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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

R. Markley Dennis, Circuit Court Judge

Trial Case No.: 2010-CP-10-0482
Appellate Case No. 2016-000281

Anchorage Plantation
Homeowners Association,

Respondent,

v.

John B. Walpole and
Theodora W. Walpole

Appellant.

RECORD ON APPEAL
Vol. 3 of 3

Charles S. Altman
Meredith L. Coker
Altman & Coker, LLC
575 King Street, Suite A
Charleston, South Carolina 29403
(843) 853-9907
Attorneys for Appellants

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Attorneys for Respondent

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EXHIBIT 3 TO COMPLAINT

Buist • Moore • Smythe • McGee • PA

February 5, 2004

THOMAS L. HARPER, JR.
ATTORNEY AT LAW
E-Mail: tharper@bmsmlaw.com
DIRECT DIAL: 843-720-4636
FAX: 843-723-7398

By Fax Only

Gerald M. Finkel, Esq.
Finkel & Altman, LLC

RE: Anchorage Plantation Homeowners Association
BMSM File No. 11926.0000

Dear Mr. Finkel:

This law firm represents the Anchorage Plantation Homeowners Association (the "Association"). I have been asked by the Association to inquire about various matters pertaining to the proposed development by your client, John B. Walpole, of certain real property (the "Walpole Property") located adjacent to Anchorage Plantation as the same is currently configured. In particular, based upon its review of materials submitted by your client to the Charleston County Planning Department, the Association is concerned that Mr. Walpole intends to use the roads, thoroughfares and other common areas located within Anchorage Plantation for the construction and improvement of the Walpole Property. It also appears that Mr. Walpole may intend to tie the roads constructed upon the Walpole Property to Anchorage Plantation. As you would expect, the Association does not want to see either of these happen.

By deed dated January 9, 2003, Southern Lifestyles VIII, LLC conveyed to the Association all the streets, roads, roadways, drives and other thoroughfares located in Anchorage Plantation. I have reviewed the restrictive covenants encumbering Anchorage Plantation (the "Declaration"), and do not believe that Mr. Walpole (or the owner of the Walpole Property) has the right either to enter onto Anchorage Plantation for the development of the Walpole Property, or to connect the roads on the Walpole Property to the current roads in Anchorage Plantation for use by the owner(s) of the Walpole Property. These roads are private and were conveyed to the Association without reservation by Southern Lifestyles VIII, LLC for the sole use of the owners of Anchorage Plantation. While the Declaration does reserve an access easement over Anchorage Plantation in favor of the Declarant for the benefit of the Additional Property (as those terms are defined in the Declaration), the Walpole Property does not fall within the definition of the Additional Property, and I am unaware of any reservation of a right of access over Anchorage Plantation in favor of Mr. Walpole.

It is, of course, possible either that my client's concerns about Mr. Walpole's intentions are unfounded, or that some other agreement or instrument of record exists which I have not seen

(00574249.) 5 EXCHANGE STREET • CHARLESTON, S.C. 29401-2593 • P.O. BOX 999 • CHARLESTON, S.C. 29402-0999
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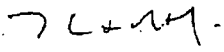
EXHIBIT 3 TO COMPLAINT

Gerald M. Finkel, Esq.
February 5, 2004
Page 2

but which affects this legal analysis. If either of these is the case, I would ask that you let me know as soon as possible so that we can minimize any further confusion or delay in this development process.

I look forward to speaking with you about this matter.

Sincerely yours,


Thomas L. Harper, Jr.

TLH/dlh
cc: Anchorage Plantation Homeowners Association

{00574249.}

FINKEL & ALTMAN, L.L.C.
ATTORNEYS AND COUNSELORS AT LAW

EXHIBIT 3 TO COMPLAINT

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1201 MAIN STREET, SUITE 1800
POST OFFICE BOX 1789
COLUMBIA, SOUTH CAROLINA
29202
(803) 765-2935
FACSIMILE (803) 282-0766

THE CARROLL BUILDING
24 NORTH MARKET STREET, SUITE 200
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS
POST OFFICE BOX 325
CHARLESTON, SOUTH CAROLINA 29402
(843) 577-5460
FACSIMILE (843) 577-5135

GEORGETOWN OFFICE
717 C FRONT STREET
GEORGETOWN, SOUTH CAROLINA
29442
(843) 527-3281

REPLY TO CHARLESTON OFFICE

February 13, 2004

GERALD M. FINKEL, ESQUIRE
jfinkel@finkeltlaw.com

VIA FACSIMILE AND U.S. MAIL

Thomas L. Harper, Esquire
Buist Moore Smythe & McGee, PA
Post Office Box 999
Charleston South Carolina 29402

RE: *Anchorage Plantation Homeowner's Association*
BMSM File Number: 11926.0000
Our File Number: 18430/14842

Dear Tom:

Pursuant to your letter of February 5, 2004, and our subsequent telephone conversation of February 9, 2004, I am enclosing an Amended Easement Agreement between Southern Lifestyles VIII, LLC to John B. Walpole and Theodora W. Walpole dated June 13, 2002, and recorded in the office of the Register of Deeds in Book K 409 at Page 481-485. This Amended Easement was specifically bargained for and anticipated the development of the adjacent property as stated in the Easement.

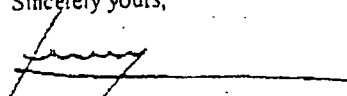
In addition to the foregoing, Article IX, Section 9.2 of the original Purchase Agreement for Unimproved Real Estate dated November 8, 2001, allowed the purchaser, at its sole expense, to tie into seller's irrigation ponds for purposes of withdrawing water for landscaping irrigation. This tie-in was successfully accomplished and the Agreement has subsequently lapsed. We are unclear as to whether or not the Homeowner's Association wishes to renew their right to take the water from these irrigation ponds.

Our clients intend to develop an upscale community comparable with the first phase. They want to be good neighbors and obviously see a number of synergies between the respective phases of development.

I look forward to resolving any outstanding issues with you.

With best personal regards, I remain

Sincerely yours,


Gerald M. Finkel

GMF/mmj

cc: John & Theodora Walpole (via facsimile only)

Z:\WPDATA\CLIENTS\14842\Harper.021\001.wpd

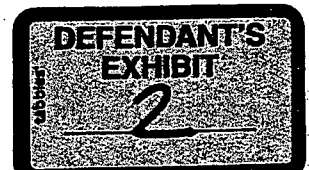


EXHIBIT 3 TO COMPLAINT

Buist • Moore • Smythe • McGee • P.A.

March 18, 2004

THOMAS L. HARPER, JR.
ATTORNEY AT LAW
E-Mail: tharper@bmsmlaw.com
DIRECT DIAL: 843-720-4636
FAX: 843-723-7398

Gerald M. Finkel, Esq.
Finkel & Altman, LLC
1201 Main Street, Suite 1800
P. O. Box 1799
Columbia, South Carolina 29202

RE: Anchorage Plantation Homeowners Association
BMSM File No. 11926.0000

Dear Gerry:

Thank you for your letter of February 13, 2004, regarding the Amended Easement Agreement pursuant to which Southern Lifestyles VIII, LLC ("Southern Lifestyles") granted John and Theodora Walpole (the "Walpoles") the right of use of the community boat ramp, community dock, and any roads within Anchorage Plantation (the "Easement") for the benefit of a tract of land contiguous to Anchorage Plantation consisting of approximately 792 acres owned by the Walpoles, TMS No. 199-00-00-017 (the "Walpole Property").

Your letter was the first that the Anchorage Plantation Homeowners Association had heard of the Walpoles being granted rights in the Anchorage Plantation common areas after they sold out to Southern Lifestyles. Needless to say, the Association is very disturbed by this agreement between the Walpoles and Southern Lifestyles. In light of the potential construction of 107 homes on the Walpole Property, the effect of the Easement on Anchorage Plantation could be devastating. The nominal annual consideration of \$50 per "Walpole lot" for the use of the ramp, dock and roads is severely below market value, and does not come close to covering the additional costs associated with this dramatic increase in use of such facilities. By way of reference, the annual assessments at Anchorage Plantation currently total \$900 per lot, almost all of which is devoted to the maintenance and upkeep of these facilities. The Easement provides no obligation to the Walpoles (or the subsequent owners of the Walpole lots) to pay for any extraordinary repairs, maintenance or improvements to these facilities, even though the development of the Walpole Property as planned will substantially more than double the number of homesites with apparent rights in them. The fact that there is a permanent cap of this fee at \$100 per Walpole lot means that this problem will only be exacerbated in the future.

The Anchorage Plantation restrictive covenants provide means by which the Walpole Property could have been brought into Anchorage Plantation. If this approach had been adopted,

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EXHIBIT 3 TO COMPLAINT

Gerald M. Finkel, Esq.
March 18, 2004
Page 2

the lot owners of the Walpole Property would have to pay their pro rata share of the expenses of the dock, ramp and roads. Instead, these owners would be allowed to use these amenities without paying their fair share.

There is ample caselaw in this and other states holding that residential real estate developers owe a fiduciary duty to their homeowners. We believe there is no question that the Walpoles breached this duty when they contracted for the right to the Easement in their agreement to sell Anchorage Plantation to Southern Lifestyles. The Walpoles engaged in self-serving conduct to maximize the value of the Walpole Property, even though they knew that the Easement would substantially impair the marketability and the value of Anchorage Plantation.

What is more, both the Walpoles and Southern Lifestyles marketed Anchorage Plantation by emphasizing the security and exclusivity of that development. Numerous purchasers of lots at Anchorage bought their property for a premium based on the kind of development that your clients and Southern Lifestyles promised to make Anchorage Plantation. What was known only to the Walpoles and Southern Lifestyles was that steps had been taken by them to violate that exclusivity by opening the development to a significant number of outside properties – more, in fact, than Anchorage Plantation itself contains.

For these reasons, we believe that various causes of action exist against the Walpoles and Southern Lifestyles which will lead to the assessment of substantial money damages against both. However, we also believe that the Easement is ineffective because it violates the Anchorage Plantation restrictive covenants encumbering the roads, dock and boat ramp. Except for certain express reservations for specific purposes, those restrictions dedicate and reserve these facilities for the use of Anchorage Plantation itself. Allowing outsiders to use these common areas violates both the language and spirit of the restrictive covenants, and the Association intends to have the Easement declared null and void.

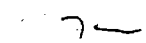
I have been instructed to advise your clients that the Association intends to commence appropriate legal proceedings against the Walpoles unless substantial progress has been made in the next ten (10) days towards resolving these issues consensually. Given that the Walpoles have not yet begun their development of the Walpole Property in earnest, it seems to be a good time to invite your clients to propose a solution to this problem.

EXHIBIT 3 TO COMPLAINT

Gerald M. Finkel, Esq.
March 18, 2004
Page 3

I look forward to speaking with you about this matter.

Sincerely yours,


Thomas L. Harper, Jr.

TLH/dlh

cc: Southern Lifestyles VIII, LLC
Anchorage Plantation Homeowners Association

005311321

EXHIBIT 3 TO COMPLAINT

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(843) 517-3321

REPLY TO COLUMBIA OFFICE

March 29, 2004

Gerald M. Finkel, Esquire
jfinkel@finkellaw.com

VIA FACSIMILE (843) 723-7398
AND U.S. MAIL

Thomas L. Harper, Jr., Esquire
Buist, Moore, Smythe & McGee, P.A.
5 Exchange Street
Post Office Box 999
Charleston, South Carolina 29402-0999

RE: Anchorage Plantation Homeowners Association
Your File No. 11926.0000
Our File No. 15430-14842

Dear Tom:

I am in receipt of your letter of March 18, 2004. Your arguments against the Walpoles are based on several seriously flawed premises.

First of all, if my letter was the first notice that the Anchorage Plantation Homeowners Association "had heard of the Walpoles being granted rights in the Anchorage Plantation common areas after they sold out to Southern Lifestyles" then it is obvious that they did not do any title search when Southern Lifestyles conveyed the dock and land on July 29, 2003 and the roads and right-of-way easements on June 13, 2003 to your clients. The initial easement to the Walpoles was recorded on November 8, 2001 and the amended easement was executed on June 14, 2002. Both agreements were matters of public record.

It is important to note that the Anchorage Plantation Homeowners Association was not incorporated until July 14, 2000. The operative document is the Second Amendment To and Restatement of Declaration of Covenants, Conditions and Restrictions dated July 21, 2000 and recorded in Book R 351 at Page 391. Article I., Section 1.1(i) defines Declarant as Southern Lifestyles VIII LLC. Subsection (j) defines the Declarant Control Period as the time period commencing on the date the Declaration was filed of record and ending on the earlier of December 31, 2015, or three (3) months after the conveyance by the Declarant, in the ordinary course of business, property representing ninety-five (95) percent of the total number of lots intended for development on all of the property. Article II., Section 2.3 provides for the conveyances of common area. It states, *inter alia*:



EXHIBIT 3 TO COMPLAINT

Letter to Thomas L. Harper, Jr., Esquire

Page 2

March 29, 2004

2.3 Conveyances Of Common Areas. All parcels of land shown as Common Areas on the Site Plan or which are identified herein as Common Areas and require a conveyance in vest in the Association ownership and use thereof, will be deeded or an easement will be granted with respect thereto by Declarant within two (2) years after the Declarant has completed improvements thereon.

