

Samuel E. Murray
Mayor

Council

Mary Beth Heyward
Mayor Pro Tempore

Yvonne C. Butler
Shirley R. Heyward
Samuel L. Smalls



Town Officials

John P. Perry
Town Manager

George D. Smith
Chief of Police

Harvey W. Cawthorn
Operations Manager

Town of Port Royal South Carolina

ORDINANCE 97-13

AN ORDINANCE TO ZONE IN THE TOWN OF PORT ROYAL, SOUTH CAROLINA, AS SHOWN AND DESCRIBED ON BEAUFORT COUNTY TAX MAP 100-31 LOCATED IN THE SHELL POINT AREA PARCELS 102, 102A, 102B, 102C, 102D AND 102E FROM MIXED-USE 2 (MU-2) TO PLANNED UNIT DEVELOPMENT (PUD).

WHEREAS, the Beaufort County Planning Board reviewed the petitioners' request for rezoning of recently annexed property identified above in the Town of Port Royal, South Carolina; and

WHEREAS, the Beaufort County Planning Board has made a recommendation to the Town Council; and

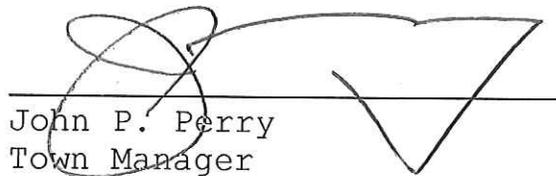
WHEREAS, the petitioners have requested that Town Council consider their request as to the zoning of the above referenced property; and

WHEREAS, the Town Council finds it in the best interest of the petitioners and the Town of Port Royal to establish same on the official zoning map.

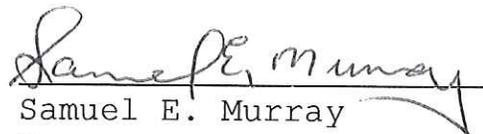
NOW, THEREFORE, BE IT ORDAINED, by Council of the Town of Port Royal, South Carolina, duly assembled and with authority of same, that the property shown and described on Beaufort County Tax Map 100-31 102, 102A, 102B, 102C, 102D, and 102E be established as PUD.

This Ordinance shall become effective immediately upon adoption by Council.

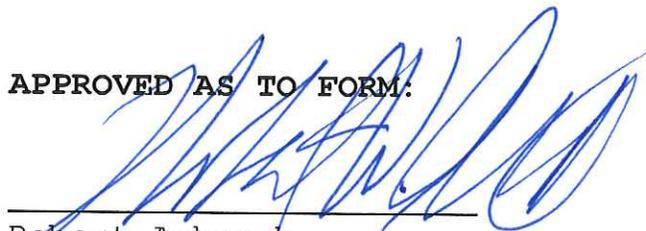
REQUESTED BY:


John P. Perry
Town Manager

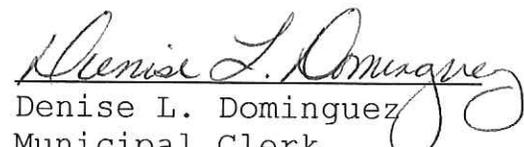
APPROVED BY:


Samuel E. Murray
Mayor

APPROVED AS TO FORM:


Robert Achurch
Town Attorney

ATTEST:


Denise L. Dominguez
Municipal Clerk

Introduced: 8-13-97
Final Reading: 10-8-97

**PICKET FENCES PUD
NARRATIVE
PROJECT NO. 982000
JANUARY 20, 1998**

The proposed 68± acre Picket Fences PUD consists of residential lots (single family). The site is located off of SC Hwy 280 across from Bon Aire Estates. The single family lots will be designed to resemble the Florida-style manufactured home communities with amenities such as a swimming pool and tennis courts. Several parks have been designed to add aesthetic value to the site. There will be approximately 246 single family lots. This project is designed to provide moderate housing with amenities, therefore this development has a high density. Approximately 3.46 acres of the site is dedicated as future development. A home owner association will be formed to help preserve the aesthetic value and efficiency of the development's open space and amenities.

The development will connect into the Town of Port Royal water system and the BJWSA sanitary sewer system. There will be two pump stations located on this site to handle the increase in sewage. The sanitary system was also designed to allow off site sewage collection from the surrounding properties. The Town of Port Royal Fire District will be providing fire safety. SCE&G will provide electrical service to the project. Falcon Cable and Sprint will be providing cable and telephone service. Solid waste disposal will be provided by the Town of Port Royal.

The stormwater runoff will be collected in the storm sewer system and will discharge into the detention basins. Several detention basins have been designed for this development. Besides controlling the stormwater runoff discharge into the surrounding marshes, the basins will add aesthetic value to the development. The detention basins will control the sediment and sets from destroying the picturesque view and ecosystem of the surrounding marshes.

**PICKET FENCES PUD
NARRATIVE
PROJECT NO. 96215**

The proposed 68± acre Picket Fences PUD consists of a combination of Residential lots (single family and multi family) and Commercial lots. The site is located off of SC Hwy 280 across from Bon Aire Estates. The single family lots will be designed to resemble the Florida-style manufactured home communities with amenities such as a swimming pool and tennis courts. There will be approximately 215 single family lots. This project is designed to provide moderate housing with amenities, therefore this development has a high density. The multi family area will be located in the southeast corner of the property. The residential area will be located behind the commercial to allow for some privacy and safety from Hwy 280. There will be approximately 6-8 commercial lots located off Hwy 280 in the western part of the property. The commercial part of this development will provide a mixed use community as well as an easy commercial access for the residents of the Picket Fences PUD. A home owner association will be formed to help preserve the aesthetic value and efficiency of the development.

The development will connect into the Town of Port Royal water system and the BJWSA sanitary sewer system. There will be two pump stations located on this site to handle the increase in sewage. The sanitary system was also designed to allow off site sewage collection from the surrounding properties. The Town of Port Royal Fire District will be providing fire safety. SCE&G will provide electrical service to the project. Falcon Cable and Sprint will be providing cable and telephone service. Solid waste disposal will be provided by the Town of Port Royal.

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vrbo

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
MR. ED WALLACE
AND
THE TOWN OF PORT ROYAL, ZONING ENTITY**

The following report shall serve as the agreement between the Developer and The Town as same relates to request to change the zoning of a certain parcel of land within the Town of Port Royal from MU-2 (Mixed-Use 2) to PUD (Planned Unit Development). There will be many attachments and maps which need to be referred to in the future, please understand that same are part and parcel of this memorandum.

