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Attn.: Anne C. Marscher
P.O. Box 24005
Hilton Head Island, SC 29925

STATE OF SOUTH CAROLINA)
) AFFIDAVIT TO RECORD
COUNTY OF BEAUFORT)

I, Anne C. Marscher, Esquire do hereby state that:

1. I serve as general counsel for The Haven at New Riverside Community Association, Inc.

2. This Affidavit is made to record the attached Fourth Amended and Restated Declaration of Covenants, Conditions, and Restrictions for the Haven at New Riverside, in order to meet the requirements of South Carolina Code §27-30-110, et seq. known as The South Carolina Homeowners Association Act which amended Title 27 of the 1976 Code of Laws of South Carolina.

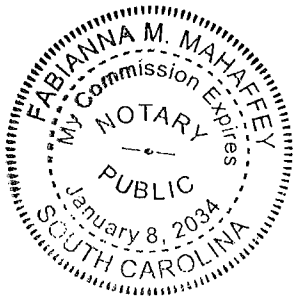
FURTHER AFFIANT SAYETH NOT.

Anne C. Marscher

Anne C. Marscher, Esquire

SWORN to before me this
14 day of July 2025.

Fabianna M Mahaffey
Notary Public for South Carolina
My Commission Expires: 1-8-2034



THIS DECLARATION CONTAINS AN ARBITRATION AGREEMENT SUBJECT TO THE SOUTH CAROLINA ARBITRATION ACT, SECTION 15-48-10, et. seq. CODE OF LAWS OF SOUTH CAROLINA, 1976

FOURTH AMENDED AND RESTATED

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE HAVEN AT NEW RIVERSIDE

JUNE 28, 2025

FOURTH AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE HAVEN AT NEW RIVERSIDE

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ARTICLE I: DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Area of Common Responsibility": The Common Area, together with those areas, if any, which, by the terms of this Declaration, any Supplemental Declaration or other applicable covenants approved in writing by the Association, any plat approved or authorized in writing by the Association, or by contract, become the responsibility of the Association, including, by way of illustration, but not limitation, those areas or facilities provided in Section 5.1.

1.2 "Articles": The Articles of Incorporation of The Haven at New Riverside Community Association, Inc., as filed with the South Carolina Secretary of State.

1.3 "Association": The Haven at New Riverside Community Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

1.4 "Base Assessment": Assessments levied on all Lots subject to assessment to fund Common Expenses for the general benefit of all Lots, as more particularly described in Section 10.3.

1.5 "Benefitted Assessment": Assessments levied pursuant to Section 10.6.

1.6 "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws.

1.7 "Business" and "Trade": Shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required,

1.8 "By-Laws": The By-Laws of The Haven at New Riverside Community Association, Inc., attached as Exhibit "D" and incorporated by reference, as they may be amended from time to time.

1.9 "Common Area": Any of the Properties designated as "Common Area" of the Association, or similar wording clearly indicating such intent, by this Declaration, any Supplemental Declaration or other applicable recorded covenant or recorded plat of a portion of the Property approved by the Association. "Common Area" shall also include all real and personal property which the Association now or hereafter owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, such as, without limitation, easements held by The Association for such purposes, entry features, landscape medians, cul-de-sacs,

lakes, ponds, rivers, streams, wetlands, preservation areas, and service or recreational facilities.

1.10 "Common Expenses": The actual and estimated expenses incurred or anticipated to be incurred by the Association for the Area of Common Responsibility or the general benefit of all Lots, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles.

1.11 "Community Enhancement Assessment": Assessments levied pursuant to Article X, Section 10.4.

1.12 "Community Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standards may be more specifically determined by the Board of Directors and the applicable Reviewing Body.

1.13 "Contiguous Property": Any property of which a portion adjoins or borders The Haven at New Riverside, or which is separated from The Haven at New Riverside only by roads, rights-of-way, waterways, or natural boundaries.

1.14 "Covenant to Share Costs": Any declaration of easements and covenant to share costs recorded in the Register of Deeds which creates easements for the benefit of the Association and the present and future owners of the real property subject thereto and which obligates the Association and such owners to share the costs of maintaining certain property described therein.

1.15 "Design Guidelines": The architectural, design, development, and other guidelines, standards, controls, and procedures including but not limited to, application and review procedures, adopted pursuant to Article XI and applicable to the Properties.

1.16 "Dwelling Unit": Any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family, including by way of illustration but not limitation, condominium units, patio or zero lot line homes, and single family detached houses.

1.17 "Enforcing Body": The Board or any other Association agent authorized in writing by the Board, such as, without limitation, a management agent of the Association, any covenants committee created by the Board, or a Reviewing Body (as defined in Section 11.2(b), that may impose sanctions for violation of the Governing Documents.

1.18 "Governing Documents": This Declaration, the By-Laws, Rules and Regulations, the Design Guidelines, the Use Restrictions, or any document authorized pursuant to any of them, as amended from time to time.

1.19 "Jones Estate Development Agreement": That agreement between New River Farms, L.P., Holly Branch Farms, L.P., Jones and Associates Limited Partnership, Barbara J. Bailey Limited Partnership, Dorothy R. Zetterower, Christopher C. Ryals, Lillian R. Stephenson and the Town of Bluffton, South Carolina, dated June 21, 2000 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 1315 at Page 1099, as amended by that amendment, recorded in the

Office of the Register of Deeds for Beaufait County, South Carolina in Record Book 2065 at Page 1784.

1.20 "Lot": A contiguous portion of the Properties, whether improved or unimproved, other than Common Area and property dedicated to the public, which may be independently owned and conveyed and which is intended to be developed, used, and occupied with an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon. The term shall include, by way of illustration but not limitation, condominium units, cluster homes, patio or zero lot line homes, and single family detached houses on separately platted lots, as well as vacant land intended for development as such. In the case of any structure containing multiple Dwelling Units, each Dwelling Unit shall be deemed to be a separate Lot. Prior to recordation of a subdivision plat, a parcel of vacant land or land on which improvements are under construction shall be deemed to contain the number of Lots designated for residential use for such parcel on the applicable preliminary plat or site plan, whichever is more current. Until a preliminary plat or site plan has been approved, such parcel shall contain the number of Lots specified in conformance with the Master Plan.

1.21 "Master Plan": The master plan for the development of The Haven at New Riverside as filed with the Town of Bluffton, South Carolina, as it may be amended, updated, or supplemented from time to time, which plan includes the property described on Exhibit "A" and any portion of the property described on Exhibit "A-1." The Master Plan may also include subsequent plans approved by the Town of Bluffton, South Carolina for the development of all or a portion of the property described on Exhibit "A-1" and/or any Contiguous Property which may from time to time be subject to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate the Association to subject such property to this Declaration nor shall the exclusion of property from the Master Plan bar its later annexation in accordance with Article IX.

1.22 "Member": A Person entitled to membership in the Association.

1.23 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.24 "Mortgagee": A beneficiary or holder of a Mortgage.

1.25 "New Member Fee": The fee charged pursuant to Section 3.2.

1.26 "New Riverside Covenants": Those "Covenants, Conditions and Restrictions for New Riverside" December 15, 2004, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 2076 at Page 979.

1.27 "Owner": One or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

1.28 "Palmetto Bluff Development Agreement": The agreement between Union Camp Corporation and the Town of Bluffton, South Carolina, dated November 23, 1998 and recorded in the Office of the Register of Deeds for Beaufort: County, South Carolina in Record Book 1113 at Page 1085, as amended by that certain amendment recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 2065 at Page 1784.

1.29 "Person": A natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

1.30 "Private Amenities": Real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, which are privately owned and operated by Persons other than the Association for recreational and related purposes, on a club membership basis, use fee basis, or otherwise.

1.31 "Properties": The real property described in Exhibit A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

1.32 "Register of Deeds": The Register of Deeds of Beaufort County, South Carolina.

1.33 "Reviewing Body": The applicable entity described in Section 11.2.

1.34 "Rules and Regulations": Rules and regulations adopted by the Board of Directors pursuant to Section 3.1 or other provisions of this Declaration.

1.35 "Special Assessment": Assessments levied under Section 10.5.

1.36 "The Haven at New Riverside": The Properties described in Section 1.32.

1.37 "Supplemental Declaration": A recorded amendment or supplement to this Declaration approved and filed pursuant to Article IX which subjects additional property to this Declaration and identifies the Common Area within the additional property, if any, and/or imposes, expressly or by reference, additional restrictions and obligations on the property described therein.

1.38 "Use Restrictions": The use restrictions attached as Exhibit "B" and incorporated by reference, as they may be modified, canceled, limited or expanded under Article XII.

1.39 "Variance": The Association may issue an exception from compliance with the Architectural Standards/Guidelines due to unique and extraordinary circumstances where substantial evidence would justify the desired variance.

ARTICLE II: PROPERTY RIGHTS

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Governing Documents;

(b) Any restrictions or limitations contained in any deed conveying Common Area to the Association;

(c) The right of the Board to adopt Rules and Regulations or policies regulating the use and enjoyment of the Common Area, including Rules and Regulations restricting use of recreational facilities within the Common Area to occupants of Dwelling Units and their guests, rules and Regulations limiting the number of occupants and guests who may use the Common Area, and Rules and Regulations designating certain portions of the Common Area as gardening plots for Owners and occupants and regulating the use thereof;

(d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to Section 4.2;

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to governmental entities pursuant to Section 4.5;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable membership, admission, or other fees for the use of any recreational facility situated on the Common Area;

(g) The right of the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;

(h) The right of the Board to create, enter agreements with, grant easements to and transfer portions of the Common Area to tax-exempt organizations under Section 4.11;

(i) The right of the Association to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(j) The rights of certain Owners to the exclusive use of specified portions of the Common Area designated as "Exclusive Common Area" by appropriate recorded documentation; and

(k) The right of the Association to rent or lease any portion of any clubhouse and other recreational facilities within the Common Area on a short-term basis to any Owner for the exclusive use of such Owner and such Owner's family and guests.

2.2 Activity Cards.

(a) Issuance of Activity Cards. Ownership of each Lot shall entitle the Owner thereof to receive a maximum of two (2) activity or use privilege cards if such Owner

complies with Section 2.3 (Age Restriction) and other obligations of the Owner under this Declaration. The cards for each Lot shall be renewed by the Association without charge, for such term and at such periods as shall be determined by the Board, provided that the Owner continues to comply with the obligations of the Owner under the Governing Documents, including, without limitation, payment of all assessments and other charges due to the Association. The Board may establish policies, limits and charges with regard to the issuance of additional cards and guest privilege cards.