Any such conveyance by the Declarant will be conveyed subject to:

- (a) All restrictive covenants filed Of Record at the time of conveyance; and
- (b) The right of access of the Declarant, its successors and assigns, over and across such property, ...

At all relevant times, Southern Lifestyles was the grantee of the property and the Declarant. The closing vesting Southern Lifestyles with title took place on June 16, 2000 - prior to any sales of individual lots to homeowners. Part of the consideration to the Walpoles for the transfer of the land and certain financing concessions, was the grant of the easement. The seller of property has no fiduciary duty to a purchaser's inchoate homeowners. I would agree that there is case law holding that a residential real estate developer owes a fiduciary duty to homeowners. *E.g. Concerned Dunes West Residents v. Georgia Pacific Corp.*, 562 S.E.2d 633 (S.C. 2002). However, I am at a loss to find any authority for the proposition that such authority extends past the developer to the prior grantor of the property to be developed. As explained in *Concerned Dunes West Residents*, a developer's fiduciary duty is similar to that of a promoter of a corporation in that "both are entrusted to by interested investors to bring about a viable organization to serve a specific function." *Id.* at 636. The RESTATEMENT (3rd) OF PROPERTY further clarifies this by explaining the source of this fiduciary duty does not stem from the developer's role as seller, but because "the developer also creates the [home owners] association . . . and then controls the association through the election and appointment of the directors and officers." *Id.*, cmt a, *see also* Boken, *Developers Fiduciary Duty*, 45 S.C. L. REV. 195 (1992). Simply put, the developer's duty stems from its formation and control of the initial association, and not from the sale of the land. Thus, Southern Living may have a fiduciary duty to your clients, but since the Walpoles were mere grantors of the property and had no role as developers in the control and operations of the association, they have no fiduciary obligations to your clients.

Tom, I do not believe that the threat of litigation is the appropriate way to advance your client's interest in this matter and would be ill advised. Nevertheless, if your clients are determined to proceed with litigation, they should be advised that in light of this clarification we would counterclaim for Abuse of Process and/or violation of the Frivolous Civil Proceedings Sanctions. From our perspective, the threat of litigation is a continuing effort by the Anchorage Plantation Homeowners Association to extort a collateral advantage by thwarting Mr. Walpole's development plans on the adjacent property. As Mr. Walpole owes no fiduciary obligations to your clients, we suggest that your clients govern themselves accordingly.

M:\CLIENTS\14842\Harper for spol

EXHIBIT 3 TO COMPLAINT

Letter to Thomas L. Harper, Jr., Esquire

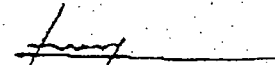
Page 3

March 29, 2004

I will be happy to discuss this matter further with you.

With kindest personal regards, I remain

Sincerely,



Gerald M. Finkel

GMF/la

cc: John and Theodore Waipole

ANCHORAGE Plantation

WADMALAW ISLAND
SOUTH CAROLINA

October 7, 2002

To: Anchorage Plantation Property Owners

From: Southern Lifestyles

Re: Annual Meeting of The Anchorage Plantation Property Owners
Association, Inc.

Dear Anchorage Property Owner,

The time has come for the members of the Anchorage Plantation
Property Owners Association to nominate and elect a Board of Directors.
The meeting has been set for 1:00pm Saturday, November 9th, and will be
held at the Town & Country Inn & Conference Center (843-571-1000), 2008
Savannah Highway (Rt.17) West of the Ashley.

For those of you who can not make this meeting, a proxy, and list of
members have been provided for you to execute, and fax or mail back to us.

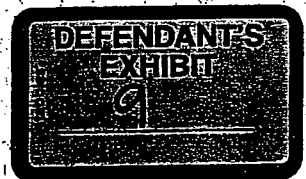
For those of you who have questions please feel free to call Loren
Dickey at 843-971-7007.

Sincerely,



Loren Dickey

Post Office Box 267 • Wadmalaw Island, South Carolina 29487
Phone 843-559-7575 • Fax 843-559-7565 • www.southernlifestyles.com
Responsibly developed by Southern Lifestyles



HOA-0570

Anchorage Plantation Home Owners Association, INC.

Know all men by these presents that the undersigned member of ANCHORAGE PLANTATION HOME OWNERS ASSOCIATION, INC., Hereby constitute and appoints

_____, Proxy of the undersigned to annual and special meetings of the members of ANCHORAGE PLANTATION HOME OWNERS ASSOCIATION, INC. at which I am not present, until the secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

DATED _____, 2002

MEMBER (SEAL)

Witness:

Please return to the following address:

Southern Lifestyles
1101 Beresford Run
Charleston, SC 29492, or Fax to (843) 971-0473

HOA 0571

As of Period Ending December 31, 2005
 Detail: Account Number, Sort: Account Number
 Exclude Zero Balances, Exclude Closing Entry

	Balance
ASSETS	
<u>Assets</u>	
Business Checking Account	(1,888.83)
Cash - Money Market Account Amenity Center	354,059.19
Cash - Money Market Account Road Reserve	26,740.40
Prepaid Insurance	370.97
Accounts Receivable - Owners	6,583.33
Accounts Receivable - Miscellaneous	665.00
Total Assets	386,530.06
Total ASSETS	386,530.06
LIABILITIES	
<u>Liabilities</u>	
Accounts Payable - Operating	1,864.52
Total Liabilities	1,864.52
Total LIABILITIES	1,864.52
FUND BALANCE	
<u>Fund Balances</u>	
Fund Balance - Operating	17,504.43
Fund Bal-Amenity Center	364,877.01
Total Fund Balances	382,381.44
Year-to-date Net Income	2,284.10
Total FUND BALANCE	384,665.54
Total Liabilities and Equity	386,530.06



Level of Detail - Account

Dec Actual	Dec Budget	Dec Variance	Account	YTD Actual	YTD Budget	YTD Variance
OPERATING REVENUE						
0.00	0.00	0.00	Operating Assessments	66,600.00	66,600.00	0.00
0.00	0.00	0.00	Interest Income	59.38	0.00	59.38
0.00	0.00	0.00	Owner Violation Charges ARC	3,000.00	0.00	3,000.00
0.00	0.00	0.00	NON REFUNDABLE ARC REVIEW	1,500.00	0.00	1,500.00
0.00	0.00	0.00	NON REFUNDABLE ROAD	4,500.00	0.00	4,500.00
0.00	0.00	0.00	TOTAL OPERATING REVENUE	75,659.38	66,600.00	9,059.38
OPERATING EXPENSES						
33.35	100.00	66.65	Electricity	278.23	1,200.00	921.77
80.24	0.00	-80.24	Telephone	964.11	0.00	-964.11
0.00	100.00	100.00	Water/Irrigation	0.00	1,200.00	1,200.00
3,135.00	2,666.67	-468.33	Landscape Maintenance	31,487.47	32,000.00	512.53
0.00	0.00	0.00	Pinestraw	280.00	0.00	-280.00
440.00	0.00	-440.00	General Maintenance	1,625.85	0.00	-1,625.85
0.00	0.00	0.00	Gate Maintenance	1,446.05	0.00	-1,446.05
0.00	0.00	0.00	Lighting Maintenance	85.00	0.00	-85.00
0.00	166.67	166.67	Insurance	1,484.00	2,000.00	516.00
666.00	740.00	-74.00	Management Fee	7,992.00	8,880.00	888.00
40.12	166.67	126.55	Administration Fees	1,060.47	2,000.00	939.53
109.01	83.33	-25.68	Misc. Fees and Charges	3,262.58	1,000.00	-2,262.58
0.00	0.00	0.00	ARC Review Fee Expense	1,540.97	0.00	-1,540.97
0.00	0.00	0.00	Outside Accounting	240.00	500.00	260.00
0.00	568.37	568.37	Road Repairs	9,850.00	6,820.00	-3,030.00
0.00	0.00	0.00	Reserve Assessment - Road	11,000.00	11,000.00	0.00
4,503.72	4,591.71	87.99	TOTAL OPERATING EXPENSES	72,596.73	66,600.00	-5,996.73
-4,503.72	-4,591.71	87.99	NET OPERATING INCOME	3,062.65	0.00	3,062.65
RESERVE REVENUE						
0.00	0.00	0.00	Resv-Road Maintenance	11,000.00	0.00	11,000.00
74.98	0.00	74.98	Resv-Road Reserve Interest	240.40	0.00	240.40
1,608.01	0.00	1,608.01	Resv-Amenity Center Interest	5,778.69	0.00	5,778.69
1,682.99	0.00	1,682.99	TOTAL RESERVE REVENUE	17,019.09	0.00	17,019.09
RESERVE EXPENSES						
0.00	0.00	0.00	Reserve Assessment Expense -	-609.00	0.00	609.00
11,011.11	0.00	-11,011.11	Reserve Assessment Expense -	18,406.64	0.00	-18,406.64
11,011.11	0.00	-11,011.11	TOTAL RESERVE EXPENSES	17,797.64	0.00	-17,797.64
-13,831.84	-4,591.71	-9,240.13	NET INCOME	2,284.10	0.00	2,284.10

Date: 01/26/07

Anchorage Plantation Homeowners Association Inc.

Page: 1

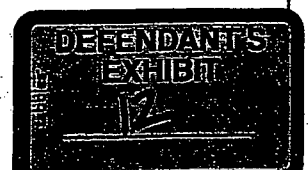
Balance Sheet

As of Period Ending December 31, 2006

Detail: Account Number, Sort: Account Number

Exclude Zero Balances, Exclude Closing Entry

	Balance
ASSETS	
<u>Assets</u>	
Cash Balance	12,780.41
Cash - Money Market Account: Amenity Center	343,797.63
Cash - Money Market Account: Road Reserve	38,121.68
Accounts Receivable - Owners	1,200.00
Accounts Receivable - Miscellaneous	1,692.50
A/R - Violation fines/ legal charges	64,919.18
Total Assets	462,511.40
Total ASSETS	462,511.40
LIABILITIES:	
<u>Liabilities</u>	
Pre-Paid Assessments	13,369.00
Total Liabilities	13,369.00
Total LIABILITIES	13,369.00
FUND BALANCE	
<u>Fund Balances</u>	
Fund Balance - Operating	28,419.43
Fund Bal-Amenity Center	362,395.80
Total Fund Balances	390,815.23
Year-to-date Net Income	61,180.41
Total FUND BALANCE	451,995.64
Total Liabilities and Equity	465,365.64



Income vs. Budget Report
For Period Ending 12/31/2006
Level of Detail - Account

Dec Actual	Dec Budget	Dec Variance	Account	YTD Actual	YTD Budget	YTD Variance
OPERATING REVENUE						
0.00	0.00	0.00	Operating Assessments	88,925.00	88,800.00	125.00
685.33	0.00	685.33	Interest Income	8,789.18	0.00	8,789.18
0.00	0.00	0.00	Owner Late Fees and Interest	762.00	0.00	762.00
0.00	0.00	0.00	Owner Violation Charges ARC	57,650.00	0.00	57,650.00
0.00	0.00	0.00	Misc. Income (gate clickers, etc.)	450.00	0.00	450.00
0.00	0.00	0.00	Non-Refundable ARC Review Fee	3,500.00	0.00	3,500.00
1,500.00	0.00	1,500.00	Road Impact Fee / ARC	9,000.00	0.00	9,000.00
2,185.33	0.00	2,185.33	TOTAL OPERATING REVENUE	169,076.18	88,800.00	80,276.18
OPERATING EXPENSES						
0.00	62.50	62.50	Pest Control	0.00	750.00	750.00
44.67	100.00	55.33	Electricity	496.35	1,200.00	703.65
83.37	66.66	-16.71	Telephone	997.35	800.00	-197.35
0.00	250.00	250.00	Water/Irrigation	0.00	3,000.00	3,000.00
8,333.96	2,833.33	-5,500.63	Landscape Maintenance	34,533.53	34,000.00	-533.53
0.00	208.33	208.33	General Maintenance	2,897.44	2,500.00	-397.44
0.00	166.66	166.66	Gate Maintenance	1,879.27	2,000.00	120.73
890.00	0.00	-890.00	Dock/Boat Landing Maint.	16,345.00	0.00	-16,345.00
0.00	283.33	283.33	Insurance	1,531.33	3,400.00	1,868.67
0.00	0.00	0.00	Legal Expense	3,443.17	0.00	-3,443.17
666.00	740.00	74.00	Management Fee	7,992.00	8,880.00	888.00
7.56	166.67	159.11	Administration Fees	1,645.72	2,000.00	354.28
26.00	83.33	57.33	Misc. Fees and Charges	2,141.26	1,000.00	-1,141.26
0.00	16.66	16.66	ARC Review Fee Expense	1,832.75	200.00	-1,732.75
0.00	0.00	0.00	Outside Accounting	250.00	250.00	0.00
0.00	568.37	568.37	Road Repairs	3,580.00	6,820.00	3,240.00
0.00	0.00	0.00	Reserve Assessment - Road	11,000.00	11,000.00	0.00
0.00	0.00	0.00	Reserve Assessment - Building	1,500.00	1,500.00	0.00
10,051.56	5,545.84	-4,505.72	TOTAL OPERATING EXPENSES	92,166.17	79,300.00	-12,866.17
-7,866.23	-5,545.84	-2,320.39	NET OPERATING INCOME	76,911.01	9,500.00	67,411.01
RESERVE EXPENSES						
0.00	0.00	0.00	Amenity Center Reserve Expense	15,730.60	0.00	-15,730.60
0.00	0.00	0.00	TOTAL RESERVE EXPENSES	15,730.60	0.00	-15,730.60
-7,866.23	-5,545.84	-2,320.39	NET INCOME	61,180.41	9,500.00	51,680.41