The following is based upon the elements provided in the Zoning Ordinance :

1. **General Description of Proposed PUD :**
Refer to the letter submitted by Developer marked #1. (Narrative)
2. **Detailed Legal Description of Location of Site :**
The property is described as the 68.04 acres across from Bon Aire Estates on SC Hwy 280 in the Shell Point area of Beaufort County, in the town of Burton, SC, and as described in tax record as Beaufort County 100 - Map #31 as Parcels 102 102A, 102B, 102C, 102D, and 102E.
3. **Standards for Development :**
Refer to the PUD overlay district in the Town of Port Royal and Beaufort County Development Standards. These documents shall be the standard for development for this property.
4. **Proposed Dedication of Land for Public Use :**
A Site Plan is attached marked #2. All green spaces are open spaces, these shall be maintained by the Home Owners Association.
5. **Plan for Provision of Water, Sewer and Drainage :**
The Site Plan marked #3 will provide the plan for utilities including water, sewer and storm water run off.

**Memo of Understanding
Mr. Ed Wallace
and Town of Port Royal, Zoning Entity
Page Two**

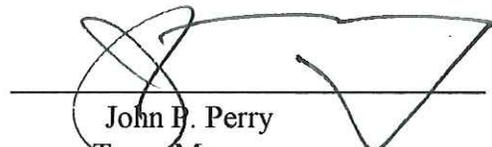
6. Table of Facts :

A.	Total Acres :	68.05
	Single Family :	44.57
	Future Development	3.46
	Open Space/Recreational Area :	20.02
B.	% Designated Public Open Space :	31%
C.	Pond Included in B :	3.68 Acres
D.	Residential Lots =	246
E.	Impervious/Pervious :	23.0 Acres Impervious 45.05 Acres Pervious
F.	Density (Gross Area) :	4 du/gross residential area
G.	Parking for Residents :	On site car port

All elements of development and provisions of relief have been reviewed and are hereby agreed to by both the Developer and the Town. It is further understood that should the project not be underway within ninety (90) days or substantially complete within three (3) years of the date of agreement, then the elements and provisions of the PUD will be revoked and the property reverted to MU-2 until Council may reconsider the most appropriate zoning designation at that time.



Mr. Ed Wallace
Developer



John B. Perry
Town Manager

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**DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
PICKET FENCES**

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

ARTICLE I

DEFINITIONS

When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

Section 1.1 Additional Property. "Additional Property" shall mean and refer to any Additional Property, which may be added to the Property and made subject to this Declaration pursuant to Article XI hereof. In addition to the Property described in Exhibit "A" wherever used in these Covenants, the term the "Property" shall also mean and refer to all Property which may be contiguous to the Property or located nearby, but only if such future development of Property, or otherwise, is voluntarily submitted to these Covenants by Declaring, without consent of the Association, and by the Owners of such Property if Declarant is not the Owner, with the consent of Declarant hereunder, its successors or assigns. Such submission of Additional Property or otherwise shall become effective only after filing a document of record in the Office of the Register for Beaufort County, South Carolina, executed in recordable form by the Owner and Declarant, describing such Property and stating the intent to be bound hereby and submitted hereunder.

Section 1.2 Architectural Review Board. "Architectural Review Board" or "ARB" shall mean and refer to the Architectural Review Board established by Declarant.

Section 1.3 Articles of Incorporation. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation for Picket Fences Community Homeowners' Association, Inc. (hereinafter referred to as the "Association"), as filed with the South Carolina Secretary of State, as the same may be amended from time to time.

Section 1.4 Association. "Association" shall mean and refer to the Picket Fences Community Homeowners' Association, Inc., a South Carolina Non-Profit Corporation as may

shown as a residential building Lot upon that plat or survey of Picket Fences, recorded in Plat Book Page , in the Office of Register of Deeds for Beaufort County, South Carolina, or as is similarly shown on revised or supplemental surveys of such tracts or such additional tracts as may be added to the Property from time to time as provided herein. The term "Homesite" shall also include the Homesite or improvement placed or constructed on such parcel of land by or on behalf of Declarant or an Owner.

Section 1.16 Lot. "Lot" shall mean and refer to an unimproved Homesite.

Section 1.17 Master Plan. "Master Plan" shall mean and refer to that preliminary development plan for Picket Fences prepared by Gasque & Associates, dated February 9, 2000, as the same may be now or hereafter amended from time to time, which plan includes a preliminary layout of the residential community (consisting of approximately 246 residential subdivision Lots) upon the Property described on Exhibit "A". Inclusion of Property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such Property to this Declaration. References to the Master Plan are made solely for the convenience of Declarant. The Master Plan may be revised or changed in any manner, at any time, and from time to time, or the Master Plan may be discarded all together, all at the sole and absolute discretion of the Declarant.

Section 1.18 Member. "Member" shall mean and refer to a Person entitled to Membership in the Association.

Section 1.19 Mortgage. "Mortgage" shall mean and refer to any Mortgage, Deed of Trust, Deed to Secure Debt or other form of security instrument granting, creating or conveying a lien on, a security interest in or a Security Title to the Property or any Homesite within the Property.

Section 1.20 Mortgagee. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 1.21 Mortgagor. "Mortgagor" shall mean and refer to any person who gives a Mortgage.

Section 1.22 Multi-Family Area. "Multi Family Area" shall mean and refer to any portion of the Property in which common elements are owned by the members of a Multi-Family Association composed of such owner(s), and within which it is intended that there will be constructed either (i) attached or detached townhouses, condominium units, cluster homes, patio homes, or apartments which will be sold or leased to Owners.

Section 1.23 Multi-Family Association. "Multi-Family Association" shall mean and refer to a corporation or an unincorporated association whose shareholders or members are comprised entirely of Owners of Homesites within a Multi-Family Area.

Section 1.24 Multi-Family Declaration. "Multi-Family Declaration" shall mean and refer to any instrument or document, and any amendments thereto, which may be recorded in the

restrictions and obligations on the land described therein.

ARTICLE II
PLAN OF DEVELOPMENT

Section 2.1 Development of the Property. While Declarant has submitted all of the Property to the terms and provisions of the Declaration, the Property will be developed in phases and consequently, only those phases, which are completed, and platted shall comprise the lots and Homesites. Declarant hereby reserves the right, but not the obligation, to be exercised in its sole discretion, to designate the boundaries of all Lots and Home sites and Common Property in various phases of the Property as they are developed and platted and to construct on any portion of the Property recreational facilities, including, but not limited to swimming pools, playgrounds, and related facilities. Declarant shall have the right, but not the obligation, to make improvements and changes to all Common Property and to all lots and Homesites owned by Declarant, including, without limitation, (1) installation and maintenance of any improvements added to the Common Property; (2) changes in the location of the boundaries of any lots and Homesites owned by the Declarant or of the Common Property; (3) changes in the boundaries between the Property and any portion of the Property owned by Declarant; (4) installation and maintenance of any storm drainage system and water/sewer or other utility systems and facilities; (5) installation of security and/or refuse facilities; and (6) construction, installation and maintenance of a permanent Homesite unit on any Lot or Homesite without the approval of the Association, the ARB, The Board of Directors or their respective successors or assigns.