(b) Assignment of Activity Cards. Subject to any Rules and Regulations establishing reasonable procedures and policies, any Owner may assign such Owner's right to receive activity or use privilege cards to residents of such Owner's Dwelling Unit; provided such residents are occupying such Dwelling Unit in compliance with Section 2.3 and other provisions of this Declaration. An Owner who leases such Owner's Lot shall be deemed to have assigned such rights to the lessee of such Lot, unless (i) the Board adopts a resolution permitting Owners to reserve such rights and (ii) such Owner provides the Board with written notice of such reservation which is consistent with the resolution of the Board. If an Owner owns more than one (1) Lot, the Owner may request that additional cards be issued for the additional Lot(s), but any additional cards issued shall not be transferred, provided to, or used by anyone other than residents occupying Dwelling Units on Lots of such Owner in compliance with Section 2.3. Any Owner may reassign the right to receive activity or use privilege cards by providing written notice to the Association of such reassignment and surrendering to the Association the previously assigned cards.

2.3 Age Restriction.

(a) General Rule. The Haven at New Riverside is intended to provide housing primarily for persons 55 years of age or older. The Properties shall be operated as an age restricted community in compliance with all applicable State and Federal laws. No person under 19 years of age shall reside in any Dwelling Unit for more than 90 days in any calendar year. Each Dwelling Unit, if occupied, shall be occupied by at least one individual 55 years of age or older ("qualifying occupant").

(b) Compliance with Applicable Law. The Properties shall be operated as an age restricted community in compliance with all applicable state and federal laws. In the event that any qualifying occupant of a Dwelling Unit dies or otherwise ceases to reside in the Dwelling Unit for reasons determined by the Board to be reasonable and acceptable (such as , without limitation, hospitalization of the qualifying occupant), such person's co-habitants may own or occupy the Dwelling Unit and exercise all rights granted to occupants in this Declaration, including, but not limited to, those rights specified in Section 2.1, to the extent permitted by applicable federal and state laws regarding age restricted communities; provided that at no time shall less than 80% of the Lots subject to this Declaration be occupied by single families where at least one member of the family is a qualifying occupant. The Board may

establish policies and procedures from time to time as necessary to maintain its status as an age restricted community under state and federal law.

ARTICLE III: ASSOCIATION FUNCTION MEMBERSHIP AND VOTING RIGHTS

3.1 Function of Association; Rules and Regulations. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable Rules and Regulations regulating use of the Properties as the Board may adopt. The Association shall be responsible for administering and enforcing Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents.

3.2 Membership; New Member Fee; Notice of Title Transfer.

(a) Members Identified. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable fees as may be established under Section 2.1, and the restrictions on voting set forth in Section 3.4 and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an owner which is a corporation, partnership, limited liability company, trust or other legal entity may be exercised by any officer, director, partner, member or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

(b) New Member Fee; When Payable; By Whom. In addition to the administrative or transfer fee collected to cover administrative costs to the Association incurred relating to a lease or transfer, the Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein in subsection (c), below. The New Member Fee (i) shall be paid by the grantor of title to the Lot unless the grantor and grantee agree in writing that the New Member Fee shall be paid by the grantee, (ii) shall be payable at the closing of the transfer of title, and (iii) and, if unpaid at closing, shall be deemed a Benefitted Assessment secured by the Association's lien for assessment.

(c) Exemption from New Member Fee. The following transfers of title to a Lot shall be exempt from a New Member Fee:

(i) By an Owner or Owners who had title prior to the date of recordation of this Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions;

(ii) By a co-Owner to any Person who was a co-Owner of a Lot whose Owner had title prior to the date of recordation of this Third Amendment and Restated Declaration of Covenants, Conditions and Restrictions;

(iii) To an Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;

(iv) To an entity wholly owned by the grantor of title or to a family trust created by such grantor for the direct benefit of the grantor and/or his or her spouse and/or heirs; provided, upon any subsequent transfer of an ownership interest in such entity, a New Member Fee shall be payable;

(v) To an institutional lender as security for the performance of an obligation pursuant to a Mortgage; or

(vi) To any Owner separately required to pay a comparable New Member Fee pursuant to a recorded Supplemental Declaration on the Lot.

(d) Amount of New Members Fees. The New Member Fee shall equal one (1/3) of one percent (1.0%) of the Gross Selling Price of the Lot, including all improvements, upgrades and premiums. The Gross Selling Price shall be the total to the transferee of title, including any portion of such cost funded by a lender, but excluding any transfer taxes or title recording fees payable by the transferee, which is imposed by Beaufort County, if any.

(e) Use of New Member Fees. The New Member Fee shall be used for purposes deemed by the Board to be beneficial in order to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association, or one or more tax-exempt entities designed by the Board in funding operating or maintenance costs for recreational facilities, common areas, or open space preservation; or for other operating needs of the Association.

(f) Notice of Pending Transfer of Title. Each Owner transferring title to a Lot shall notify the Association's secretary or designee not less than seven (7) days prior the scheduled closing. Such notice shall include the street address of the Lot being transferred, the name of the grantor and grantee, and the proposed date of title transfer.

3.3 Voting Membership.

(a) Members shall be Owners and shall have one equal vote for each Lot in which they hold the interest required for membership under Section 3.2. There shall be only one vote per Lot.

(b) Exercise of Voting Rights. One Vote Per Lot. Except as otherwise specified in this Declaration and the By-Laws or otherwise required by law, the vote for each Lot owned by a Member shall be exercised by the Owner.

(c) Multiple Ownership. In the event of Multiple Ownership of any kind, including a partnership or corporation, the name of the Property Owner entitled to cast a vote shall be designated as the "Voting Member." The Owners shall advise the Association in writing as to the name of the Voting Member.

(d) No Designated Voting Member. If no designation of the Voting Member is made and more than one Owner seeks to exercise the right to vote, the Board may either (i) recognize one Owner as the Voting Member or (ii) suspend the vote for the Lot until the issue has been resolved to the satisfaction of the Board, in its sole discretion. In any event, the Owners may be deemed present for the purpose of establishing a quorum.

(e) Clarifying Rules by Board of Directors. The Board of Directors shall have the right to adopt Rules and Regulations further clarifying voting procedures if they are not inconsistent with this Declaration or the By-Laws.

3.4 Votes By Written Ballot in Lieu of Meeting. The Board of Directors may determine that any vote of Members that may be taken at any annual, regular or special meeting shall be by written or electronic ballot (**S.C Code § 33-31-708)** without a meeting in accordance with the procedures set forth in the By-Laws of the Association.

3.5 Total Number of Votes. If the number of Lots is changed (such as without limitation, by subdivision, combination or annexation), the permissible maximum number of votes that may be cast shall equal the number of platted and recorded Lots in the Haven at New Riverside which are subject to this Declaration at the time of the vote.

ARTICLE IV: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Such property shall be accepted by the Association and thereafter shall be maintained as Common Area by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed, including but not limited to restrictions governing the use of such property.

4.2 Enforcement.

(a) Types of Sanctions. The Board or any other Association agent authorized in writing by the Board (the "Enforcing Body"), such as, without limitation, a management agent of the Association, any covenants committee created by the Board, or a Reviewing Body (as defined in Section 11.2(b), may impose sanctions for violation of the Governing Documents. Such Board authorization may identify specific Governing Documents for which the Enforcing Body may impose sanctions, may limit the type and extent of sanctions such Association agent may impose and enforce, and may further define the applicable procedure for imposition and enforcement of such sanctions. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines which, if unpaid in a timely manner, shall constitute a Benefitted Assessment for the Lot of the violating Owner and the personal obligation of such Owner. If an occupant, guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Enforcing Body, the Owner of the applicable Lot shall pay the fine upon notice from the Board;

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use any recreational facilities within the Common Area or use activity or use privilege cards issued by the Association; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(iv) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(v) levying Benefitted Assessments to cover costs incurred by the Association;

(vi) filing a suit, action or proceeding (including, without limitation, a temporary or permanent restraining order or other mandatory or prohibitive equitable relief) to enforce the provisions of the Governing Documents.

(b) Self Help. In addition, an Enforcing Body other than the Board may, with the Board's approval, enforce any provision of the applicable Governing Documents by self-help (including, but not limited to, the towing of vehicles that are violating

parking Rules and Regulations of the Association or any applicable ordinance(s) of Beaufort County or the Town of Bluffton, South Carolina) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedures set forth in Article XVI or in the By-Laws.

(c) Remedies Cumulative; Attorneys' Fees. All remedies and sanctions authorized in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Enforcing Body prevails in any legal proceeding or mandatory arbitration against an Owner, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs reasonably incurred in such action. If the Enforcing Body is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Benefitted Assessment with respect to the Lot(s) involved in the action.

(d) Waiver of Enforcement by Board. An Enforcing Body shall net be obligated to take action to enforce any Governing Document which the Board reasonably determines is, or is likely to be construed as, inconsistent with the applicable law, or in any case in which the Board reasonably determines that the Enforcing Body's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed to waive the right of the Enforcing Body or the Association to enforce such provision under other circumstances or preclude the Association from enforcing any other provision of a Governing Document.

(e) Notice and Appeal of Sanctions. Prior to finally imposing any of the above sanctions, an Enforcing Body shall notify the violator in substantial compliance with Section 18.10(b) and provide an opportunity for a written appeal to the Enforcing Body in accordance with a procedure approved by the Board; provided, however, such notice and appeal shall not be a prerequisite to the imposition of a sanction if the Enforcing Body reasonably determines that prompt imposition of the sanction may be required in order to avoid or decrease possible injury to persons or damage to property or avoid a material increase in cost to the Association.

4.3 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. The Association may, but shall not be obligated to, maintain or support activities within the Properties designed to promote the health, safety and welfare of Owners and occupants of any Lot. Except as otherwise specifically provided in this Declaration, the By-Laws, Articles, or law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.4 Governmental Interests. The Association may designate sites within the Properties for fire, police and utility facilities, and parks, and other public facilities in accordance with the Master Plan and applicable laws. The sites may include Common Areas if otherwise permitted by the Master Plan.

