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STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)
) DECLARATION
) OF COVENANTS, CONDITIONS,
) AND RESTRICTIONS FOR
) SINGLETON PLACE

This Declaration of Covenants, Conditions and Restrictions for SINGLETON PLACE is made this 30th day of August, 1995 by JJ Development, Inc., a South Carolina corporation, its successors and assigns (the "Declarant").

WHEREAS, Declarant is the owner of that certain tract of land located in Beaufort County, South Carolina, and being more particularly described on the attached EXHIBIT "A" (the "Property"), and the Declarant desires to subject the Property to provisions of this Declaration.

WHEREAS, it is the intent of the Declarant to construct and develop a single-family residential subdivision within the Property, and it is the further intent of the Declarant to provide for a method of administration and maintenance of the Property; and

WHEREAS, as provided in Article III herein, the Declarant has retained and reserved the right to submit to the provision of this Declaration any and all portions of the real property being more particularly described on the attached Exhibit "B";

NOW, THEREFORE, for the purpose of enhancing and protecting the value, attractiveness and desirability of the Property, the Declarant hereby declares that the Property and each part thereof shall be held, sold, devised and conveyed subject to the following easements, covenants, conditions and restrictions which shall constitute covenants running with the land and shall be binding on all parties having any right, title, or interest in said Property or any part thereof, the heirs, executors, administrators, successors and assigns and shall inure to the benefit of each Owner (as defined herein) thereof.

ARTICLE I
DEFINITIONS

The following words and terms when used in this Declaration shall have the following meaning:

1. "Additional Property" shall mean and refer to the real property described on Exhibit "B" and all improvements thereon.

2. "Association" shall mean and refer to SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

3. "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

4. "By-Laws" shall mean and refer to the By-Laws of the Association, as the same are amended from time to time.

5. "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or behalf of the Association, together with all funds lawfully assessed for the creation of maintenance of reserves, pursuant to the provisions of this Declaration.

6. "Common Property" shall mean and refer to all real and personal property now or hereafter owned by the Association or held by the Declarant on behalf of the Association for the common use and enjoyment of the Owners. The Common Property may include and shall not be limited to the road and road right-of-ways, marsh areas, wetlands, open spaces (landscaped and natural), lakes, drainage ditches and pipelines, Development entry areas, vehicle parking areas, boat parking areas, maintenance areas, walkways, and such other common areas such as may be designed by the Declarant within the Property, together with such improvements thereon as may be necessary for the maintenance and upkeep of such areas.

7. "Declarant" shall mean and refer to JJ Development, Inc., a South Carolina corporation, its successors and assigns.

8. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for SINGLETON PLACE and all amendments and supplements thereto filed of record in the Register of Mesne Conveyance for Beaufort County, South Carolina.

9. "Development" with an initial capital letter shall mean and refer to the Property and all improvements located or constructed thereon and any property annexed thereto.

10. "Dwelling" shall mean and refer to any improved Lots intended for use as single family detached dwellings located within the Property.

11. "SINGLETON PLACE" shall mean that certain planned unit development located in Beaufort County, South Carolina, containing approximately 5.08 acres of land and which contains the Property.

12. "SINGLETON PLACE Homeowners Association" shall mean the SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC.

13. "Lot" shall mean and refer to any unimproved portion of the Property upon which it is intended that dwellings may be constructed, as such Lots are shown on subdivision plats. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until the improvements constructed thereon are sufficiently complete to reasonably permit habitation

thereof. Upon such completion, such Lot and the improvement thereon shall collectively be considered to be a Dwelling for the purposes of this Declaration.

14. "Member" shall mean and refer to each of those persons or entities entitled to membership in the Association, as provided in Article IV hereof.

15. "Mortgage", with an initial capital letter shall mean and refer to a mortgage, security deed, deed of trust, installment land sales contract, or other similar security instrument granting, creating or conveying a lien upon a security in a Lot or Dwelling.

16. "Mortgagee" with an initial capital letter shall mean and refer to the holder of a Mortgage.

17. "Occupant" shall mean or refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant or family member of an Owner occupying or otherwise utilizing a Dwelling within the Property.

18. "Owner" shall mean and refer to the title holder as shown on the records in the Register of Mesne Conveyance for Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporations or other legal entities, of fee simple title to any Lot or Dwelling whether improved or unimproved. Owner shall not include those holding title merely as security for performance of an obligation. In the event that there is recorded in the Register of Mesne Conveyance for Beaufort County, South Carolina a long-term contract of sale covering any Lot or Dwelling, the Owner of such Lot or Dwelling shall be the purchaser under said contract for so long as the contract remains in force and effect and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the Property for a period extending beyond nine (9) months from the date of the contract and where the purchaser does not receive title to the Property until such payments are made although the purchaser is given use of said Property.

19. "Property" shall mean that certain tract of land located in Beaufort County, South Carolina, and being more particularly shown on the attached Exhibit "A" and all annexations thereto.

20. "Subdivision Plat" shall mean and refer to any subdivision plat of the Property which has been recorded in the records of the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina by the Declarant or its successors and assigns which depicts and delineates Lots or Dwellings and Common Property within the Property.

ARTICLE II
NAME

The Property hereinabove and hereinafter described, and any additions thereto under the terms and provisions of this Declaration shall hereafter be known as "SINGLETON PLACE".

ARTICLE III
PROPERTY DESCRIPTION

Section 1. Existing Property. The Property which initially is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to this Declaration is located in the Town of Hilton Head Island, Beaufort County, South Carolina, and is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference.

Declarant intends to develop the Property with annexations thereto as a residential community. Declarant reserves the right to review and modify the plan of development at its sole option, from time to time. This plan of development shall not bind Declarant or its successors or assigns to adhere to it in the development of the land shown thereon. Properties conveyed to the Association shall become Common Property, as the case may be, in accordance with their designation in the deed of conveyance from Declarant. Declarant shall not be required to follow any predetermined sequence or order of improvements and development, and it may bring within the plan of this Declaration additional lands, and develop the same before completing the development of the Property. Other than as stated in this Section, Declarant shall have full power to add to, subtract from, or make changes in the recorded Plat, including the addition of other nearby lands owned by Declarant, such actions potentially altering the membership of the Association.

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

a. Declarant, its successors and assigns, shall have the right, without the consent of the Association, to bring within the plan of development and operation of this Declaration, additional properties in future stages of the development. The additions authorized under this and the succeeding subsections shall be made by either deeding such additional property subject to this Declaration by specific reference in individual deeds or by filing a Supplementary Declaration of Restrictive Covenants (hereinafter referred to as the "Supplementary Declaration") with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property. Or,

b. Upon approval in writing of the Association pursuant to three-fourths (3/4) of the vote of those present at a duly called meeting, and the written approval of Declarant so long as Declarant owns a Lot or Dwelling, the owner of any property who desires to add it to the plan of this Declaration and to subject it to the jurisdiction of the Association may file or record a Supplementary Declaration with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property. And,

c. The Supplementary Declaration may contain such complementary additions and/or modifications of this Declaration as may be necessary or convenient, in the sole judgment of Declarant, if accomplished pursuant to subparagraph (a) above, or the Association, if pursuant to subparagraph (b) above, to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration, but such modification shall have no effect on the Declaration as it applies to the Property.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Declarant and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Lot or Dwelling which is subject by this Declaration to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a member of the Association.

Section 2. Name. The Association shall be known as the SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC.

Section 3. Board of Directors. The Association shall be governed by a Board of Directors consisting of three (3), five (5), seven (7), or nine (9) Members who shall be elected by a majority vote of the Members of the Association at a duly called meeting for that purpose unless otherwise provided in the By-Laws. Initially, the Board of Directors shall consist of three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors.