Section 2.2 Plan of Development of Additional Property. Declarant hereby reserves the option, to be exercised in its sole discretion, to submit the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause this Additional Property or a portion or portions thereof to become part of the Property. At this time, Declarant intends that the Additional Property will be developed as an apartment complex, together with roads, utility systems, drainage systems, and other improvements. Declarant will develop the Additional Property in compliance with the applicable provisions of the ordinance of the Town of Port Royal. This option may be exercised by Declarant in accordance with the following rights, conditions, and limitations, which are only conditions and limitations of such option to add all or any portion of the Additional Property to the Development:

(a) The option may be exercised until June 15, 2025, provided, however, that Declarant reserves the right to terminate such option at any time prior to the expiration of this period by executing and filing an agreement evidencing such termination on the Records of the Register of Deeds for Beaufort County, South Carolina and, except for such termination by Declarant, no other circumstances will terminate such option prior to June 15, 2025.

(b) The legal description of the Additional Property is set forth in Section 1.1 hereof; portions of the Additional Property may be added to the Development at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence, or location in which any of such portions may be added to the Development. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property.

(c) If the Additional Property or any portion thereof is added to the Development, the Lots and Multi-Family Areas developed therein and the Homesites constructed thereon will be

of the Additional Property so submitted in order to promote their health, safety, and social welfare, as well as to provide for the maintenance of Homesites, other improvements, and/or common elements owned by such Owners and/or such Multi-Family Associations, provided that such Owners shall also be members of the Association and such Homesites and other improvements shall continue to be subject to the terms of this Declaration. Such Multi-Family Areas may be subject to Multi-Family Declarations which impose covenants and restrictions which are in addition to, but not in abrogation or substitution of, those imposed hereby, and such Multi-Family Associations may levy additional assessments and make and enforce supplementary covenants, restrictions, rules and regulations with respect to such Multi-Family Areas.

Section 2.4 Water and Sewer Facilities. The Beaufort-Jasper County Water & Sewer Authority, a body corporate and politic, created by the General Assembly of the State of South Carolina, owns the sewer treatment facilities serving the Development, including all lines, pipes, pumps, water towers or tanks, and other systems related thereto which are located within the Development.

The Town of Port Royal, a Municipal Corporation, owns or shall own the water facilities serving the Development, including all lines, pipes, pumps, and other system related thereto which are located within the Development.

Section 2.5 Development Completion. Pingree & Wallace Properties, LLC, its successor or assigns will complete the Development generally in accordance with the master plan in effect on the date of turnover.

ARTICLE III COMMON PROPERTY

Section 3.1 Conveyance of Common Property.

(a) **Conveyance of Common Property.** The Declarant may, from time to time, cause to be conveyed to the Association certain real Property (which may include Homesites or portions thereof) or grants of easements, as well as personal property, for the common use and enjoyment of the Owners (such real and personal property being herein collectively referred to as "Common Property"). In addition, the Declarant may, from time to time, cause the conveyance of certain real property or may be required by governing authorities in accordance with this Declaration.

(b) **Alteration of Common Property.** It is contemplated by the Declarant that the Declarant will convey Common Property to the Association where scenic and natural area of preservation and for general recreational use. The Declarant may, at the Declarant's sole discretion, modify, alter, and increase, reduce or otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this subsection (b) of this Section 3.1 and in accordance with Article X of this Declaration at any time prior to the conveyance of such common Property to the Association.

of Common Property, and in aid thereof to encumber by, Mortgage or other security interest, any or all of the Association's Property, including Common Property and revenues from assessments, user fees and other sources; (g) dedicate or transfer all or any part of the Common Property or interest therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such Property or interest shall cease to be subject to this Declaration or all or any part of the Restrictions while held by any such municipality or other governmental body, agency or authority; and (h) to sell, lease or otherwise convey all or any part of its properties and interest therein; provided, however, that the Association shall not sell, encumber by Mortgage or other security interest, convey, dedicate or transfer any Common Property or interest therein without the approval of 2/3 of both Class "A" and "B" Members.

Section 3.4 Types of Common Property. At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as a Common Property, the Declarant shall designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real Property or any portion thereof may be used, and in such event, such real Property or a portion thereof, shall not be used for any different purpose of purposes without a 2/3 vote of both Class "A" and Class "B" Members of the Association. For so long as the Declarant owns at least one lot or Homesite held primarily for sale, or has an unexpired option to add Additional Property to these restrictions, the Common Property may not be used for any different purpose without the written consent of the Declarant.

Section 3.5 Entrance Easements and Entrance Monuments. It is contemplated that certain Easements for landscaping or for the erection and maintenance of entrance monuments, subdivision signs, walls, fences and other structures intended to provide an attractive atmosphere or to provide privacy to Owners will be reserved by the Declarant and may be set forth on plats of survey of the Development recorded in the Beaufort County Records. Such easement shall be perpetual in duration and shall include the right to erect, maintain, repair, replace and re-erect any such structures within the easement areas as well as the right to plant grass, plants, flowers, shrubs and trees to tend and garden the same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance for the benefit of all Owners within Picket Fences. All Owners taking title to any lot or Homesite upon which such an easement lies, will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in any instrument conveying such easements to the Association. Such easements shall be Common Property. In addition, or alternatively, such entrance monuments or other similar improvements may be constructed within or upon right of way within the Development, in which case, the Association shall maintain such improvements as any other Common Property.

Section 3.6 Encroachment Easements. If any buildings, Homesite units, or other improvements initially constructed by Declarant, or by any Builder on any of the Homesites (including, without limitation, any roof overhangs, balconies, siding, porches or other structures which may be attached to the walls or roofs of such buildings) encroach onto or over or extend into the air space or any portion of the Common Property, or conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Homesite, a valid easement for the encroachment and for the maintenance, repair and replacement thereof shall exist so long as the encroachment exists.

assigns of Declarant's rights hereunder. In addition to any Class "A" voting rights of Declarant hereunder this section 4.3, Declarant shall have one vote for each outstanding Class "A" vote held by any other person or entity within the Property. The Class "B" Membership and voting privileges shall cease and terminate for Declarant whenever Declarant: (1) shall voluntarily give up its Class "B" Membership; (2) shall cease to own at least 5% of all planned Lots or Homesites within the Property. For this purpose, the total planned number of lots is 246. To the extent that additional property is added, the number of lots may increase from time to time; or (3) on January 1, 2010, whichever shall first occur.