4.5 Dedication of Common Area. The Association may dedicate or grant easements over portions of the Common Areas to any local, state, or federal governmental entity.

4.6 Disclaimers of Liability.

(a) Notwithstanding anything contained the in Governing Documents, neither the Association, the Board, or the management company of the Association, shall be liable or responsible for, or in any maimer a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Properties, including all recreational facilities, if any.

(b) Neither the Association, the Board, nor the management company of the Association shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines or utility substations adjacent to, near·, over, or on the Properties. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of utility lines or utility substations and further acknowledges that the Association, the Board, or the management company of the Association has, made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility substations.

(c) Each Owner and occupant, and each tenant, guest and invitee of any Owner or occupant acknowledges that the Properties are located in the vicinity of wetland and swamp areas and that such areas may contain an abundance of wildlife, including, without limitation, deer, skunks, opossums, snakes, alligators, reptiles, rodents and pests. Neither the Association, the Board, nor the management company of the Association shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant (i) assumes all risk of personal injury, illness, or other loss or damage arising from the presence of such wildlife and (ii) acknowledges that the Association, the Board, or the management company of the Association, have made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

(d) No provision of the Governing Documents shall be interpreted as creating a duty of the Association, the Board, nor the management company of the Association to

protect or further the health, safety or welfare of any Person(s), even if the funds of the Association are used for any such purpose.

(e) **EACH OWNER BY VIRTUE OF HIS OR HER ACCEPTANCE OF TITLE TO HIS OR HER LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (OR VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION, THE MANAGEMENT COMPANY OF THE ASSOCIATION, THEIR DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY HAS BEEN DISCLAIMED.**

4.7 Security; No Guarantee of Security.

(a) The Association may maintain or support certain activities within the Properties intended to make the Properties safer than they otherwise might be; provided, however, that the Association shall not be obligated to maintain or support such activities.

(b) Neither the Association nor the management company of the Association shall in any way be considered insurers or guarantors of security within the Properties. Neither the Association nor the management company of the Association shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

(c) All Owners and occupants of any Lot, and all tenants, guests, and invitees of Owners or occupants, acknowledge that the Association, its Board of Directors, or the management company of the Association, and the Architectural Review Committee and the Modifications Committee do not represent or warrant that any entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security system designated by or installed according to guidelines established by the Association or the Modifications Committee may not be compromised or circumvented; nor that any entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or anyGene security systems will prevent loss by burglary, theft, hold up, or otherwise; nor that entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security systems will in all cases provide the detection or protection for which the system is designed or intended.

(d) All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner, acknowledge and understand that the Association, its Board and committees, or the management company of the Association, are not insurers.

(e) All Owners and occupants of any Lot and all tenants, guests, and invitees of any Owner assume all risks for loss or damage to Persons, to Lots, and to the contents of Lots and further acknowledge that the Association, its Board and committees, or the management company of the Association, have made no representations or warranties, nor has any Owner, occupant, or any tenant, guest, or invitee of any Owner relied upon any representations or warranties, expressed or implied, relative to any entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security systems recommended or installed or any security measures undertaken within the Properties.

4.8 Association Services. The Association may provide services and facilities for Members of the Association and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or oilier similar agreements with other entities, to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. Except as provided in Section 4.9, the Board, without the consent of the Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to what services and facilities, if any, will be provided by the Association.

4.9 Change of Use or Conveyance of Common Areas.

(a) The Board may take an action if (i) the Board gives notice to Owners, in accordance with the procedure for "General Notices" in Article XVIII, below, of the proposed action and of the right the Owners to object to such proposed action, and less than ten percent (10%) of all possible " votes object in writing to the Association within 30 days after the giving of such notice.

4.10 View Impairment. The Association does not guarantee or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. The Association shall not have the obligation to prune or thin trees or other landscaping except as set forth in Article V. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

4.11 Relationship with Tax-Exempt Organizations. The Association may create, enter into agreements or contracts with, grant exclusive and/or non-exclusive easements over the Common Area to, or transfer portions of the Common Area to non-profit, tax-exempt organizations, including but not limited to organizations that provide facilities or services designed to meet the physical or social needs of older persons, for the benefit of the Properties, the Association, its Members and residents. The Association may contribute money, real or personal property or services to any such entity. Any such contribution

shall be a Common Expense of the Association and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

ARTICLE V: MAINTENANCE

5.1 Area of Common Responsibility. Except as otherwise expressly provided in this Declaration, the Association, shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

(a) all Common Area;

(b) all private streets, including any repairs thereto, situated in the Common Area;

(c) all walls and fences on any Lots which serve as perimeter walls for Properties or which separate any Lot from Common Area or a Private Amenity (allocation of responsibility for the maintenance and repair of party walls and party fences is set forth in Section 5.8);

(d) to the extent required by law, or required by encroachment or other permits between the applicable governmental entity and the Association authorized by the Board pursuant to such permits, landscaping, sidewalks, street lights, irrigation systems, and signage within public rights of way abutting the Properties;

(e) to the extent required by any easement, or authorized by Board pursuant to any easement, landscaping and oilier flora within any public utility easements and scenic easements within the Common Area;

(f) any additional property included within the Area of Common Responsibility as may be required by the Governing Documents, any plat of any portion of the Properties or Supplemental Declaration approved in writing by the Association, or any contract or agreement for maintenance thereof entered into by the Association; and

5.2 Wildlife. The Association shall also have the right and power, but not the obligation, to take such actions, in accordance with appropriate law, and adopt such Rules and Regulations as may be necessary for control, relocation, management, and extermination of wildlife, including but not limited to, deer, skunks, opossums, snakes, alligators, reptiles, rodents, and pests, within the Area of Common Responsibility.

5.3 Wetlands. Areas within the Properties designated as "wetlands" on a recorded plat or in a recorded covenant shall be maintained in accordance with the recorded restrictions or covenants relating to such wetlands. Unless expressly authorized by the Board or required by law, such areas shall be generally left in a natural state and no maintenance by the Association shall be required unless the Board determines, in its sole discretion, that a condition in the wetland has had or may have a material adverse impact on Properties outside the wetland. If approved by the Board, the Association shall maintain boardwalks, fishing docks, drainage ditches, retention and detention structures, and crab docks over, around, and in such wetlands. Notwithstanding anything contained in this paragraph, the Association, its successors, assigns, affiliates and designees may conduct such activities as have

been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands.

5.4 Other Property. The Association may also maintain and improve other property which it does not own, including, without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community Wide Standard and if otherwise permitted by applicable law.

5.5 Maintenance a Common Expense. Except as otherwise specifically provided herein, all costs for maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense allocated among all the Lots as part of the Base Assessment without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to this Declaration., other recorded covenants, or agreements with such Persons.

5.6 Owner's Maintenance Responsibility.

(a) Each Owner shall maintain such Owner's Lot, Dwelling Unit, and all other structures, parking areas, landscaping and other improvements comprising the Lot in a manner consistent with the Community-Wide Standard and all applicable Design Guidelines and covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such a lot. Unless otherwise provided by a Supplemental Declaration or otherwise approved in writing by the Board of Directors, for the purpose of this Section 5.6 only, a "Lot" shall include any unpaved area located between the boundary of the Lot and the closest edge of pavement in an adjacent road right of way (but excluding utilities located in such unpaved area).

(b) In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 10.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required because of what is reasonably perceived as a possible emergency.

5.7 Standard of Performance.

(a) Maintenance, as used in this Article, shall include, without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, as the Board may determine necessary or appropriate to satisfy the Community Wide Standard and applicable Design Guidelines. All maintenance shall be performed in a manner consistent with the Community Wide Standard, applicable Design Guidelines, and all applicable covenants, as determined by the Board.

(b) Portions of the Properties are environmentally sensitive and/or may provide

greater aesthetic value than other portions of the Properties. The Board may establish a higher Community Wide Standard for such areas and require additional maintenance for such areas to reflect the nature of such property.

(c) Notwithstanding anything to the contrary contained herein, neither the Association nor any Owner shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own, unless, and, if owned, only to the extent that, such Person has been negligent in the performance of its maintenance responsibilities. This shall not be deemed to limit the authority of the Association to require that an Owner comply with any provision of the Governing Documents.

5.8 Party Walls and Party Fences.

(a) Definition. Each wall and fence built as a part of the original construction on the Lots and meeting the following criteria shall constitute a "party wall" or "party fence" (herein referred to as "party structures"):

(i) any part of which is built upon or straddling the boundary line between two adjoining Lots; or

(ii) which is constructed within four feet of the boundary line between adjoining Lots, has no windows or doors, and is intended to serve as a privacy wall for the benefit of the adjoining Lot; or

(iii) which, in the reasonable determination of the Board, otherwise serves and/or separates two adjoining Lots, regardless of whether constructed wholly within the boundaries of one Lot.

(b) Ownership. Owners of the Lot(s) served by a party structure (the "Adjoining Owners") shall own that portion of the party structure lying within the boundaries of their respective Lots and shall have an easement for use and enjoyment and, if needed, for support, in that portion, if any, of the party structure lying within the boundaries of the adjoining Lot(s). Each Adjoining Owner shall be responsible for maintaining a property insurance policy on that portion of any party structure lying within the boundaries of such Owner's Lot, as more particularly provided in Section 6.3, and shall be entitled to all insurance proceeds paid under such policy on account of any insured loss.

(c) Repair and Maintenance. The responsibility for the repair and maintenance of party structures and the reasonable cost thereof shall be shared equally by the Adjoining Owners. To the extent damage Repair and to a party structure from fire, water, soil settlement, or other casualty is not repaired out of the proceeds of insurance, any Adjoining Owner may restore it. If other Adjoining Owners thereafter use the party structure, they shall contribute to the restoration cost in equal shares without prejudice to any Owners' right to larger contributions from other users under any rule of law. Any Owner's right to contribution from another Owner under this Section shall be appurtenant to the land and shall

pass to such Owner's successors in title.

ARTICLE VI: INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect, if reasonably available for reasonable premiums, the following types of insurance:

(a) Blanket property insurance covering risks of physical loss on an "all-risk" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and on other portions of the Area of Common Responsibility to the extent that the Association has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at a reasonable cost, then "broad form named perils" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full insurable replacement cost of the insured property.