Section 4. Purpose.

a. Generally. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except to the extent limited by the terms and provisions of this Declaration, 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 this Declaration, including the right to engage necessary labor and acquire use of or purchase necessary property, equipment or facilities; employ personnel necessary to manage affairs 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.

b. Ownership of Common Property. The Association shall be authorized to own, lease or rent Common Property and improvements necessary or desirable to carry out its functions pursuant to this Declaration.

c. Acceptance of Properties Donated by Declarant. The Association shall be obligated to accept and assume responsibility for maintaining those lands and facilities described in Article VII if and when those properties are conveyed by Declarant to the Association or when the Association purchases said properties.

d. Power to Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge designated percentages of the revenues of the Association as security for loans made to the Association in performing its authorized functions.

e. Property Maintenance. The Association shall provide for the care, operation, management, maintenance, repair and replacement of all Common Property.

f. Security. The Association may provide security and fire protection within the Property and provide and maintain a fire and watch system which may include periodic fire prevention inspections and equipment certifications, cable, microwave, telephone or radio based fire monitoring and television security electronics which do not unreasonably offend the privacy of the Owners, Declarant or their residents, guests, employees or invitees.

g. Enforcement of Declaration. The Association and/or Declarant shall have authority to proceed at law or in equity to compel a compliance with or to prevent the violation or breach of any provision of the Declaration herein. They shall also have authority, whenever there shall have been built on any Lot or Dwelling any structure which is in violation of this Declaration, to enter upon the Lot or Dwelling where such violation exists and summarily abate or remove the same at the expense of the Owner thereof, and any such entry and abatement or removal shall not be deemed a trespass.

h. Insurance. In order to protect the financial integrity of the Association so that it may carry out its purposes, the Association shall in its name keep in full force and effect at all times at least the following insurance coverage: i) casualty insurance with respect to all Common Property including all improvements thereon, insuring such facilities for the full replacement value thereof, including coverage for fire and extended coverage, vandalism, malicious mischief and acts of God; and ii) broad form comprehensive liability insurance coverage, covering both public liability and automobile (if needed), with limits which the Board, in its sole discretion, may provide. All insurance may contain such deductible provisions as good business practice may dictate. The

proceeds of all casualty insurance shall be applied to the repair or replacement of the damaged or destroyed land, improvements or vegetation. The proceeds of all liability insurance shall be applied to satisfy the liability. All insurance shall name Declarant as an additional insured and shall, to the extent reasonably possible, cover each Owner with respect to Common Property without each Owner being specifically named.

i. Reconstruction. In the event that any structures maintained on Common Property are damaged or destroyed by fire, act of God or other casualty other than war, the Association shall have the affirmative duty to repair or rebuild such structure or improvement or to clear such structure from the Common Property and to landscape the Common Property so as to render it attractive.

j. Insect, Reptile and Woods Fire Control. To implement effective insect, reptile and woods fire control, the Association or its agents have the right to enter upon any Lot or Dwelling for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other growth, removing trash or dispensing pesticides.

k. Assessments. The Association shall be authorized to collect assessments and fees as prescribed in Article VIII of this Declaration.

l. Taxes. The Association shall pay all ad valorem real estate taxes, special improvement and other assessments, ad valorem personal property taxes and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority which shall be imposed, assessed or levied upon, or arise in connection with, any Common Property owned by the Association.

m. Transfer of Common Property. Subject to all other terms and provisions contained in this Declaration with respect to Common Property held by the Association, the Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any Common Property and personal property owned by the Association.

n. Charges for Use of Facilities. The Association may establish charges for use of Common Property to assist the Association in offsetting the costs and expenses of the Association attributable to the Common Property. All charges established shall be reasonable and shall be uniformly applied, except such charges may differentiate among Owners of Lots, Owners of Dwellings, lessees or guests. Each Owner, lessee and guest shall be obligated to and shall pay any such reasonable charges for their use of Common Property.

o. Architectural Review. The Association shall be authorized to establish and operate architectural review as hereinafter provided and subject to the authority of the Declarant.

p. Obligation of Association. The Association shall not be obligated to carry out or offer any of the functions and services specified or implied in this Declaration. The functions and

services specified or implied to be carried out by the Association at any particular time shall be determined by the Board of Directors taking into consideration the funds available to the Association and the needs of the Members. Special Assessments shall be submitted for Referendum as herein provided. The functions and services which the Association is authorized to provide may be added or reduced at any time upon the affirmative vote of fifty-one (51%) percent or more of those voting in a Referendum conducted by the Board of Directors under the same procedure as for a special assessment.

Section 5. Voting Rights. A Member shall be entitled to one (1) vote for each Lot or Dwelling in which he holds the interest required for membership by Section 1. When more than one person holds such interest or interests in any Lot or Dwelling all such persons shall be members, and the vote for such Lot or Dwelling shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot or Dwelling. When one or more co-Owners sign a proxy or purports to vote for his or her co-Owners, such vote shall be counted unless one or more of the other co-Owners is present and objects to such vote, or if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote is counted. If co-Owners disagree as to the vote, the vote shall be split equally among the co-Owners.

Section 6. By-Laws. The Board of Directors shall adopt such reasonable By-Laws for the conduct of the business of the Association as shall be approved at the initial organizational meeting of the Association by three-fourths (3/4) majority of the membership voting at such meeting.

ARTICLE V Declaration

Section 1. Residential Use. No Lot or Dwelling shall be used for any other purpose than as a single family residence. Only one residence may be placed upon any single Lot in the subdivision. No trade or business of any kind or character, nor the practice of any profession, nor any building or structure designed or intended for any purpose connected with any trade, business or profession which creates an unsightly condition, nuisance, smells, odors, noises, trash heaps, promotes immoral purposes, which causes traffic flow, or which actually solicits business to the Lot or Dwelling, nor shall any sign relating to the practice of business, trade or profession be permitted upon the Property.

Section 2. Setbacks. The site and location of all houses upon all Lots or Dwellings shall be subject to setbacks shown on the subdivision plats for the Property as recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina. The Declarant reserves unto itself, its successors and assigns, to modify the setbacks shown on any recorded subdivision plat as the Declarant, in its sole discretion, may deem desirable. In addition, the Declarant reserves unto itself, its successors and assigns, the right to control absolutely and solely to decide the precise site and location of any house or dwelling or other structure upon all Lots or Dwellings. Such location

shall be determined only after reasonable opportunity is afforded the Lot or Dwelling Owner to recommend a specific site, and provided further, that in the event an agreed location is stipulated in writing in the contract of purchase from Declarant, the Declarant shall approve automatically such location for a residence.

Section 4. Temporary Buildings. No structure of a temporary character, such as a tent, shack, garage, barn, mobile home or trailer, tree house or other out buildings shall be placed on any Lot or Dwelling at any time, either temporarily or permanently; provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of the main residence, it being clearly understood that these latter structures may not, at any time, be used as a residence or permitted to remain on the Lot or Dwelling after completion of the construction.

Section 5. Subdivision of Lot or Dwelling. No Lot or Dwelling shall be resubdivided into smaller Lots or Dwellings.

Section 6. Animals. No domestic animals, livestock, live fowl, horses, goats or swine of any type shall be kept or housed on the Property except household pets, and no animals of any type shall be bred or raised for sale.

Section 7. Nuisances. No noxious or offensive activity shall be carried on upon any Lot or Dwelling, 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 animals, or device or anything of any sort whose 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. There shall not be maintained any bicycles on any Lot or Dwelling outside an enclosed structure. No boat or other vessel shall be kept or stored on any residential Lot or Dwelling. No recreational or other vehicles larger than a standard pickup truck or van will be allowed to park overnight on any residential Lot or Dwelling, except in a closed garage. No trash, rubbish, debris, junk, stored materials, wrecked or inoperable automobiles or similar unsightly items shall be allowed to remain on any Lot or Dwelling outside an enclosed structure; however, the foregoing shall not be construed to prohibit the temporary deposits of trash, rubbish and debris for pick-up by garbage and trash removal services. In the event that the Owner of any Lot or Dwelling fails or refuses to keep such Property free from any weeds, underbrush or other unsightly growth and items listed above, then the Association or Declarant may enter upon such Lot or Dwelling ten (10) days after posting a notice thereon, and mailing written notice to the Owner of such Lot or Dwelling, requesting that the Owner of such Lot or Dwelling observe this paragraph, and upon such entry the Association or Declarant may remove all unsightly items or growth at the Owner's expense. No such entry shall be deemed a trespass. Such a notice shall be sufficient if it states in substance: "Please remove this unsightly item or growth (with a description given) within ten (10) days or the Association (or Declarant as the case may be) or any agent of either shall do so at your expense. You are violating the Declaration applicable to this Lot or Dwelling."

Section 8. Storage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within the main dwelling house, within an accessory building, within a screened area, or buried underground.

Section 9. Excavation. No Owner shall excavate or extract earth from his Lot or Dwelling for any business purpose. No elevation changes shall be permitted on any Lot or Dwelling without prior written approval of the Declarant, its successors, or assigns .