Section 4.4 Quorum for any Action Authorized. The presence at the meeting of any Members, or of proxies, entitled to cast 51% of the total vote of the Class "A" Membership and, until the Class "B" Membership terminates, as provided for herein, the presence of one hundred percent (100%) of the Class "B" Membership shall constitute a quorum. If the required quorum is not forthcoming in any meeting, the meeting shall be adjourned and another meeting shall be scheduled for a date not less than ten days or more than thirty days subsequent to the initial meeting. Written notice of the time and place of the adjourned meeting shall be provided to all Members as provided in the Bylaws. The quorum requirement for the adjourned meeting shall be the presence of Class "A" Members, or proxies entitled to cast 25% of the total vote of the Class "A" Membership and the presence of one hundred percent (100%) of the Class "B" Membership so long as such Membership exists.

Section 4.5 Bylaws. The Bylaws of the Association have been drawn and approved by Declarant to govern meetings, duties, and related aspects of the Association. Declarant may, in its sole discretion, cause them to be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina. The recordation shall be deemed to be notice to the Association and all Members thereof. Declarant is not required however, to record the Bylaws, but may provide notice thereof to the Members by such manner, as it deems appropriate.

Section 4.6 Powers and Duties Prior to Activation of Association; Time of Activation. Prior to activation of the Association by Declarant, Declarant shall possess all powers and rights described herein as belonging to the Association. Declarant may activate the Association at any time after the date of the recording of these Covenants, at the sole discretion of Declarant; provided, however, that the Association shall be automatically activated on March 1, 2001. In the event of such an automatic activation of the Association, the first organizational meeting of the Association may be called by Declarant or by any five Owners acting in concert, upon due notice to all Owners as provided in the Bylaws of the Association. Prior to the activation of the Association, Declarant shall attempt to maintain the Homesites, Lots, Common Property and other landscaped areas of the Property, but the extent of said maintenance and landscaping shall be entirely at the discretion of Declarant. Declarant may levy reasonable assessments upon Lots or Homesites within the Property and order that each Lot or Homesite shall bear its share of the cost of said maintenance and landscaping and such assessment shall be paid to Declarant. Declarant shall possess all rights and powers of collection and enforcement of such assessments as are provided herein to the Association.

In general, the Declarant may assign, in whole or in part, any of its reserved rights set forth in these Covenants to the Association by a specific document which shall be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

Section 4.7 Board of Directors and Officers

Association and the resolution of such other issues as may be brought before the Membership of the Association shall be governed by this Declaration, the South Carolina Non-Profit Corporation Code, the Articles of Incorporation of the Association, and the Bylaws of the Association, as each shall from time to time be in force and effect.

Section 4.10 Control by Declarant and Appointment of the Board. Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws of the Association, the Declarant hereby retains the right to appoint all members to the Board until such time as Declarant terminates its rights hereunder. The rights of Declarant to appoint members of the Board also include the right to remove and replace appointees until such time as Declarant's rights to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove members of the Board until sixty (60) days after the first of the following events shall occur: (i) the date upon which 95% of the Homesites which may be developed on the Property and on the Additional Property shall have been conveyed by Declarant to an individual Owner or Owners for residential occupancy; or (ii) the surrender by Declarant of the authority to appoint and replace Directors by an express amendment to this Declaration executed by the Declarant and recorded in the Office of the Register of Deeds for Beaufort County (the "Turnover Date). Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association a special meeting of the Association shall be called. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, Accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period, which Declarant has in its possession. Notwithstanding any other language to the contrary, the Board of Directors appointed by the Declarant shall retain the power and authority to act on behalf of the Association, and to exercise all rights available to Board Members until such time as a new Board of Directors has been elected. Each Owner by Acceptance of a deed to or other conveyance of a Lot or Homesite vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in this Section and in Article V of the Bylaws.

Section 4.11 Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, and Homesites within the Property, and the Common Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Owners, Members, occupants, tenants, invitees, and licensees, if any, until and unless revised or canceled by the Board of Directors or overruled, canceled, or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class "A" votes in the Association and by the affirmative vote of the Class "B" Member, so long as such Membership shall exist.

Section 4.12 Enforcement. The Association shall be authorized to impose sanctions for violations of this Declaration, the Bylaws, or rules and regulations adopted by the Association. Sanctions may include reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Property. In addition, the Association through the Board, in Accordance with Article VIII of the Declaration, shall have the right to exercise the Right of Abatement as set forth in Section 8.2 to cure violations, and shall be entitled to suspend

(e) that all annual and special assessments (together with interest thereon and late charges as provided in Section 5.6 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Homesite or Lot owned by an Owner shall be (in addition to being a continuing charge and lien against such Homesite or Homesites as provided in Section 5.1(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Homesite or Lot owned by him provided, however, that such personal obligation for delinquent assessments shall not pass to an Owner's successor-in-title unless expressly assumed by such successor.

Section 5.2 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the residents of the Development, including, but not limited to, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, the enforcement of the restrictions contained in this Declaration, the enforcement of the Design Standards of the ARB, the payment of operating costs and expenses of the Association, the payment of all principal and interest when due on all debts owed by the Association and also other purposes set forth or contemplated by this Declaration.

Section 5.3 Annual Assessment or Maintenance Charge.

(a) Subject to the terms of this Article, each Homesite and Lot in the Property is hereby subjected to an annual assessment or maintenance charge, which maintenance charge and assessment will be paid by the Owner or Owners of each Homesite within the Property or Additional Property. Payment of such assessments will be made in advance in monthly, quarterly, annual or semi-annual installments with the due dates being established by the Board of Directors.

(b) The annual maintenance charge and assessment will commence to each Homesite or Lot on the first day of the month following the conveyance of the Homesite or Lot to an Owner or tenant by Declarant or a successor in title to Declarant.

(c) Beginning on the date this Declaration is executed through December 31, 2000, the annual maintenance charge and assessment will not exceed \$300.00 per annum said rate of charge being the "maximum annual assessment" for 2000. Beginning January 1, 2001, and from year to year thereafter, the maximum annual assessment may be increased by the Board of Directors; however, the maximum annual assessment may be increased each year not more than the greater of ten percent (10%) above the maximum annual assessment for the previous year or an amount equal to the initial annual assessment compounded annually at 10%.