(b) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf and including coverage for non-owned automobile liability. If generally available at reasonable cost, the commercial general liability insurance shall have a limit of at least $1,000,000.00 per occurrence and at least $2,000,000.00 aggregate occurrences, with respect to bodily injury, personal injury, and property damage;

(c) Workers compensation insurance and employers liability insurance if and to the extent required by law;

(d) Directors and officers liability insurance or equivalent association liability insurance;

(e) Commercial crime insurance, including employee fidelity insurance, in an amount determined by its best business judgment, which, for employee fidelity insurance shall not be less than one sixth of the annual Base Assessments on all Lots plus reserves typically on hand. Such commercial crime insurance shall cover funds held by the Association's management company, unless such management company's insurance insures the Association against crimes committed by or against such management company. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation; and

(f) Such additional insurance, including but not limited to flood, earthquake and hurricane insurance, as the Board in its best business judgment determines advisable.

6.2 Private Amenity Insurance. The Association shall have no insurance responsibility for any portion of any Private Amenity.

6.3 Association Policy Requirements.

(a) Periodic Review. Prior to the renewal of any insurance policy and at least annually, the Association shall arrange for a review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be familiar with insurable replacement costs in the Beaufort County, South Carolina, area.

(b) Deductibles. The policies may contain a reasonable deductible as determined by the Board and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity for any appeal required by this Declaration and the By-Laws, that the loss is the result of the negligence or willful conduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots in accordance with Section 10.7.

(c) General Policy Criteria. To the extent consistent with the conditions set forth in the first sentence of Section 6.1, all insurance coverage obtained by the Board shall:

(i) Be written with a company authorized to do business in the State of South Carolina which satisfies the requirements of the Federal National Mortgage Association or such other secondary mortgage market agencies or federal agencies as the Board requires;

(ii) Be written in the name of the Association. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) Not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees;

(iv) Include an agreed amount endorsement if the policy contains a co-insurance clause; and

(v) Include replacement cost coverage;

(vi) Include a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager and the Owners;

(vii) Include a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(viii) Include an endorsement preventing the Association's insurance carrier from invoking its "other insurance" clause to obtain any contribution from any insurance maintained by individual Owners;

(ix) Include an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non renewal;

(x) Include a cross liability provision;

(xi) Acknowledge the exclusive authority of the Board to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss; and

(xii) Include a provision identifying the Lot Owners as additional insureds under the policy.

6.4 Premiums a Common Expense. Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment.

6.5 Owner's Insurance. Each Owner shall carry property insurance for the full insurable replacement cost of structures on its Lot(s), less a reasonable deductible, unless the Association carries such insurance (which the Association is not obligated to do hereunder). Such property insurance shall include windstorm and hail coverage, and, if full insurable replacement cost is not reasonably available for such coverage, actual cash value may be substituted.

6.6 Action by Owner After Damage. In the event of damage to or destruction of the Dwelling Unit or any other structures on an Owner's Lot, such Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. Alternatively, the Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive, landscaped condition consistent with the Community Wide Standard and applicable Design Guidelines. The Owner shall pay any costs which are not covered by insurance proceeds.

6.7 Possible Additional Covenants. Additional recorded covenants applicable to any Lot or Lots may establish more stringent requirements regarding the standards for rebuilding or reconstructing structures on such Lots and the standards for clearing and maintaining the Lots in the event the structures are not rebuilt or reconstructed.

6.8 Damage and Destruction to Common Property.

(a) Filing Association Claims. Promptly after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain a reliable and detailed estimate of the cost of repair or reconstruction. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(b) Repair of Damage. Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Board of Directors decides not to repair or reconstruct, after receipt of any estimate of the cost of repair or reconstruction desired by the Board. If any other covenants on any portion of the Properties

require that some portion of the Owners must also approve a decision not to repair or reconstruct, then such approval shall also be required. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common shall be repaired or reconstructed.

(c) Action If No Repair. If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive, landscaped condition consistent with the Community Wide Standard.

6.9 Disbursement of Proceeds. Any insurance proceeds remaining after paying the costs of repair or reconstruction of Common Area, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account for disbursement as may be determined by the Board of Directors.

6.10 Inadequate Insurance Proceeds for Needed Repair. If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may levy Benefitted Assessments adequate to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1.

ARTICLE VII: NO PARTITION OF COMMON AREA

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Mortgagees.

ARTICLE VIII: CONDEMNATION

8.1 Notice of Condemnation of Common Area. Whereas any part of the Common Area shall be taken or conveyed under threat of condemnation by any authority having the power of eminent domain, reasonable efforts shall be made to notify Owners thereof. Such notice may be in the manner for General Notices set forth in Section 18.10(a). The Board may convey Common Area under threat of condemnation only if approved in writing by the Board.

8.2 Condemnation Awards. The award made for the taking shall be payable to the Association as a trustee for all Owners and shall be distributed as follows:

(a) Condemnation of Improvements. If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent practicable, unless the Board of Directors decides, after receipt of an estimate of the cost of repair or reconstruction, not to restore or replace. No mortgagee shall have the right to participate in such determination.

(b) Other Condemnations. If the taking does not involve any improvements on the Common Area, or if the decision is made not to repair or restore, or if any net funds remain after any such restoration or reconstruction is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE IX: ANNEXATION AND WITHDRAWAL OF PROPERTY

9.1 Other Annexation With Approval of Membership.

(a) The Association may subject any real property to the provisions of this Declaration with (i) the consent of the owner of such property, (ii) the affirmative vote of the Board of Directors, provided that the Board gives notice to Owners, in accordance with the procedure for "General Notices" in Article XVIII.

(b) Such annexation shall be accomplished by filing a Supplemental Declaration in the Register of Deeds describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President of the Association and the owner of the annexed property if applicable. Any such annexation shall be effective upon the filing of record of such Supplemental Declaration unless otherwise provided therein.

9.2 Additional Covenants and Easements. The Association may unilaterally subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property on behalf of the Owners. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed of record either concurrently with or after the annexation of the subject property and shall require the written consent of the Association and the owner(s) of such property.

ARTICLE X: ASSESSMENTS

10.1 Creation of Assessments.

(a) Types of Assessments. The Association may levy assessments against each Lot as the Board may specifically authorize from time to time. There shall be four types of assessments for Association expenses: (i) Base Assessments to fund Common Expenses and Reserves for the general benefit of all Lots; (ii) Special Assessments as described in Section 10.5; and (iii) Benefitted Assessments, as described in Section 10.6; and (iv) Community Enhancement Assessments as described in Section 10.4(c). Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments and, if applicable, the New Member Fee referenced in Section 3.2 above.

(b) Liability for Assessments; Mortgagees All assessments, together with interest from the due date of such assessment at a rate determined by the Association (not to exceed the highest rate allowed by South Carolina law), fines, fees, late charges, and costs, including lien fees and administrative costs, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 10.9. Each such assessment, together with interest, late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance. To the extent set forth in South Carolina Code Section 27-31-210, if a Mortgagee of any mortgage of record or other purchaser of a Lot obtains title at a foreclosure sale, the Person acquiring title shall not be liable for assessments allocable to the Lot that accrued after the date of recording of the mortgage and prior to the acquisition of title at the foreclosure sale.

(c) Payment of Assessments. Assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, the Base Assessment for each Lot shall be due and payable in advance each year on the anniversary of the date that the Owner of such Lot first obtained title to the Lot. If a Lot is owned by more than one Person and such Persons did not obtain title to the Lot on the same date, the Board, in its sole discretion, shall set the due date for the payment of assessments for such Lot. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

(d) Statements Regarding Assessment Status. The Association shall upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer or

expressly authorized agent of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(e) No Exemption. No Owner may exempt such Owner from liability for assessments by nonuse of Common Area, abandonment of such Owner's Lot or Dwelling Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by the Association or Board.

10.2 Computation of Budget and Base Assessment.

(a) Preparing Budget. Not less than 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the Common Expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 10.4.

(b) Determining Assessment. The Base Assessment shall be levied equally against all Lots subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including contributions to reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessment under Section 10.7 on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

(c) Effective Date of Budget; Notice. The budget shall become effective unless disapproved at a meeting (or written ballot in lieu of a meeting) by a majority of the Member's vote of the Association. Notice of the proposed budget shall be given in accordance with the procedure for "General Notices" in Article XVIII, below. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

(d) Maximum Increase in Base Assessment. Notwithstanding any provision to the contrary, the Board may not impose a Base Assessment that is more than twenty percent (20%) greater than the Base Assessment for the immediately preceding fiscal year without an affirmative majority vote of a quorum of Members, which vote may be at a meeting of the Association or by written

ballot. This limitation shall not apply to Special Assessments, Benefitted Assessments, or any user or membership fees imposed by the Association in accordance with this Declaration.

10.3 Reserve Budget, Capital Contribution and Community Enhancement Assessment.

(a) Preparing Reserve Budget. The Board shall prepare, on a periodic basis consistent with normal industry practice, a reserve budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such reserve budget may also anticipate making additional capital improvements and purchasing additional capital assets. The Board shall include in the reserve contributions in amounts estimated to be sufficient to meet these projected needs, if any.

(b) Use of Reserve Funds. The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended.

(c) Community Enhancement Assessment. When Payable. By Whom. In addition to the Reserve Budget Funds set forth in this Declaration, the Association shall collect a Community Enhancement Assessment upon each transfer of title to a Lot, other than exempt transfers as set forth herein in subsection (i) below. The Community Enhancement Assessment shall be paid by the grantee of title to the Lot and shall be payable at the closing of the transfer of title. If unpaid at closing, the Community Enhancement Assessment shall be deemed a Benefitted Assessment secured by the Association's lien for assessment.

(i) Exemptions from Community Enhancement Assessment. The following transfers of title to a Lot shall be exempt from the Community Enhancement Assessment:

(A) By an Owner or Owners who had title as of January 1, 2018, the effective date of this Fourth Amendment;

(B) By a co-Owner to any Person who was a co-Owner of such Lot as of the effective date of this Fourth Amendment, January 1, 2018;

(C) To an Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;

(D) To an entity wholly owned by the grantor of title or to a family trust created by such grantor for the direct benefit of the grantor and/or his or her spouse and/or heirs; provided any subsequent transfer of an ownership interest in such entity, a Community Enhancement Assessment shall be payable; or

(E) To an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

(ii) Use of Community Enhancement Assessment. Community Enhancement Assessments shall be used to fund the Reserve Funds for the benefit of all Lots.