SETTLE 000001

Moore & Van Allen

Elizabeth W. Settle
Attorney at Law

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Moore & Van Allen PLLC

Suite 300
40 Calhoun Street
Charleston, SC 29401-3535

Mailing Address:
Post Office Box 22828
Charleston, SC 29413-2828

August 15, 2012

HAND DELIVERED

Daniel S. McQueeney, Esquire
Pratt-Thomas Walker, P.A.
16 Charlotte St.
Charleston, SC 29403

RE: Anchorage Plantation Home Owners Association v. Walpole, et al.
PTW File 7279-001
MYA File 037016.01

Dear Chip:

Enclosed is our file in regard to the above-referenced matter. Please return it to me after you have copied the various documents needed to complete your discovery.

Please contact me should you have any questions.

Very truly yours,

Beth

Elizabeth W. Settle

EWS/pgm

Enc: MYA File 037016.01



Charlotte, NC
Research Triangle Park, NC
Charleston, SC

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

ANCHORAGE PLANTATION HOMEOWNERS
ASSOCIATION,

Plaintiff(s)

vs.

JOHN B. WALPOLE & THEODORA W.
WALPOLE,

Defendant(s)

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2010-CP-10- 482

(Please Print)

Submitted By: G. Trenholm Walker

Address: PRATT-THOMAS WALKER, P.A.

P.O. DRAWER 22247

CHARLESTON, SC 29413-2247

SC Bar #:

5777

Telephone #:

843.727.2208

Fax #:

843.727.2231

Other:

E-mail:

gtw@p-tw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

*If Action is Judgment/Settlement do not complete

- ☐ JURY TRIAL demanded in complaint. ☒ NON-JURY TRIAL demanded in complaint.
- ☐ This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- ☐ This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- ☐ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (Check One Box Below)

- | | | | |
|--|--|---|--|
| Contracts
☐ Constructions (100)
☐ Debt Collection (110)
☐ Employment (120)
☐ General (130)
☐ Breach of Contract (140)
☐ Other (199) | Torts - Professional Malpractice
☐ Dental Malpractice (200)
☐ Legal Malpractice (210)
☐ Medical Malpractice (220)
Previous Notice of Intent Case #:
20 -CP-
☐ Notice/ File Med Mal (230)
☐ Other (299) | Torts - Personal Injury
☐ Assault/Slander/Libel (300)
☐ Conversion (310)
☐ Motor Vehicle Accident (320)
☐ Premises Liability (330)
☐ Products Liability (340)
☐ Personal Injury (350)
☐ Wrongful Death (360)
☐ Other (399) | Real Property
☐ Claim & Delivery (400)
☐ Condemnation (410)
☐ Foreclosure (420)
☐ Mechanic's Lien (430)
☐ Partition (440)
☐ Possession (450)
☐ Building Code Violation (460)
☒ Other (499) |
| Inmate Petitions
☐ PCR (500)
☐ Mandamus (520)
☐ Habeas Corpus (530)
☐ Other (599) | Judgments/Settlements
☐ Death Settlement (700)
☐ Foreign Judgment (710)
☐ Magistrate's Judgment (720)
☐ Minor Settlement (730)
☐ Transcript Judgment (740)
☐ Lis Pendens (750)
☐ Transfer of Structured Settlement Payment Rights Application (760)
☐ Other (799) | Administrative Law/Relief
☐ Reinstate Driver's License (800)
☐ Judicial Review (810)
☐ Relief (820)
☐ Permanent Injunction (830)
☐ Forfeiture-Petition (840)
☐ Forfeiture-Consent Order (850)
☐ Other (899) | Appeals
☐ Arbitration (900)
☐ Magistrate-Civil (910)
☐ Magistrate-Criminal (920)
☐ Municipal (930)
☐ Probate Court (940)
☐ SCDOT (950)
☐ Worker's Comp (960)
☐ Zoning Board (970)
☐ Administrative Law Judge (980)
☐ Public Service Commission (990)
☐ Employment Security Comm (991)
☐ Other (999) |
| Special/Complex /Other
☐ Environmental (600)
☐ Automobile Arb. (610)
☐ Medical (620)
☐ Other (699) | ☐ Pharmaceuticals (630)
☐ Unfair Trade Practices (640)
☐ Out-of-State Depositions (650)
☐ Motion to Quash Subpoena in an Out-of-County Action (660)
☐ Sexual Predator (510) | | |

Submitting Party Signature: G. Trenholm Walker

Date: January 20, 2010

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 1.1, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

SCCA / 234 (10/09)

Page 1 of 2

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CIVIL ACTION NO.: 2010-CP-10- 482

ANCHORAGE PLANTATION
HOMEOWNERS ASSOCIATION,

Plaintiff,

vs.

JOHN B. WALPOLE and THEODORA
W. WALPOLE,

Defendants.

SUMMONS

(Declaratory Judgment
(Injunction)

BY
JULIE J. ARMSTRONG
CLERK OF COURT

2010 JAN 20 PM 1:43

FILED

TO THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the Complaint.

PRATT-THOMAS WALKER, P.A.

By:

G. Trenholm Walker

G. Trenholm Walker (S.C. Bar No. 5777)
Daniel S. McQueeney, Jr. (S.C. Bar No. 6802)
Post Office Drawer 22247
Charleston, South Carolina 29413-2247
T: (843) 727-2208
F: (843) 727-2231
gtw@p-fw.com

ATTORNEYS FOR PLAINTIFF ANCHORAGE
PLANTATION HOMEOWNERS ASSOCIATION

January 20, 2010

Charleston, South Carolina

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

ANCHORAGE PLANTATION
HOMEOWNERS ASSOCIATION,)

Plaintiff,)

vs.)

JOHN B. WALPOLE and THEODORA
W. WALPOLE,)

Defendants.)

10-CP-10-482
IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CIVIL ACTION NO.: 2010-CV-100FILED
2010 JAN 20 PM 1:46
JULIE J. ARMSTRONG
CLERK OF COURTCOMPLAINT
(Declaratory Judgment)
(Injunction)

Plaintiff Anchorage Plantation Homeowners Association, complaining of the above-named Defendants, alleges and states as follows:

1. Plaintiff Anchorage Plantation Homeowners Association ("Plaintiff" or "Association") is a non-profit corporation organized and existing under the laws of South Carolina with its principal place of business located in Charleston County, South Carolina.
2. Upon information and belief, Defendants John B. Walpole and Theodora W. Walpole ("Defendants" or the "Walpoles") are citizens and residents of Charleston County, South Carolina.
3. Pursuant to a Declaration of Covenants, Conditions and Restrictions adopted by the Walpoles, and later amended and restated by Southern Lifestyles VIII, LLC ("Southern Lifestyles VIII"), recorded in the RMC Office for Charleston County on July 1, 2000, in Book R351 at Page 391 (hereinafter the "Declaration"), Plaintiff owns and maintains Anchor Watch Drive and other common areas (including but not limited to other roads, a landing dock, and a boat ramp) within Anchorage Plantation Community. The Declaration is attached hereto as Exhibit 1.

4. The members of Plaintiff are residential property owners within Anchorage Plantation Community whose properties are subject to the Declaration and who pay assessments to the Association.

5. Upon information and belief, the Walpoles own and intend to develop approximately 1,000 acres of real property (the "Walpole Property") adjacent to or near the Anchorage Plantation Community.

6. The Walpole Property has never been submitted to, and is not encumbered by, the Declaration.

7. Upon information and belief, the Walpoles intend to subdivide the Walpole Property in a manner that will allow the conveyance of up to 107 residential lots on the Walpole Property to individual owners; to install curb cuts on Anchor Watch Drive to serve the new residential development; and to permit the owners of the residential lots created on the Walpole Property to access and use Anchor Watch Drive and the other common areas owned and maintained by Plaintiff through the assessment of its members. The Walpoles have already obtained subdivision approval to divide the Walpole Property into six lots.

8. Because it is not subject to the Declaration, the Walpole Property does not enjoy the rights associated therewith, including but not limited to the right to use Anchor Watch Drive and the other common areas therein. For this same reason, the Walpole Property is also not subject to the burdens and obligations of property owners whose properties are subject to the Declaration, including the payment of assessments to maintain and repair Anchor Watch Drive and the other common areas of Anchorage Plantation Community.

9. During the development stage of Anchorage Plantation Community and until the

common areas were conveyed to Plaintiff for ownership and maintenance, the Declaration expressly reserves an easement in favor of the Declarant over Anchor Watch Drive and the other common areas "for the purpose of constructing improvements in and to the lots and for installing, maintaining, repairing and replacing other improvements to the Property"" Ex. 1, p.20, §6.5.

10. The Declaration expressly reserves to Declarant its successors, assigns and successors-in-title to any property *added to the Declaration* "perpetual, nonexclusive rights and easements for . . . pedestrian, vehicular, access, ingress, egress, parking over, across, within, and on all private roads, sidewalks, trails, parking facilities, and lagoons, from time to time located with the Common Areas or within easements serving the Common Areas" Ex. 1, p.20, §6.5.1.

11. The Declaration does not otherwise grant or reserve to Declarant the right to (1) use or access Anchor Watch Drive or other common areas except as a member of Plaintiff; (2) use or access Anchor Watch Drive or other common areas for the benefit of other properties not subject to the Declaration; or (3) install curb cuts on or otherwise use Anchor Watch Drive or other roads of Anchorage Plantation Community.

12. Furthermore, the Declaration does not otherwise grant or reserve to the Walpoles or Declarant the right to grant easement or other rights of use or enjoyment with respect to Anchor Watch Drive and other common areas of Anchorage Plantation Community to third parties, successors, or assigns except as a member of Plaintiff. To the contrary, the Declaration expressly provides that "no adjoining property owners or third party will have any right, title or interest whatsoever in the Development, except as provided herein. . . ." Ex. 1, p.46, §16.12.

13. The Declaration expressly requires that any conveyance of common areas from Declarant to the Plaintiff is made subject to the "right of . . . the [Plaintiff], after expiration of the Declarant Control Period, and the ARC [the Architectural Review Committee] to approve all structures, construction, repairs, changes in elevation and topography and the location of any object (including vegetation) within the Common Areas prior to commencement of such activities or location of any object therein . . ." Ex. 1, p.6, §2.3(c). Neither Plaintiff nor the ARC has approved any improvements (including but not limited to the installation of curb cuts) or other changes to Anchor Watch Drive or the other common areas of Anchorage Plantation Community by the Walpoles.

14. After adopting and restating the Declaration as set forth above, by instruments titled (1) "Easement Agreement" dated November 8, 2001 and recorded in the RMC Office for Charleston County in Book K387 at Page 751 and (2) "Amended Easement Agreement" dated June 13, 2002 and recorded in the RMC Office for Charleston County in Book K409 at Page 481 (collectively the "Purported Easements"), Declarant purported to grant to the Walpoles, their heirs and assigns, "an[] easement over the roads and streets constructed by [Declarant within Anchorage Plantation Community] for purposes of ingress and egress to [the Walpole Property]." The Purported Easements are attached hereto as Exhibit 2.

15. In the Purported Easements, Declarant purported to grant to the Walpoles, their heirs and assigns, "the right for [the Walpoles], their heirs and assigns to use the community boat ramp and courtesy dock located [within Anchorage Plantation Community] for the purpose of access to Bohicket Creek,"

16. By their terms, the Purported Easement supposedly ran with the land in favor of

future purchasers of residential building lots on the Walpole Property.