(d) The annual assessment for each year shall be determined by the Board of Directors as the needs of the Development may in the judgment of the Directors require; however, the annual assessment for each year shall not exceed the maximum annual assessment for that year. In addition, if for any reason the Board of Directors shall fail to determine the annual assessment for any successive year, the annual assessment for the previous year shall continue for such successive year until a new annual assessment is determined by the Board of Directors.

and Capital Improvements. In addition to the annual assessments authorized by this Article V, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, any Association expenses not covered by the annual budget, including, but not limited to, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have been approved by a two-thirds (2/3) vote of both Class "A" and Class "B" Members of the Association who are present in person or by proxy at a meeting duly called for such purpose.

Section 5.5 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action requiring vote under Section 5.3 or 5.4 shall be sent to all members, or delivered to their residence, not less than seven (7) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of the Class "A" Membership and 100% of the Class "B" Membership (for so long as the Class "B" Membership exists) shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the total vote of the Class "A" Membership and, until the Class "B" Membership terminates, the presence of all Class "B" Members. No such subsequent meeting shall be held more than sixty(60)days following the preceding meeting.

Section 5.6 Effect of Nonpayment of Assessment. If any assessment or installment is not paid within fifteen (15) days after that due date there shall be imposed a late or delinquency charge in the amount of the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount of each assessment or installment not paid when due, whichever is greater. Any assessment or installment, and any late charge connected therewith, which is not paid within thirty (30) days after the due date of the assessment shall bear interest (from the due date with respect to the assessment or installment, and the date such charge was imposed with respect to the late charge), at a rate of eighteen percent (18%) per annum or at such rate as the Board may from time to time establish; provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of South Carolina. If any one or more installment of any assessment is not paid within thirty(30) days after the due date the Board may declare any remaining balance of the assessment at once due and payable. In event that an Owner shall fail to pay fully any portion of any assessment or installment on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with any delinquency charges, interest, costs of collection, including court costs, the expenses of sale, any expense required for the protection and preservation of the Homesite or Lot, and reasonable attorneys' fees, shall be a binding personal obligation of such Owner, as well as a lien on such Owner's Homesite or Lot enforceable in accordance with the provisions of this Declaration. In addition to the above, if any Owner has not paid any assessment or installment, or any late charges or expenses related thereto, within sixty (60) days after the due date of the assessment or installment, the Association shall have the right to notify any or all Mortgagees having a security interest in such Owner's Homesite or Lots that such Owner is in default in the performance of his obligations under these Covenants, and of those actions taken or proposed to be taken by the Association as a result of the default.

Section 5.7 Certificate of Payment. Upon written demand by an Owner, the Association

with the covenants contained in this Section 5.8 at the time Declarant's right to appoint members to the Board of the Association expires or terminates. With regard to uncollected assessments, Declarant shall not be entitled to reimbursement until the assessment is actually collected. With regard to refunds of deposits, Declarant shall not be entitled to reimbursement until any such refund is received by the Association. The Declarant, however, shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. With regard to amounts owed to Declarant as provided for in subsection 5.8 above, said amount owed to Declarant shall be fully due and payable by January 31st of the year next following the end of the calendar year in which Declarant's right to appoint members to the Board expires or terminates. In addition, at the time Declarant's right to appoint members to the Board of the Association expires or terminates, Declarant shall have the right to withdraw from the Association reserve ARB amount provided for in subsection 5.3(e) an amount equal to one-half of the amount on deposit at that time to cover Declarant's good faith estimate of amounts which shall be owed to Declarant in Accordance with subsection 5.8 above. If for any reason the amount withdrawn exceeds the actual amount owed to Declarant as determined at the end of the calendar year then Declarant shall promptly refund such excess to the Association.

(e) In no event shall the Association's obligation to reimburse the Declarant as set forth in this Section 5.8 relieve the Declarant of the obligation to pay assessments in Accordance with subsection 5.3 above; however, the Declarant may set off amounts due as assessments against amounts owed Declarant hereunder.

(f) This Section 5.8 may only be amended with the prior written consent of the Declarant. Each Owner, by acceptance of a deed to a Homesite or Lot in the property, and the Association, shall be deemed to have approved of the reimbursements to Declarant required by this Section 5.8.

ARTICLE VI

GENERAL COVENANTS AND RESTRICTIONS

Section 6.1 Application. The covenants and restrictions contained in this Article VI shall pertain and apply to all Homesites and Lots and to Structures erected or placed thereon.

Section 6.2 Purpose. In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Lots, Homesites, Multi-Family Areas and all improvements located therein or thereon shall be set forth in this Article VI. Every Grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article VI.

Section 6.3 Architectural Review Board. The Board of Directors shall establish the Architectural Review Board which shall consist of up to five (5) (but not less than three (3)) members, who may or may not be members of the Board of Directors. Two of the Architectural Review Board members shall be representatives of Pingree & Wallace Properties, LLC. for so long as Pingree & Wallace Properties, LLC desires to provide the administration and agrees to fund the administration of the Architectural Review Board. The regular term of office for each

(c) The ARB, in its sole discretion may require that any contractor and or subcontractor, exclusive of those Pingree & Wallace Properties, LLC. for any planned improvements within the Development post payment and/or performance bonds with the ARB to ensure that such contractor or subcontractor shall satisfactorily complete such improvements, such bonds to be in the name of Association and to be in the form and amount satisfactory to the ARB. Pingree & Wallace Properties, LLC. rights under this subsection are not assignable except unto the Association.

Furthermore, the ARB, in its sole discretion, may require that an owner place in escrow with the ARB a sum of no more than five thousand dollars (\$5000) in order to assure the completion of all improvements, including landscaping, in accordance with approved plans and specifications, within the time periods provided in this Section 6.5 and in Section 6.7 hereof. The exterior or any improvements permitted by this Declaration shall be completed within one (1) year after the construction of same shall have been commenced, except where the ARB allows for an extension of time because such completion within such time is impossible or would result in great hardship to the Owner or builder thereof due to strikes, national emergencies, fire, flood, lightening, earthquakes, or other casualties. In the event that such improvements or landscaping are not completed in accordance with approved plans and specifications within the provided periods, the ARB shall be entitled to collect on or enforce any payment or performance bonds required hereunder so as to ensure the proper completion of any such improvements. Furthermore, the ARB shall be entitled to retain any sums so held in escrow for a penalty for such failure to complete, and such sums shall be remitted to and shall be the property of the Association. Any such sums so held in such escrow shall, at the discretion of the ARB be invested so as to earn interest, and any interest earn there on shall be paid to the Owner making such escrow deposit, if his escrow deposit is refunded, or, if remitted to the Association, shall be the property of the Association.

