

BK P 353PG101

DECLARATION OF COVENANTS
AND RESTRICTIONS FOR
BACK BAY VILLAGE OF MT. PLEASANT
LOCATED IN
THE TOWN OF MOUNT PLEASANT, S.C.

Developer:
BACK BAY VILLAGE, LLC,
A SOUTH CAROLINA LIMITED LIABILITY COMPANY

Owners:
BACK BAY VILLAGE, LLC,
A SOUTH CAROLINA LIMITED LIABILITY COMPANY

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

DECLARATION OF COVENANTS
AND RESTRICTIONS FOR

BACK BAY VILLAGE OF MT.
PLEASANT

THIS DECLARATION made by Back Bay Village, LLC, a South Carolina Limited Liability Company (hereinafter called "Developer");

WITNESSETH:

WHEREAS, Developer is the Owner of certain real property located in the Town of Mount Pleasant, Charleston County, South Carolina, which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, the Developer proposes to create on such property a subdivision (hereinafter referred to as the "Subdivision") containing detached home site lots, together with Common Areas as more fully described herein; and

WHEREAS, the Developer wishes to accomplish the following objectives for its benefit and the benefit of Owners of the property in the Subdivision by the imposition of the covenants and restrictions set forth herein:

(a) To maintain the value and the residential character and integrity of the residential portions of the Subdivision and to maintain the quality and value of any common areas in the Subdivision;

(b) To preserve the quality of the natural amenities of the Subdivision;

(c) To minimize or eliminate the possibility of any disruptions of the peace and tranquility of the residential environment of the Subdivision;

(d) To prevent the abuse or unwarranted alteration of the trees, marsh, vegetation, roads, creeks and other bodies of water and natural character of the land in the Subdivision;

(e) To prevent any property Owner or any other persons from building or carrying on any other activity in the Subdivision to the detriment of any Owners of property in the Subdivision; and

(f) To keep property values in the Subdivision high, stable and in a state of reasonable appreciation; and

WHEREAS, the Developer is desirous of maintaining design criteria, location, construction specifications, and other controls to assure the integrity of the Subdivision,

NOW, THEREFORE, the Developer hereby declares that all of the property described in Exhibit "A" shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the following easements, restrictions, covenants, charges, liens and conditions which are hereby imposed for the purpose of protecting the value and desirability of these lands and which restrictions, easements, charges, liens, conditions, and covenants shall touch and concern and run with title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in these described properties or any portion of them. This instrument also binds the respective heirs, devisees, fiduciary representatives, successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything who/which purchases or takes any interest in real property within the lands subject to this Declaration.

ARTICLE I DEFINITIONS

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

Section 1.1 Assessment shall mean and refer to an Owner's share of the common expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 1.2 Association means Back Bay Village Property Owners Association, Inc. (a South Carolina eleemosynary corporation), its successors and assigns.

Section 1.3 Board of Directors shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

Section 1.4 By-Laws of the Association shall mean and refer to those By-Laws of Association which govern the administration and operation of the Association attached hereto as Exhibit "B" and made a part hereof by reference, as may be amended from time to time.

Section 1.5 Common Areas shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public and the general public shall thereby have no easement or use or enjoyment therein. The Common Areas are designated on the Subdivision Plat described in Section 1.22. Neither the Association nor any Owner shall be entitled to

any right, title or interest in such property unless and until such property shall have been transferred to the Association.

Section 1.6 Common Expenses shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment or material reserves, consistent with the provisions and intent of this Declaration.

Section 1.7 Declaration shall mean this Declaration and all supplements and amendments to this Declaration as filed in the office of the Charleston County Register of Mesne Conveyances.

Section 1.8 Developer means Back Bay Village, LLC, a South Carolina Limited Liability Company, its successors, heirs and assigns.

Section 1.9 DHEC/OCRM shall mean and refer to, without limitation, the Department of Health and Environment Control and/ or the Office of Coastal Resource Management.

Section 1.10 Foreclosure shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of a judicial foreclosure.

Section 1.11 Improved Lot shall mean a Lot upon which a residence has been built and is substantially ready for occupancy.

Section 1.12 Lease shall mean and refer to any lease, sublease or rental contract, whether oral or written, for a term of hours, days, months or years.

Section 1.13 Living Space shall mean and refer to covered areas within a dwelling on a Lot which are enclosed and heated, exclusive of garages, unenclosed porches, porte-cocheres, carports, breezeways, terraces, balconies, decks, patios, courtyards, greenhouses, bulk storage areas, attics and basements.

Section 1.14 Lot shall mean and refer to: (1) those portions of the Subdivision identified as "Lots" on Exhibit "A" attached hereto.

Section 1.15 Mortgage, with an initial capital letter, shall mean and refer to a mortgage, security deed, deed of trust, installment land sales contract and security agreement or other similar security instrument granting, creating or conveying a lien upon, a security interest in, or a security encumbered title to a Lot or Common Area.

Section 1.16 Mortgagee, with an initial capital letter, shall mean and refer to the holder of a Mortgage.

Section 1.17 Occupant shall mean and refer to any person, including without limitation, any Owner or any guest, invitee, licensee, lessee, tenant, or family member of an Owner, lawfully occupying or otherwise using a Lot within the Subdivision.

Section 1.18 Owner, with an initial capital letter, shall mean and refer to one or more persons or entities, including Developer, who or which own(s) fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any Mortgagee or subsequent holder of a Mortgage, unless and until such Mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner.

Section 1.19 Person shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust, or any other legal entity or any combination thereof.

Section 1.20 Recreational Areas shall include such recreational areas owned by and so designated by Developer and/or the Association, without limitation and are, from time to time, located within the Subdivision or located within or dedicated to the Common Areas.

Section 1.21 Subdivision, with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit "A".

Section 1.22 Subdivision Plat shall mean and refer to a plat by Hoffman Lester Associates, Inc., dated October 24, 2000, and entitled "FINAL PLAT SHOWING THE SUBDIVISION OF TRACT A, KNOWN AS BACK BAY VILLAGE, A PORTION OF TMS 560-12-00-056, 28.99 ACRES, PROPERTY OF BACK BAY VILLAGE L.L.C., LOCATED IN THE TOWN OF MOUNT PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA". Said Plat was recorded in the RMC Office for Charleston County on _____, 2000 in Book _____, at Page _____.

Section 1.23 Builder shall mean and refer to any licensed contractor or residential homebuilder who purchases a Lot specifically for purposes of building a single family dwelling for resale to a third party.

Section 1.24 Reserve Fund shall refer to all Assessments initially collected from owners of Lots, and from time to time, and held for general operating purposes of the Association, even if not spent in the budget year.

ARTICLE II
PLAN OF DEVELOPMENT

Section 2.1 Plan of Development of the Subdivision.