Section 10. Easements. A 10 foot wide easement for the installation and maintenance of utilities and drainage is hereby reserved over and along all Lot or Dwelling lines adjacent to rights of way.

Section 11. Hunting and Fishing. No hunting of any kind will be permitted on the Property. Fishing may be allowed in accordance with rules to be established by the Association.

Section 12. Use of Common Property Limited. The Association shall establish such reasonable rules as may be necessary or desirable to regulate the permissible uses of the Common Property for the enjoyment and safety of the Owners.

Section 13. Docks. No Owner shall be allowed to construct a dock, pier or similar structure from any point on his Lot or Dwelling without prior approval from the Association or Declarant.

Section 14. Architectural Standards and Plans Approval.

a. No building, fence, wall, swimming pool, tennis court, or other structure shall be erected, placed, or altered on any Lot or Dwelling until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives and parking area) and construction schedule have been approved in writing by the Declarant or its assigns. Refusal of approval of plans, locations or specifications may be based upon any reasonable ground which is consistent with the objectives of this Declaration, including, but not limited to: aesthetic considerations; the harmony and scale, bulk, coverage, function and density of use; the effect of the structure or plans on neighboring properties; the view of the structure or Property from public or private roads; the placement of buffer zones, fences, shrubbery, trees, vegetation, berms, and parking spaces; and the desirability of preserving significant trees or other unique vegetation. The architectural review process shall not be conducted in an arbitrary and capricious fashion by, for example, applying substantially different standards than those typically applied to submissions during the same period of time; nonetheless, any approval of a plan which, when built, is not considered desirable for future construction shall not be considered as a precedent requiring approval of similar plans on subsequent submissions. No alterations to the exterior appearance of any building or structure shall be made without like approval. One (1) copy of all plans and related data shall be furnished Declarant or its assigns for its records.

b. No plans shall be approved unless the proposed residence shall have a minimum square footage of 2,500 square feet enclosed dwelling area, exclusive of open porches and garages, terraces, decks, but including screen porches if the roof of such porch forms an integral part of the roof line of the main dwelling or if on the ground floor of a two-story structure. The first floor of living space shall contain a minimum of 1,000 square feet of enclosed dwelling space.

c. No plans shall be approved which does not provide for off the street parking spaces for two (2) automobiles.

d. All fencing erected on Lots or Dwellings exposed to view shall not exceed four (4') feet in height and shall first be approved by Declarant or its assigns.

e. If Declarant or its assigns shall fail to approve or disapprove the plans and specifications within thirty (30) days after receipt of a written request therefor, then such approval shall not be required; provided, however, that no building, fence or other structure shall be erected which violates any of the covenants herein contained.

f. The exterior of all homes and other structures must be completed within nine (9) months after the date of the construction of the same shall have commenced, except where such construction completion is impossible or would result in hardship to the Owner or builder due to strikes, fires, national emergency or natural calamity, in which event the time may be extended by Declarant or its assigns.

g. Exterior finish of all homes must be must be stucco or similar material approved by the Declarant or assigns.

Section 15. Transfer of Architectural Review and Plans Approval. Upon the sale of more than fifty (50%) percent of the Lots or Dwellings, Declarant may, by filing a Supplementary Declaration with the Register of Mesne Conveyance for Beaufort County, South Carolina, transfer the above-described architectural review and plans approval authority to a permanent Review Board which, subject to the covenants and conditions stated in the aforesaid Supplementary Declaration, shall be under the control of the Association.

Section 16. Siting/Setback. To assure that residences within Singleton Place will be located so that the maximum privacy, both visual and acoustical, view and breeze will be available to each residence, and that the topography of each property will be taken into consideration along with other aesthetic and environmental considerations, Declarant shall have the right to control and to decide the precise site and location of any structure within the Property. Notwithstanding the foregoing, there shall be a minimum four (4') foot side yard set back on both sides of the Lot. The purpose of the four (4') foot setback is to provide a minimum of eight (8') feet spacing between residences. Declarant reserves the right to allow minimal variations of this setback should site conditions require such variations so long as the spacing between the residences is eight (8') feet. The setback area on each side of the Lot shall be subject to the easements referenced in Section 18.

Section 17. Privacy Wall. Because of the relative proximity of adjacent residences, a privacy wall shall be required for each residence to provide visual and acoustical privacy between homes. Declarant shall designate the side boundary line of each Lot within Singleton Place which must have the privacy wall. The privacy wall shall be located so that the exterior of the privacy wall shall be on the privacy wall setback line designated by Declarant. Windows and outdoor areas which establish a view into the outdoor/indoor living area of an adjoining lot from the privacy wall side of the Lot are not permitted. Therefore, each privacy wall shall be windowless. Any outdoor recreational areas adjacent to the privacy wall Lot line must be bordered by the privacy wall so as not to establish a view back into the adjoining Lot's living area. The privacy wall may abut the setback line and is not to be considered a "common wall". Responsibility for maintenance of the privacy wall is solely that of the Owner. The area between the privacy wall and the Lot line is subject to the easements described in Section 19.

Section 18. Easements for Landscaping, Construction and Maintenance. The siting of residences within Singleton Place permits construction near Lot lines and therefore Lot owners shall have certain perpetual rights and obligations vis-a-vis adjacent Lot owners. These reserved rights and obligations shall be easements reserved by Declarant and granted to owners of Lots within Singleton Place, and each owner of a Lot within Singleton Place (the "Servient Lot") by acceptance of a deed, grants to the owner of each adjacent Lot (for purposes of this section the "Dominant Lot") as a perpetual easement over the portion of each Servient Lot as is necessary for purposes described herein.

(a) **Landscaping.** The Declarant reserves and the owner of each Lot (the "Servient Lot") by acceptance of a deed, grants to the owner of each adjacent Lot (the "Dominant Lot") a perpetual easement over the setback area lying between the privacy wall and the Property line ("Side Yard Easement") for the purposes of planting, landscaping, installation and use of landscape irrigation systems, drainage and other visual aesthetic purposes, said area to be maintained by the owner of the Dominant Lot; provided, however, that the owner of the Dominant Lot shall not:

- (i) Suffer or permit any waste upon the Side Yard Easement;
- (ii) Undertake any use of or affix any object to the privacy wall;
- (iii) Maintain any landscaping or undertake any grading that would tend to prevent proper drainage of the Side Yard Easement or to promote soil erosion or to undermine support for the foundation of the privacy wall or any other structure on the Servient Lot;
- (iv) Place or permit the accumulation of any soil or fill material against the privacy wall or other structure on the Servient Lot which abuts or adjoins the Side Yard Easement to a height

which exceeds original building permit specifications with regard to grade;

- (v) Permit trees, shrubbery or other vegetation to grow on the Side Yard Easement which would cause damage to or interfere with the maintenance and repair of the privacy wall or any other structure on the Servient Lot;
- (vi) Cause, suffer, or permit any damage to any utility lines located within the Side Yard Easement or interrupt or interfere with the maintenance and repair thereof;
- (vii) Cause or permit any offensive contact (including without limitation thereto any pounding or bouncing of objects) against the privacy wall or other structure on the Servient Lot;
- (viii) Construct, erect or install any structure upon, across, over, under or within the Side Yard Easement or undertake any grading or fill or any other activity upon the Side Yard Easement which is in violation or which would result in a violation of any applicable governmental statutes, ordinance, rule or regulations or these Covenants;

AND PROVIDED FURTHER, that there shall be reserved to the owner of the Servient Lot with respect to the Side Yard Easement, the right to:

- (ix) Enter upon the Side Yard Easement at reasonable times and under reasonable circumstances for the purpose of constructing, reconstructing and maintaining the privacy wall or any other structure on the Servient Lot;
- (x) Permit reasonable drainage of water from the Servient Lot over, upon and across the Side Yard Easement; and
- (xi) Cause or permit the foundations of the residence constructed on the Servient Lot to extend under the Side Yard Easement and to cause or permit the eaves and gutters, if any other residence constructed on the Servient Lot, to extend over the Side Yard Easement with heights no less and extension distance no greater than as eaves and gutters are originally constructed; provided that no such gutters shall be permitted which cause or lead to excessive water runoff and drainage

upon the Side Yard Easement that results in erosion of the surface.