Section 6.6 Architectural Approval. To preserve the Architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner or Multi-Family Association, other than Pingree & Wallace Properties, LLC. with respect to the construction or exterior of any Homesite or with respect to any other portion of the Development, including but not limited to, the construction or installation of sidewalks, driveways, parking lots, mailboxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, docks, wharves, bulkheads, boat slips, boathouses, exterior lights, garages, guest or servant's quarters, or out buildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, but not limited to, if required by the ARB a survey showing the location of trees of four(4) inches in diameter at the height of two (2) feet and other significant vegetation on such Lot, Homesite, or Multi-Family Area) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design, location, and appearance in relation to surrounding structures, vegetation and topography by the ARB. One (1) copy of such plans, specifications and related data so submitted shall be retained in the records of the ARB, and the other copies shall be returned to the Owner or Multi-Family Association marked "approved" or "disapproved". The ARB shall establish a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys retained

the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such conditions. If the Owner shall fail to take reasonable steps to remedy the condition within thirty(30) days after the mailing of said written notice by certified mail, the Association shall have the Right of Abatement as provided in Section 8.2 hereof. Guidelines relating to the maintenance of Homesites and any Structures thereon, including artwork to be placed on an Owner's lawn, and landscaping (including the addition of tress, shrubbery, plants and fertilizers) shall be included in the Design Standards of the ARB, and Owner shall not undertake any such activities without the authorization of the ARB or the Declarant.

Section 6.9 Restriction of Use. Homesites may be used for single-family residential purposes only, or if conveyed or dedicated to the Association as Common Property, for such purposes as the Association sees fit (subject to such restrictions as may be contained in grant or conveyance of said Homesite or Lot) and for no other purposes provided that Declarant may operate sales offices and/or model homes on any Homesite or Lot owned by Declarant.

Section 6.10 Resubdivision of Property. Once a Lot or Homesite has been conveyed by Declarant to an Owner, the Lot or Homesite shall not be split, divided, or subdivided, for sale, resale, gift, transfer, or otherwise, nor shall its boundary lines be altered, without the prior written approval of the ARB of plans and specifications for such split, division, or subdivision, or boundary line alteration. This provision shall not apply to the Declarant who shall have the right, at its sole discretion, to alter boundary lines of any Homesite or Lot or acreage of any Lot owned by Declarant. Nothing herein contained shall be construed to prohibit the Declarant the right to re-plat any lots Homesite or Homesites into one (1), two (2) or more lots or Homesites which are owned by the Declarant, by subdivision, consolidation or reconfiguration, and the Declarant may take such other steps as are reasonably necessary to make such replanted Homesites or lots suitable and fit for use for its originally intended purpose. Such steps may include, but are not limited to, the relocation of easements, walkways and rights-of-way to conform to the new boundaries of said re-platted lots Homesites.

Section 6.11 Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Homesite or Lot without the prior written approval of the ARB of plans and specifications for the prevention and control of such erosion or siltation. The ARB may if, as a condition or approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices of controlling the run-off and drainage of water, special precautions in grading and otherwise change the natural landscape, and required landscaping as provided for in Section 6.6

Section 6.12 Landscaping. No construction or alteration of any Structure shall take place without the prior written approval by the ARB of plans and specifications for the landscaping to accompany such construction or alteration.

Section 6.13 Trees. No living tree having a diameter of three (3) inches or more (measured from a point two (2) feet above ground level) shall be removed from any Homesite unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of Sections 6.5 and 6.6 hereof. Guidelines relating to the preservation of trees and other natural resources and wildlife upon the Property may be included

the installation is for the personal use of the Owner and that the antennae, satellite dish or other receiving device will not be visible from the front of the Homesite. Notwithstanding the above, the ARB or Declarant shall have the power to require specific forms of screening such as fences or shrubbery as it deems appropriate in order to effectuate the intent of this Section 6.13 that such devices not be visible from the front of Homesites and in order to render the installation as inoffensive as possible to other Owners. All installations must comply with local zoning requirements and building codes if applicable.

Section 6.20 Clotheslines, Garbage Cans, Mailboxes. No clotheslines visible from any street, sidewalk or public area shall be permitted. All equipment, garbage cans, and woodpiles shall be kept in a garage or screened by adequate planting or approved fencing so as to conceal them from view by neighboring residences and streets. A central mail kiosk shall be provided and installed by Declarant at Declarant's sole cost and expense.

Section 6.21 Parking and Related Restrictions.

(a) No vehicles of any type whatsoever shall be permitted to park on the streets of the Development on a permanent basis. All vehicles must be off the street completely and not impeding the visibility of others.

(b) No licensed or inoperable vehicle, school bus, truck or commercial vehicle over three-quarters (3/4) ton capacity, house trailer, mobile home, motor home, recreational vehicle, camper, habitable motor vehicle of any kind, boat or boat trailer, trailers of any kind, or like equipment, exceeding twenty-four (24) feet in length shall be permitted on any Homesite or Lot.

(c) Vehicles and equipment described in Section 6.15(b) above, but which are less than twenty-four (24) feet in length, may be permitted on other than a temporary basis if stored within the garage with garage door closed.

(d) Any trash, firewood, wood scraps, building material or other such materials contained in any vehicle or trailer shall be covered from view.

(e) The purpose of this Section 6.15 is to help maintain the neat and attractive appearance of the Development by requiring the streets of the Development to remain clear. In effectuating the purpose of this Section, the ARB may adopt guidelines, rules and regulations which shall give greater substance to its provisions, as for example, by defining what shall be considered temporary or permanent in the case of each subsection above.

(f) The provisions of this Section shall not apply to Declarant.

Section 6.22 Recreational Equipment. Recreational and playground equipment shall be placed or installed on Homesite or Lot only after receiving approval from the ARB.

Section 6.23 Non-Discrimination. No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bonafide offer or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Homesite to any persons because of race, color, religion, sex, age or national origin. Anything in this Declaration to the contrary notwithstanding, this covenant shall run with the land and shall

persons are making such pick-up. At all other times such containers shall be screened or enclosed.

Section 6.27 Nuisances. No noxious or offensive activity shall be carried on upon any Homesite or Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the community.

Section 6.28 Landscape and Monument Easements. On Homesites subject to a Landscape or Monument Easement as set forth on any recorded plat of survey of the Development, such Homesites are subject to those easements rights set forth in Section 3.5.