The Subdivision initially shall consist of the Property described on Exhibit "A" attached hereto. The Developer covenants that the initial Subdivision consists of 57 lots. The Property shall also include certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots and the Recreational Area to the extent the same are, from time to time, existing and submitted to the provisions hereof. The dimensions of the property constituting the Subdivision are shown on the Subdivision Plat. The property within the Subdivision shall be subject to the covenants, easements and restrictions set forth in this Declaration. For so long as Developer owns any Lot primarily for the purpose of sale of the Lot, Developer shall have the right, but not the obligation, to make improvements and changes to all Common Areas and to any or all Lots or any other property owned by the Developer including but not necessarily limited to the following: (i) installation and maintenance of any improvements in and to the Common Areas, (ii) with the approval of the Town of Mount Pleasant, changes in the location of the boundaries of the Common Areas, and any Lots owned by Developer of the dedicated or undedicated Common Areas, (iii) installation and maintenance of any water, sewer and other utility systems and facilities, to include, but not limited to, TV, cable and its various attendant services and telephone service to include teletype or computer, telex, news service, or computer, or any such like instrument used in the transmittal, reception, or retrieval of messages, facts, or information, (iv) installation of security and/or refuse facilities.

Section 2.2 Interest Subject to Plan of Development.

Every purchaser of a Lot or any portion of the Subdivision shall purchase such Lot or other Property and every Mortgagee and lien holder holding an interest with respect thereto, with notice of Developer's plan of development as set forth herein, and, with respect to each Lot to convey to the purchaser thereof the title to the Lot or other Property and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Developer.

Section 2.3 Development. The Developer declares that as a part of the development of the subdivision, it will construct and convey to the Association an entrance way into the subdivision. The Developer will only have the obligation to maintain the landscaped island and the Subdivision entrance until such time as the Association receives title to the Common Areas including the entranceway. It shall be

the responsibility of the Association to maintain the entrance. The owners of any land within the subdivision do hereby acknowledge and agree that neither the Developer nor the Association shall have any liability for failure to properly construct or maintain the entrance, regardless of whether such design, construction or maintenance was done in a proper and reasonable manner. The Owners by the purchase of any lot agrees for himself and his immediate family and invitees that he and/or they will not bring any action or suit against the Developer, its officers, the Association or member of the Association to recover for any damages resulting from the construction or maintenance of the entrance.

ARTICLE III
THE ASSOCIATION: MEMBERSHIP AND VOTING RIGHTS

Section 3.1 The Association. The Developer has established or will establish the Association for the purpose of exercising powers of maintaining and administering common facilities and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing assessments and charges herein created. Further the Developer reserves the rights to convey to the Association and the Association agrees to accept any or all of the Developer's rights and obligations set forth herein. The Association shall be authorized but not required to provide the following services:

- (a) Clean-up, maintenance, landscaping of all common areas, including walking paths and open space, within the Subdivision or in a reasonable proximity to the Subdivision such that their clean-up, maintenance, or landscaping would improve the appearance of the Subdivision as a whole.
- (b) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local governments.
- (c) To take any and all actions necessary to enforce all covenants and restrictions affecting the Subdivision, including the right to place liens on property, and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Subdivision.
- (d) To construct or reconstruct improvements on open spaces and common areas and maintain the entrance, lakes, and lagoons located within the Property, including the stocking of such lakes and lagoons if approved by the Board of Directors.
- (e) To provide or obtain administrative services including, but not limited to, legal, accounting and financial communication services informing members of activities, notice of meetings, referendums, etc., incident to the above listed services.

- (f) To provide liability and hazard insurance covering improvements and activities on the open spaces and the Common Properties, independently or in collaboration with the Developer.
- (g) To provide directors and officers liability insurance for the Association and its duly elected Directors and Officers.
- (h) Landscaping of roads, within the Subdivision and any common areas or open spaces located therein.
- (i) To purchase, lease or acquire additional real property and to construct, maintain and operate any improvements thereon for the benefit of the members of the Association.
- (j) To borrow money and mortgage its real property.
- (k) To set up, or assume the responsibilities of, and operate the Architectural Control Committee as provided herein;
- (l) To foster community relations within the Subdivision among Lot Owners.
- (m) To provide any and all services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligation and business under the terms of this Declaration.

Section 3.2 Rules and Regulations. The Association may adopt from time to time additional reasonable rules and regulations governing the use of Common Areas, Open Spaces and Lots.

Section 3.3 Membership. Every person or entity who is an Owner of any Lot which is subjected to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot which is subject to assessments.

Section 3.4 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners excepting the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.3 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, or may be split equitably among such mutual owners, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The sole Class B member shall be the Developer. The Class B member shall be entitled to one hundred (100) votes for each Lot in which it holds the interest required for membership under Section 3.3 above, provided, however, the Developer shall have no right to vote in connection with the acquisition of Property by the Association pursuant to the provisions of Section 5.4.

Section 3.5 Initial Assessment. The Association shall set up an Initial Reserve for funding the initial budget of the Association. The Initial Assessment shall be paid to the Association and used by the Association for its regular operations and/or reserves. The Initial Assessment shall be set at \$500 and shall be payable to the Association by the initial lot purchaser at the time of the lot purchase. In the event of non-payment of such Initial Assessment fee the amount due shall bear interest and shall be collectible as an assessment as set forth in Article VI hereof. The Association may require the purchasing and/or selling Owner to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of deed, or other such evidence. In no event shall an Initial Assessment be levied against the Developer.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON AREAS AND EASEMENTS

Section 4.1 Owners' Easements of Enjoyment. Subject to the provisions herein, including Section 3.1 and 4.3, every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas owned by the Association, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 4.2 Extent of Owners' Easements. The rights and easements created hereby shall be subject to the following:

(a) The right of the Association to give, dedicate, mortgage or sell all or any part of its real property to any person, including a public agency, public service district, a utility company or private person pursuant to the terms of Section 3.1.

(b) The right of the Developer, and of the Association, to grant, reserve and accept easements and rights of way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities and services, including a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights of way through, over and upon and across the Common Areas for the completion of the Subdivision, and for the operation and maintenance of the Common Areas.

(c) The rights of the Association, to establish rules and regulations for the Subdivision and to prescribe fees and charges from time to time for use of the Recreational Areas.

(d) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Owner for any period during which any assessment remains unpaid and for a period determined by the Board of Directors for any infraction of its published rules and regulations, and

(e) The right of the Association to establish rules and regulations for the Subdivision and to prescribe fees and charges from time to time for use of the Recreational Amenities.

