Association's "all-risk" property insurance described in the Subsection above situated within a flood hazard area and shall allocate the cost thereof as an Annual Assessment. This flood hazard insurance coverage shall be in an amount not less than the lesser of: (1) the maximum coverage available under the NFIP, or successor agency, for all Insured Property within any portion of the Community located within a designated flood hazard area; or (2) 100% of current "replacement cost" of all of the Insured Property.

Section 18.3: Owner Obligation to Maintain Insurance.

(a) Each Owner shall be responsible for obtaining liability insurance for his Dwelling Unit.

(b) Each Owner shall insure his Home and Dwelling Unit in an amount equal to the maximum insurable replacement value.

(c) The Association has the authority, but not the obligation, to request that the Owner provide annual written proof of the proper property and liability coverage for the Dwelling Unit.

Section 18.4: General Insurance Provisions.

(a) All policies required to be obtained by the Association shall be purchased by the Association for the benefit of the Association, the Board, all Owners and all Institutional Lenders, as their interests may appear; however, the Association and the Owners shall be the named insureds and it shall not be necessary to name the Board or each individual Owner. Mortgagee endorsements may be issued upon request.

(b) Any property or comprehensive general liability insurance carried by the Association may contain a deductible provision.

(c) The Association shall maintain the appropriate insurance coverage as is required under applicable law and under the guidelines and regulations promulgated, and amended from time to time, by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Department of Housing and Urban Development ("HUD") and the Veterans' Administration ("VA") or their successors, including, without limitation, all fidelity bond coverage as is described in the Bylaws.

(d) The company or companies with whom the Board shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable companies, authorized to do business in the State of South Carolina and rated A, with a V financial size category, by A. M. Best Company, Inc. in its "Key Rating Guide: Property Casualty" or a comparable rating if A.M. Best Company, Inc. shall no longer be in existence.

(e) Subject to the provisions of this Declaration and the Act, premiums for insurance coverage and other expenses related to insurance shall be paid by the Board and charged as an Annual Assessment. The Board shall determine in its sole discretion whether any deductible paid by the Association is to be assessed as an Annual Assessment or Specific Assessment. Except for the costs of repair or replacement which are not covered due to deductibles, the cost of repair or

replacement in excess of insurance proceeds and reserves which has not been identified by the Board to fund costs of capital expenditures for the current fiscal year of the Association is an Annual Assessment.

(f) An insurer that has issued an insurance policy under this Declaration shall issue certificates of insurance to the Association and, upon request, to any Owner, Institutional Lender or beneficiary under a deed of trust. All insurance policies shall provide that they may not be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association, each Owner and to each Institutional Lender or beneficiary under a deed of trust to whom certificates of insurance have been issued.

(g) All insurance policies obtained by the Association shall provide for the following, if available and where applicable: recognition of any Insurance Trust Agreement should the Board decide to create one; waiver of the right of subrogation as to any claims against Owners and members of their households, the Association, the Board and their respective servants, agents and guests; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of these Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss (all of which are generally provided by an insurer in the form of a "Special Community Endorsement" or its equivalent).

(h) All insurance policies purchased by the Association shall be deposited with the Board.

(i) The types and amounts of insurance coverage obtained by the Association described in this Article are minimum amounts for the first year in which the Association is created based upon the requirements of the Act and the standards established by FNMA, FHLMC and/or HUD. The Board shall review periodically all insurance coverage carried pursuant to this Declaration to evaluate this coverage with respect to its compliance with the Declaration and with respect to the then current requirements of the Act and, to the extent the Community is or will be subject to the approval of FNMA, FHLMC, HUD or VA, standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for communities comparable to the Property. In the event the Board determines after this review and evaluation that the insurance coverage required hereunder is not consistent with the requirements of the Act, the standards set by FNMA, FHLMC, HUD or VA or otherwise reasonably appropriate coverage when compared to coverage for communities comparable to the Property, the Board shall have the power to deviate from the specific provisions of this Article only to the extent of providing such consistent and reasonably appropriate coverage; provided the Board shall give the Owners and the Institutional Lenders at least thirty (30) days prior written notice of any deviation.