Section 6.29 Permanence of Homesites. Prior to conveyance of individual Homesites, Declarant shall place upon each Homesite a Homesite together with appropriate improvements, such as decks and garages, which Homesites shall be permanently affixed to their foundation. Such Homesites shall thereafter be treated as real property for all purposes, and shall not be removed from their respective Homesites. Each Owner, by Acceptance of a deed to a Homesite or Lot, agrees not to demolish or remove any Homesite from its respective Homesite or foundation without the written approval of the ARB or Declarant and, further, to take all steps necessary to insure the continued treatment or classification of the Homesite as real property for all purposes whatsoever, including, but not limited to, taxation and financing of the Homesite.

ARTICLE VII

EASEMENTS, ZONING AND OTHER RESTRICTIONS

Section 7.1 Easements.

(a) Declarant hereby expressly reserves to the Declarant, its successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property owned by Declarant for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following:

- (i) the erection, installation, construction and maintenance of wires, lines, conduits and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television and other utilities and similar facilities;
- (ii) the erection, installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas, water and heat, and for any other public or quasi-public facility, service or function;
- (iii) slope control purposes, including the right to grade and plant slopes and to prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow;
- (iv) plants of any nature; and

interference to the quiet enjoyment of the Homesite by the Owner. Declarant's rights under this Section 7.1(c) (iv) shall terminate for Declarant whenever Declarant shall voluntarily terminate such rights or whenever Declarant shall cease to own at least five (5%) of all Homesite within the Property, whichever shall first occur. At such time as Declarant's rights under this Section cease, Declarant shall notify each Owner, in writing, of the termination of these, rights and easements.

(d) In addition to the above, the Declarant hereby grants a general easement in favor of utility, cable television and other such service companies across the initial phase of the Property, and across each portion of any Additional Property subsequently submitted to this Declaration by annexation as provided in Article X hereof, to maintain, repair, replace and service wires, pipes, conduits, street lights and other structures and facilities provided for the benefit of the Owners.

(e) The Declarant hereby expressly reserves a perpetual easement for the benefit of Declarant and its successors and assigns for the use and enjoyment of the surface waters of those portions of any Pond or Marshfront submitted as part of the Property, as well as a perpetual easement for the maintenance of Ponds, Marshfronts and Dock Area, if any, which are within the Development or which are made available for the use and enjoyment of the Owners within the Development. The easement to maintain any Pond created hereby shall not relieve any Owner of a portion of a Pond from maintaining said area as a portion of his Homesite. The Declarant, its successors and assigns, shall be under no duty to maintain any portion of any Ponds or Marshfronts; however, such an easement is reserved in case maintenance is necessary to facilitate the use and enjoyment of the surface waters. Any maintenance performed shall be undertaken with a minimum of interference to the quiet enjoyment of Property adjacent to any Pond or Marshfront. The easement area for maintenance shall extend to twenty (20) feet above the shoreline of the Pond or Marshfront which shall be determined at any time by the water level of the Pond or Marshfront shall include those portions of the Pond or Marshfront which extend over any Homesites adjoining the Pond or Marshfront. The easement for use and enjoyment created hereby will not include any portion of a Homesite above the water level, it being the intention of this easement to be limited to the waters of any Pond or Marshfront. The right to use and enjoyment of said water shall be subject to the restrictive covenants set forth in Section 6.18 of this Declaration as well as those regulations which may be promulgated by the Board of the Association from time to time.

(f) The easements created in this Article VII are in addition to any easements or rights created elsewhere in this Declaration or in other easements or record. The provisions of this Article VII may not be amended without the written consent of the Declarant, its successors and assigns.

Section 7.2 Easement Area. The words "Easement Area" as used herein shall mean those areas on any Homesite with respect to which easements are shown on a recorded deed or grant of easement, or on any filed or recorded map or plat relating thereto, or as otherwise set forth in Section 7.1.

Section 7.3 Entry. The Declarant and its employees or agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to

ARTICLE VIII

ENFORCEMENT

Section 8.1 Right of Enforcement. This Declaration and the restrictions contained herein shall inure to the benefit of and shall be enforceable by Declarant so long as it is an Owner or maintains the right to annex Additional Property in Accordance with Article X hereof, (ii) the Association, and (iii) each Owner, his legal representatives, heirs, successors and assigns.

Section 8.2 Right of Abatement.

(a) Except where different notice provisions are provided in Section 6.2, in the event of a violation or breach of any restriction contained in this Declaration the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty(30)days after the mailing of such written notice, then the Association shall have the Right of Abatement. If any assessment, interest, cost or charge required by this Declaration is not paid within sixty (60) days after such assessment is due or such charge is imposed, the Association shall have the right to notify any or all Mortgagees having a security interest in the Owner's Homesite or Lot that such Owner is in default in the performance of his obligations under these Covenants, and of those actions taken or proposed to be taken by the Association as a result of the default.

(b) The Right of Abatement, as used in this Section and Section 6.2 hereof, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Homesite or Lot, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions of this Declaration or the rules and regulations adopted by the Association, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions; provided such entry and such actions are carried out in Accordance with the provisions of this Section, and with the cost thereof, including the costs of collection and reasonable attorneys' fees, together with interest thereon at the lower of the highest rate permitted by law or 18% to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Homesite or Lot enforceable pursuant to the provisions of Section 8.5 hereof. Such lien shall be superior to any and all charges, liens, or encumbrances which may in any manner arise or be imposed upon the Homesite or Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 5.1 hereof, and (iii) the lien or charge of all first and second Mortgages of record (meaning any recorded Mortgages with first or second priority over other Mortgages) made in good faith and for value.

Section 8.3 Fines and Penalties and Creation of Lien.

(a) Except for nonpayment of any annual or special assessments, which is controlled

Section 8.6 No Waiver. The failure of the Declarant, the Association, or the Owner of any Homesite, his or its respective legal representatives, heirs, successors and assigns, to enforce these Covenants shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE IX

DURATION AND AMENDMENT

Section 9.1 Duration and Perpetuities. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of Declarant, for a period of fifty (50) years from the execution of this Declaration, subject to the right reserved unto Declarant, its successors and assigns, to add additional restrictive covenants with respect to the Property subject to this Declaration and the further right to limit or amend the application of these Covenants. After the initial fifty (50) year period of duration, all said covenants, restrictions and obligations shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the Owners of Homesites or Lots substantially affected by such change of Covenants, restrictions and obligations has been recorded, agreeing to change or terminate this Declaration, in whole or in part.

If any of the covenants, conditions, restrictions, easements or other provisions of these Covenants shall be unlawful, void or voidable for violation of the Rules Against Perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of those decedents of Her Majesty Queen Elizabeth II, the Queen of England, which are living as of the date this Declaration is executed.

Section 9.2 Amendment.