17. Defendants did not submit the Walpole Property to—nor encumber the Walpole Property with—the Declaration.

18. Defendants did not subject the Walpoles or the future purchasers of residential building lots on the Walpole Property to the same assessments payable to the Plaintiff to which the members of Plaintiff are subject.

For a First Cause of Action (Declaratory Judgment)

19. Plaintiff incorporates herein all prior allegations of this Complaint.

20. The Plaintiff and the Walpoles disagree over the scope of the rights, if any, granted to the Walpoles, their heirs and assigns, in the Purported Easements. Attached hereto as Exhibit 3 is correspondence between their attorneys disagreeing over the legal effect of the Purported Easements and the authority granted the Declarant under the Declaration.

21. Because the Purported Easements are misleading and inaccurate as to the legal rights, if any, of the Walpoles, their heirs, and assigns to and in the common areas under the Declaration, the status of the rights in dispute needs to be determined, or else irreparable harm will result.

22. At the time of the Purported Easements, the Declaration defined the scope of the rights of Southern Lifestyles VIII, as Declarant, with respect to the common areas. Any purported grant of rights by Southern Lifestyles VIII in and to the common areas of Anchorage Plantation Community were subject to this limitation in scope.

23. The Declaration does not grant Southern Lifestyles VIII, as Declarant, the authority to grant an easement benefitting a property which was never added to Anchorage

Plantation Community.

24. The Declaration limited Southern Lifestyles VIII's easement and right of access to what was necessary to develop the Anchorage Plantation Community that is subject to the Declaration. The Declarant Control Period has expired, the Declarant is no longer developing Anchorage Plantation, and the Declarant has sold or conveyed all its land subject to the Declaration. As a result, the right of access of the Declarant under the Declaration has expired.

25. The Declaration did not grant rights to Southern Lifestyles VIII, as Declarant, that would have empowered it to grant an easement of perpetual duration to a third party who was not a member of the Association for access over and use of the common areas of the Association.

26. The Declaration did not grant rights to Southern Lifestyles VIII, as Declarant, to allow persons who were not members of the Association to make curb cuts or install other encroachments on Anchor Watch Drive or the other common areas.

27. In addition, any purported grant of an easement to the Walpoles is invalid as being unconscionable and against public policy. Under such a grant, Plaintiff and its members would be forced to pay to maintain, repair and replace Anchor Watch Drive and the other common areas of Anchorage Plantation Community, while the Walpoles and their lot purchasers, on the other hand, would not be obligated to pay assessments to the Association or otherwise bear their proportionate share of these expenses.

28. The Purported Easements are further invalid because they would result in unjust enrichment to the Walpoles. Plaintiff and its members would be forced to confer a disproportionate benefit to the Walpoles, and their lot purchasers; the Walpoles and their lot purchases would realize this benefit without paying their proportionate share of the maintenance

and other costs associated with these common areas; and great inequity would result.

29. For these reasons, Plaintiff is entitled to a declaratory adjudication that the Walpoles, their heirs, and assigns do not have rights of access to or use of the common areas of the Association by virtue of the Purported Easements and that any such alleged right is invalid and not legally enforceable.

For a Second Cause of Action (Permanent Injunction)

30. Plaintiff incorporates herein all prior allegations of this Complaint.

31. Upon information and belief, the Walpoles may be in the process of selling the Walpole Property or the subdivided parcels therein to third persons who may be basing their purchase decision in part on the mistaken belief that the Purported Easements grant to them a right of access to and use of all the common areas of the Association.

32. Irreparable harm to Plaintiff may result if such sales occur. Plaintiff has an inadequate remedy at law.

33. Plaintiff is entitled to a permanent injunction enjoining the Walpoles from selling the Walpole Property upon representation that the purchaser will have access to and use of all the common areas of the Association.

34. Plaintiff is entitled to a permanent injunction invalidating the Purported Easements and requiring that this invalidation be made a matter of public record in the RMC Office for Charleston County.

WHEREFORE, Plaintiff prays that the court award it declaratory and injunctive relief described herein, its attorneys' fees, and such other relief as the court deems just and proper.

PRATT-THOMAS WALKER, P.A.

By: *G. Trenholm Walker*
G. Trenholm Walker (S.C. Bar No. 5777)
Daniel S. McQuency, Jr. (S.C. Bar No. 6802)
Post Office Drawer 22247
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gtw@p-tw.com

ATTORNEYS FOR PLAINTIFF ANCHORAGE
PLANTATION HOMEOWNERS ASSOCIATION

January 20, 2010

Charleston, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CIVIL ACTION NUMBER 2010-CP-10-482
ANCHORAGE PLANTATION	)	
HOMEOWNERS ASSOCIATION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
JOHN B. WALPOLE and	)	
THEODORA W. WALPOLE	)	
	)	
Defendants.	)	

FILED
2010 APR 27 PM 3:10
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

ANSWER OF JOHN B. WALPOLE AND THEODORA W. WALPOLE

Defendants John B. Walpole and Theodora W. Walpole, (hereinafter collectively "the Walpoles" or "Defendants"), answer the Complaint of the above-captioned Plaintiff as follows:

**AS AND FOR A FIRST DEFENSE
RULE 12(B)(6) MOTION TO DISMISS**

1. Pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, Defendants move to dismiss Plaintiff's claims as the Complaint fails to state a cause of action for which relief may be granted.

**AS AND FOR A SECOND DEFENSE
RULE 12(b)(7) MOTION TO DISMISS**

2. Pursuant to Rule 12(b)(7) of the South Carolina Rules of Civil Procedure, Defendants move to dismiss Plaintiff's claims for failure to add a necessary party under SCRCP Rule 19.

**AS AND FOR A THIRD DEFENSE
GENERAL DENIAL**

3. Defendants deny each and every allegation not specifically admitted herein and demand strict proof thereof.

**AS AND FOR A FOURTH DEFENSE
SPECIFIC DENIAL**

4. Upon information and belief, Defendants admit the allegations of Paragraph 1.

5. Defendants admit the allegations of Paragraph 2.

6. As to the allegations of Paragraph 3, Defendants deny the allegations as stated. Plaintiff owns the roads and common areas through the dedication of the same, which occurred by instruments recorded in 2003. Defendants further state that the Declaration attached is the Second Amended Declaration.

7. Defendants do not have sufficient information to admit or deny the allegations of Paragraph 4.

8. As to the allegations of Paragraph 5, the Walpoles deny the allegations.

9. Defendants admit the allegations of Paragraph 6.

10. As to the allegations of Paragraph 7, the Walpoles admit that they have received approval to subdivide the Walpole property into six lots. Defendants deny the remaining allegations.

11. As to the allegations of Paragraph 8, Defendants admit that the Walpole property is not encumbered by the Declaration. Defendants deny that they do not enjoy the right to use the road and boat dock.

12. As to the allegations of Paragraph 9, Defendants deny the allegations as stated.

13. As to the allegations of Paragraph 10, Defendants crave reference to the document and deny any allegations not specifically set forth therein.

14. As to the allegations of Paragraph 11, Defendants crave reference to the document and deny any allegations not specifically set forth therein. By way of further response, the allegations of Paragraph 11 require a legal conclusion and reference the rights and obligations of a party other than the Defendants and as such no response is required.

15. As to the allegations of Paragraph 12, they require a legal conclusion. By way of further response, the rights of Defendants as to the use of the areas at issue were established by easement prior to the recordation of the referenced document.

16. As to the allegations of Paragraph 13, Defendants crave reference to the document and deny any allegations that are not specifically set forth therein. By way of further response, Defendants do not have sufficient information to respond as to the actions of Plaintiff.

17. As to the allegations of Paragraph 14, Defendants deny the allegation as stated. The easements granted to Defendants were granted by contract dated prior to the Declaration and were merely recorded as set forth in said Paragraph 14.

18. As to the allegations of Paragraph 15 and the remaining allegations, Defendants deny that the easement was "purported." Defendants admit that the Easements contain the provision alleged.

19. As to the allegations of Paragraph 16, Defendants admit that the easements run with the land.

20. As to the allegations of Paragraph 17, Defendants admit the allegations.

21. As to the allegations of Paragraph 18, Defendants do not have sufficient information to admit or deny the allegations.

22. As to the allegations of Paragraph 19, Defendants reassert and incorporate the responses set forth in Paragraphs 1 through 21 as through fully set forth herein.

23. As to the allegations of Paragraph 20, Defendants deny the characterization of the referenced correspondence and crave reference to same. By way of further response, Defendants state that the rights granted in the easements are set forth therein and would crave reference to said documents.

24. As to the allegations of Paragraph 21, Defendants deny the allegations as stated.

25. As to the allegations of Paragraph 22, Defendants deny the allegations, as the easements were granted prior to the Declaration.

26. As to the allegations of Paragraph 23, said allegations require a legal conclusion, and as such Defendants would crave reference to same.

27. As to the allegations of Paragraph 24, the allegations reference a party not the Defendants, as well as call for a legal conclusion, and as such no response is required.

28. As to the allegations of Paragraph 25, the allegations reference a party not the Defendants and further requires a legal conclusion. As such no response is required.

29. As to the allegations of Paragraph 26, said allegations reference a party other than Defendants and further requires a legal conclusion. As such no response is required.

30. As to the allegations of Paragraph 27, Defendants deny the allegations set forth in the first sentence. By way of further response, Defendants do not have sufficient information to admit or deny the remaining allegations and further said allegations require a legal conclusion.

31. As to the allegations of Paragraph 28, Defendants deny the allegations and demand strict proof thereof.

32. As to the allegations of Paragraph 29, Defendants deny said allegations.

33. As to the allegations of Paragraph 30, Defendant reassert and incorporate the allegations of Paragraphs 1 through 32 as though fully set forth herein.

34. As to the allegations of Paragraph 31, the allegations are denied as stated.

35. As to the allegations of Paragraph 32, the allegations are denied.

36. As to the allegations of Paragraph 33, the allegations are denied.

37. As to the allegations of Paragraph 34, the allegations are denied.

**AS AND FOR A FIFTH DEFENSE
LACK OF STANDING**

38. By way of affirmative defense, Defendants allege that Plaintiff does not have the necessary standing and/or authority to bring this suit based upon the requirements of the Second Amended Declarations and Covenants of Anchorage Plantation Homeowners Association.

**AS AND FOR A SIXTH DEFENSE
INTERVENING ACT OF THIRD PARTY**

39. To the extent that the Plaintiff complains of acts or omissions of Southern Lifestyles VII LLC, acting as Developer and Declarant of the Anchorage Plantation development and Homeowners Association, said acts and omissions are the intervening act of a third party for which Defendants owe no duty or remedy to Plaintiff.

**AS AND FOR A SEVENTH DEFENSE
STATUTE OF LIMITATIONS**

40. Plaintiff's claims are barred by the relevant Statute of Limitations.

**AS AND FOR AN EIGHTH DEFENSE
WAIVER, LACHES, ESTOPPEL**

41. Plaintiff's claims are barred by the doctrines of waiver, laches, and/or estoppel.

**AS AND FOR A NINTH DEFENSE
NOTICE**

42. Plaintiff's claims are barred as Plaintiff accepted the conveyance of the roadways and boat dock with actual and / or constructive knowledge of the existence of the easement.

**AS AND FOR A TENTH DEFENSE
UNJUST ENRICHMENT**

43. The easement agreement complained of herein was a result of the benefit of the bargain between the parties thereto.

44. The Plaintiff and the individual homeowners benefitted from the transactions negotiated between Defendants and Southern Lifestyles VII LLC, which resulted in the conveyance of the property now known as the Anchorage Plantation development from the Defendants.

45. To defeat a portion of this transaction, the easements, would unjustly enrich the Plaintiff to the detriment of the Defendants.

**AS AND FOR AN ELEVENTH DEFENSE
RELIANCE**

46. Defendants have acted in justifiable reliance of the validity of the easement as recorded.

47. In reliance of the validity of the agreement, Defendants have expended substantial time and actual costs.

48. Plaintiff's claims should therefore be barred as Defendants have acted justifiably and to their detriment.

**AS AND FOR A TWELFTH DEFENSE
FAILURE TO EXHAUST STATUTORY REMEDIES**

49. Plaintiff's claims are barred by its failure to exhaust administrative and statutory remedies.

**AS AND FOR A THIRTEENTH DEFENSE
COLLATERAL ESTOPPEL**

50. Plaintiff's claims are barred by the doctrine of collateral estoppel.

**AS AND FOR A FOURTEENTH DEFENSE
RATIFICATION**

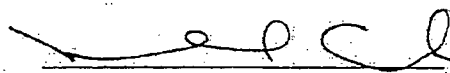
51. Plaintiff's claims are barred by the doctrine of ratification, as Plaintiff has ratified the acts of Southern Lifestyles VII LLC by its acts and conduct with knowledge of the easement.