10.4 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessment may be levied against the entire membership, if for Common Expenses, or against specific Lots if for expenses only for such Lots. Such Special Assessments shall become effective unless (a) disapproved at a meeting or by written ballot (and conducted by the Board) of the Owners, representing at least a majority of the total votes allocated to Lots which will be subject to such Special Assessment. There shall be no obligation for the Board to call a meeting or conduct a written ballot for the purpose of considering Special Assessments except on written petition of the Owners representing at least a majority of the total votes allocated to Lots which will be subject to such Special Assessment, which petition must be presented to the Board within thirty (30) days after notice of the Special Assessment. Notice of the proposed Special Assessments shall be given in accordance with the procedure for "General Notices" in Article XIX, below, and may be part of the notice of the proposed budget set forth in Section 10.3(c), above. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

10.5 Benefitted Assessments.

(a) Specific Lots. The Board may levy Benefitted Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(i) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, caretaker service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(ii) to cover costs incurred in bringing the Lot into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws, the Design Guidelines, or rules or regulations of the Association, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their licensees, invitees, or guests.

(b) Notice and Appeal. Before levying a Benefitted Assessment under subsection (a)(ii), the Board shall give the Lot Owner prior written notice in accordance with the procedure for "Notices to Specific Owners or Occupants" in Article XIX,

below, and shall provide an opportunity for a written appeal; provided that notice or opportunity for a written appeal shall not be a prerequisite if the Board reasonably determines that prompt imposition of the Benefitted Assessment is required in order to avoid or decrease possible injury to persons or damage to property.

10.6 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Lot on the first day of the month following; (a) the date the Lot is made subject to this Declaration, or (b) the date the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment against each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

10.7 Lien for Assessments.

(a) Creation of Lien. In addition to the right of the Association to pursue a claim against the Owner(s) of the Lot, failure to pay any assessments authorized in this Article shall create a lien against the Lot against which they are levied until paid unless otherwise specifically precluded in this Declaration. The lien shall also secure payment of fees, fines, interest (subject to the limitations of South Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees, expert witnesses, court costs, and administrative costs). Such lien shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (ii) the lien or charge of a first Mortgage of record to the extent provided by South Carolina Code Section 27-31-210, as set forth in Section 10.l(b), above. The Association may enforce such lien when any assessment or other charge is delinquent, by suit, judgement, and foreclosure.

(b) Foreclosure. The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs of collection without foreclosing or waiving the lien securing the same.

(c) Effect of Transfer or Foreclosure of Mortgage. The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title to the extent provided by South Carolina Code Section 27-31-210. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under

Section 10.8, including such acquirer, its successors and assigns.

10.8 Personal Obligation of Owner for Assessments. Assessments, interest and charges thereon, and costs of collection thereof (including reasonable attorneys' fees and expenses) shall also be the personal obligation of the Persons owning the assessed Lot when the assessment was due.

10.9 Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

10.10 Exempt Property.

(a) General Exemption. The following property shall be exempt from payment of Base Assessments and Special Assessments:

(i) all Common Area; and

(ii) all property dedicated to and accepted by any governmental authority or public utility.

(b) Property Used for Charitable Purposes. In addition, the Association shall have the right, but not the obligation, to grant written exemptions to Persons qualifying for charitable status under the Internal Revenue Code or South Carolina law to the extent that property owned by such Persons is subject to this Declaration and is used for charitable purposes.

ARTICLE XI: ARCHITECTURAL AND DESIGN STANDARDS

11.1 General.

(a) Compliance with Governing Documents. No improvements, additions or modifications (including, without limitation, staking, clearing, excavation, grading and other site work), exterior alteration of existing improvements (including painting), placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit, other structure or the Common Area (such as, without limitation, signs, antennae, clotheslines, playground equipment, pools, propane tanks, lighting, temporary structures, and artificial vegetation), planting or removal of landscaping materials, or installation or removal of an irrigation system shall take place except in compliance with this Article XI and other Governing Documents.

(b) Exception for Certain Interior Improvements. Any Owner may remodel, paint or redecorate the interior of structures, including the Dwelling Unit, on his or her Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to this Article and approval as set forth below.

(c) Exception for Certain Repainting or Rebuilding of Exterior Improvements. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

11.2 Architectural and Design Review.

(a) Exterior Modifications. The Board may, at its option, either create and appoint an Architectural Review Committee ("ARC") or assign such duties to the Modifications Committee (as defined below). The ARC, if established, shall consist of at least three (3), but not more than five (5), persons who shall serve and may be removed at the Board's discretion.

(b) Modifications Committee; Reviewing Body; Fees, Deposits and Fines.

(i) Modifications Committee and Reviewing Body. The Board shall establish a Modifications Committee ("MC") which shall consist of at least three (3), but not more than nine (9), persons who shall be appointed and shall serve at the discretion of the Board. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Lots or containing Dwelling Units and the adjacent open space. (For purposes of this Declaration, "Reviewing Body" shall refer to the MC, or the ARC, as appropriate under the circumstances.)

(ii) Review Fees. The Reviewing Body may establish and charge reasonable fees for review of applications pursuant to (b)(i), above. The Reviewing Body may require such fees to be paid in full prior to review of any application. Such fees may include the costs incurred in having any application reviewed by

architects, engineers or other professionals. The Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

(iii) Deposits to Ensure Performance. The Reviewing Body may require the deposit of reasonable sums to provide funds to offset possible costs to the Association for failure of an applicant or its agent to perform in accordance with the Design Guidelines or the approved application (such as, without limitation, fees for cleanup of debris created by the work). The Reviewing Body may require such fees to be paid in full prior to commencement of the approved work. Any deposits remaining after the completion of the approved work shall be promptly refunded to the applicant or the applicant's designee.

(iv) Fines. The Reviewing Body may establish and impose a schedule of monetary fines for failure of an applicant to perform in accordance with the Design Guidelines or the approved application; provided that such schedule shall be approved in writing by the Board.

11.3 Guidelines and Procedures.

(a) Design Guidelines. The ARC, or if the ARC is not established, the MC, shall have the authority to amend the Design Guidelines. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, intended use, the Master Plan, and any other applicable zoning ordinances. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Reviewing Body and compliance with the Design Guidelines does not guarantee approval of any application.

(b) Amendments to Design Guidelines. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to construction or modifications previously approved if such approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines. The ARC, or the MC, is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

(c) Availability of Design Guidelines. The Association shall make the Design Guidelines available to Owners and builders who seek to engage in development or construction within the Properties and all such Persons shall conduct their activities in accordance with such Design Guidelines. In the Association's discretion, such Design Guidelines may be recorded in the Register of Deeds, in which event the recorded version, as it may be amended from time to time, shall

control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(d) Variances from Design Guidelines. All structures and improvements constructed upon a Lot shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans for such improvements are submitted to and approved by the Reviewing Body, unless the Reviewing Body has granted a variance in writing pursuant to Section 11.6. So long as the Reviewing Body has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with the Design Guidelines and this Declaration shall be final.

11.4 Review of Plans and Specifications.

(a) Mandatory Review of Plans. No activities within the scope of Section 11.1 shall commence on any Lot until an application for approval of the proposed work has been submitted to and approved by the Reviewing Body. Such application shall be in the form required by the Reviewing Body and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefore and other features of proposed construction, as applicable. The Design Guidelines shall set forth the procedure and any additional information for submission of the Plans.

(b) Review Considerations. In reviewing each submission, the Reviewing Body may consider quality of workmanship and design, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life. The Reviewing Body may require relocation of native plants within the construction site or the installation of an irrigation system for the landscaping including the natural plant life on the Lot as a condition of approval of any submission.

(c) Time for Review. The Reviewing Body shall, within the period specified in the Design Guidelines, advise, in writing, the party submitting the Plans, at the address specified by such party at the time of submission or such revised address as is subsequently provided in writing to the Reviewing Body (the "Current Address") of (i) the approval of the submitted Plans, or (ii) if not approved, the portions of disapproved Plans which are deemed by the Reviewing Body to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, with a brief summary of the reason for such finding (which may include the need for more information). If the Reviewing Body fails to provide such Written notice within the period specified in the Design Guidelines, approval of the Plans shall be deemed to have been given.

(d) Notice to Applicant of Action on Plans. Notice to the Person submitting the Plans required by (c), above, shall be deemed to have been given when (i) such notice, addressed to the Current Address, postage prepaid, is deposited with the U.S.

Postal Service and either (x) sent by United States registered or certified mail, return receipt requested, in which event notice shall be deemed to occur on the date of delivery or rejection of the mailing at the Current Address, or (y) sent by United States First Class mail, in which event delivery shall be deemed to occur three (3) calendar days after the date of deposit with the United States Postal Service; or (ii) personally delivered, in which event notice shall be deemed to have been given at the time of delivery to the Current Address, or (iii) personally delivered to the submitting Person or the agent of the submitting Person at the office of the Reviewing Body.

(e) Start and Completion of Approved Construction. If construction does not commence on a project for which Plans have been approved within 120 days of the date shown on the notice of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Reviewing Body for reconsideration; provided, however, that the Reviewing Body may, in its sole discretion, grant a written extension of the time for commencement of construction. If construction is not completed on a project for which plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article.

11.5 No Waiver of Future Approvals. Each Owner acknowledges that the members of the ARC and the MC will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11.6 Variance. The Reviewing Body may authorize variances in writing from its guidelines and procedures, but only; (a) in accordance with duly adopted Rules and Regulations, (b) when unique circumstances dictate, such as, without limitation, unusual topography, natural obstructions, hardship or aesthetic or environmental considerations require, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

11.7 Limitation of Liability for Application Decisions. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the Association, the Board, the ARC nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board, the ARC nor the MC, nor any member, director, officer, or authorized agent of any of the foregoing (the "Reviewing Persons"), shall be held liable for any injury, damages, or loss arising out of the manner or quality of

approved construction on or modifications to any Lot. In all matters, the Reviewing Persons shall be defended and indemnified by the Association as provided in this Declaration or the By- Laws.

11.8 Enforcement; Completion; Agents of Owner; Other Remedies.

(a) Enforcement. Any construction, alteration or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. Upon written request from the ARC, the MC, or the Board, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such non conformance to the satisfaction of the requester or promptly restore the property, Lot and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a Benefitted Assessment unless otherwise prohibited in this Declaration.