Section 4.3 Additional Structures. The Association or any Owner or any group of Owners shall not, without the prior written approval of the Architectural Control Committee, erect, construct or otherwise locate, or permit the existence of, any structure or other improvement in the Common Areas other than those initially provided by the Developer to the Association.

Section 4.4 Easements for Developer. During the period that Developer owns any real property within the Subdivision, or owns any Lot primarily for the purpose of sale, Developer shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots, any improvements to the Common Areas and for installing, maintaining, repairing and replacing such other improvements to the Subdivision as are contemplated by this Declaration or as Developer desires in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall Developer have the obligation to do any of the foregoing.

Section 4.5 Changes in Boundaries; Additions to Common Areas. Developer expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of any Lots or Recreational Areas owned by Developer, including the realignment of boundaries between adjacent Lots and/or other property, owned by Developer provided the Developer obtains the approval of the Town of Mount Pleasant.

Section 4.6 Easements for Utilities. There is hereby reserved for the benefit of Developer, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) an area across every Lot ten (10') feet in width along the front boundary lines thereof, and five (5') feet in width along the side and rear boundary

lines of non-waterfront lots thereof; for the purpose of installing, replacing, repairing, maintaining all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines, master television antenna system, cable systems and security systems and the Perimeter Fences. Such easements may be granted or accepted by Developer, its successors and assigns or by the Board of Directors; provided however that for so long as Developer owns any real property within the Subdivision, owns any Lot primarily for the purpose of sale the Board of Directors must obtain the written consent of Developer prior to granting or accepting any such easements. To the extent economically practical, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the holder of the easement rights with respect to the portions of the Subdivision so encumbered: (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities, Perimeter Fences and systems.

Section 4.7 Easements for Signs and Walls, Walking Trails, Ponds, Lakes, Lagoons, and Structures. There is hereby reserved for the benefit of Developer, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement upon, over and across all other lands which are not Lots for the installation, maintenance and use of traffic directional signs, street signs, drainage ways, walls, walking trails, ponds, lakes, lagoons, and structures and related improvements.

Section 4.8 Maintenance Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents and employees, including but not limited to any property manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties including the mowing, clearing of underbrush, or other unsightly growth or removal of trash, so as to maintain reasonable standards of health, fire safety, and appearance within the Subdivision, provided that such easements shall not impose any duty or obligation upon the Developer or the Association to perform any such actions. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant.

Section 4.9 Environmental Easements. There is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors and assigns, an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Common Areas, Lots and for the purposes of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the

right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

Section 4.10 No Partition. There shall be no judicial partition of the Subdivision or any part thereof, nor shall any person acquiring any interest in the Subdivision or any part thereof seek any such judicial partition unless the Subdivision has been removed from the provisions of this Declaration.

Section 4.11 DHEC/OCRM. NOTICE IS HEREBY GIVEN OF THE RESTRICTION THAT AS TO ANY PORTION OF ANY LOT WITHIN THE SUBDIVISION WHICH MAY CONTAIN SUBMERGED LAND OR OTHER CRITICAL AREAS, ALL ACTIVITIES ON OR OVER AND ALL USES OF SUCH LAND OR OTHER CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF DHEC/OCRM. ANY OWNER IS LIABLE TO THE EXTENT OF SUCH OWNER'S OWNERSHIP FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS OR OTHER CRITICAL AREAS.

Section 4.12 Wells and Effluent. There is hereby reserved for the benefit of Developer, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement (i) to pump water from lagoons, ponds and other bodies of water located within the Subdivision for purpose of irrigating any portions of the Subdivision and for other purposes, (ii) to drill, install, locate, maintain and use wells, pumping stations, and related water facilities and systems within the Common Areas, including within any portion of the Recreational Amenities.

Section 4.13 Title to Common Areas The Developer hereby covenants for itself and its successors and assigns that it will, on or before the later of (i) the sale of at least 90% of the Lots by the Developer or (ii) September 30, 2001, convey to the Association in accordance with the provisions hereof, by Quit Claim Deed or deeds or other conveyance as may be mutually acceptable, fee simple title to the Common Areas free and clear of all liens and encumbrances of record except taxes not yet due and payable and standard utility and drainage easements serving the Common Areas and/or the subdivision, and also subject to the following covenant, which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition by the Association and shall be operated in accordance with high standards. The maintenance and repair of the Common Areas shall include, but not be limited to, the repair of damage to ponds, walkways, pathways, buildings, structures, recreational equipment, fences, sign, and utility lines, connections, and appurtenances.

This Section shall not be amended so as to eliminate or impair the obligation for the maintenance and repair of the Common Areas.

ARTICLE V
RIGHTS OF ASSOCIATION WITH RESPECT TO
COMMON AREAS AND PORTIONS OF LOTS

Section 5.1 Common Expenses. The Association shall have the right to make or cause to be made such alterations, modifications, improvements, repairs, maintenances and replacements to the Common Areas and the portions of Lots set forth herein, and the cost thereof shall be assessed as common expenses and collected from the Owners on an equal basis.

Section 5.2 Responsibilities of Owners. Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Lots, together with all other improvements thereon or therein and all lawns, landscaping and grounds on and within a Lot shall be the responsibility of the Owner(s) of such Lot. Developer shall be responsible for Developer-owned properties. Each Owner shall be responsible for maintaining such Owner's Lot, as the case may be, in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all buildings and other structures. All attendant lawns, trees, shrubs, hedges, grass, natural areas, and other landscaping shall be maintained by the Owner(s) thereof. As provided in Section 5.3 hereof, each Owner shall also be obligated to pay for the costs incurred by the Association or Developer for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. NO OWNER SHALL: (I) DECORATE, CHANGE OR OTHERWISE ALTER THE APPEARANCE OF ANY PORTION OF THE EXTERIOR OF A STRUCTURE, FENCE, OR IMPROVEMENT ON ANY LOT UNLESS SUCH DECORATION, CHANGE OR ALTERATION IS FIRST APPROVED IN WRITING BY THE ARCHITECTURAL CONTROL COMMITTEE AS OTHERWISE PROVIDED HEREIN; OR (II) DO ANY WORK WHICH, IN THE REASONABLE OPINION OF THE ARCHITECTURAL CONTROL COMMITTEE, WOULD JEOPARDIZE THE SOUNDNESS AND SAFETY OF THE SUBDIVISION, REDUCE THE VALUE THEREOF, AFFECT THE ARCHITECTURAL INTEGRITY, OR IMPAIR ANY EASEMENT OR HEREDITAMENT THERETO, WITHOUT IN EVERY SUCH CASE OBTAINING THE WRITTEN APPROVAL OF THE ARCHITECTURAL CONTROL COMMITTEE AND THE OWNERS AND MORTGAGEES OF THE LOTS DIRECTLY AFFECTED THEREBY OR BENEFITTING FROM SUCH EASEMENT OR HEREDITAMENT.