(b) Construction and Maintenance. The Declarant hereby reserves and the owner of each Lot (the "Servient Lot") by acceptance of a deed grants to the owner of each adjacent Lot (the "Dominant Lot") a perpetual easement over the setback area lying between the residence and the Property line (the "Setback Easement") for purposes of constructions, maintenance and repair of the adjacent residence and the owner of the Dominant Lot shall have the right at all reasonable times to enter upon this Setback Easement area in order to perform work related to the construction and maintenance of the residence; provided, however, in exercising this right of entry upon the Setback Easement area as provided for herein, the owner of the Dominant Lot agrees to use reasonable care not to damage any landscaping or other items existing in the Setback Easement area.

ARTICLE VI THE COMMON PROPERTY

Section 1. The Common Property. The Common Property shall mean and refer to those areas of land with any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Property." Common Property may also include other properties, though not designated as such, which are acquired by the Association pursuant to its authority under this Declaration. Common Property may include personalty as well as realty. All Common Property are to be devoted to and intended for the common use and enjoyment of the Members, their tenants, guests and invitees, under uniform rules and regulations and at uniform fees, charges, and assessments established herein as may be modified from time to time by the Association. The designation and dedication of land or improvements as Common Property shall not mean or imply that the public at large acquires an easement of use or enjoyment therein.

Section 2. Members Easements of Enjoyment. Subject to the provisions of this Declaration and the rules and regulations of the Association, every Member shall have a right and easement of enjoyment in and to the Common Property and such easement shall be appurtenant to and shall pass with the title of every Lot or Dwelling.

Section 3. Extent of Members Easements. The rights 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 aid thereof to mortgage said properties;

b. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure;

c. The right of the Association to suspend the enjoyment of rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment; however, nothing contained herein shall deprive any Owner of ingress and egress from a public road to his Lot or Dwelling;

d. The right of the Association to charge reasonable admission and other fees for the use of the Common Property and/or facilities therein;

e. The right of Declarant to dedicate or transfer to any public or private utility, utility easements on any part of the Common Property;

f. The right of the Association to give or sell all or any part of the Common Property including leasehold interests to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed upon by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedication, transfer and determination as to purposes and conditions shall be authorized by the vote of two-thirds (2/3) of the vote at a duly called meeting 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 result 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 4. Title to Common Property. Declarant may retain title to the Common Property until such time as it has completed improvements thereon and until such time as, in its opinion, the Association is able to maintain the same, but notwithstanding any provisions herein to the contrary, Declarant hereby covenants for itself, its successors and assigns, that it shall convey the Common Property to the Association at the earlier of (a) one hundred and eighty (180) days the time of the sale of the last Lot or Dwelling; (b) January 31, 2010; or (c) such earlier time as the Declarant shall decide. Said Common Property shall be conveyed subject to all declarations, covenants, restrictions, and easements recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina and to any mortgage given by Declarant for the construction of improvements thereon, provided, however, Declarant shall be obligated for repayment of the debt secured by such mortgage.

ARTICLE VII
ASSESSMENTS AND LIEN

Section 1. Creation of Lien and Personal Obligations of Assessments. Each Owner of any Lot or Dwelling, whether or not it shall be so expressed in any such deed or other conveyance, agrees to all terms and provisions of this Declaration and to pay the Association: (1) Annual assessments or charges; and, (2) Special Assessments or charges for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot or Dwelling and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot or Dwelling at the time when the assessment first became due and payable. In the case of co-Ownership of a Lot or Dwelling, all of such co-Owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, maintenance and operation of the Common Property, 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.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January 1, 1997, the annual assessments shall not be more than Seventy-Five and No/100 (\$75.00) dollars per month per Lot or Dwelling unless a higher annual assessment is approved by two-thirds (2/3) of the vote at the annual meeting. From after January 1, 1997, the annual assessment may be increased each year by five (5%) percent of the maximum authorized assessment for the preceding year unless two-thirds (2/3) of the vote at the annual meeting votes against said increase or votes to increase said annual assessment by a greater amount.

The Board of Directors of the Association may, after considering current maintenance costs and future needs of the Association, fix the annual assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its right to revert to the full assessment for the remaining year or years of the then current period fixed as provided in the preceding paragraph.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property, including the necessary fixtures and personal property related thereto, beach renourishment, or

additions to the Common Property, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote at a duly called meeting, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Quorum for any Action Authorized. The presence at the meeting of Members or of proxies entitled to cast thirty (30%) percent of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at a meeting, another meeting may be called, subject to the notice requirement set forth in Section 4.

Section 6. Date of Commencement of Annual Assessment. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors to be the date of commencement. The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable the first day of January of the said year.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall keep a roster of the properties and assessments in the offices of the Association. Said roster shall be open to inspection by any Owner.

Section 8. Effect of Non-Payment. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon at the rate of the lesser of fourteen (14%) percent per annum or the highest rate not prohibited by law from the date due and the costs of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the Lot or Dwelling against which each such assessment is made in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Owner at the time of the assessment to pay such assessment, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot or Dwelling and proceed to sell it at foreclosure sale as is provided under the laws of the State of South Carolina for foreclosure of mortgages, and there shall be added to the amount of such assessment all costs of collection, including reasonable attorneys' fees.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lot or Dwelling subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer

of such Lot or Dwelling pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Lot or Dwelling from liability for any assessments accruing after conveyance by a mortgagee/Owner to a subsequent purchaser.

Section 10. Exempt Property. The following property, individuals, partnership or corporations subject to this Declaration, shall be exempt from the assessments, charges and liens created herein:

- a. The grantee of a utility easement;
- b. All Common Property;
- c. All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of such legal exemptions; and
- d. Lots or Dwellings owned by Declarant except those Lots or Dwellings which have been sold under title retention contract in which the purchaser agrees to pay the assessments, charges and liens. This exemption shall expire on December 31, 1996.

ARTICLE VIII ENFORCEMENT

Section 1. Remedies. In addition to any other remedy for breach of a restrictive covenant provided hereinabove by any person claiming by, through, or under Declarant, Declarant, the Association and/or any Owner, or any of them jointly, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach of any of them. In addition to the foregoing rights, the Association and/or Declarant shall have the right, whenever there shall have been built on any Lot or Dwelling any structure which is in violation of these restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, and any such entry and abatement or removal shall not be deemed to trespass. The failure promptly to enforce any of the provisions of this Declaration shall not bar their enforcement.

Section 2. Costs and Expenses of Enforcement. Should an Owner fail, neglect or refuse to satisfy and discharge any obligation arising under this Declaration, and in the event that it becomes necessary for the Association or Declarant, to take legal action for the enforcement of such obligations, the Association or Declarant, as the case may be, shall be entitled to receive from the Owner all costs and expenses of enforcement thereof, including without limitation a reasonable attorneys' fee, and such costs and expenses shall be charged to the Owner and shall be a personal liability of said Owner and a continuing lien against the Lot or Dwelling charged with the breach or violation, which said lien may be foreclosed in the manner contemplated by Section 9 of Article VIII hereinabove.

Section 3. No Obligation. Nothing contained herein shall be deemed or interpreted to require the Association or Declarant to take action to enforce this Declaration.

ARTICLE IX
DURATION OF DECLARATION

Section 1. Duration. This Declaration IS to run with the land and shall be binding upon all parties and all persons claiming under them for a period of twenty-five (25) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Owners of a two-thirds (2/3) majority of the Lots or Dwellings has been recorded, agreeing to change the said Declaration in whole or in part.

Section 2. Modification. Upon prior reasonable notice to all Lot or Dwelling Owners, this Declaration may be amended, in whole or in part, at any time prior to termination of the initial period, or any extension thereof, by an instrument signed by the Owners of two-thirds (2/3) of the Lots or Dwellings, duly recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina, setting forth the agreed changes. Notwithstanding the provisions of this Section 2, no modification will be valid unless first approved in writing by Declarant so long as Declarant owns a Lot or Dwelling. The Declarant reserves the unconditional and unrestricted right to amend this Declaration to correct clerical and typographical errors, inconsistent or conflicting language, or similar non-substantive modifications without the consent of the Owners.

ARTICLE X
INTERPRETATION AND CONSTRUCTION

Section 1. Severability. Should any covenant or restriction herein contained, or any part, article, section, paragraph, subparagraph, 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 of jurisdiction which considers such matter, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 2. Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or reasonable construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property and which will carry out the intent of Declarant as expressed in the recitals of this Declaration. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 3. 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.