(b) Completion Required. All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall, unless otherwise prohibited in this Declaration, be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with Section 4.2(e), to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefitted Assessment.

(c) Contractor As Agent of Owner. For the purposes of this Article, all acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

(d) Other Remedies. In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Reviewing Body.

ARTICLE XII: USE RESTRICTIONS

12.1 Plan of Development; Applicability; Effect.

(a) Plan of Development. The Association has established a general plan of development for the Properties under this Declaration in order to protect all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires in the community and the area of which The Haven at New Riverside is a part. The Properties are subject to Design Guidelines as set faith in Article XI and other restrictions governing land development, architectural and design control, individual conduct and uses of or actions upon the Properties. The Governing Documents establish affirmative and negative covenants, easements, and restrictions on the Properties.

(b) Occupants and Lessees Bound. All provisions of the Governing Documents shall apply to all Owners, occupants, tenants, lessees, guests and invitees of any Lot. Any lease on any Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of the Governing Documents.

12.2 Adoption of Use Restrictions and Other Rules.

(a) Adoption by Board. Subject to the terms of this Article, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions set forth in Exhibit "B" limiting the rights of the Association, Members and others to use the Property. It shall not be required that such rules be recorded in order to be valid. The Board shall notify Owners concerning any such proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Such notice may be given in the manner for General Notices set forth in Section 18.10(a). Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

(b) Effective Date of Rules. Any such rules shall become effective on the date of adoption by the Board, or such later date as is determined by the Board, unless such rules are disapproved at a meeting of Owners representing at least a majority of the total Members vote. The Board shall have no obligation to call a meeting of the Owners to consider disapproval except upon receipt of a petition of the Owners as required for special meetings in the By-Laws. If a meeting to consider disapproval of a rule is properly requested by the Owners prior to the effective date of such rule, the rule shall not become effective until after such meeting is held.

(c) Adoption of Rules by Owners. Alternatively, the Owners, at a meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and previously adopted rules by a vote of Owners representing 67% of the total Members.

(d) Copy of Current Use Restrictions. The Association shall provide, without cost, a copy of the Use Restrictions and other applicable rules then in effect to any Member or Mortgagee so requesting in writing.

(e) No Modification of Other Governing Documents. Nothing in this Article shall authorize the Board or the Owners to modify, repeal or expand the Declaration (with the exception of the Use Restrictions), the By-Laws, the Articles, or the Design Guidelines. Such documents may only be amended as provided therein.

12.3 Owners' Acknowledgment. All Owners and occupants are subject to the Use Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board and/or the Owners may add, delete, modify, create exceptions to, or amend the Use Restrictions in accordance with this Article and the Declaration. Each Owner by acceptance of a deed acknowledges and agrees that (i) the use and enjoyment and marketability of his or her property can be affected by this provision and (ii) the Use Restrictions and rules may change from time to time.

12.4 Rights of Owners Regarding Rules. Except as may be specifically authorized by this Declaration, neither the Board nor the Owners may adopt any rule in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

(b) Speech. The rights of Owners and occupants to display on their Lot political signs and symbols of the kinds normally displayed in or outside residences located in single family residential neighborhoods in individually owned property shall not be abridged, except that the Association may adopt reasonable rules regarding the use of offensive wording or graphics, time of display, place, manner, size, location, and quality of construction for signs and symbols which are visible from outside the Lot.

(c) Religious and Holiday Displays. The rights of Owners and occupants to display religious and holiday signs, symbols, and decorations on their Lots of the kinds normally displayed in residences located in single family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable rules regarding the use of offensive wording or graphics, tune of display, place, manner, size, location, and quality of construction for displays which are visible from outside the Lot.

(d) Household Composition. Except as otherwise set forth in this Declaration (including, without limitation, Section 2.3), no rule shall interfere with the freedom of occupants of Dwelling Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Dwelling Unit on the basis of the size and facilities of the Dwelling

Unit and its fair share use of the Common Area.

(e) Activities Within Dwelling Units. No rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that (i) create monetary costs for the Association or other Owners, or (ii) create a danger to the health or safety of occupants of other Dwelling Units, or (iii) generate excessive noise or traffic, or (iv) create unsightly conditions visible outside the Dwelling Unit, or (v) create fill unreasonable source of annoyance, or (vi) are unlawful.

(f) Pets. The Association may adopt rules designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash and muzzle controls, noise controls, unusual pets, and numbers and characteristics of pets; provided, however, any rule prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet which was being kept on the Properties prior to the adoption of such rule. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents a threat to the health or safety of residents or other pets, or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep animals, reptiles, birds or poultry of any kind for commercial or business purposes.

(g) Allocation of Burdens and Benefits. Except as permitted by this Declaration, the allocation of financial burdens and rights to use Common Areas among the various Lots in existence at the time of acquisition of a Lot by an Owner shall not be changed to the detriment of such Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the use of the Common Areas as provided in Article IV, from adopting generally applicable rules for use of Common Areas, or from denying use privileges to those who abuse the Common Area, fail to comply with the Governing Documents, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article X.

(h) Alienation. No rule shall prohibit the leasing or transferring of any Lot, or require consent of the Association or Board for leasing or transferring of any Lot; provided, the Association or the Board may require a minimum lease term of up to 12 months. The Association may require that Owners use lease forms approved by the Association. Except for the New Member Fee imposed by Section 3.2(b), the Association shall not impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the administrative costs to the Association incurred relating to a lease or transfer.

(i) Abridging Existing Rights. Unless otherwise required to be removed by law, any rule which would require Owners to dispose of personal property being kept on the

Properties shall apply prospectively only and shall not require the removal of any property which was lawfully being kept on tile Properties prior to the adoption of such rule and which was in compliance with the Governing Documents in force at such time.

(j) Not Applicable to Declaration Amendments. The limitations in this Section 12.4 shall apply to rules only and shall not apply to amendments to this Declaration adopted in accordance with Section 18.2.

ARTICLE XIII: EASEMENTS

13.1 Easements of Encroachment. The Association has the right to annex property pursuant to Section 9.1, easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with this Declaration) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary.

13.2 Easements for Utilities, Etc. The Association has the right to annex property pursuant to Section 9.1, and grants to the Association an easement for the purpose of access and maintenance upon, across, over, and under all of the Properties to the extent reasonably necessary to install, replace, repair, and maintain cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity. The Association may assign these rights to any local utility supplier, cable company, security company or other company providing a service or utility to The Haven at New Riverside, subject to the limitations herein.

(a) The easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing Dwelling Unit on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot area, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

(b) The Association specifically grants to the local utility supplier easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Dwelling Unit on any Lot, nor shall any utilities be installed or relocated on the Properties, except as approved by the Board.

13.3 Easements to Serve Additional Property. The Association hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and Mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Properties and all Contiguous Property whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. The Association shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. If the easement is exercised for

permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Association shall pay the cost of maintenance of any access roadway serving such property. The Association bears the cost of maintenance of any access roadway serving such property.

ARTICLE XIV: MORTGAGE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and the By-Laws, notwithstanding any other provisions contained therein.

14.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association shall become an "Eligible Holder" if such request states the name and address of such holder, insurer, or guarantor; the name of the Owner granting such Mortgage as shown on the Mortgage; and the street address of the Lot to which its Mortgage relates. If such Mortgage is assigned by the Eligible Holder to another institutional holder, insurer, or guarantor, the assigning or assignee Eligible Holder shall promptly notify the Association of the name and address of the assignee, as well as the information regarding the Owner set forth in the preceding sentence. After such notice, the Eligible Holder shall be entitled to timely written notice of:

(a) Any known condemnation loss or any casualty loss which materially and adversely affects a significant portion of the Properties or which materially and adversely affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any known delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other known violation of the Declaration or By-Laws relating to such Lot or the Owner or Occupant which is not cured within 60 days; or

(c) Any known lapse, cancellation, or material modification of any insurance policy maintained by the Association insuring a Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder.

14.2 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.3 Notice to Association. Upon request, each Owner shall be obligated to promptly furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot, the name of the Mortgagor as shown on the Mortgage, and the applicable Mortgage number.

ARTICLE XV: PRIVATE AMENITIES

15.1 Right to Use. Access to and use of the Private Amenities are strictly subject to the rules and procedures of the Private Amenities, and no Person automatically gains any right to enter or to use those facilities by virtue of membership in the Association, ownership of a Lot, or occupancy of a Dwelling Unit. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined by their respective owners. Such owners shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities and to terminate use rights altogether.

15.2 Change of Ownership or Operation Duties. The ownership or operational duties relating to the Private Amenities may change at any time and from time to time by virtue of, but without limitation, (a) the sale to or assumption of operations by an independent entity, (b) conversion of the membership structure to as "equity" club or similar arrangement whereby the members of a Private Amenity or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Private Amenity.

15.3 No Representations Regarding Private Amenities. Except as provided herein, no representations or warranties, either written or oral, have been or are made by any Person with regard to the nature or size of improvements to, or the continuing ownership or operation of the Private Amenities. No purported representation or warranty, written or oral, in conflict with this Section shall be effective without an amendment to this Declaration executed or joined into by the owner(s) of the Private Amenities which are the subject thereof.

15.4 Assumption of Risk and Indemnification Relating to Private Amenities.

(a) Assumption of Risk. Each Owner, by its purchase of a Lot in the vicinity of any Private Amenity, hereby expressly assumes the risk of noise, personal injury or property damage caused by maintenance and operation of any such Private Amenity, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around sunrise or sunset), (b) noise caused by users of the Private Amenity, (c) use of pesticides, herbicides and fertilizers, (d) use of effluent in the irrigation of the landscaping and grounds of the Private Amenity, (e) reduction in privacy caused by traffic on or to the Private Amenity, or the removal or pruning of shrubbery or trees on the Private Amenity, and (f) design of the Private Amenity.

(b) Indemnification. Neither the Association, nor their officers, directors or employees shall be liable to any Owner or any other person claiming any loss of damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner's Lot to a Private Amenity, including,

without limitation, any claim arising in whole or in part from the negligence of the Association. The Owner shall indemnify and hold harmless the Association against any and all claims by Owner's visitors, tenants and others upon such Owner's Lot.