**AS AND FOR A FIFTEENTH DEFENSE
RESERVATION OF RIGHT**

52. Defendants specifically reserve the right to incorporate additional defenses as may be deemed appropriate pursuant to the further investigation of the facts and allegations of the parties.

WHEREFORE, for the reasons stated herein, Defendants respectfully request that this Honorable Court dismiss the Plaintiff's Complaint or in the alternative to enter judgment in favor of Defendants, award the fees and costs incurred to Defendants, and award all other relief to Defendants as this Court may find just and proper.

ALTMAN & COKER, LLC



Charles S. Altman

caltman@altmancoker.com

Meredith L. Coker

mcoker@altmancoker.com

Marcus W. Meetze

wmeetze@altmancoker.com

Post Office Box 265

Charleston, South Carolina 29402

843-853-9907

843-853-9838 Facsimile

Attorney for the Defendants

April 27, 2010

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CIVIL ACTION NUMBER 2010-CP-10-482
ANCHORAGE PLANTATION	)	
HOMEOWNERS ASSOCIATION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
JOHN B. WALPOLE and	)	
THEODORA W. WALPOLE	)	
	)	
Defendants.	)	

FILED
 2010 APR 27 PM 3:11
 JULIE J. ARMSTRONG
 CLERK OF COURT
 BY _____

CERTIFICATE OF SERVICE

I hereby certify that, on this 27th day of April, 2010, a copy of the Defendant's Answer was served upon the below states parties via United States Postal Service with sufficient first class postage affixed thereto and addressed as follows:

G. Trenholm Walker, Esquire
 Pratt-Thomas, Epting & Walker, P.A.
 Post Office Drawer 22247
 Charleston South Carolina 29413

ALTMAN AND COKER, LLC



Catherine E. Wolfe, Legal Assistant
 Post Office Box 265
 Charleston, South Carolina 29402
 (843) 853-9907
 (843) 853-9838 (facsimile)

ALTMAN & COKER, LLC

Attorneys and Counselors at Law

575 King Street, Suite A
Charleston, South Carolina 29403

Telephone: (843) 853-9907

Facsimile: (843) 853-9838

Catherine E. Wolfe, Assistant
cewolfe@altmancoker.com

April 27, 2010

Mailing Address:
Post Office Box 265
Charleston, SC 29402

VIA COURIER

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
100 Broad Street, Suite 106
Charleston, South Carolina 29401

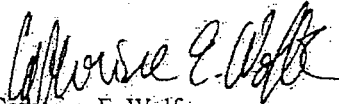
Re: *Anchorage Plantation Homeowners Association v. Walpole*,
CA No: 2010-CP-10-482; Our File Number: 101-200460-02

Dear Ms. Armstrong:

Enclosed for filing please find an original plus one (1) copy of the Defendant's Answer and related Certificate of Service in the referenced matter. Please return a clocked in copy with our courier.

Please be advised that by copy of this letter I am simultaneously serving opposing counsel and/or all involved parties with a copy of the same. If you have any questions, please do not hesitate to call.

Sincerely,


Catherine E. Wolfe

/cew
Enclosures

cc: Mr. & Mrs. John B. Walpole (via U.S. Mail w/ enclosures)
G. Trenholm Walker (via email and U.S. Mail w/ enclosures)

BK H 355 PG 881

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS THAT SOUTHERN LIFESTYLES VII LLC (the "Grantor"), for and in consideration of the sum of ONE HUNDRED TWENTY-FOUR THOUSAND NINE HUNDRED and 00/100 (\$124,900.00) Dollars to it in hand paid by HOLBROOK W. RAYNAL AND SUSAN L. RAYNAL, at and before the sealing and delivery hereof, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto HOLBROOK W. RAYNAL AND SUSAN L. RAYNAL (collectively, the "Grantees"), the following described property, to wit:

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, being designated at Lot No. 13 on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, pages 81-86, Charleston County RMC Office, reference to which is craved for a more complete description.

Subject to all matters of record and the following:

1. Taxes and assessments for the year 2000, and subsequent years, which are a lien but are not yet due and payable.

2. Easement to Berkeley Electrical Cooperative, Inc. by instrument recorded in Book G106, page 194, aforesaid records, as modified by that certain Modification of the Easement Agreement recorded in Book D-293, page 138, aforesaid records.

3. Charleston County User Fees.

4. 75' Berkeley Electric Easement, 20' Berkeley Electric Easement, 67.5' Berkeley Electric Easement, and 30' drainage easement as shown on that certain "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, Surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 852, aforesaid records.

5. 40' drainage easement, 20' piped drainage easement, setback lines, notes and conditions, 10' utility easement, 70' boat ramp, existing docks, wood stork roosting areas, seasonal 1000 foot reduced activity buffer, 20' drainage easement for dike maintenance, 60' drainage easement, 20' access easement for dike maintenance, 500' foot visual buffer and setback for houses and other ancillary facilities, 80' drainage easement, 50' drainage easement, pipe 25' drainage easement as shown on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, page 81-86, Charleston County RMC Office.

6. Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for Anchorage Plantation Homeowners Association dated May 7, 1997 and recorded in Book A-286, page 37, Charleston County RMC Office, and re-recorded in Book J-330, page 858, aforesaid records, as modified by that certain Modification Agreement dated June 16, 2000 and recorded in Book O-349, page 671, Charleston County RMC Office, as further modified by that Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage dated July 21, 2000 and recorded in Charleston County RMC Office in Book R351, page 391.

7. Anchorage Plantation Design Guidelines dated July 1, 2000 as may be amended from time to time;

8. Interests created or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or S. C. Code Section 48-39-200, as amended, or any regulations promulgated pursuant to said state or federal laws, including any dock master plan for Anchorage Plantation on file with the OCRM Office of DHEC.

NPCHAR1:145B481-PL-(DLL) 024171-00012

9. Charleston County, South Carolina ordinances and applicable building codes and development standards, and the Regulations of the S. C. Department of Health and Environmental Control relating to installation, use and maintenance of septic systems.

TMS No. 199-00-00-091

Grantee's Address: 306 Chestnut Street
Clinton, SC 29325

Being a portion of the same property as conveyed to Grantor by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349, page 168, Charleston County RMC Office.

TOGETHER with, all and singular, the rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, its successors and assigns, forever.

And the Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, said premises unto the said Grantee, its successors and assigns, against itself and its successors and assigns; and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, the Grantor herein has caused these presents to be executed this 18th day of September, 2000.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

SOUTHERN LIFESTYLES VIII LLC

[Signature]
(Signature of 1st Witness)

BY: [Signature]
Loren Dickey,
Secretary/Treasurer

[Signature]
(Signature of 2nd Witness)

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 18th day of September, 2000 by Loren Dickey, as Secretary/Treasurer of Southern Lifestyles VIII LLC.

[Signature]
Notary Public for South Carolina
My Commission Expires: 7/13/2008

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by SOUTHERN LIFESTYLES VIII LLC to HOLBROOK W. RAYNAL AND SUSAN L. RAYNAL.
3. Check one of the following: *The DEED is*
 (A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 (b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 (c) ☐ EXEMPT from the deed recording fee because (exemption # _____)
 Explanation if required: _____
 (If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$124,900.00
 (b) ☐ The fee is computed on the fair market value of the realty which is \$ _____
 (c) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____
6. The DEED Recording Fee is computed as follows:
 (a) \$124,900.00 the amount listed in item 4 above
 (b) .00 the amount listed in item 5 above (no amount place zero)
 (c) \$124,900.00 subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for the grantor.
8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to before me this 18th day of May, 2000.

Notary Public for South Carolina
My Commission Expires: 7/13/2003

Rayner J. Holbrook
Grantor, Grantee or Legal Representative

SETTLE 000024

Nexsen, Pruet, Jacobs, Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON, SOUTH CAROLINA 29402

BK H 355PG884

Recording
Fee 10.00

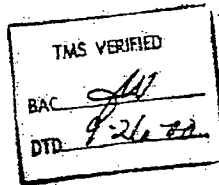
State
Fee 325.00

County
Fee 137.50

Postage _____

TOTAL 472.50
C

Lybrand

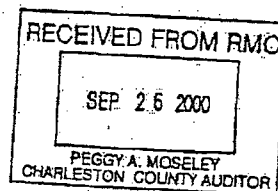


FILED

H355-881

2000 SEP 22 PM 12:51

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC



STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS THAT SOUTHERN LIFESTYLES VIII LLC (the "Grantor"), for and in consideration of the sum of FOUR HUNDRED EIGHTY THOUSAND and 00/100 (\$480,000.00) Dollars to it in hand paid by DOUGLAS J. SNYDER AND LESLIE A. FLYNN, at and before the sealing and delivery hereof, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto DOUGLAS J. SNYDER AND LESLIE A. FLYNN (collectively, the "Grantee"), the following described property to wit:

All that piece, parcel or tract of land lying and being on Wadmataw Island, Charleston County, South Carolina, being designated as Lot No. 44 on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, pages 81-86, Charleston County RMC Office, reference to which is craved for a more complete description.

Subject to all matters of record and the following:

1. Taxes and assessments for the year 2001, and subsequent years, which are a lien but are not yet due and payable.

2. Easement to Berkeley Electrical Cooperative, Inc. by instrument recorded in Book G106, page 194, aforesaid records, as modified by that certain Modification of the Easement Agreement recorded in Book D-293, page 138, aforesaid records.

3. Charleston County User Fees:

4. 75' Berkeley Electric Easement, 20' Berkeley Electric Easement, 67.5' Berkeley Electric Easement, and 30' drainage easement as shown on that certain "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE 1, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, Surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.

5. 40' drainage easement, 20' piped drainage easement, setback lines, notes and conditions, 10' utility easement, 70' boat ramp, existing docks, wood stork roosting areas, seasonal 1000 foot reduced activity buffer, 20' drainage easement for dike maintenance, 80' drainage easement, 20' access easement for dike maintenance, 500' foot visual buffer and setback for houses and other ancillary facilities, 80' drainage easement, 50' drainage easement, pipe 25' drainage easement as shown on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, page 81-86, Charleston County RMC Office.

6. Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for Anchorage Plantation Homeowners Association dated May 7, 1997 and recorded in Book A-286, page 37, Charleston County RMC Office, and re-recorded in Book J-330, page 856, aforesaid records, as modified by that certain Modification Agreement dated June 16, 2000 and recorded in Book O-349, page 671, Charleston County RMC Office, as further modified by that Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage dated July 21, 2000 and recorded in Charleston County RMC Office in Book R351, page 391.

7. Anchorage Plantation Design Guidelines dated July 1, 2000 as may be amended from time to time;

BKB 385PG455

8. interests created or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or S. C. Code Section 48-39-200, as amended, or any regulations promulgated pursuant to said state or federal laws, including any dock master plan for Anchorage Plantation on file with the OCRM Office of DHEC.

9. Charleston County, South Carolina ordinances and applicable building codes and development standards, and the Regulations of the S. C. Department of Health and Environmental Control relating to installation, use and maintenance of septic systems.

TMS No. 199-00-00-073

Grantee's Address: 17993 Highland Ranch Terrace
Poway, CA 92064

Being a portion of the same property as conveyed to Grantor by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349, page 168, Charleston County RMC Office.

TOGETHER with, all and singular, the rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, her heirs and assigns, forever

And the Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, said premises unto the said Grantee, her heirs and assigns, against itself and its successors and assigns, and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, the Grantor herein has caused these presents to be executed this 8 day of October, 2001.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

SOUTHERN LIFESTYLES VIII LLC

Prayer J. Walpole
(Signature of 1st Witness)

BY: [Signature]
Name: Loren Drake
Title: Secretary/Treasurer

North D. Loman
(Signature of 2nd Witness)

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 8th day of October, 2001 by Loren Drake as Secretary/Treasurer of Southern Lifestyles VIII LLC.
North D. Loman
Notary Public for South Carolina
My Commission Expires: 7/13/2008.

BKB

385PG456

SETTLE 000027

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by Southern Lifestyles VIII, LLC to Douglas J. Snyder and Leslie A. Flynn dated October 8, 2001
3. Check one of the following: The DEED is
 (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 (c) EXEMPT from the deed recording fee because (Exemption # _____)
 (Explanation if required _____)
 (If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$480,000.00.
 (b) The fee is computed on the fair market value of the realty which is \$ _____.
 (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES or NO ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 (a) 480,000.00 the amount listed in item 4 above
 (b) 0 the amount listed in item 5 above (no amount place zero)
 (c) 480,000.00 subtract line 6(b) from line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor's Authorized Signature Officer
8. Check if Property other than Real Property is being transferred on this Deed:
 (a) Mobile Home
 (b) Other
9. DEED OF DISTRIBUTION - ATTORNEY'S AFFIDAVIT: Estate of deceased CASE NUMBER _____. Personally appeared before me the undersigned attorney who, being duly sworn, certified that (s)he is licensed to practice law in the State of South Carolina; and (s)he has prepared the Deed of Distribution for the Personal Rep. in the Estate of deceased and that the grantee(s) therein are correct and conform to the estate file for the above named decedent.
10. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to before me this 8th

day of Oct, 2001.