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EXHIBIT "A"

ALL that certain land situate, lying and being in the Singleton Beach area of the Town of Hilton Head Island, Beaufort County, South Carolina consisting of 4.51 acres, more or less, as shown on that certain plat of survey prepared by Matthew M. Crawford, SCRLS No. 9756, dated June 20, 1995, last revised August 2, 1995 and entitled "A Subdivision Plat of a Portion of Singleton Beach Totalling 4.51 Acres," which plat is recorded in the RMC Office for Beaufort County, South Carolina in Plat Book 53 at page 164.

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EXHIBIT "B"

Additional Properties that may be made subject to the Declaration of Covenants and Restrictions:

All or part of Parcels 10-A, 10-B, 10-C, 10-D, 10-E, 10-F, 10-G, 10-H, 10-I, 10-N or 10-Q as shown on the Plat of Survey recorded on August 22, 1995 in the office of the Beaufort County RMC in Plat Book 53 at Page 164.

BY-LAWS
OF
SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME, LOCATION, MEMBERSHIP, APPLICABILITY

Section 1.01 Name. The name of this Association shall be the SINGLETON PLACE HOMEOWNERS' ASSOCIATION, INC., (hereinafter referred to as the "Association"), a South Carolina nonprofit corporation.

Section 1.02 Membership. The membership of this Association shall be limited to Owners of Lots and Dwellings in that residential development known as "SINGLETON PLACE" (hereinafter referred to as the "Development"), located in Beaufort County, South Carolina.

Section 1.03 Registered Office and Agent The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Association may have offices at such place or places within reasonable proximity to the Development as the Board of Directors may from time to time designate.

Section 1.04 Applicability. These By-Laws are applicable to the Lots, Dwellings, and Common Property in the Development. These By-Laws are binding on all present or future Owners, tenants, occupants, or other persons occupying or using the Common Property, Lots, Dwellings, and facilities of the Development in any manner. The mere acquisition, rental, use or other act of occupancy of any Lot, Dwelling, or Common Property will signify that these By-Laws are accepted and ratified. These By-Laws are established pursuant to and subject to the provisions of the statutory and common laws relating to nonprofit corporations and that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SINGLETON PLACE dated 8-30, 1995 and recorded in the RMC Office for Beaufort County, South Carolina in Official Record Book 801 at Page 715, et seq., as that same may be amended from time to time, together with any and all supplemental declarations or amendments pursuant to the Declaration which may be recorded from time to time (hereinafter referred to as the "Declaration"). For purposes of these By-Laws, words defined in the Declaration, such as "Common Property", "Common Expenses", "Declarant", "Dwelling", "Lot", "Member", "Mortgage", "Subdivision Plat" and "Owner", shall have the same meaning as set forth in the Declaration unless the context shall otherwise require or prohibit.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 2.01 Membership. Every Owner of a Lot or Dwelling in the Development (including any Lot or Dwelling in any additions to or expansions of the Development) shall be a Member of the Association, excluding persons who hold such an interest under a Mortgage. The weight of each vote regardless of whether appurtenant to a Lot or Dwelling is equal. Each Lot and Dwelling shall have one (1) vote. The rights and privileges of membership in the Association, including the right to vote and hold an office in the Association, may be exercised by a Member but in no event shall more than one (1) vote be cast nor more than one (1) office held for each Lot or Dwelling.

Section 2.02 Voting Rights. The Association shall have one (1) class of voting membership which shall consist of all Owners, including Declarant. Such Owners shall be entitled to those votes appurtenant to each Lot or Dwelling in which they hold the interest required for membership by Section 2.01 of these By-Laws; provided, however, that no vote shall be deemed to appertain to any Lot or Dwelling during the period that the Association is the Owner thereof. The vote attributable to a Lot or Dwelling shall be exercised as a whole, and when more than one (1) person or a person other than a natural person owns such an interest in any Lot or Dwelling, the vote therefor shall be exercised in accordance with the provisions of Section 2.01 of these By-Laws. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one (1) membership vote per Lot or Dwelling. Further, a Member casting a vote or holding an office with respect to his Lot or Dwelling shall not be entitled to cast an additional vote or to hold an additional office for the Lot upon which his residential unit is located. In the event of multiple Owners of a Lot or Dwelling, the vote appertaining thereto shall be exercised as those Owners of such Lot or Dwelling as they themselves determine and notify the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such notice, the vote appurtenant to such Lot or Dwelling shall be suspended in the event more than one (1) person seeks to exercise such vote(s). Such suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the persons owning such Lot or Dwelling determine how such vote shall be cast and so advise the Secretary or Assistant Secretary of the Association. The vote appertaining to any Lot or Dwelling may, and shall in the case of any Owner not being a natural person or persons, be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner and delivered to the Secretary or an Assistant Secretary of the Association.

Section 2.03 Suspension of Voting Rights. During any period in which the Owner of a Lot or Dwelling shall be in default in the payment of any annual or special assessment or other charge levied by the Association, the voting rights of such Lot or Dwelling may be suspended by the Board of Directors until such assessment or charge has been paid. Such rights may also be suspended, after notice and a hearing as provided for in the Declaration, for a violation of any provisions of the Declaration, these By-Laws, or any of the published rules and regulations of the Association.

ARTICLE III
MEETINGS, QUORUM, VOTING, PROXIES

Section 3.01 Place of Meeting. Membership meetings of the Association shall be held at a suitable place convenient to the Members as may be designated by the Board of Directors.

Section 3.02 Annual Meeting. The Association shall meet not less frequently than annually, and the first annual meeting shall not be called by the Board of Directors at least thirty (30) days prior to the close of the fiscal year of the Association as established by Section 6.08 of these By-Laws. After the first annual meeting is called by the Board of Directors, the succeeding annual meetings shall be held on any day as may be set by the Board of Directors which is within three (3) weeks prior to or three (3) weeks following the anniversary date of the first annual meeting. At the annual meetings, comprehensive reports on affairs, finances, and budget projections of the Association shall be made available to the Owners. The call of the annual meeting shall be by written notice from the Secretary of the Association given by first class mail at least fifteen (15) days and not more than forty-five (45) days in advance of the meeting, and such notice shall state the date, the time, the place of such annual meeting.

Section 3.03 Special Meetings. The Secretary of the Association shall be required to call a special meeting of the Members (i) when directed by the President of the Association, (ii) upon the resolution of a majority of the Board of Directors, or (iii) upon the presentation to the Secretary of the Association of a petition signed by Members entitled to cast at least five (5%) percent of the votes of the Association. The call of the special meeting shall be by written notice from the Secretary of the Association given by first class mail at least fifteen (15) days and not more than forty-five (45) days in advance of the meeting, and such notice shall state the date, the time, the place, and the purpose of such special meeting. Unless by consent of at least two-thirds (2/3) of the votes of the Members present in person or by proxy, only the business stated in the notice may be transacted at such a special meeting.

Section 3.04 Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special membership meeting, stating the purpose thereof, as well as the date, time, and place where it is to be held. Such notice shall be delivered personally or sent by United States mail, postage prepaid, to all Owners of record at such address or addresses as any of them may have designated, or if no address has been so designated, at the address of their respective Lots or Dwellings. Except as may be otherwise required by law, notice shall be given by first class mail to each Owner at least fifteen (15) days and not more than forty five (45) days in advance of any meeting. The mailing of a notice in the manner provided in this Section 3.04 shall be considered to be the giving of such notice. Any Owner may waive the notice of a meeting by doing so in writing before or after such meeting. Attendance of a meeting, either in person or by proxy shall constitute a waiver of notice and waiver of any and all objections to the place or time of such meeting or the manner in which it has been called or convened, unless a Member or other person entitled to notice attends such meeting solely for the purpose of stating, at the beginning of such meeting, any such objection or objections relating to such meeting. A recitation in the minutes of

any membership meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

Section 3.05 Conduct of Meetings The President, or the Vice-President in the absence of the President, shall preside over all meetings of the Association and the Secretary, or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of all such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings.

Section 3.06 Order of Business The Order of Business at all annual meetings shall be as follows:

- a. Roll call and certification of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers, if any.
- e. Election of committees, if any.
- f. Election or appointment of inspectors of election.
- g. Election of directors.
- h. Unfinished business.
- i. New Business.