15.5 No Representation Regarding Views. Neither the Association nor the owner or operator of any Private Amenity guarantees or represents that any view over and across any Private Amenity from adjacent Lots will be preserved without impairment. No provision of this Declaration shall be deemed to create an obligation of the Association or the owner of any Private Amenity to prune or thin trees or other landscaping except as provided in Article V. The Association and the owner of any Private Amenity may, in their sole and absolute discretion, add trees and other landscaping to their Private Amenities from time to time. Any such additions or changes to Private Amenities may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Any such addition or change to any Private Amenity may not adversely affect drainage flow across the Properties.

15.6 Notice of Modification of Adjacent or Visible Properties. Neither the Association, the Modifications Committee, nor any board or committee thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Properties which is adjacent to, or otherwise in the direct line of sight of, any Private Amenity without giving the owner of the Private Amenity or its authorized agent at least 15 days prior written notice of its intent to approve or permit the same together with copies of the request and all other documents and information finally submitted in such regard. The owner of the Private Amenity or its authorized agent shall then have 15 days to approve or disapprove the proposal in writing delivered to the appropriate committee or association, stating in detail the reasons for any disapproval. The failure of the owner or authorized agent of the Private Amenity to respond to the notice within the 15 day period shall constitute a waiver of such owner's or authorized agent's right to object to the matter. This Section shall also apply to any work on the Common Area.

15.7 Limitations on Amendments Affecting Private Amenities. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenities, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the owner of the Private Amenities affected thereby. The Association shall have no power to promulgate Use Restrictions other than those set forth or Exhibit "B" which materially and adversely affect activities on or use of the Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

15.8 Cooperation. The Association and the Private Amenities shall cooperate to the maximum extent feasible in the operation of the Properties and the Private Amenities. Each shall reasonably assist the other in upholding the Community Wide Standard as it pertains to maintenance and the Design Guidelines.

ARTICLE XVI: DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

16.1 Agreement to Avoid Litigation. The Association, its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") shall encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 16.2 ("Claims") shall be resolved using the procedures set forth in Section 16.3 in lieu of filing suit in any court.

16.2 Claims.

(a) Claims Defined. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties, shall be subject to the provisions of Section 16.3.

(b) Matters Not Constituting Claims. Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 16.3:

(i) any suit, action or proceeding (including, without limitation, any temporary or permanent restraining order, injunction, or other mandatory or prohibitive equitable relief) by the Association against any Bound Party to enforce the provisions of the Governing Documents; and any counterclaims in response thereto;

(ii) any suit, action or proceeding between Owners which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iii) any suit, action or proceeding in which any indispensable party is not a Bound Party; and

(iv) any suit, action or proceeding which otherwise would be barred by any applicable statute of limitations or would be likely to be barred by any applicable statute of limitations if processed as a Claim.

(c) Claims by Consent of Parties. With the written consent of all parties thereto, any matters set forth in subsection (b) may be submitted to the alternative dispute resolution procedures set forth in Section 16.3.

16.3 Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent

in writing in accordance with Section 18.10(b) (the "Notice"), stating plainly and concisely:

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

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

(iii) Claimant's proposed remedy; and

(iv) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation; Waiver of Claim.

(i) Good Faith Negotiation. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation: If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

(ii) Mediation. If the Parties do not resolve the Claim within 30 days of the date of the Notice or such other period as may be expressly agreed upon in writing by the Parties ("Negotiation Termination Date"), any of the Parties shall have 30 days from the Negotiation Termination Date to submit the Claim to mediation under the auspices of an independent agency or court-approved arrangement providing dispute resolution services in the Beaufort County, South Carolina area.

(iii) Waiver of Claim. If no Party submits the Claim to mediation within 30 days after the Negotiation Termination Date, or the Claimant does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Documentation of Settlement. Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not agree in writing to a settlement of the Claim within 30 days after the date the mediator acknowledges receipt of the Claim for mediation, or within such later time as is agreed upon in writing by the parties and the mediation, the mediator shall issue a notice of termination of the mediation proceedings ("Mediation Termination Notice"). The Mediation Termination Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated ("Mediation Termination Date").

16.4 Mandatory Binding Arbitration.

(a) Submission of Mediated Claim to Mandatory Arbitration. If a Mediation Termination Notice is issued and there is no written- mediation settlement agreement, the Claimant shall have 30 additional days from the Mediation Termination Date to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "C" or such rules as may be required by the agency providing the arbitrator; provided that no Claim may be submitted which is excluded from mandatory arbitration pursuant to South Carolina law (an "Excluded Claim").

(b) Failure to Submit Arbitration Claim or Appear for Arbitration. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, filly Claim other than an Excluded Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

(c) Enforcement of Arbitration Award. This Section 16.4 is an agreement to arbitrate and is enforceable under the applicable arbitration laws of the State of South Carolina. The arbitration award (the "Award'1 shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of South Carolina.

16.5 Allocation of Costs of Mediation or Arbitration. Unless otherwise expressly agreed by the parties, each Party to a mediation shall bear its own costs, including any attorneys' fees, and each Party shall share equally all charges by the mediator. Unless otherwise expressly agreed by the parties or otherwise determined by the arbitrator(s), the costs of arbitration, including all filing fees and reasonable attorneys' fees of the prevailing party, shall be paid by the Party that is not the prevailing party.

16.6 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any written mediation settlement agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set faith in Section 16.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non- complying Party (or if more than one non complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

ARTICLE XVII: COMPLIANCE WITH COUNTY REQUIREMENTS

17.1 General. The purpose of this Article is to provide the Association and the Owners with notice of several of the requirements and obligations imposed on the Association and the Owners by the New Riverside Covenants, the Jones Tract Development Agreement and the Town of Bluffton Development Agreement (the "Development Agreements"). Nothing in this Article shall be construed to modify, limit or expand any requirement or obligation imposed by either the New Riverside Covenants or the Development Agreements, nor to reduce, limit or eliminate any requirement or obligation otherwise imposed by the Governing Documents. In the event of conflict between any provision of the Development Agreements, as they may be amended, and any provision of this Article, those of this Article shall be subject and subordinate to those of the Development Agreements.

17.2 New Riverside Covenants. This Declaration, upon recordation in the Office of the Register of Deeds for Beaufort County, shall constitute a "Neighborhood Declaration" under the terms and conditions of the New Riverside Covenants.

(a) Association a Neighborhood Association Under Covenants. The Association shall constitute a "Neighborhood Association" under the terms and conditions of the New Riverside Covenants.

(b) Association a Member Under Covenants. The Association shall be the member of the New Riverside Association, Inc. and through the Board of Directors of the Association shall exercise all rights and responsibilities of membership in the New Riverside Association, Inc., to include the obligation, as part of the Common Expenses, to pay all assessments, special assessments, and specific assessments, and to exercise any other rights which may accrue as a result of membership, provided that any rights which may specifically accrue to any Owner under the terms and conditions of the New Riverside Covenants, may be exercised by such Owner, under the terms and conditions set forth in the New Riverside Covenants. The Board of Directors shall designate a representative to serve as its representative on the Board of Directors of the New Riverside Association.

ARTICLE XVIII: GENERAL PROVISIONS

18.1 Term. This Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is initially recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

18.2 Amendment.

(a) By Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of representing 67% of the total votes in the Association. The percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(b) Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the Register of Deeds of Beaufort County, South Carolina, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

(c) Consent to Amendment by An Owner. If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

18.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

18.4 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

18.5 Use of the Words "The Haven" or "The Haven at New Riverside". No Person shall use the words “The Haven” or “The Haven at New Riverside” or any derivative, or

any other term which the Association may select as the name of this development or any component thereof, in any printed or promotional material without the Association's prior written consent. Owners may use the words "The Haven" or "The Haven at New Riverside" in printed or promotional matter solely to specify that particular property is located within the Properties and the Association shall be entitled to use the words "The Haven at New Riverside" in its name.

18.6 Pulte Homes Marks. Any use by the Association of names, marks or symbols of Pulte Homes Corporation or any of its affiliates (collectively "Pulte Homes Marks") shall inure to the benefit of Pulte Homes Corporation and shall be subject to Pulte Homes agreements with Pulte Homes Corporation, terminable with or without cause and in a form specified by Pulte Homes Corporation in its sole discretion, with respect to permissive use of certain Pulte Homes Marks. The Association shall not use any Pulte Homes Mark without Pulte Homes Corporation's prior written consent.

18.7 Del Webb Marks. Any use by the Association of names, marks or symbols of Del Webb Corporation or any of its affiliates (collectively "Del Webb Marks") shall inure to the benefit of Del Webb Corporation and shall be subject to Del Webb Corporation's periodic review for quality control. The Association has entered into license agreements with Del Webb Corporation, terminable with or without cause and with respect to permissive use of certain Del Webb Marks.

18.8 Compliance. Every Owner and occupant of any Lot shall comply with the Governing Documents of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, by the Association or, in a proper case, by any aggrieved Owner(s).

18.9 Notice to Board of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably request, The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title. The Association may require the payment of a reasonable administration or registration fee by the transferee.

18.10 Notices to Owners

(a) General Notices. Unless otherwise expressly stated in writing or required by law, general notices to Owners by the Association, the Board, or any Reviewing Body may be given by any reasonable method, such as, without limitation (i) United States first class, registered or certified mail addressed to the current address of such Owner on the records of the Association, postage prepaid, (ii) personal delivery to the current address of such Owner on the records of the Association, (iii) publication in the Association's newsletter, or publication in a newspaper in the same manner as permitted for legal notices, (iv) publication on any internet

website or television channel that provides reasonable notice to Owners, or (v) any other notice procedure authorized by South Carolina law for the service of process.

(b) Notices to Specific Owners or Occupants. Unless otherwise expressly stated in writing or required by law, notices to specific Owners, lessees or occupants by the Association, the Board, or any Reviewing Body shall be deemed to have been given in any of the following ways: (i) when such notice, addressed to the current address of such Person on the records of the Association is deposited, postage prepaid, with the U.S. Postal Service and either (A) sent by United States registered or certified mail, return receipt requested, in which event notice shall be deemed to occur on the date of delivery or rejection of the mailing at the current address, or (B) sent by United States First Class mail, in which event delivery shall be deemed to occur three (2) calendar days after the date o:f deposit with the United States Postal Service, or (ii) when personally delivered to the current address of such Person on the records of the Association, or (iii) when sent, postage prepaid, by any recognized courier or delivery services which provides confirmation of delivery (such as, without limitation, Federal Express or UPS), in which event notice shall be deemed to occur on the date of delivery or rejection at the current address; (iv) when sent by internet or facsimile, in which event notice shall be deemed to occur on the date of written acknowledgment or response by the recipient, or such earlier date as is acknowledged in writing by the recipient; or (v) when sent by any other notice procedure authorized by South Carolina law for the service of process.