Notary Public for South Carolina

My Commission Expires: 11/2/2008

Signed [Signature]
 Grantor, Grantee or Legal Representative
 connected with this transaction.

Lois Debra Sealtman, Treasurer
 Print or Type Name Here. Southern Lifestyles VIII LLC

SETTLE 000028

MB 385PG457

RECORDER'S PAGE
This page MUST remain with
the original document.



GAH
10/18
Mexsen Pruet Jacobs Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON, SOUTH CAROLINA 29402

Recording
Fee 10.00

State
Fee 1348.00

County
Fee 528.00

Postage _____

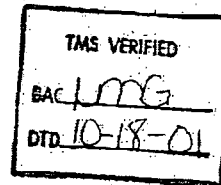
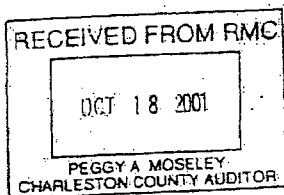
TOTAL 1786.00B

FILED

B385-454

2001 OCT 16 AM 10:29

CHARLIE LYBRAND
REGISTER
CLERK OF COURT
SOUTH CAROLINA



STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS THAT SOUTHERN LIFESTYLES VIII LLC (the "Grantor"), for and in consideration of the sum of SIX HUNDRED FORTY-SIX THOUSAND and 00/100 (\$646,000.00) Dollars to it in hand paid by JANE NICOLE GAY AS QUALIFIED INTERMEDIARY FOR MARK J. BOCKENSTETTE AND MARY K. BOCKENSTETTE, at and before the sealing and delivery hereof, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto MARK J. BOCKENSTETTE AND MARY K. BOCKENSTETTE (collectively, the "Grantees"), the following described property, to wit:

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, being designated at Lot No. 51 on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, pages 81-86, Charleston County RMC Office, reference to which is craved for a more complete description.

Subject to all matters of record and the following:

1. Taxes and assessments for the year 2001, and subsequent years, which are a lien but are not yet due and payable.
2. Easement to Berkeley Electrical Cooperative, Inc. by instrument recorded in Book G106, page 194, aforesaid records, as modified by that certain Modification of the Easement Agreement recorded in Book D-293, page 138, aforesaid records.
3. Charleston County User Fees.
4. 75' Berkeley Electric Easement, 20' Berkeley Electric Easement, 87.5' Berkeley Electric Easement, and 30' drainage easement as shown on that certain "FINAL PLAT THE ANCHORAGE PLANTATION - PHASE 1, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, Surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.
5. 40' drainage easement, 20' piped drainage easement, setback lines, notes and conditions, 10' utility easement, 70' boat ramp, existing docks, wood stork roosting areas, seasonal 1000-foot reduced activity buffer, 20' drainage easement for dike maintenance, 60' drainage easement, 20' access easement for dike maintenance, 500' foot visual buffer and setback for houses and other ancillary facilities, 80' drainage easement, 50' drainage easement, pipe 25' drainage easement as shown on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, page 81-86, Charleston County RMC Office.
6. Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for Anchorage Plantation Homeowners Association dated May 7, 1997 and recorded in Book A-286, page 37, Charleston County RMC Office, and re-recorded in Book J-330, page 856, aforesaid records, as modified by that certain Modification Agreement dated June 16, 2000 and recorded in Book O-349, page 871, Charleston County RMC Office, as further modified by that Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage dated July 21, 2000 and recorded in Charleston County RMC Office in Book R351, page 391.
7. Anchorage Plantation Design Guidelines dated July 1, 2000 as may be amended from time to time;

NPCHAR1:169342 1-DE-(DLL) 024171-00012

BK D 367PG184

8. Interests created or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or S. C. Code Section 48-39-200, as amended, or any regulations promulgated pursuant to said state or federal laws, including any dock master plan for Anchorage Plantation on file with the OCRM Office of DHEC.

9. Charleston County, South Carolina ordinances and applicable building codes and development standards, and the Regulations of the S. C. Department of Health and Environmental Control relating to installation, use and maintenance of septic systems.

TMS No. 199-00-00-053

Grantee's Address: 6075 Snyder Road
Cincinnati, Ohio 45247

Being a portion of the same property as conveyed to Grantor by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349; page 168, Charleston County RMC Office.

TOGETHER with, all and singular, the rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

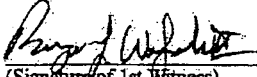
TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantees, their heirs and assigns, forever.

And the Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, said premises unto the said Grantees, their heirs and assigns, against itself and its successors and assigns, and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

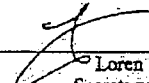
IN WITNESS WHEREOF, the Grantor herein has caused these presents to be executed this 29th day of March, 2001.

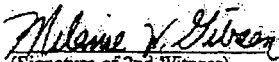
SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

SOUTHERN LIFESTYLES VIII LLC


(Signature of 1st Witness)

BY:


Loren Dickey,
Secretary/Treasurer


(Signature of 2nd Witness)

NPCHAR1:1593421-DE-(DLL) 024171-00012

SETTLE 000031

BK 0 367PG185

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 29th day of March, 2001 by Loren Dickey, as Secretary/Treasurer of Southern Lifestyles VIII LLC.

Reginald W. Dickey
Notary Public for South Carolina
My Commission Expires: 4-24-10

NPCHAR1:59342.1-DE-(DLL) 024171-20012.

BK 0 367PB186

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON)

AFFIDAVIT

PERSONAL~~LY~~ appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.

2. The property being transferred by SOUTHERN LIFESTYLES VIII LLC to MARK J. BOCKENSTETTE AND MARY K. BOCKENSTETTE

3. Check one of the following: The DEED is

(A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.

(b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.

(c) EXEMPT from the deed recording fee because (exemption # _____)
Explanation if required _____

(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked.

(a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$646,000.00.

(b) The fee is computed on the fair market value of the realty which is \$ _____.

(c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.

5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.

6. The DEED Recording Fee is computed as follows:

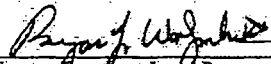
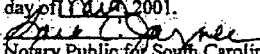
(a) \$646,000.00 the amount listed in item 4 above

(b) .00 the amount listed in item 5 above (no amount place zero)

(c) \$646,000.00 subtract line 6(b) from Line 6(a) and place the result.

7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for the grantor.

8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


Grantor, Grantee or Legal RepresentativeSworn to before me this 24th
day of May 2001.

Notary Public for South Carolina
My Commission Expires: 10-31-2001

SETTLE 000033

Cooper Law Firm

Handwritten initials

BE 0 367PG187

FILED

0367-183

2001 MAR 30 PM 3:44

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

TMS VERIFIED
BAC <u>lmg</u>
DTD <u>4-3-01</u>

RECEIVED FROM RMC
APR 3 2001
PEGGY A. MOSELEY CHARLESTON COUNTY AUDITOR

Recording Fee	<u>10.00</u>
State Fee	<u>1,679.60</u>
County Fee	<u>710.60</u>
Postage	<u> </u>
TOTAL	<u>2,400.20</u>

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS THAT SOUTHERN LIFESTYLES VIII LLC (the "Grantor"), for and in consideration of the sum of SIX HUNDRED EIGHTY-NINE THOUSAND and 00/100 (\$689,000.00) Dollars to it in hand paid by JAMES E. ELLIS, at and before the sealing and delivery hereof, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto JAMES E. ELLIS (the "Grantee"), the following described property, to wit:

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, being designated at Lot No. 58 on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, pages 81-86, Charleston County RMC Office, reference to which is craved for a more complete description.

Subject to all matters of record and the following:

1. Taxes and assessments for the year 2000, and subsequent years, which are a lien but are not yet due and payable.

2. Easement to Berkeley Electrical Cooperative, Inc. by instrument recorded in Book G106, page 194, aforesaid records, as modified by that certain Modification of the Easement Agreement recorded in Book D-293, page 138, aforesaid records.

3. Charleston County User Fees:

4. 75' Berkeley Electric Easement, 20' Berkeley Electric Easement, 67.5' Berkeley Electric Easement, and 30' drainage easement as shown on that certain "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, Surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.

5. 40' drainage easement, 20' piped drainage easement, setback lines, notes and conditions, 10' utility easement, 70' boat ramp, existing docks, wood stork roosting areas, seasonal 1000 foot reduced activity buffer, 20' drainage easement for dike maintenance, 60' drainage easement, 20' access easement for dike maintenance, 500' foot visual buffer and setback for houses and other ancillary facilities, 80' drainage easement, 60' drainage easement, pipe 25' drainage easement as shown on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000 and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EE, page 81-86, Charleston County RMC Office.

6. Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for Anchorage Plantation Homeowners Association dated May 7, 1997 and recorded in Book A-286, page 37, Charleston County RMC Office, and re-recorded in Book J-330, page 856, aforesaid records, as modified by that certain Modification Agreement dated June 16, 2000 and recorded in Book O-348, page 671, Charleston County RMC Office, as further modified by that Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage dated July 21, 2000 and recorded in Charleston County RMC Office in Book R351, page 391.

7. Anchorage Plantation Design Guidelines dated July 1, 2000 as may be amended from time to time;

8. Interests created or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or S. C. Code Section 48-39-200, as amended, or any regulations promulgated pursuant to said state or federal laws, including any dock master plan for Anchorage Plantation on file with the OCRM Office of DHEC.

NPCHAR1148218.1-PL-(DL) 024171-00012

BKF

355PG693

SETTLE 000035

9. Charleston County, South Carolina ordinances and applicable building codes and development standards, and the Regulations of the S. C. Department of Health and Environmental Control relating to installation, use and maintenance of septic systems.

TMS No. 199-00-00-045

Grantee's Address: c/o Jim Ellis Atlanta, Inc.
5901 Peachtree Industrial Boulevard
Atlanta, Georgia 30341

Being a portion of the same property as conveyed to Grantor by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349, page 168, Charleston County RMC Office.

TOGETHER with, all and singular, the rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, its successors and assigns, forever.

And the Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, said premises unto the said Grantee, its successors and assigns, against itself and its successors and assigns, and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, the Grantor herein has caused these presents to be executed this 21st day of September, 2000.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

SOUTHERN LIFESTYLES VIII LLC

Bernard Walpole III
(Signature of 1st Witness)

BY:

Loren Dickey
Secretary/Treasurer

Abdullah Rahman
(Signature of 2nd Witness)

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 21st day of September, 2000 by Loren Dickey, as Secretary/Treasurer of Southern Lifestyles VIII LLC.

Abdullah Rahman
Notary Public for South Carolina
My Commission Expires 7/13/2009

NPCHAR1142218.1-PL(DLL) 024171-00012

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by SOUTHERN LIFESTYLES VIII LLC to JAMES E. ELLIS.
3. Check one of the following: *The DEED is*
 - (A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) ☐ EXEMPT from the deed recording fee because (exemption # _____)
Explanation if required: _____
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$689,000.00.
 - (b) ☐ The fee is computed on the fair market value of the realty which is \$ _____.
 - (c) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES ☐ or NO ☐ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (a) \$689,000.00 the amount listed in item 4 above
 - (b) _____ the amount listed in item 5 above (no amount place zero)
 - (c) \$689,000.00 subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for the grantor.
8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to before me this 21st
day of SEPT, 2000.
[Signature]
Notary Public for South Carolina
My Commission Expires: 7-13-2008

[Signature]
Grantor, Grantee or Legal Representative

SETTLE 000037

Nexsen Priel Jacobs Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON, SOUTH CAROLINA 29402

BKF 355PG895

Recording
Fee 10.00

State
Fee 1791.40

County
Fee 757.90

Postage: _____

TOTAL 2559.30

MIN
M

RECEIVED FROM RMC
SEP 25 2000
PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

FILED
F355-892
2000 SEP 21 PM 2:34
CHASLE LYBRAND
REGISTER
CHARLESTON COUNTY SC

TAG VERIFIED
BAC AM
DTD 9-25-00

THIRD AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR THE ANCHORAGE

ORIG A286-37, RV-recorded T310p256

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ANCHORAGE is made this 5th day of ~~October~~ January, 2000 by SOUTHERNLIFESTYLES VIII, LLC, a North Carolina limited liability company (the "Declarant").