(j) In the event it shall be impossible or extremely difficult for the Association to obtain insurance coverage in accordance with the provisions of this Section, the Board, subject to the terms of the Act, shall have the power to deviate from these provisions but only to the extent necessary to obtain adequate insurance coverage. Any deviation shall not occur without thirty (30) days advance written notice to all Owners and all Institutional Lenders.

Section 18.5: Proceeds From Property Insurance. Proceeds from property insurance policies maintained by the Association shall be paid to the Association or a designated insurance trustee. The duty of the Board, or any insurance trustee so designated, shall be to receive the proceeds which are paid pursuant to any insurance policy and hold the same for the purposes elsewhere stated herein,

and for the benefit of the Association, the Owners and their respective Institutional Lenders, as their interests may appear.

Section 18.6: Disposition of Insurance Proceeds.

(a) Any portion of the Community for which the Association or any Owner is required to maintain insurance hereunder is damaged or destroyed shall be repaired or replaced promptly by the Association or such Owner, as the case may be, unless:

- (i) the Community is terminated;
- (ii) the repair or replacement would be illegal under applicable law; or
- (iii) eighty percent (80%) of the Owners, provided one hundred percent (100%) of the Owners who own a Unit to which a Limited Common Property is appurtenant which will not be rebuilt, vote not to rebuild.

In the event that an Owner, whose obligation it is to insure, repair and restore the Unit as set forth above, should fail to insure, repair or restore the Unit so that its exterior appearance is compatible with the remainder of the Community, as determined by the Declarant during the period that the Declarant controls the Board or, thereafter, by the Board, then the Declarant during the period that the Declarant controls the Board or, thereafter, the Association, shall have the authority, but not the obligation, to restore or repair the Unit to the condition set forth above. Any and all costs or expenses incurred by the Declarant for such repairs or restoration shall be reimbursed by the Owner directly to the Declarant; and any and all costs or expenses incurred by the Association for such repairs or restoration shall be treated as a Specific Assessment to be paid by the Owner to the Association. Should the Owner fail to pay the Declarant or the Association, as the case may be, then the Declarant, upon reasonable notice to the Owner, or the Association, in accordance with Article XIII below, shall have the right to place a lien against the Unit in the amount of the damages incurred herein plus any amounts to which the Declarant or the Association would be entitled under this Declaration, at law or in equity and including, but not limited to, all fines, penalties, fees, charges, late charges, interest and costs of collection thereof (including attorneys' fees).

(b) In the event the damage or destruction is repaired or replaced, the following provisions shall apply:

(i) If the Association is responsible for making the repair or replacement, the Board shall promptly obtain reliable and detailed estimates of the costs of repairing or replacing the damage or destruction and shall negotiate the contract for the repair or replacement.

(ii) If the net proceeds of the insurance are insufficient to pay for the estimated cost of repair and restoration of any Common Property, or for the actual cost thereof if the work has been done, the Board shall promptly, upon the determination of a deficiency, levy a Special Assessment against all Owners based on the Owners' General Common Expense Percentage for that portion of the deficiency as is attributable to the Common Property.

(iii) Any insurance proceeds received by the Association remaining after paying all of the costs of the repairs and the replacements shall be distributed to the Owners.

(c) If any part of the Common Property is damaged or destroyed and is not repaired or replaced the following shall apply:

(i) The insurance proceeds attributable to the damaged Common Property shall be used to restore the damaged area to a condition compatible with the remainder of the Community, as determined by the Board.

(ii) The remainder of the proceeds shall be distributed to the Owners in proportion to their respective General Common Expense Percentage.

Section 18.7: Association's Power to Compromise Claim. The Board is hereby irrevocably appointed agent for the Association and each Owner and Institutional Lender for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefore upon the payment of claims.

Section 18.8: Other Insurance. The Board may also cause the following insurance coverage as may be applicable to the Community to be obtained. All premiums for insurance coverage shall be charged as General Common Expenses:

- (a) Workmen's Compensation Policy to meet the requirements of law.
- (b) Directors' and Officers' Liability and such other insurance as the Board shall deem necessary to satisfy the indemnification obligations of the Association as provided in this Declaration.
- (c) Blanket fidelity bonds as required in the Bylaws for all members of the Board, officers and employees of the Association and all other persons who handle or are responsible for funds of or administered by the Association.
- (d) Such other insurance as the Board shall determine from time to time to be necessary or desirable.