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EXHIBIT "A": LAND INITIALLY SUBMITTED

Land Initially Submitted

BLOCK 1: All Lots and Common Area situate, lying and being in New Riverside, the Town of Bluffton, Beaufort County, South Carolina, as more fully shown and described on a plat prepared by Thomas & Hutton Engineering Company, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on February 22, 2008, in Plat Book 123 at Pages 187-191.

BLOCK 2: All Lots and Common Area situate, lying and being in New Riverside, the Town of Bluffton, Beaufort County, South Carolina, as more fully shown and described on a plat prepared by Thomas & Hutton Engineering Company, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on May 30, 2008, in Plat Book 114 at Pages 6-10.

BLOCK 5: All Lots and Common Area situate, lying and being in New Riverside, the Town of Bluffton, Beaufort County, South Carolina, as more fully shown and described on a plat prepared by Thomas & Hutton Engineering Company, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on July 30, 2009, in Plat Book 108 at Pages 118-119.

For a more specific reference as to the metes and bounds of such property, reference is herewith made to the plat of record.

(NOTE: It is intended that the property subject to the Declaration shall also includes any property not referenced above but which is made subject to the Declaration by any recorded subsequent amendment or Supplemental Declaration.)

EXHIBIT "A-1": LAND SUBJECT TO ANNEXATION

ALL THOSE CERTAIN TRACTS OR PARCELS OF LAND, situate, lying and being in New Riverside, the Town of Bluffton, Beaufort County, South Carolina, and being shown and described as Parcel 5B, containing 348.18 acres (288.94 Upland Acres and 59.20 Wetland Acres), more or less, as more fully shown and described on a plat thereof entitle A PLAT OF PARCEL 5B, A PORTION OF NEW RIVERSIDE, TOWN OF BLUFFTON, BEAUFORT COUNTY, SOUTH CAROLINA, prepared for New Riverside, LLC, by Thomas & Hutton Engineering Company, Boyce L. Young, S.C.R.L.S. No: 11079, said plat being dated the 23rd day of June 2005, last revised July 25, 2005, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 00108 at Page 0055. For a more specific reference as to the metes and bounds, reference is herewith made to said plat of record.

(NOTE: The property listed above includes some property which has been made subject to the Declaration at the time of recordation of this document.)

EXHIBIT "B": USE RESTRICTIONS

1. General. The Properties shall be used only for residential, recreational and related purposes (which may include, without limitation, offices for any property managers retained by the Association or business offices for the Association consistent with this Declaration and any Supplemental Declaration), subject to applicable laws. Stricter standards than those contained in this Declaration may be imposed by amendments or supplements to this Declaration and the Association shall have the standing and the power to enforce such standards.

2. Prohibited Activities. The following activities are prohibited within the Properties unless authorized by and then subject to such conditions as may be imposed by, the Board:

   2.1 Signs. Posting signs of any kind except those required by law, including posters, circulars and billboards; provided, one professionally lettered "for rent" or "for sale" sign may be displayed on a Lot being offered for lease or for sale if in accordance with any restrictions in size, coloring, lettering and placement of signs as may be adopted by the Board, the Architectural Review Committee and the Modifications Committee and if approved by the Modifications Committee;

   2.2 Use of Water Bodies. Active use of lakes, ponds, rivers, streams, wetlands, or any other bodies of water within the Properties. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, rivers, streams, wetlands or other bodies of water within or adjacent to the Properties;

   2.3 Interval Ownership. Operation of a timesharing, fraction sharing or similar program whereby the right to exclusive use of the Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years;

   2.4 Number of Occupants. Occupancy of a Dwelling Unit by more than two persons per bedroom in the Dwelling Unit. For the purposes of this provision, "occupancy" shall be defined as staying overnight in the Dwelling Unit more than 30 days in a six-month period;

   2.5 Wildlife. Capturing, trapping or killing wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons or pets on the properties; other than pursuant to a wildlife management plan adopted by the Association;

   2.6 Pets. Raising, breeding or keeping of animals or poultry of any kind, except that a total of two mature dogs and two mature cats and a reasonable number (as determined by the Board) of other usual and common household pets may be permitted on a Lot. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health and safety of Owners or occupants of other Lots or other permitted pets, or constitute a nuisance or unreasonable inconvenience to the Owners or

occupants of other Lots, shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet;

2.7 Alligators. Feeding, caring, taunting or playing with any alligators on the Properties;

2.8 Destructive Activities. Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Properties or which result in unreasonable levels of sound or light pollution;

2.9 Firearms and explosives. Discharge of firearms or explosives within the properties. The term firearms include "BB" guns, pellet guns and other firearms of all types and sizes;

2.10 Telecommunications. Exterior antennas, aerials, satellite dishes, towers, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; provided, the Association shall have the right, without obligation, to erect or install and maintain such apparatus for the benefit of all or a portion of the Properties; and

2.11 Businesses.

(a) Conducting any Business, Trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities which are commonly conducted within residential areas within the Dwelling Unit so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit;

(ii) the business activity conforms to all zoning requirements for the Properties;

(iii) the business activity does not involve visitation of the Lot or Dwelling Unit by clients, customers, suppliers, or other business invitees or door to door solicitation of residents of the Properties;

(iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of the other residents of the Properties; as may be determined in the sole direction of the Board.

(b) The leasing of a Dwelling Unit in compliance with Section 3.6 shall not be considered a Business or Trade within the meaning of this subsection.

3. Prohibited Conditions. The following shall be prohibited within the communities:

3.1 Walls, dog runs, animal pens, or fences of any kind on any Lot except as approved in accordance with Article XI; provided, the Association shall have the right, without obligation, to construct and maintain fences on any portion of the

Properties which they own;

3.2 Open garage doors. Garage doors shall remain closed at all times except when entering and exiting the garage, or, for short periods, cleaning the garage or storing or removing items in the garage;

3.3 Excessive exterior lighting on any Lot. The Board shall in its sole discretion determine whether any exterior lighting is excessive;

3.4 Storage. Storage of furniture, futures, appliances, machinery, equipment or other goods and chattels not in active use on the Common Area or any portion of a Lot which is visible from outside the Lot, except as approved in accordance with Article X.

3.5 Leasing.

(a) Definition, etc. Leasing for purposes of this Declaration, is defined as regular, exclusive occupancy of a Dwelling Unit by any person other than the Owner, for which the Owner receives any consideration of benefit, including, but not limited to, a fee, service, gratuity, or emolument.

(b) Conditions on Leasing. Dwelling units may be leased only in their entirety. No fraction or portion may be leased. No structure on a Lot other than the primary Dwelling Unit shall be leased or otherwise occupied for residential purposes, except that any Lot comprised of more than one acre of land may make residential use of such a structure other than the primary dwelling Unit for an ancillary use such as in-law suite or nanny suite, but not for independent leasing. There shall be no subleasing of Dwelling Units or assignment of leases unless prior written approval is obtained from the Board. All leasing shall be in writing. No transient tenants may be accommodated in a Dwelling Unit, and all leases shall be for an initial term of no less than 90 days. The leasing of any Lot is further subject to the restrictions on occupancy set forth in Section 2.3 of the Declaration.

(c) Notice of Lease. Notice of any lease, together with such information may be required by the Board, shall be given to the Board by the Lot Owner within ten days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-laws and the Rules and Regulations. The Board may adopt reasonable rules regarding leasing and subleasing.

3.6 Prohibition of Time Sharing, etc. Under no circumstances shall ownership of any Lot be shared or offered under a time-sharing plan (or any similar form of multiple ownership) unless such a plan is limited to immediate family members being related not farther than two degrees of consanguinity.

3.7 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such property or any

portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Properties.

3.8 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which is approved in accordance with Article XI or as required by the applicable governing jurisdiction. Such containers shall be kept inside garages or other structures on Lots except when they are being made available for collection and then for the shortest time reasonably necessary to effect such collection.

3.9 Clothes Drying Facilities. Outside clothes lines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot.

3.10 Vehicles and Parking.

(a) The term "vehicles," as used in this Section, shall include, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

(b) No vehicle may be left upon any portion of the Properties except in a garage, driveway, parking pad, or other area designated by the Board. Commercial vehicles, recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, or other oversized vehicles, stored vehicles, and unlicensed vehicles or inoperable vehicles shall not be parked with the Properties other than in enclosed garages; provided however, that one recreational vehicle, one camper or one boat or other watercraft may be temporarily kept or stored completely in a driveway or completely on a parking pad on a Lot for not more than 24 hours within each seven day period.

EXHIBIT "C": RULES OF ARBITRATION

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties in accordance with Section 18.10(b) of the Declaration stating plainly and concisely the information required by Section 16.3(a)(i) through (iii), and Section 16.4(a) of the Declaration and confirming Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one Party Appointed Arbitrator, and all the Respondents shall agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three arbitrators.

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Associations Institute, for any dispute arising under the Governing Documents, or the American Arbitration Association, or such other independent body providing arbitration services, for my dispute relating to the design or construction of improvements on the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Partes any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any

relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is settled by the statute of limitations.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

10. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in the Arbitrator's discretion. Such independent professionals must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

11. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, allowed is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized but not required, to administer oaths to witnesses.

12. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

13. There will be no post-hearing briefing.

14. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

15. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing, and personally delivered, or sent, postage or delivery charges prepaid, by (a) United States registered or certified mail, return receipt requested, in which event notice shall be deemed to occur on the date of delivery or rejection of the mailing at the current address, or (b) United States First Class mail, in which event delivery shall be deemed to occur three (3) calendar days after the date of deposit with the United States Postal Service, or (c) any recognized courier or delivery services which provides confirmation of delivery (such as, without limitation, Federal Express or UPS), in which event notice shall be deemed to occur on the date of delivery or rejection at the current address; or (d) any other notice procedure authorized by South Carolina law for the service of process.