(a) By Declarant. So long as Declarant owns at least one (1) Homesite or Lot held primarily for sale, or has an unexpired option to add Additional Property to the Development these Covenants may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Homesites or Lots subject to these Covenants, (iii) if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Homesites or Lots subject to these Covenants, (iv) if such amendment would enable any governmental agency, such as the Veterans Administration or reputable private mortgage insurance company to insure Mortgage loans on the Homesites and Lots subject to these Covenants or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration; provided any such amendment shall not adversely affect the title to any Owner's Homesite or Lot, unless such Owner shall consent thereto in writing.

(b) By Owners and Declarant. These Covenants may be amended at any time and from time to time by the affirmative vote of at least two-thirds (2/3) of the Owners at a special or

(c) All Homesites or Lots created in portions of the Additional Property which are added to the Property will be restricted exclusively to residential purposes, in Accordance with Article VI of this Declaration, unless otherwise used as Common Property. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar further exercise of this option as to other portions or the balance of the Additional Property.

(d) If the Additional Property or any portion thereof is subjected to this Declaration, Declarant reserves the rights to designate the boundaries of the Homesites, Lots, and Common Property, if any, in Accordance with Article II of this Declaration

(e) The option reserved by Section 10.1 of this Article may be exercised by the Declarant alone (without the consent of the Association or any Owner) by the execution by the Declarant of an amendment to this Declaration which shall be filed for record in the Office of the Register of Mesne Conveyances for Beaufort County.

(f) In addition to the procedure outlined hereinabove, the option reserved by Section 10.1 of this Article may be exercised with respect to any portions of the Additional Property, notwithstanding that such Additional Property may be owned by Persons, including any individual, individuals, corporations, partnerships or any other type of entity, other than Declarant. Declarant shall exercise this option by an amendment expressly submitting such property to this Declaration, which amendment shall be filed for record in the Office of the Register of Mesne Conveyances for Beaufort County. Any such amendment shall contain a statement consenting to the annexation of any such Additional Property, together with a reference to the Declaration, (citing the specific Deed Book and Page in which such Declaration is recorded) executed by the owner or owners thereof submitting such Additional Property to this Declaration. Upon exercise of the foregoing procedure the provisions of this Declaration shall be understood and construed as embracing all of the Property, including the initial phase and such portions of the Additional Property as have become part of the Property by annexation in this manner

(g) Should the option to add Additional Property or any portions thereof, not be exercised within the term specified herein or be otherwise released or terminated by Declarant, Declarant shall not be obligated to impose on the Additional Property or any portion thereof any covenants, conditions or restrictions whatsoever.

Section 10.3 Effect of Annexation.

(a) From and after the date of annexation of any portion of any Additional Property, each Homesite and Lot so added to the Property and the Owners thereof, shall have the same vote, shall share the same obligations and responsibilities, and shall have the same rights and privileges afforded every other Homesite or Lot previously comprising part of the Property. Upon annexation of each portion of the Additional Property, as herein provided, the Association shall be deemed to have assumed, automatically, and without the necessity of consent by the Association, the Board or any individual Owner, the covenant to maintain the Common Property and the other obligations imposed by this Declaration, as amended from time to time, with respect to that portion of the Additional Property which is the subject of annexation.

(b) Each Owner, by Acceptance of a deed to a Homesite or Lot in the Property, and the Association, shall be deemed to have approved annexation in the manner provided in this

- (a) be entitled to attend and observe all meetings of Owners, but not meetings of the Board;
- (b) be furnished with copies of annual financial reports made to the Owners; and
- (c) be entitled to inspect the financial bonds and records of the Association during reasonable business hours.

Section 11.3 Insurance.

(a) Policies. At all times during the term of this Declaration, the Association, its successors and assigns, shall be required to keep any and all recreational facilities and any other improvements located on the Common Property fully insured by a reputable insurance company authorized to transact business in the State of South Carolina with (i) fire, vandalism, malicious mischief and extended coverage insurance in an amount adequate to cover the cost or replacement of such improvement in the event of loss of any and/or all of such improvements, fixtures and contents thereof; and (ii) public liability insurance in such amounts as shall be determined by the Board of Directors as appropriate for the type of recreational activities which shall be allowed on the Common Property. Any such policies of insurance shall require that the certificate holders are and continue to be insured by giving thirty (30) days prior written notice of any cancellation of such policies

(b) Destruction or Damage. Immediately after the damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 11.3, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

(c) Reconstruction. Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the total Association vote entitled to vote thereon, and, for so long as the Declarant owns at least one (1) Homesite or Lot, the Declarant, otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one hundred and twenty (120) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

(d) Special Assessments. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Association's Members, levy a special assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited for the benefit of the Association.

Section 12.1 No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

Section 12.2 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provisions hereof.

Section 12.3 Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

Section 12.4 Notices. All notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or consent of any kind made pursuant to this Declaration, whether by the Declarant, the Association, the ARB, the Owner, or any other Person, shall be in writing. Unless and until a different address is provided in writing to the party seeking to provide notice, all such writings shall be delivered, as may be appropriate, to the following addresses:

- (a) Declarant: Pingree & Wallace Properties, LLC
P.O. Box 549
Beaufort, SC 29901
- (b) Owners: Each Owner's address as registered with the Association in Accordance with the Bylaws.

Any written communication transmitted by the United States Mail, with sufficient postage affixed, shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail.

Section 12.5 Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and vice versa, and the singular shall be deemed to include the plural and vice versa.

Section 12.6 No Liability. Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by Acceptance of a deed conveying a Homesite or Lot, acknowledges that Declarant shall have no such liability.

Section 12.7 Trademarks. Declarant intends to register the mark "Picket Fences" or a similar mark as a registered trademark under the laws of the State of South Carolina. Each Owner, by Acceptance of a deed to any Lot or Homesite within the Property hereby acknowledges that "Picket Fences", "Pingree & Wallace Properties, LLC", "Picket Fences Community Homeowners' Association, Inc." and any associate designs are service marks and trademarks of Declarant. Each Owner agrees to refrain from misappropriating or infringing on the rights of Declarants to these marks.

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within-named PINGREE & WALLACE PROPERTIES, LLC. By Richard C. Pingree, its Managing Member, sign, seal, and as its act and deed, deliver the within document for the uses and purposes therein mentioned and that s/he, with the other witness subscribed above witnessed the execution thereof.



SWORN to before this 22nd
day of February, 2000.


Notary Public for South Carolina
My commission expires: 2-10-2008

Andrews Engineering

FILED 3341
JOHN A. SULLIVAN, JR.
R.M.C. *MSW*
BEAUFORT COUNTY, S.C.

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