Section 5.3 Association's Responsibility.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which

responsibility shall include the maintenance, repair and replacement of: (i) all Common Areas, landscaped areas/natural areas, drainage and ponds, and other improvements situated within the Common Areas or within easements encumbering Lots, including the entrance, and (ii) utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Developer or a public authority, public service district, public or private utility or other person. The Association shall not be liable for injury or damage to any person or property (a) caused by the elements or by any Owner or any other person; (b) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (c) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility of the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored or left in or upon any portion of the Common Areas or any other portion of the Subdivision. No diminution or abatement of assessments or any dues or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner. The Developer intends that all roads providing access to Lots within the Subdivision shall be public roads.

(b) In the event that the Board of Directors determines that: (i) an Owner(s) has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he or it is responsible hereunder; or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees and is not covered or paid for by insurance in whole or in part, then, in either event, the Association, except in the event of an emergency situation, may give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner and said cost shall be added to and become a part of the assessment to which such Owner and his Lot are subject and shall become a lien against such Lot. In the event that the Developer undertakes such maintenance,

cleaning, repair or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses.

(c) So long as the Developer has an interest in the Common Areas and in the event that the Developer determines that: (i) an Owner or the Association has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he or it is responsible hereunder then, the Developer, except in the event of an emergency situation, may give such Owner written notice of the Developer's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner or the Association and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner or the Association shall have fifteen (15) days within which to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner or the Association to comply with the provisions hereof after such notice, the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner or the Association and said cost shall be added to and become a part of the assessment to which such Owner and his Lot are subject and shall become a lien against such Lot or in the case of the Association, shall be added to and become a part of the assessments for all Owners and shall be a lien against all non-exempted Lots. In the event that the Developer undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 6.1 Creation of the Lien and Personal Obligation of Assessments.

The Developer, for each Improved Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (i) annual assessments or charges for the maintenance of the Common Areas, including but not limited to the entrance way, any ponds, structures, and any equipment or other assets owned by the association, including such reasonable reserves as the Association may deem necessary, and (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due.

Section 6.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners in the Subdivision (and their respective families, guests, tenants and invitees) and for the improvement, protection, replacement, operation, and maintenance of the Common Areas and for the provision of various forms of insurance for the Association, its property (including the dedicated Common Areas), members, directors, officers, employees and agents, and for the provision of necessary and reasonable services, and for the other expenses of the Association. The assessment shall be based on an annual budget presented by the Board of Directors of the Association as determined in the following manner: The Initial Assessment defined in Section 3.5 and collected on or before September 30, 2001 shall be used to operate the Association from that date until December 31, 2000. Prior to the end of 2001 but not later than December 1, 2001, the Board of Directors shall cause a budget for the calendar year 2002 to be prepared and approved in accordance with these Covenants. In accordance with these Covenants, the Assessment for that calendar year shall be apportioned to all Lot owners whether or not such Lot is occupied by any real improvements. All funds remaining at the end of any calendar or other fiscal year may be held as excess reserves by the Association, or recommended to the Lot Owners that future Assessments be lowered so long as there is not an unreasonable risk that funds will not be available for the continued maintenance and well being of the Common Areas and improvements thereon.

Section 6.3 Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, additional expenses incurred or to be incurred by the Association in excess of the Annual Assessment, or the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6.4 Notice and Quorum for Special Assessments. Written notice of any meeting called for the purpose of voting on any proposed Special Assessment authorized under Section 6.3 above shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting; unless the Board of Directors determines in its sole discretion that the matter concerns an emergency in which case 2 days prior notice shall be sufficient. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at each subsequent meeting shall be thirty percent (30%) of all the votes of each class of membership. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6.5 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots (whether improved or unimproved) and may be collected on a monthly, quarterly or annual basis.

Section 6.6 Due Date for Annual Assessments. The annual assessments provided for herein shall commence as to each Lot on the first day of January, 2002. The first annual assessment shall be adjusted based on a full calendar year. At the closing of the purchase of a Lot by a Builder or initial Lot Owner the Initial Assessment of \$500 shall be due and payable to the Back Bay Village Property Owners Association. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period or as soon thereafter as practical. The initial Assessment and each Annual Assessment shall be due and payable to Back Bay Village Property Owners Association, Inc., and there shall be no pro-ration. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specific Lot has been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. The first Annual Assessment shall be determined based on an initial budget prepared in a business like manner by the Board of Directors and approved by those Owners attending a duly called meeting on or before December 1, 2001 for the purpose of setting the budget for 2002. Notwithstanding the above, the Developer may, in its sole discretion, set the first annual budget if the Owners do not reach an agreement acceptable to the Developer. No subsequent budget shall include the "override" vote of the developer except as provided elsewhere in these Covenants. The Association shall not increase the assessment more than five (5%) percent per annum.

Section 6.7 Working Capital. Funds collected on or before September 30, 2001 shall be used to operate the Association until the first annual Assessment. Funds not spent from the Initial Assessment and prior to the collection of the first annual Assessment or any portion thereof, shall be used by the Association for the purposes of maintaining a Working Capital fund. The purpose of such working capital fund is to insure that the Association will have cash available to meet unforeseen expenditures.

Section 6.8 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to the lesser of (a) eighteen percent (18%) per annum or (b) the maximum rate provided by applicable law. The Board of Directors shall annually determine the amount of the penalty to be added and consistently applied to all delinquent assessments in addition to the interest charge. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot (as in the foreclosure of a mortgage), or both. No Owner may waive or otherwise escape liability for the assessments

provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 6.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any deed or other proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 6.10 Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantees in conveyances made for the purposes of granting utility easements.
- (b) Owners of all open space and common properties.
- (c) all lands below the mean high water mark; and
- (d) unsubdivided land owned by the Developer.

ARTICLE VII USE RESTRICTIONS AND ARCHITECTURAL CONTROL COMMITTEE

Section 7.1 Conformity and Approval of Structures. No structure, fence, sidewalk, drive, or other improvement shall be placed or altered on any Lot nor shall any change in topography or landscape except in accordance with the provisions of this Declaration.

Section 7.2 Architectural Control Committee. No building, fence, wall or other structure, and no change in topography, landscaping, grading, filling, or any other item shall be commenced, erected or maintained upon any portion of the Subdivision, including any Common Area, nor shall any exterior addition to or change be made until the plans and specifications (including but not necessarily limited to all elevations, a complete landscaping plan for the Lot and a complete tree survey of the Lot, including any Common Area) showing the grading, filling, nature, kind, size, shape, height, materials, color and location of the same on the Lot or Common Area shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Architectural Control Committee. Any change in exterior appearance of any building, wall, fence or

other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval.