Section 3.07 Quorum. Except as otherwise provided in the Declaration or in these By-Laws, the presence in person or by proxy at the beginning of any meeting of the Members entitled to cast over thirty (30%) percent of all the votes of the Association shall constitute a quorum for a meeting of the Association. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of Members having ten (10%) percent of the total votes of the Association. No such subsequent meeting shall be more than sixty (60) days following the preceding meeting. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 3.08 Adjourned Meetings. Any meeting of the Association which cannot be organized because a quorum has not attended may be adjourned from time to time by the President or by the vote of a majority of the Members present in person or represented by proxy. When any

membership meeting, either annual or special, is adjourned, notice of the time, place, and location of the adjourned meeting shall be given as in the case of the original meeting.

Section 3.09 Proxy. The vote(s) appertaining to any Lot or Dwelling may, and shall in the case of any Member not a natural person or persons, be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member and delivered to the Secretary or an Assistant Secretary of the Association. No such proxy shall be revocable except by written notice delivered to the Secretary or an Assistant Secretary of the Association by the Member. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The transfer of title to any Lot or Dwelling shall void any outstanding proxy pertaining to the voting rights appurtenant to such Lot or Dwelling.

Section 3.10 Action Taken by Association. Except as otherwise provided by the Declaration or these By-Laws, any action taken at any meeting of Members shall be effective and valid if taken or authorized by not less than a majority of all of the votes to which all of the Members present in person or by proxy at a duly constituted meeting shall be entitled. In the event of any tie vote at any regular, special, or adjourned meeting of the Association, the President, or the Vice-President in the absence of the President, shall cast a separate vote to break the tie. For the purposes of these By-Laws, "majority" shall mean more than fifty (50%) percent; provided, however, the foregoing provisions of this By-Law to the contrary notwithstanding, any action which by law or pursuant to the provisions of the Declarant or these By-Laws requires the assent of a specified number or percentage of the votes of the Members greater than that herein specified, shall not be considered the act of the Members unless such requisite number or percentage so prescribed by law or by the Declaration or these By-Laws is obtained.

Section 3.11 Voting. Except as otherwise provided in the Declaration or these By-Laws, voting on all matters shall be by voice vote or by a show of hands unless any Member, prior to the voting on any matter, demands vote by ballot, in which case each ballot shall state the name of the Member voting, the Lots or Dwellings owned such Member, and the number of votes voted by such Member, and if such ballot shall be cast by proxy, it shall also state the name of such proxy.

Section 3.12 Action by Association Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if written approval and consent, setting forth the action authorized, shall be signed by each of the Members entitled to vote on the date on which the last such Member signs such approval and consent and upon the filing of such approval and consent with the Secretary of the Association. Such approval and consent so filed shall have the same effect as the unanimous vote of the Members at a special meeting called for the purpose of considering the action authorized.

ARTICLE IV
Board OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 4.01 Number and Initial Board of Directors. The Declarant shall have the right to appoint and remove Members of the Board of Directors and officers of the Association as provided by the Declaration. The Board of Directors shall initially consist of at least three (3) directors, but not more than five (5) directors, and such directors shall be appointed by the Declarant. At the first regular meeting of the Association, a Board of Directors consisting of at least three (3) but no more than five (5) directors shall be elected by the Members, subject to the Declarant's right to appoint and remove directors. For each year thereafter until the termination of the Declarant's right to appoint and remove directors, the Members shall elect the Board of Directors consisting of at least three (3) but no more than five (5) individuals at each annual meeting of the Association, subject to the Declarant's right to appoint and remove directors. After the right of the Declarant to appoint and remove directors has terminated or has been relinquished as provided by the Declaration, the Owners shall elect five (5) persons to the Board of Directors at the special meeting of the Association described in Section 4.05 of these By-Laws. Except with respect to directors appointed by Declarant and except as provided in Section 4.08 hereof, directors must be Owners at all times during their service as directors; provided, however, the term "Owners," for the purpose of this Section 4.01 and Section 5.01 hereof, shall be deemed to include, without limitation, any shareholder, director, officer, partner in, or trustee of any entity or person which is, either alone or in conjunction with any other person or persons, an Owner. Any individual who would not be eligible to serve as a Member of the Board of Directors were he not a shareholder, director, officer, partner in, or trustee of such an entity or person, shall be deemed to have disqualified himself from continuing as a director if he ceases to have any affiliation with that entity or person.

Section 4.02 Powers and Duties. The Board of Directors shall have the power and duties necessary to administer the affairs of the Association, including, but not necessarily limited to, those powers and duties specifically assigned to the Board of Directors in the Declaration, the Articles of Incorporation, and these By-Laws. Consistent therewith, the Board of Directors shall have the power to adopt rules and regulations which it deems necessary for the administration of the affairs of the Association and to impose sanctions for violations of the Declaration, these By-Laws and the published rules and regulation of the Association, subject to the provisions of the Declaration.

Section 4.03 Other Duties. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law and the Declaration, together with such other duties and responsibilities as it may deem necessary or appropriate in the exercise of its powers. In addition to other duties which the Board of Directors may have, it shall be responsible for the following matters:

- a. Maintenance, repair, renovation, restoration, replacement, care, and upkeep of the Common Property and other portions of the Development maintained by the Association;

- b. Collection of assessments levied by the Association;
- c. Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Property and other portions of the Development which are the responsibility of the Association; and
- d. Subject to the provisions of the Declaration, the promulgation of rules and regulations governing the access to use and enjoyment of the Common Property.

Section 4.04 Management. The Board of Directors may employ for the Association a management agent under such terms, compensation, and duties as the Board may, in its sole discretion, authorize; provided for so long as the Declarant shall have the right to appoint and remove directors, such action may only be taken with the consent of the Declarant.

Section 4.05 Election of Directors by Members and Term of Office. Pursuant to the provisions of Paragraph 4 of Article II of the Declaration, Declarant shall, for the period of time specified therein, have the right to appoint and remove at the pleasure of Declarant any Member of the Board of Directors or any officer of the Association, until such right shall be relinquished by Declarant or until such right shall otherwise terminate as provided by the Declaration. Upon the termination of Declarant's right to appoint and remove Members of the Board of Directors and officers, Declarant shall then give to each Owner at least fifteen (15) days' written notice of a special meeting to elect a new Board of Directors, such meeting to be held not more than sixty (60) days after the date of such termination. In the event of the failure of Declarant to call said special meeting within the period provided above, the other Owners may call such a special meeting in accordance with the provisions of Section 3.03 of these By-Laws. At such meeting, the Members shall elect two (2) directors for a term of three (3) years each, two (2) directors for a term of two (2) years each, and one (1) director for a term of one (1) year; provided, however, that the directors elected at such meeting shall also serve for that portion of a calendar year between the commencement of their terms and the first annual meeting following such meeting so that their respective terms shall expire at the time of an annual meeting. Except in the case of death, resignation, disqualification or removal, each director elected by the Members shall serve until the annual meeting at which his term expires and until his successor has been duly chosen and qualified.

The procedure for the election of the Board of Directors at the special meeting shall be as follows: Nominations shall be accepted for not less than five (5) Owners to serve on the Board of Directors of the Association; upon the closing of such nominations, each Member present in person or by proxy shall cast a ballot listing thereon the names of the five (5) different nominees (no more and no less) for whom such Member wishes to vote, together with the residence number of the Lot or Dwelling of such Member; the ballots shall then be collected and tallied whereupon the two (2) persons receiving the greatest number of votes shall be elected to three (3) year terms, the two (2) persons receiving the next greatest number of votes shall be elected to two (2) year terms, and the person receiving the greatest number of votes shall be elected to a one (1) year term. In the event that only five (5) persons are nominated to serve on the Board of Directors, the terms of such persons

shall be determined as follows: the Owner or Owners of a Lot or Dwelling entitled to vote shall cast his ballot by writing thereon the name of the person thus elected whom such Owner wishes to serve for a term of three (3) years; the ballots shall then be collected and tallied whereupon the two (2) persons receiving the greatest number of votes shall serve three (3) year terms, the two (2) persons receiving the next greatest number of votes shall serve two (2) year terms, and the person receiving the next greatest number of votes shall serve a one (1) year term.