Section 18.9: Limitation of Liability. The Board shall not be liable for injury or damage caused by the failure of the Board to maintain or repair parts of the Community, except to the extent of the proceeds of insurance carried, collected and received by the Board.

Section 18.10: Use of Unit and Insurance Premiums. No Unit shall be used, occupied or kept in a manner which will in any way increase the insurance premiums payable by the Association, without the prior written permission of the Board, which permission, if given at all, shall be conditioned upon the Owner of such Unit being required to bear the full amount of such increase as a Specific Assessment. To the extent that the use or occupancy of a Unit or appurtenant Limited Common Property or the Common Property (whether permitted or without the permission of the Association) increases any insurance premium payable by the Association, the Association shall have the right to charge the amount of such increase to the Owner of the Unit to which such increase is attributable as a Specific Assessment. No Unit, Limited Common Property or any part of the Common Property shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

Section 18.11: Master Insurance Program. Notwithstanding anything to the contrary contained herein, for so long as the Declarant controls the Board, the Declarant reserves the right to include the insurance obligations of the Association within a master insurance program controlled by the Declarant.

[EXECUTION ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the 4th day of **November 2021**.

DECLARANT:

TOLL SC III, L.P., a South Carolina limited partnership

Witness:

Ellen Kasman

By:

[Signature]

Name: Steven Y. Brumfield
Title: Vice President

Witness:

Maryann McHally

COMMONWEALTH

STATE OF OF PENNSYLVANIA)

) ss.

COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this 4th day of **November 2021**, by Steven Y. Brumfield, as Vice President of **TOLL SC III, L.P.**, a South Carolina limited partnership, on behalf of the partnership. He is personally known to me or has produced _____ ~~as identification.~~

Witness my hand and official seal.

My commission expires:

[Signature]
Notary Public

Commonwealth of Pennsylvania - Notary Seal
Elizabeth L. Self, Notary Public
Montgomery County
My commission expires April 6, 2023
Commission number 1261655
Member, Pennsylvania Association of Notaries

Exhibit A

Legal Description

All that certain piece, parcel or tract of land, situate, lying and being within Town of Hardeeville, Jasper County, South Carolina, said parcel being 855.526 acres, consisting of 759.554 acres of uplands and 95.972 acres of wetlands, said parcel being designated as Parcel 1, and being more specifically shown and described on a survey entitled "A Plat of Parcel 1, Being a Portion of the East Argent Tract," prepared for JPR Properties, LLC, said survey dated January 16, 2006, and prepared by Thomas & Hutton Engineering Co., Boyce L. Young, SCRLS # 11079 with said Survey recorded in the Office of the Register of Deeds for Jasper County, South Carolina in Plat Book 28 at Page 306.

SPECIFICALLY EXCLUDING:

All portions of the above described Property which are designated as Club Property (as defined in Part One, Article I, Section 1.1(k) of this Declaration) by Declarant in writing and/or on a plat recorded by Declarant. Once Declarant determines the Club Property and has a legal description of such Club Property, an Amendment to this Declaration may be filed by Declarant to more formally fully and completely identify the Club Property, such Club Property not being encumbered by this Declaration.

This being a portion of the real property conveyed to Toll SC III, L.P. by deed of JPR Properties, LLC dated February 1, 2006 and recorded in the Office of the Register of Deeds for Jasper County, South Carolina in Book 339 at Pages 283-285.

Exhibit B

1. Hampton Pointe Boulevard
2. Firethorn Lane
3. Firethorn Place
4. Cypress Court
5. Alder Lane
6. Red Bay Lane
7. East Argent Access Road
8. Persimmon Circle
9. Oleander Way
10. Laurel Oak Avenue
11. Mimosa Avenue
12. Loblolly Pine Lane
13. Azalea Drive
14. Azalea Place
15. Dogwood Lane
16. Wax Myrtle Court
17. Foxbriar Court
18. Crepe Myrtle Lane
19. Camellia Circle
20. Juniper Street