Three (3) copies of said plans and specifications shall be submitted. The Architectural Control Committee reserves the right to refuse the approval upon any ground including purely aesthetic conditions which in the sole and uncontrolled discretion of the Architectural Control Committee shall seem sufficient.

The Architectural Control Committee shall be comprised of (not less than three (3) representatives to be appointed by the Developer for so long as the Developer, or its assigns, owns any Lots within the Subdivision. Upon the sale of all of the Developer's Lots, the Board of Directors of the Association shall appoint not less than three (3) representatives. The Developer shall have the right to transfer all or part of its rights of such appointments to the Association at any time prior to the sale of all of its Lots. The Architectural Control Committee shall have the power and authority to require a minimum application fee with each request or submission of plans or specifications. The Architectural Review Board shall have the power and authority to adjust the application fee from time to time.

In the event that the Architectural Control Committee fails to approve or disapprove or request additional information with respect to any application within thirty (30) days after complete written plans and specifications have been submitted to it, the same shall be deemed approved, and this article shall be deemed to have been fully complied with, provided, however, that no such failure to act shall be deemed an approval of any matters specifically prohibited by any other provisions of this Declaration. Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Architectural Control Committee may deem sufficient.

No member of the Architectural Control Committee shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans or specifications approved by the Architectural Control Committee. Further, no member of the Architectural Control Committee shall be liable for damages to anyone submitting plans or specifications for approval under this Section, or to any Owner of property affected by this Declaration by reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Control Committee for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against the Developer, or any member of the Architectural Control Committee, to recover for any such damage. No approval of plans, location or specifications shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in

a good workmanlike manner. Neither the Developer, the Association or the Architectural Control Committee shall be responsible or liable for any defects in any plan or specification submitted, revised or approved under these covenants nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby hold Architectural Control Committee and the Developer harmless for any failure thereof caused by the Owner's architect or builder.

Section 7.3 Objectives of the Architectural Control Committee. Architectural and design review shall be directed towards attaining the following objectives for the Subdivision:

(1) Compliance with the Architectural Guidelines developed from time to time by the Architectural Review Board.

The listing of specific requirements in no way limits the right and authority of the Architectural Control Committee to require any other specific requirements to be included in the plans and specifications, including the landscaping plans.

(2) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms.

(3) Insuring that the location and configuration of structures are visually harmonious with the terrain, with the vegetation of the Lot or Common Areas and with surrounding Lots and structures, and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.

(4) Insuring that the architectural design of structures and their materials and colors are visually harmonious with the Subdivision's overall appearance, history and cultural heritage, with surrounding development, with natural land forms and native vegetation, and with development plans, officially approved by the Owner, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located.

(5) Insuring the plans for landscaping provide visually pleasing settings for structures on the Lots and Common Areas and on adjoining or nearby Lots which blend harmoniously with the natural landscape.

(6) Insuring that any structure, building or landscaping complies with the provisions of these covenants.

(7) Promoting building design and construction techniques that respond to energy consumption and environmental quality considerations such as heat loss, coastal wind and storm damage control, air emissions and run-off water quality.

Section 7.4 Residential Use of Lots. All Lots shall be used for single-family residential purposes exclusively except as permitted by Section 2.1, Section 7.31 and Section 5.4 herein. Except as provided in Sections 2.1 and 7.31 no structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling and such accessory structures as may be approved by the Architectural Control Committee, provided, however, that nothing contained herein shall be construed to prevent the Developer from maintaining one sales office in the Subdivision for the purpose of selling Lots or other property in the Subdivision.

Section 7.5 Setbacks and Building Lines. Each dwelling which shall be erected on any Lot shall be situated on such Lot in accordance with the building and setback codes of the Town of Mount Pleasant, South Carolina.

In certain cases, the Architectural Control Committee may grant variances from these minimum setback requirements and may require an Owner to seek a variance from the Town of Mount Pleasant, South Carolina, if necessary, to protect important trees, vistas or to preserve aesthetic value.

Section 7.6 Size Requirements. The living space of the main structure on any Lot shall not be less than the following minimum heated living areas: For any Lot containing .25 acres or less, 2500 square feet; for any Lot containing .251 to .40 acres, 2600 square feet; for any lot containing .41 acres or more, 2700 square feet; and for any lot containing marsh frontage, 2800 square feet. Houses of less than the stated minimum living space may be approved by the Architectural Control Committee if in the opinion of the Architectural Control Committee the design and construction of the house would be in keeping with the adjoining properties and the lowering of the minimum living space requirement for such Lot would not depreciate the value of the adjoining properties subject to this Declaration, provided, however, the Architectural Control Committee shall have no authority to permit the construction of any house of less than 2,500 square feet of total heated living space.

Section 7.7 Height Limitation. No residence or structure shall be built or erected which exceeds the maximum height restrictions of the Town of Mount Pleasant unless previously approved by the Architectural Control Committee and obtaining of a variance by the Town of Mount Pleasant.

Section 7.8 Tree Removal. No trees or bushes of any kind having a diameter of six (6") inches or more (measured from a point two (2') feet above the ground level) shall be removed from any Lot or Common Area without the express written authorization of the Architectural Control Committee. The Architectural Control Committee shall further have the authority to require any person removing a tree in violation of this clause to replace same at such Owner's cost. The Architectural Control



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Committee reserves the right to have specimen trees preserved and to have site planning provide for their preservation.

Section 7.9 Fences. Front, side and/or rear yard fences or architectural walls incorporated into the landscape design of all lots is strongly encouraged. Said fences shall be constructed of treated wood (stained or painted to match the colors of the siding on the principal house structure), brick or wrought iron, or as approved by the Architectural Control Committee in its sole discretion. Said fences shall be allowed only after obtaining prior written approval of the Architectural Control Committee. No fences shall be permitted which obstruct the view of any marsh, stream or other body of water when viewed from inside any adjacent Lot. No fences shall be constructed which obstruct access to any common areas.

Section 7.10 Prohibition of Open Outdoor Storage. No junk, debris or materials of any kind shall be stored on a Lot other than in an approved enclosed structure or in a manner that is visible from any other Lot, Common Area, street, easement or amenity area. Firewood, trash cans, and bicycles may be stored outside in side yards or rear yards only, which are not visible from any Common Area or from inside any lot or street unless otherwise approved by the Architectural Control Committee.

Section 7.11 Prohibition of Accessory Structures. No clotheslines, drying yards, dog houses, tree houses, swimming pools, sheds, or any other accessory structure shall be constructed upon any Lot unless approved by the Architectural Control Committee prior to installation or construction.

Section 7.12 Uniform Mail Boxes. All mail boxes located within the Subdivision shall be uniform and shall be built by the Builder or Owner of either brick or stucco materials and shall include a mail box which meets postal requirements.