Section 4.06 Procedure for Subsequent Elections and Terms of Office. At the second annual meeting following said special meeting called by Declarant as described in Section 4.05 and at each subsequent annual meeting, the Members shall, in accordance with the procedures hereinafter set forth, elect directors to succeed to the offices of those directors whose terms have expired at the time of such meeting. Such directors so elected shall serve for a term of three (3) years. Persons may be nominated for election to the Board of Directors by a nominating committee appointed by the incumbent Board of Directors prior to the annual meeting and by nominations made from the floor at the meeting for such election. Election to the Board of Directors shall be by secret written ballot unless dispensed by majority consent, and at the election, the Members or their proxies may cast, with respect to each vacancy, the vote(s) of their respective Lots or Dwellings as provided in the Declaration. Cumulative voting shall not apply.

Section 4.07 Removal or Resignation. Subsequent to the termination of Declarant's right to appoint and remove directors, any one or more of the directors may be removed with or without cause by a majority vote of the total authorized vote of the Owners in the Development which is taken at any regular or special meeting of the Association, and a successor shall be elected by the Owners at such meeting in order to fill the unexpired portion of such director's term. Any director whose removal has been proposed by any Owner or Owners shall be given an opportunity to be heard at such meeting. Any director may resign at any time by giving written notice to the presiding officer or Secretary of the Association. Such resignation shall take on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective. The sale by a director of all his Lots or Dwellings, or any other termination of his interest in such Lots or Dwellings shall automatically and coincidentally terminate his directorship. Subsequent to the termination of the right of Declarant to appoint and remove directors, vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Owners shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Owners, with such successor to serve the remainder of such terminated director's term of office.

Section 4.08 Officers, Agents, or Employees of Declarant. Declarant may appoint any of its officers, agents, or employees to act for Declarant as a Member, director, or officer of the Association, and Declarant may, at any time, replace any such director or officer acting for Declarant with any other officer, agent, or employee of Declarant.

Section 4.09 Fees and Compensation. No fee or other compensation shall be paid by the Association to directors for their services as directors unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total vote of the Members.

Section 4.10 Organizational Meeting. The first organizational meeting of each Board of Directors shall be held without notice immediately after and at the same place as, the meeting of the Members at which said Board of Directors or certain Members of the Board of Directors have been elected.

Section 4.11 Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings, in addition to the organizational meeting, and such regular meetings shall be held without notice other than such resolution.

Section 4.12 Special Meetings. Special meetings of the Board of Directors may be called by the President on at least three (3) days notice to each director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors may also be called by the Secretary of the Association in like manner and on like notice on the written request of at least a majority of the directors.

Section 4.13 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed to be a waiver of notice of such meeting and waiver of any and all objection to the place or time of the meeting or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or prior to any vote on a matter not noticed in conformity with §33-31-823, Code of Laws of South Carolina, any such objection or objections. Any written waivers must be filed with the minutes of the meeting in the corporate records to be of force and effect.

Section 4.14 Entry of Notice. Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such special meeting was given such director, as required by law or the By-Laws of the Association.

Section 4.15 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business.

Section 4.16 Conduct of Meetings. The President, or the Vice-President in the absence of the President, shall preside over all meetings of the Board of Directors and the Secretary or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings. Meetings of the Board of Directors may be held by telephone conference.

Section 4.17 Action Taken by Directors. Except as otherwise provided in the Declaration and these By-Laws or by law, every act or decision by a majority of the directors present in person or by proxy at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board. In the event of any tie vote, the President, or the Vice-President in the absence of the President, shall cast a separate vote to break the tie.

Section 4.18 Action Without Formal Meeting. Any action requires or permitted to be taken at any meeting of the Board of Directors or any committee appointed by the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all Members of the Board of Directors or of such committee, as the case may be, and such written consent is filled with the minutes of the proceedings of the Board or committee. Such consent shall have the same force and effect as a unanimous vote by the Board of Directors or by such committee, as the case may be.

Section 4.19 Special Committees. The Board of Directors shall have the power and authority to create special committees by a majority vote of all directors in office, including but not necessarily limited to a recreational amenities, committee, a maintenance committee, an insurance committee, an audit committee. Any such committee shall advise the Board of Directors on matters pertaining to the purposes for which any special committee shall have been created and shall have the exercise such powers as any be provided by resolution of the Board of Directors. Each such committee shall be comprised of at least two (2) or more Members of the Board of Directors and shall act by a majority of its Members unless otherwise ordered by the Board of Directors. The Members, including the chairman, of any such special committee shall be appointed by and shall serve at the pleasure of the Board of Directors. A majority of the Members of any such committee shall constitute a quorum.

Section 4.20 Executive Committee. In furtherance and not in limitation of the powers conferred by law, the Board of Directors may establish an Executive Committee consisting of three (3) directors. The Executive Committee shall be constituted and appointed by the Board of Directors from their number and shall meet when deemed necessary. The Executive Committee shall have authority to exercise all the powers of the Board of Directors at any time and when the Board of Directors is not in session, so long as such powers are lawfully delegated and are not inconsistent with these By-Laws and the Declaration. The Executive Committee shall elect a chairman, and a majority of the Members of the Executive Committee shall constitute a quorum. The act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Executive Committee, and notice of meetings of the Executive Committee shall be the same as required for a special meeting of the Board of Directors as outlined above in this Article IV. The Board of Directors may designate one or more directors as alternate Members of the Executive Committee, and such alternate may act in the place and stead of any absent Member or Members at any meeting of the Executive Committee. The designation of an Executive Committee shall not operate to relieve the Board of Directors, or any Member thereof, of any responsibility imposed by law, the Declaration or these By-Laws.

ARTICLE V
OFFICERS

Section 5.01 Enumeration of Officers. The officers of the Association shall be a President, a Vice-President, and a Secretary who shall be Members of the Board of Directors, and a Treasurer and such other officers (who need not be Members of the Board of Directors) as the Board may from time to time by resolution create. Any two (2) or more offices may be held by the same person, except for the offices of President and Vice-President and Secretary or Assistant Secretary. Except with respect to officers appointed by Declarant and except as provided in Section 4.08 hereof, each officer must be an "Owner" as defined in Section 4.01 of these By-Laws.

Section 5.02 Election. For the period provided by the Declaration, the officers of the Association shall be appointed by and serve at the pleasure of Declarant. After the right of Declarant to appoint and remove such officers shall have terminated or shall have been relinquished, the Board of Directors shall elect the officers of the Association at each organizational meeting thereof. The Board of Directors at any time and from time to time may appoint such other officers as it shall deem necessary, including one or more Assistant Secretaries or Assistant Treasurers, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such duties as are specified by these By-Laws or as shall be determined from time to time by the Board of Directors.

Section 5.03 Compensation. No fee or compensation shall be paid by the Association to any officer for his services as an officer unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total vote of the Members.

Section 5.04 Term. Each officer of this Association shall be elected at the time of each organizational meeting of the Board of Directors, and each shall hold office until the next organizational meeting of the Board and until his successor is duly elected and qualified, or until his earlier resignation, death, removal, or other disqualification. Any officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby. The sale by an officer of all of his Lots or Dwellings or a termination of his entire interest therein shall automatically and coincidentally terminate his term as an officer.

Section 5.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5.06 President. The President shall be a director and the chief executive officer of the Association and, subject to the control of the Board of Directors, shall, in general, manage, supervise, and control all of the business and affairs of the Association and perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall, when present, preside at all meetings of the Association. The President may sign with the Secretary or any other proper officer of the

Association authorized by the Board of Directors, any contracts, deeds, notes, mortgages, bonds, policies of insurance, checks, or other instruments which the Board of Directors has authorized to be executed and which are consented to and approved by Declarant (if Declarant's consent and approval is required by the Declaration or by these By-Laws), except in cases where signing or execution thereof shall be expressly delegated by the Declaration or these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 5.07 Vice-Presidents. In the absence of the President, or in the event of his death or resignation, removal, disqualification, inability or refusal to act, the Vice-President (or in the event there is more than one Vice-President, the Vice-Presidents in the order designated at the time of their election, or in absence of any designation, in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President may perform such duties as are set forth in these By-Laws or as shall from time to time be assigned to him by the Board of Directors.