WITNESSETH

WHEREAS, by Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for The Anchorage dated July 20, 2000 and recorded in the RMC Office for Charleston County, South Carolina in Book R 351 at Page 398, Declarant restated and established in one instrument the covenants, conditions and restrictions for the property described in Exhibit A to the said Second Amendment; and

WHEREAS, included at Paragraph 6.4.1 in the Second Amendment to the Covenants, Conditions and Restrictions is a reservation, for the use and benefit of Kelly T. McKee and Gladys H. McKee, their heirs and assigns, of a non-exclusive, appurtenant easement over and across the right of way shown on the Site Plan as "Anchor Watch Drive 70' R/W" from the point the said road intersects with Maybank Highway to the property belonging to McKee; and

WHEREAS, Declarant has subsequently revised its plan of development and recorded a Conditional Plat in Plat Book EE at page 081; and

WHEREAS, McKee and Declarant deem it to be in the best interest of McKee and in the best interest of the subdivision to extend the non-exclusive, appurtenant easement to include a portion of the roadway designated on the above referenced Conditional Plat as "Proposed Anchor Watch Drive 60' R/W" and to allow for access to the McKee property at a point approximately 50 yards to the North of the point at which Anchor Watch Drive reaches the property belonging to McKee; and

WHEREAS, Declarant has the right to amend the Declaration at any time within the Control Period without approval of any Owner or Mortgagee;

NOW, THEREFORE, the first sentence of Paragraph 6.4.1 McKee Tract Easement is hereby amended to read as follows:

6.4.1 McKee Tract Easement: There is hereby reserved for the use and benefit of Kelly T. McKee and Gladys H. McKee, their heirs and assigns (hereinafter "McKee"), a non-exclusive, appurtenant easement over and across the right-of-way shown and designated on the Conditional Plat recorded in Book EE page 081 as "Anchor Watch Drive 70' R/W" a non-

T360PG141

exclusive, appurtenant easement over and across the improved portion of the right of way (roadway) from the point the said road intersects with Maybank Highway to the property belonging to McKee and thence on the road shown and designated as Proposed Anchor Watch Drive 60' R/W, a distance of 50 yards for pedestrian and vehicle ingress and egress, and for one (1) curb cut to allow access to the McKee property at that point.

IN WITNESS WHEREOF, the duly authorized officer of the undersigned Declaration has executed this Declaration under seal this 5th day of December, 2000.

Signed, sealed and
delivered in the presence of:

Katherine D. Kelly
Notary Public

DECLARANT:
SOUTHERN LIFESTYLES VIII, LLC
A North Carolina Limited Liability

BY: *[Signature]*
Its: *Member*

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me *The undersigned witness KMC* and made oath that he saw Southern Lifestyles VIII, LLC, a North Carolina Limited Liability Company by its duly authorized officer, sign, seal and as its act and deed deliver the within written Third Amendment to Declaration of Covenants, Conditions and Restrictions for The Anchorage, and that he with the other subscribing witness witnessed the execution thereof

SWORN to before me this
5th day of December, 2000.

Katherine D. Kelly
Notary Public for South Carolina
My Commission Expires: 7/13/2008

SETTLE 000040

Nexsen Pruet Jacobs Pollard & Robinson
Nexsen Pruet Jacobs Pollard & Robinson
PORT ST. LOUIS BOX 486
CHARLESTON, SOUTH CAROLINA 29402

EX T360PG142

made
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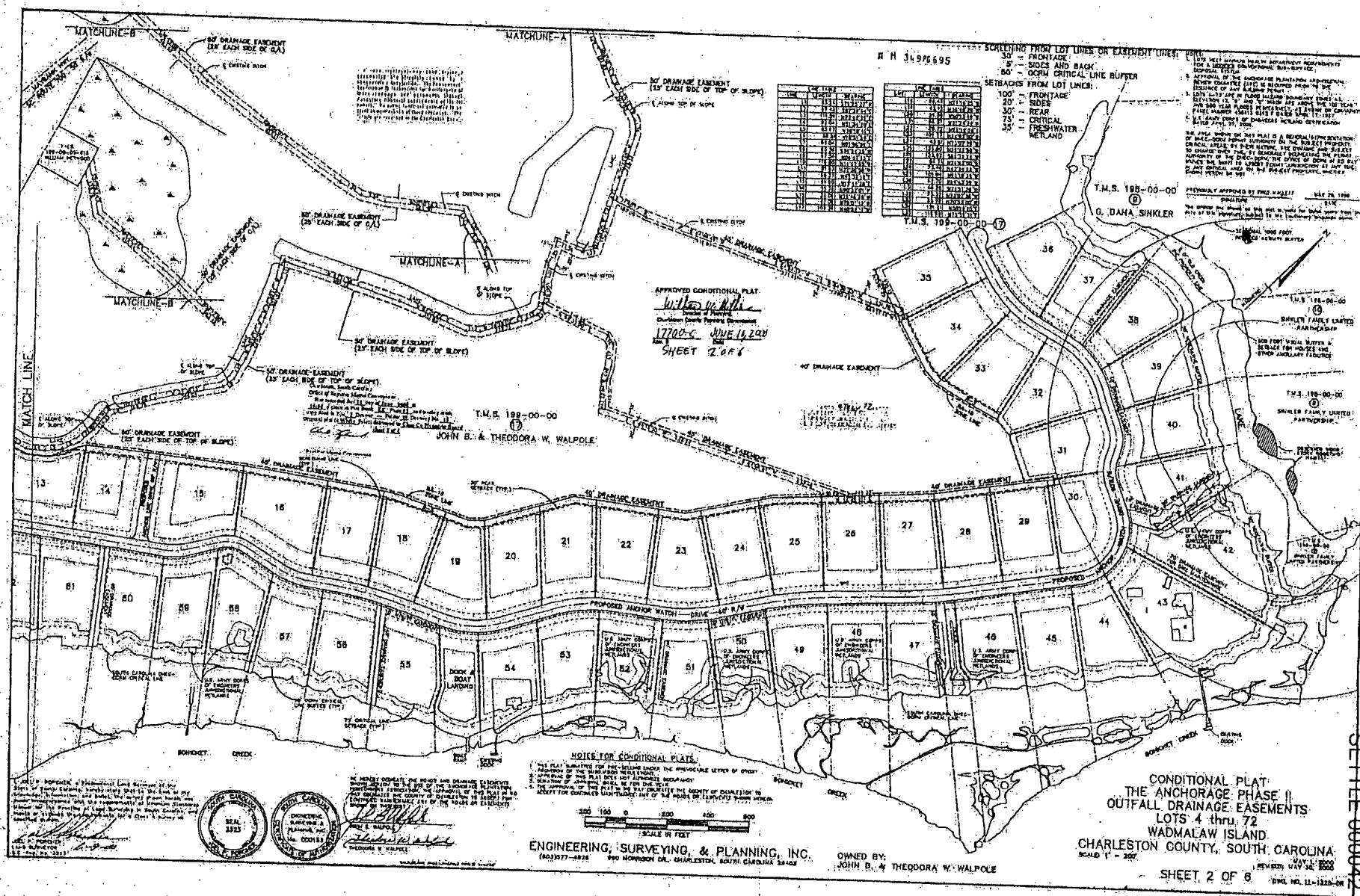
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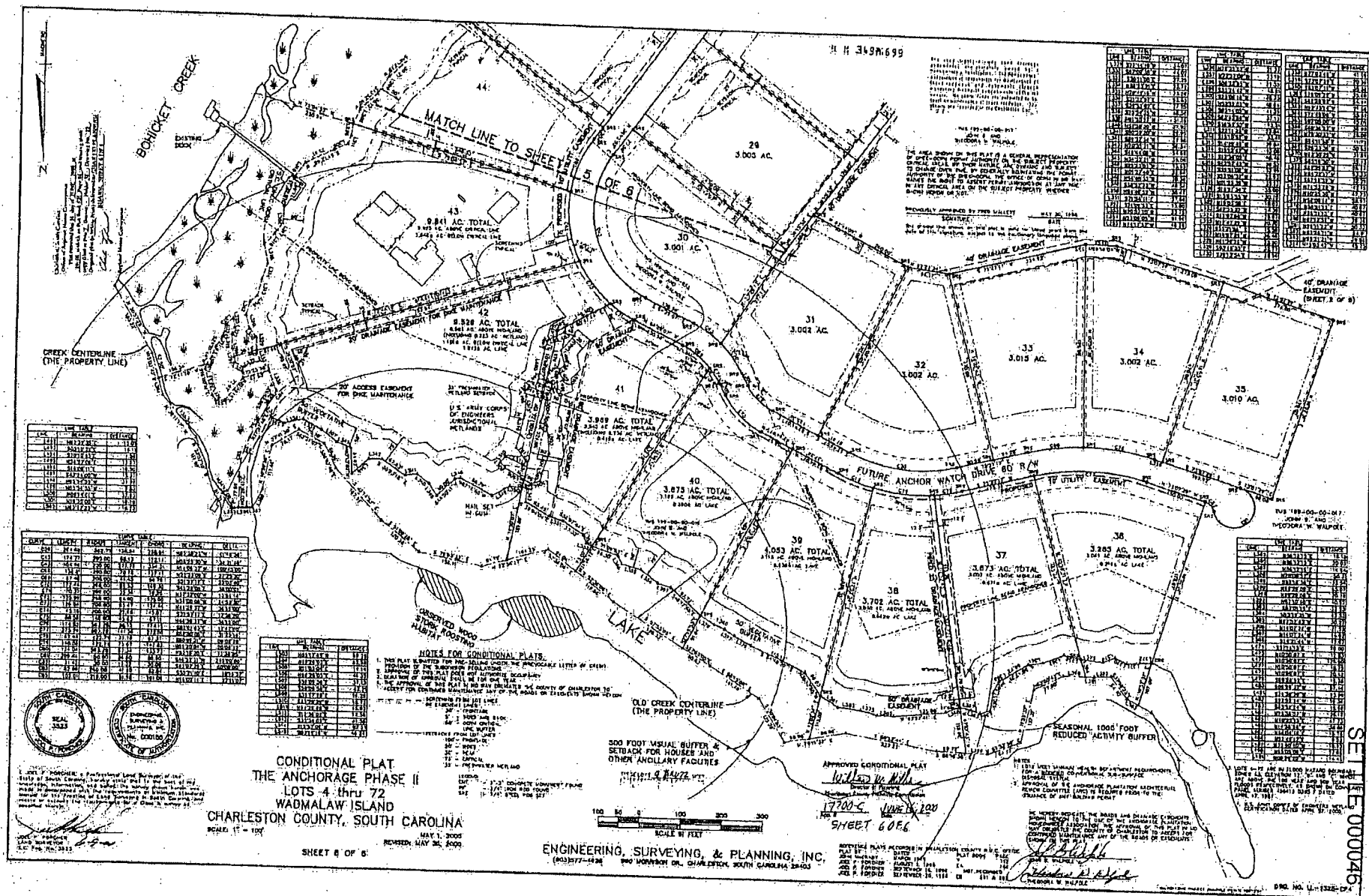
FILED