Section 7.13 Trash Receptacles. All trash receptacles shall be kept out of sight except on pick up days only or as approved by the Architectural Control Committee.

Section 7.14 Flood Lights. All lights erected on any lot or onto any dock or residence or accessory thereto shall be hooded so that the light is reflected in such a manner that it does not shine onto any other Lots, residences or docks. In the event that lighting is installed on a Lot and does not meet the reasonable standards of the Architectural Control Committee, the Architectural Control Committee shall have the authority to demand the removal, relocation or redirection of such lighting.

Section 7.15 Additional Restrictions for Lots or Common Areas Fronting Marsh.

(a) No foliage or vegetation on the marsh shall be removed or altered without permission of the Architectural Review Board and South Carolina Coastal Council.

(b) No dock, pier, or wharf shall be constructed on the marsh without the approval of the Architectural Control Committee. In order to obtain such approval, it will be necessary to submit plans specifying the location, color, height, finish and other details of such proposed facility. The Architectural Control Committee shall have the right to require uniformity of design and to require submission of approved designs for docks, piers, or wharfs. The Architectural Control Committee has the right to disapprove such plans on any grounds including aesthetic consideration. Any approved dock, pier, or wharf must be well maintained by the Owner and, if not maintained as required, enforcement of this requirement may be enforced as provided herein in cases of violations of these covenants.

Notwithstanding the approval of the Architectural Control Committee

- (1) All docks must be of normal elevation with no extension over four (4') feet above the walkway or dock head;
- (2) All lights on docks must be hooded to prevent the shining of lights onto adjacent lots or docks; and
- (3) Permits must be obtained from all requiring governmental agencies.

Section 7.16 Sign Controls. No signs of any character shall be erected on any Lot or displayed to the public on any Lot or Common Area except "For Sale" sign or signs indicating the name of one contractor only (not subcontractors) during the period of sale or construction only, provided said signs (a) shall not exceed two square feet in size, (b) shall only refer to the premises on which displayed, (c) shall be located within 15 feet of the main structure but no less than 25 feet from the front street right of way, and (d) shall not exceed more than one per Lot. This restriction shall not apply to signs used to identify and advertise the Subdivision as a whole, nor to signs for selling Lots during the development and construction period, which period shall not exceed two (2) years from the date hereof, provided such signs are approved by the Architectural Control Committee. The Owner's name and house Lot number may only be placed on the mailbox post as prescribed by the Homeowner's Association and approved by the Architectural Control Committee.

Section 7.17 Water Systems. No individual water supply system shall be permitted upon any Lot with the exception of a shallow well to be used for irrigation purposes only, which shallow well shall be approved in writing in all respects, including the pump and the covering or screen thereof and method of operation by Architectural Control Committee, prior to installation. The Owner shall be responsible for connecting the Lot to the central water system, including payment of all tap-in and meter fees in connection therewith and providing an irrigation system to adequately provide sprinkler coverage for grassed and planted areas of each Lot on which a permanent residence is constructed. Withdrawing water from the lakes, ponds, or lagoons for Lot use is

prohibited except as allowed by the Homeowners Association for watering Common Areas.

Irrigation systems shall be required on each lot. Areas to be irrigated shall include all areas where grass or other vegetation, including trees, shrubs or grasses or other groundcovers as further outlined in Section 7.32 have been added or are being maintained by the homeowner.

Section 7.18 Sewer System. No surface toilets or septic tanks are permitted in the Subdivision. Plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to the central sewer system of the Subdivision. The Owner shall be responsible for connecting the Lot to the central sewer system, including payment of all tap-in and meter fees in connection therewith.

Section 7.19 Exclusion of Above Ground Utilities. All electrical service, wires, pipes, lines, telephone, cable television (CATV) lines and utility services of any type shall be placed in appropriate conduit underground and no outside electrical lines shall be placed overhead unless approved by the Architectural Control Committee. No exposed or exterior radio or television transmission or receiving antenna (except cable dishes of 8" or less which are not visible from the street) shall be erected, placed or maintained on any part of the Subdivision except those facilities approved by the Architectural Control Committee. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the Subdivision. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

Section 7.20 Communication System. There shall not be permitted or maintained any type of radio or communications system antenna or satellite disc on any exterior portion of a dwelling or on any Lot.

Section 7.21 Timely Construction Progress. Once construction of improvements on a residence is started on any Lot, the improvements must be substantially completed within twelve (12) months from commencement of construction and all landscaping must be completed within ninety (90) days after completion of the improvements or residence. All construction sites must be maintained in an orderly fashion and all construction debris must be placed in a trash container or removed within forty-eight (48) hours. The Developer retains the right to set time frames for initial construction to begin from the date of initial Lot purchase from the Developer. Such time frame is detailed in the Purchase and Sale Agreement between Developer and initial Lot Owner.

Section 7.22 Re-Building Requirement. Any dwelling or out-building on any Lot which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a natural

condition with reasonable promptness, provided, however, that in no event such debris remain longer than three (3) months.

Section 7.23 Elevation and Drainage Changes. No changes in the elevation, topography or drainage characteristics of the Subdivision other than those outlined in the architectural design drawings of the Developer shall be made on the premises without the prior written approval of the Architectural Control Committee nor shall any fill be used to extend any property beyond any boundary line of any waterfront property.

Section 7.24 Replatting of Lots. No Lot shall be subdivided by an Owner, or its boundary lines changed, except as herein provided. The Developer hereby expressly reserves to itself, its successors and assigns, the right to replat any one or more Lots owned by the Developer shown on the plat of said Subdivision in order to create a modified Lot or Lots. The Developer also reserves the right to amend and modify the Subdivision Plat to change road locations and lot configurations prior to transfer of such Lots, provided that the number of Lots is not increased from the number shown on the Subdivision Plat. Property lines between Lots may be adjusted and modified with the consent of the Adjacent Owners and the Architectural Control Committee.

Section 7.25 Prohibition Against Business Activity. No business activity, including but not limited to, any retail, wholesale or industrial business or the like or any trade of any kind whatsoever shall be carried on upon or in any Lot except that "at home" personal businesses shall not be prevented provided they do not negatively impact the subdivision by creating traffic or other nuisances or as approved by the Architectural Control Committee in its sole discretion. Nothing herein shall be construed to prevent the Developer from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales and lease or management of Lots in the Subdivision. Provided, however, that nothing herein contained shall prevent the Developer from erecting and maintaining sales and marketing signs in Common Areas or on other property owned by Developer.

Section 7.26 Prohibition Against Time-Sharing. No Lot or structure shall be "time shared", as defined by the statutory provisions regulating Vacation Time Sharing Plans, S.C. Code Ann. Sections 27-32-10 et seq. (1986 Supp.), as the same may be amended from time to time.