Section 5.08 Secretary. The Secretary shall: (a) attend and keep the minutes of meetings of the Association, of the Board of Directors, and of any committees having any of the authority of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the Declaration or the provisions of these By-Laws or as requires by law; (c) be custodian of the Association records; and, (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 5.09 Treasurer. The Treasurer (or in the absence of the Treasurer, the President) shall: (a) have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, money market funds, or other depositories or accounts as shall be from time to time selected by the Board of Directors; (b) authorize vouchers and sign checks for monies due and payable by the Association; (c) promptly render to the President and to the Board of Directors an account of the financial condition of the Association whenever requested; (d) prepare and deliver any certificate required by the Declaration; and (e) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The duties of the Treasurer shall be performed subject to such restrictions or limitations as may be imposed from time to time by the Board of Directors or these By-Laws.

Section 5.10 Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

ARTICLE VI
FISCAL MATTERS AND BOOKS AND RECORD

Section 6.01 Fidelity Bonds. The Board of Directors may require that any contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association as a Common Expense.

Section 6.02 Books and Records Kept by Association. The Association shall keep (i) detailed, complete and accurate financial records, including itemized records of all receipts and disbursements, (ii) detailed minutes of the proceedings of all meetings of the Members and of the Board of Directors and committees having any of the authority of the Board of Directors, and (iii) such other books and records as may be necessary or required by law or to reflect accurately the affairs and activities of the Association.

Section 6.03 Inspection. The book, record, and papers of the Association shall, at all times during reasonable business hours and upon reasonable notice, be subject to inspection by any Owner or their respective agents or representatives for any proper purpose.

Section 6.04 Contracts. Subject to obtaining the consent and approval of Declarant if such consent and approval is required by the Declaration or these By-Laws, the Board of Directors may authorize any officer or officers, or agent or agents (including the manager of the Association), of the Association, in addition to the officers so authorized by the Declaration and these By-Laws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of, the Association, and such authority may be general or confined to specific instances.

Section 6.05 Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice-President of the Association.

Section 6.06 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, money market funds, or other depositories or accounts as the Board of Directors may elect.

Section 6.07 Gifts and Conveyances. The Board of Directors may accept, on behalf of the Association, any contribution, gift, conveyance, bequest, or devise for the general purposes or for any special purpose, of the Association.

Section 6.08 Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE VII
COMPLIANCE AND DEFAULT

Section 7.01 Violations. In the event of a violation (other than the non-payment on an assessment) by a Member of any of the provisions of the Declaration or of these By-Laws, the Association, by direction of its Board of Directors, may notify the Member by giving written notice of such violation, transmitted by mail, and if such violation shall continue for a period of ten (10) days from the date of notice, or reoccur thereafter, the Association, through its Board of Directors, shall have the right to treat such a violation as an intentional and inexcusable and material breach of the Declaration or of the By-Laws, and the Association may then exercise any one or more of the following but such exercise shall not be deemed to be an election and the Association may, at any time, exercise any additional one or more of the following:

- (a) An action at law to recover for its damage on behalf of the Association or on behalf of the other Members;
- (b) An action in equity to enforce performance on the part of the other Members; and
- (c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Such violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association, and the costs thereof shall be charged to the Member as a specific item, which shall be a lien against said Lot or Dwelling with the same force and effect as if the charge were a part of the Common Expenses.

Section 7.02 Negligence or Carelessness of Member. All Members shall be liable for the expense of any maintenance, repair or replacement to any Lot, Dwelling, or Common Property rendered necessary by his act, neglect or carelessness or by that of any Member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increases in insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot, Common Property or Dwelling, or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said Member as a specific item which shall be a lien against said Lot or Dwelling with the same force and effect as if the charge were a part of the Common Expense.

Section 7.03 Costs and Attorneys' Fees. In any proceeding arising because of a violation or breach of the Declaration or these By-Laws by a Member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 7.04 No Waiver of Rights. The failure of the Association or of any Member thereof to enforce any right, provision, covenant or condition which may be granted by the Declaration or these By-Laws shall not constitute a waiver of the right of the Association or Member to enforce such right, provision, covenant or condition in the future.

Section 7.05 Election of Remedies. All rights, remedies and privileges granted to the Association pursuant to any terms, provisions, covenants or conditions of the Declaration or these By-Laws, shall be deemed to be cumulative and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be granted to other party by development documents, or at law in equity.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Parliamentary Rules. Unless waived by a majority vote of the Members in attendance in person or by proxy at any duly called membership meeting, or unless waived by a majority of the directors present at any duly called meeting of the Board of Directors, Robert's Rules of Order (latest edition) shall govern the conduct of the proceedings of such meeting when not in conflict with South Carolina law, the Declaration, or these By-Laws.

Section 8.02 Conflicts. If there are conflicts or inconsistencies between the provisions of South Carolina law or the Declaration and these By-Laws, the provisions of South Carolina law and the Declaration, in that order, shall prevail. The Association is created pursuant to and is subject to the provisions of the South Carolina Nonprofit Corporation Act, Title 33, Chapter 31, Code of Laws of South Carolina (1976), as amended.

Section 8.03 Definitions. Unless the context shall otherwise require, words or phrases used herein which are defined in the Declaration shall have the same meaning as therein set forth.

Section 8.04 Amendment. The Articles of Incorporation of the Association and these By-Laws may be amended at regular or special meeting of the Members duly called and held for such purpose, pursuant to a resolution of the Board of Directors adopting a proposed amendment. Such resolution must be approved by the Members to which at least two-thirds (2/3) of the votes which the Members present at such meeting in person or by proxy are entitled to cast; provided, however, that during such period that Declarant shall have the right to appoint and remove Members of the Board of Directors of the Association pursuant to the Declaration, such resolution must also be approved by Declarant.

Section 8.05 Agreements. Subject to the provisions of the Declaration and the obtaining of the consent and approval of Declarant, if such consent and approval is required by the Declarant or these By-Laws, all agreements and determinations duly authorized by the Board of Directors of the Association shall be binding upon all Members, their heirs, legal representatives, successors, assigns,

or others having an interest in the Development, and in performing its responsibilities hereunder, the Association, through the Board of Directors, shall have the authority to delegate to such persons of its choice such duties of the Association as may be determined by the Board of Directors.

Section 8.06 Liability. The officers and directors of the Association shall not be liable for any mistakes of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association, as a Common Expense, shall indemnify and forever hold such officer and director free and harmless against and from any and all liability to others and account of any such contract or commitment. In addition, each director and each officer of the Association shall be indemnified and held harmless by the Association, as a Common Expense, from any expense, loss or liability by reason of having served as such director or as such officer and against all expense and liability, including court costs and reasonable attorneys' fees, incurred by or imposed upon such director or officer in connection with any proceeding to which he may be a party or have become involved by reason of being such director or such officer, whether or not he is a director or officer at the time such expenses are incurred, except in cases wherein the expenses and liability arise from a proceeding in which such director or such officer is adjudicated guilty of willful misfeasance or malfeasance, misconduct, or bad faith in the performance of his duties. In the event of a settlement of any such proceeding, the indemnification provided hereby shall apply only when the Board of Directors had been given written notice of such settlement, and provided such settlement and reimbursement is not then disapproved by resolution by the Board of Directors at its next regular meeting or special meeting called for that purpose, whichever meeting first occurs. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. To the extent available, the Association shall maintain adequate general liability and officers and directors' liability insurance as a Common Expense to fund these obligations.

Section 8.07 Severability. Invalidation of any covenant, condition, restriction, provision, sentence, clause, phrase, or word of these By-Laws, or the application thereof, in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, and such remaining portions shall in full force and effect.

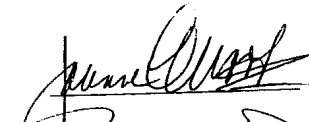
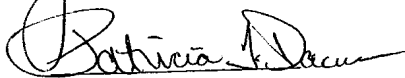
Section 8.08 Gender and Grammar. The singular whenever used herein shall be construed to mean plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 8.09 Headings and Caption. The Article and Section heading and captions herein are for convenience and reference only and in no way to define or limit the scope and content of these By-Laws or in any way affect the provisions hereof.

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The foregoing was adopted as the By-Laws of The SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC., at the first meeting of the Board of Directors held on AUGUST 30, 1995.

WITNESS:

SINGLETON PLACE HOMEOWNERS ASSOCIATION, INC., a South Carolina non-profit corporation

By: Carol M. Suey, by d.l.
atty-in-fact
Its: President

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JOHN A. SULLIVAN - BMC
BEAUFORT COUNTY, S.C.

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