Section 7.27 Temporary Structures. No structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to shelters approved by the Developer and used by a contractor during construction of a house, it being clearly understood that the latter temporary shelters may not, at any time, be used for residence or permitted to remain on the Lot after completion of construction. No trailer, mobile home, double-wide, park model trailer, motor home, tent, barn, bus, or other similar vehicle, out-building or structure shall be

placed on any Lot or on any portion of the Common Areas at any time either temporarily or permanently.

Section 7.28 Mining and Drilling Prohibition. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, and no derrick or other structure designed for use in boring for oil or natural gas shall be stored, erected, maintained, or permitted in the Subdivision.

Section 7.29 Junk or Disabled Vehicles. No stripped, partially wrecked, unlicensed or invalidly licensed, disabled or junk motor vehicle or part thereof, shall be permitted to be parked or kept in the Subdivision.

Section 7.30 Motorcycles. The Association shall have the authority to prohibit the use, maintenance or storage of motorcycles in the Subdivision

Section 7.31 Pets. No animals, livestock, birds, or fowl shall be kept or maintained on any part of the Subdivision except dogs, cats, pet fish and birds which may be kept thereon in reasonable numbers, not to exceed three, as pets for the pleasure and use of the property Owner but not for any commercial use or purpose. Non-owners (e. g. renters or lessees) may not keep any pets on any part of the Property without prior written approval of the Owner, said approval to be filed with the Association. All pets are to be kept on leashes (or otherwise contained) whenever the Owner is not on their specific Lot with the pet. Pet owners shall be responsible for proper disposal of all excrement.

Section 7.32 Landscaping. The Architectural Control Committee reserves the right to reasonably restrict the placement of landscaping, fences or other impediments to the enjoyment of views from and of adjoining Common Areas or Recreational Amenity areas. Each initial Owner or subsequent Owner is expected to keep at least 20% of each Lot in a "natural" state and the Architectural Control Committee reserves the right to allow variances based on the quality of existing vegetation on each building Lot. During home construction and before occupancy, each Owner is required to plant one Live Oak tree with a diameter of at least 3" measured 2' above the base for every 45 feet of Lot frontage with a maximum of 2 trees. Each tree is to be placed between the curb and the sidewalk so as to line up with trees placed on adjacent property. The Architectural Control Committee reserves the right to direct the placement of these trees.

In addition, it is required that the general landscaping plan for each lot being submitted for review and approval to the Architectural Control Committee contain a plan for placement of a total of at least 50 shrub plants, trees, and/or other acceptable ornamental plants within the boundaries of the lot. The following shrubbery is approved for landscaping purposes. Use of plants, trees or ground cover not listed is prohibited without approval of the Architectural Control Committee.

Street Trees: Live Oak

Shade Trees: October Glory Red Maple, fruitless Sweetgum, Southern Magnolia, London Plane Tree, Oaks, Bald Cypress, Drake Chinese Elm

Small Understory Trees: River Birch, Flowering Dogwood, Loquat, Holly, Japanese Ligustrum, Crape Myrtles, Saucer Magnolia, Sweetbay Magnolia, Wax Myrtle, Purple Leaf Plum, Bradford Pear, Palmetto, Chaste tree

Shrubs & Groundcovers: Glossy Abelia, Azaleas species, Purpleleaf Japanese Barberry, Camellia, European Fan Palm, Elaeagnus, Japanese Fatsia, Forsythia, Dwarf and Standard Gardenia, Daylily, Holly, Shore Juniper, Pfitzer Juniper, Sargents Juniper, Parsons Juniper, Lantana, Japanese Privet and Variegated Privet, Liriope, Maiden Grass and other ornamental grass, Wax Myrtle, Nandian, Oleander.

Grasses: St. Augustine grass or an equivalent as approved by the Architectural Control Committee must be used to sod all areas not covered by natural vegetation, trees, shrubs or other grounds cover.

Section 7.33 Storage of Vehicles, Boats, etc. The Association shall have the authority to prohibit or regulate the use or maintenance or storage of motorcycles, campers, trailers, trucks, commercial vehicles, boats, or boat trailers in the Subdivision. Campers, trailers, trucks (other than pickup trucks), commercial vehicles or boats shall not be stored on any Owners Lot except in an approved enclosed garage. The Association shall also have the right to regulate the parking of vehicles on any Lot.

Section 7.34 Nuisances. No noxious or offensive activity shall be carried on upon on in any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance. No trash, leaves or rubbish may be burned on any Lot or within the Subdivision nor shall there be maintained anything of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the Subdivision by the Owner thereof.

Section 7.35 Special Hazards. Each Owner accepts and assumes all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot, including but not limited to its proximity to any recreational facility or Common Area or the marsh and other bodies of water. Specifically, the Developer does hereby disclaim any and all liability for any property damage or personal injury resulting from erosion along the bank of the marsh, and all ditches, streams, lakes, lagoons or other bodies of water or watercourses located in the Subdivision.

Section 7.36 Gardens, Basketball Goals, Etc. No vegetable gardens, statuary, hammocks, play equipment or recreational equipment may be placed, erected, allowed or maintained upon the front or side yard of any Lot without the prior written consent of

the Architectural Control committee or its designee. Basketball goals may be installed after the type and location have been previously approved in writing by the Architectural Control Committee.

Section 7.37 Sight Distance at Intersections. All Lots at street intersections shall be so landscaped as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain at the corner of a Lot where this would create a traffic or sight problem.

Section 7.38 Guns. The use of firearms in the Subdivision is prohibited. The term "firearms" includes "B-B" guns, pellet guns and firearms of all types.

Section 7.39 Perimeter Access. There shall be no access to any Lot on the perimeter of the Subdivision except from designated roads within the Subdivision, provided, however, that Developer reserves the right to construct and operate temporary construction roads during the construction and development period.

Section 7.40. Rental Period. No Owner shall lease or rent any Lot more than three (3) times in any given twelve month period.

Section 7.41 Association Office. Nothing in this Declaration shall be construed to prohibit the Association from constructing, operating and maintaining a facility for use as its offices and headquarters, for the benefit of the Association and its members, provided that such facility shall first be approved in all respects in writing by the Developer.

Section 7.42 Garages. No garage on any Lot shall be enclosed to make it a part of a residence for any other purpose. All garages shall remain operable as a storage area for vehicles. Garage doors are to remain closed at all times except during use and operation

Section 7.43 Window Heating and Cooling Units. No window heating and/or cooling units shall be allowed in the Subdivision.

Section 7.44 Lawn Care and Other Maintenance Required by Owner. Prior to the occupancy of a home and after construction is completed each Lot is to be sodded with St. Augustine grass or an alternative if approved by the Architectural Control Committee as outlined in Section 7.32, according to the Lot Site Design approved by the Architectural Control Committee prior to commencement of construction.

Each Owner shall keep his Lot(s) and all improvements located thereon in good order and repair including, but not limited to, seeding, watering and mowing of all lawns and grounds, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all such improvements in a manner consistent with

proper maintenance and management. No lawns, grass, weeds or underbrush shall be allowed to grow to a height exceeding six (6") inches on any Lot. In the event an Owner violates this Section, the Developer and Association shall have all of the remedies set out in this Declaration including, but not limited to, those set out in Article V, Section 5.3 (c) hereof. An entry onto a Lot by the Developer, the Association or any of their agents, employees, servants, or persons acting on their behalf to remedy a violation of this Section shall not be considered a trespass.

Section 7.45 Sidewalks. Each Lot Owner is expected to maintain and keep that portion of the sidewalk fronting their property in good and safe condition. In the event an Owner violates this Section, the Developer and Association shall have all of the remedies set out in this Declaration including, but not limited to, those set out in Article V, Section 5.3 (c) hereof.

Section 7.46 Home Style. It is mutually agreed that Lot purchasers seek to construct homes which portray a common theme. Therefore each home constructed is expected to display traditional style. Working shutters are required on each home front and are preferred on all other windows. The determination of traditional style is under the exclusive purview of the Architectural Control Committee. All exceptions with regard to traditional style, shutter locations and mechanical technique of operation are to be approved by the Architectural Control Committee

ARTICLE VIII GENERAL PROVISIONS

Section 8.1 Enforcement. The Developer, the Association, or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the restrictions, conditions, covenants, easements, reservation, liens and charges now or hereafter imposed by the provisions of this Declaration. In the event that a court of competent jurisdiction shall determine that an Owner has breached the terms of this Declaration, such Owner shall pay for the cost of bringing the enforcement action, including all attorney fees. Failure of the Developer, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of right to do so thereafter. The Developer and the Association, as the case may be, shall have the right to establish, assess, and collect reasonable fines and penalties to violations of this Declaration, which shall be liens against the Lots as provided herein. Such fines shall not exceed \$50.00 per violation per day.

Section 8.2 Severability. Invalidation of any covenants or restrictions or any term, phrase or clause of this Declaration by the adjudication of any court or tribunal shall in no way effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 8.3 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the property constituting the Subdivision, and shall inure to the benefit of and be enforceable by the Developer, the Association, or any Owner for a period of twenty (20) years from the date hereof and thereafter shall continue automatically in effect for additional periods of twenty (20) years, unless otherwise agreed to in writing by the then Owners of at least seventy-five (75%) percent of the Lots.

Section 8.4 Assignment. The Developer shall have the right to assign to any one or more persons, firms, corporations, partnerships or associations any and all rights, powers, titles, easements and estates reserved or given to the Developer in this Declaration.

Section 8.5 Amendment.

(a) Amendments by Developer. For a period of two (2) years from the date of recording of this Declaration, Developer may amend this Declaration in any way by an instrument in writing filed and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, all without the approval of any Owner or Mortgagee: (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby; or (ii) in the event that such amendment would materially and adversely affect the security, title, and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Section 8.5(a) shall be certified by Developer as having been duly approved by Developer and by such Owners and Mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 8.5(a) and further agrees that if requested to do so by Developer, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Subdivision, (A) if such amendment is necessary to bring any provision hereof or thereof into governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (B) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (C) if such amendment is required by an institutional or governmental lender, insurer or purchaser of mortgage loans, including for example, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, or Federal Housing Administration, to enable to such Lender or purchaser to make or purchase mortgage loans on any Lot, or other improvements subject to this Declaration, or (D) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots or other improvements subject to this Declaration.

(b) Amendments by Association. Amendments to this Declaration, other than those authorized by Section 8.5(a) above, shall be proposed and adopted in the following manner:

(1) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

(2) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association. Such amendment must be approved by Owners holding at least three quarters (3/4) of the total votes in the Association; provided, however, that during any period in which Developer owns a Lot primarily for the purpose of sale, such amendment must be approved by Developer.

(3) The agreement of the required percentage of the Owners and, where required, Developer, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded at such later date as may be specified in the amendment itself.

Section 8.6 No Dedication of Common Areas, Etc. Every Common Area, private road and entrance roads or facility, and other amenity within the Subdivision is a private facility or amenity and neither the Developer's recording of any such plat nor any other act of the Developer with respect to the Property is, or is intended to be, or shall be construed, as a dedication to the public of any said Common Areas, other than as reflected therein. An easement for the use and enjoyment of each of said areas designated as Common Areas is reserved to the Developer, its successors and assigns; to the persons who are, from time to time, members of the Association; to the residents, and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the Owner of the facility or Property involved.

Section 8.7 Time is of the Essence. It is agreed that time is of the essence with regard to these restrictions, covenants, limitations and conditions.

Section 8.8 Rule Against Perpetuities, Etc. The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void

by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina, and such provision shall be fully effective for said reduced period of time.

WITNESS the execution hereof this 9th day of November, 2000.

WITNESS:

BACK BAY VILLAGE, LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY

Janis Hobbs
[Signature]

By [Signature]
Edward A. Goldberg
Its: Manager

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s)he saw the within named BACK BAY VILLAGE, LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY by Edward A. Goldberg its Manager, sign, seal and deliver the within Declaration of Covenants and Restrictions and that deponent, with the other witnesses subscribed above, witnessed the execution thereof.

[Signature]
(Signature of Witness)

SWORN to before me this 9th
day of November, 2000.

[Signature]
Notary Public for South Carolina
My Commission Expires: 11/9/06

EXHIBIT "A"

DESCRIPTION OF PROPERTY SUBMITTED
TO THE DECLARATION, CONSTITUTING THE SUBDIVISION
AT THE TIME OF FILING THE DECLARATION

All those certain pieces, parcels or tracts of land, situate, lying and being in the Town of Mt. Pleasant, Charleston County, State of South Carolina, shown and designated on a plat of Hoffman Lester Associates, Inc., entitled "FINAL PLAT SHOWING THE SUBDIVISION OF TRACT A, KNOWN AS BACK BAY VILLAGE, A PORTION OF TMS 560-12-00-056, 28.99 ACRES, PROPERTY OF BACK BAY VILLAGE, L.L.C., LOCATED IN THE TOWN OF MOUNT PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA", dated October 24, 2000, revised November 3, 2000, and recorded November 13, 2000 in the RMC Office for Charleston County in Plat Book EE at Page 442.

Said pieces, parcels or tracts of land having such actual size, shape, dimensions, buttings and boundings as shown on said plat, reference to which is hereby made for a more complete description.