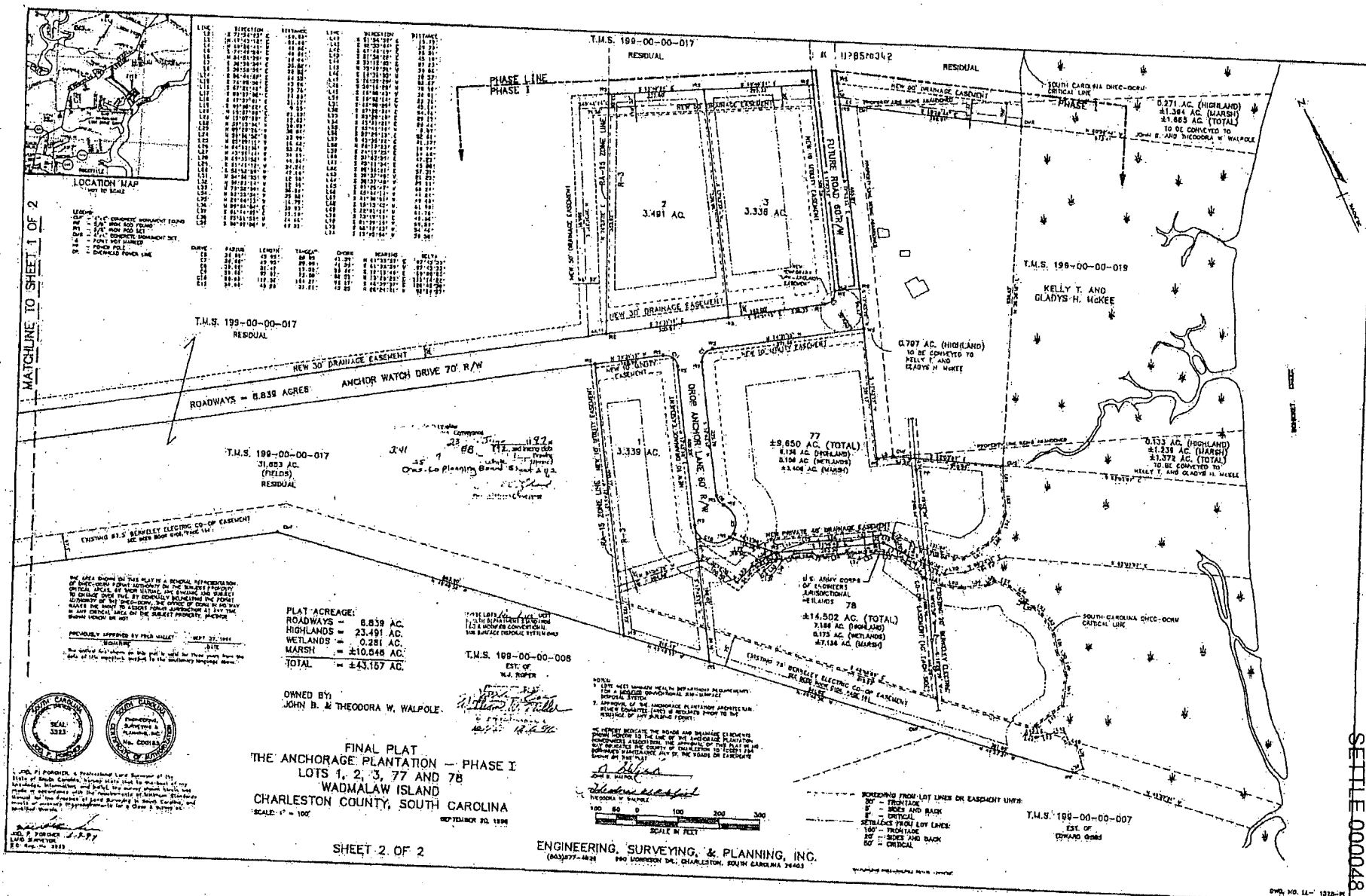
T360-140

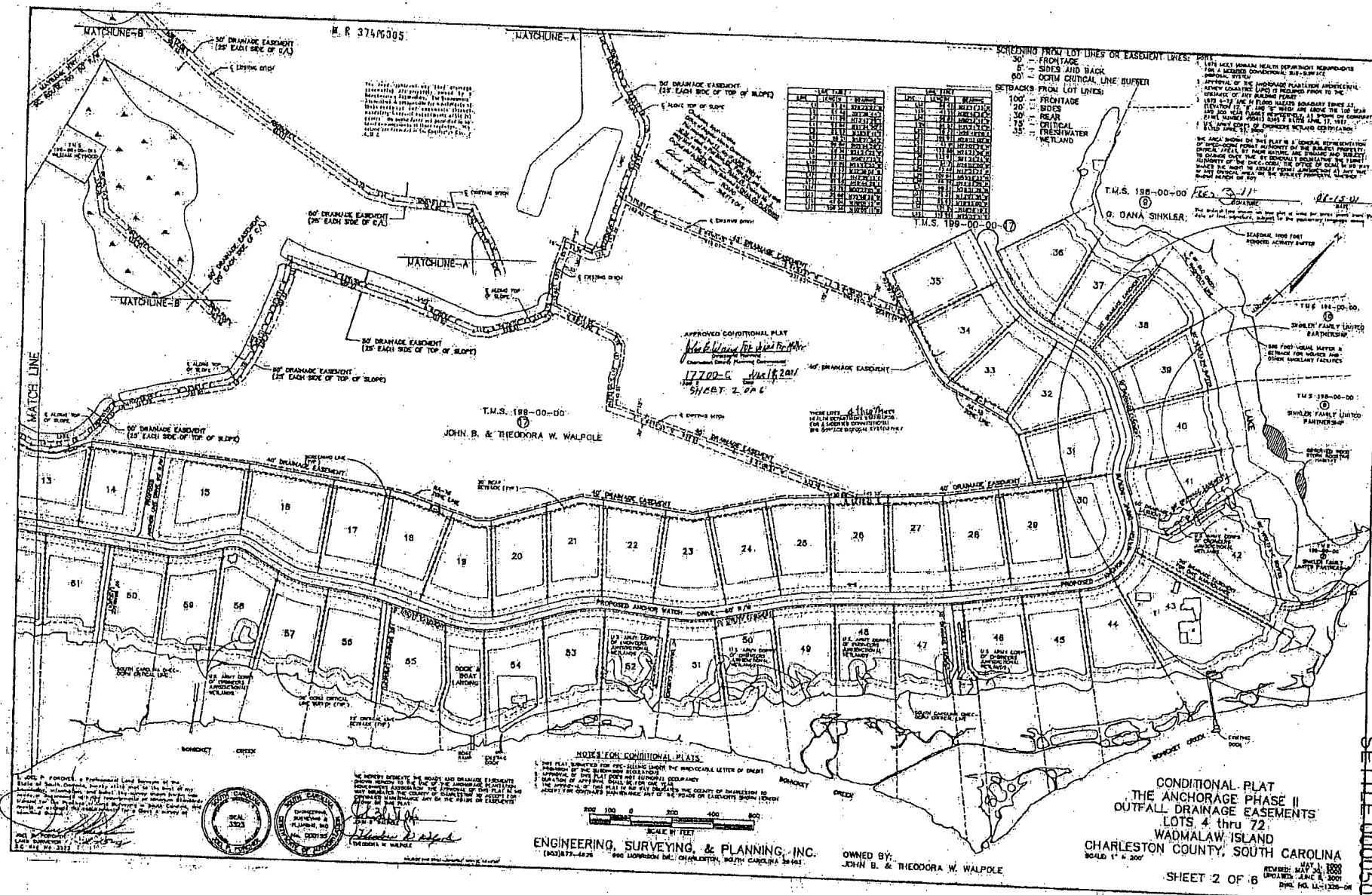
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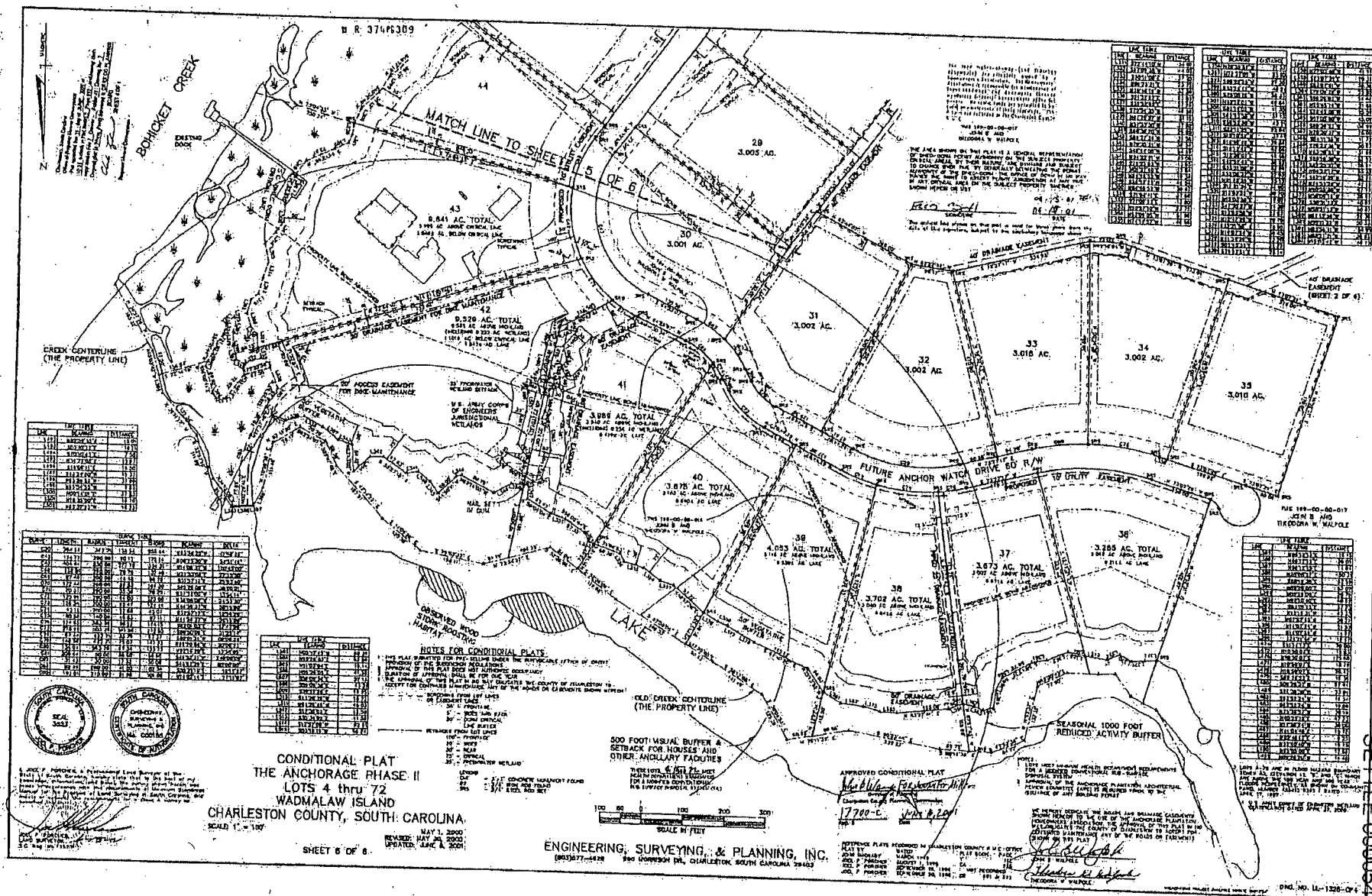
CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC











BK T419PG901

Original Covenants recorded in Book A286 page 37
and rerecorded in Book J330 page 856.
STATE OF SOUTH CAROLINA) AMENDMENT TO SECOND AMENDMENT TO
) AND RESTATEMENT OF DECLARATION OF COVENANTS,
COUNTY OF CHARLESTON) CONDITIONS, AND RESTRICTIONS FOR THE ANCHORAGE

THIS Amendment to Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage ("Amendment") is made this 16 day of September, 2002, by Southern Lifestyles VIII LLC, a South Carolina limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, the Declarant, by "Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage" dated July 21, 2000, recorded July 21, 2000 in the Office of Register of Mesne Conveyances for Charleston County in Book R351 at Page 391 (the "Declaration"), made certain property in Charleston County, South Carolina (the "RMC"), subject to the Declaration; and

WHEREAS, Section 16.2 of the Declaration provides, in relevant part, that Declarant may amend the covenants, as further set forth therein; and

WHEREAS, Declarant wishes to amend the Declaration as herein provided, to clarify that the lot, house, pool house and other out buildings situate on such lot, existing prior to the date the Declaration was filed in the RMC and known as Lot 43, are not only free and clear of those restrictions in the Declarations which would result in maintenance of Lot 43 and its improvements not conforming to the Declarations, but that all repair, replacement and reconstruction, whether voluntary or resulting from any casualty, performed in accordance with governmental approvals, shall be grand fathered and shall not constitute a violation of such restrictions.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Declarant does hereby declare as follows:

1. Section 5.1 Amendment The Declaration is amended by deleting in its entirety Section 5.1 and substituting therefor a new Section 5.1 of to read as follows:

5.1 Building Restrictions. Except as may be otherwise set forth in this Declaration, in the Site Plan, in any Supplemental Declaration, in any agreement with Declarant, or by specific deed restriction, and except for an Owner's use, maintenance, repair, replacement and reconstruction of the existing improvements located upon Lot 43 (which will be free and clear of the restrictions set forth in Sections 5.1.1 and 5.1.2 below, except as otherwise required by applicable law), the following building restrictions will apply with respect to the properties subject to this Declaration:

NPMB1-5087.2-RD-(BFC) 02-1171-00008

BK T419PG902

II. Effect of Amendment. Except as herein provided, the Declaration is and shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written.

WITNESSES:

Southern Lifestyles VIII, LLC, a South Carolina limited liability company

Niki P. Woods
Deputy Notary

By: [Signature]
Name: Loren Dickey
Title: Secy/Treasurer

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within Southern Lifestyles VIII, LLC, a South Carolina limited liability company, by Loren Dickey, its Secy/Treasurer, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

Niki P. Woods

SWORN TO before me
this 13 day of September, 2002.

Deputy Notary
Notary Public for the State of South Carolina
My commission expires: 7/13/2008

SETTLE 000057

DEPT 1419PG903

RETURN TO:
KRAWCHECK & DAVIDSON
9 STATE ST.
CHASN., S.C. 29401

FILED

T419-901

2002 SEP 25 PM 12:30

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

miscellaneous
10.00
&
A

BK 0 349PG671

STATE OF SOUTH CAROLINA) FIRST AMENDMENT TO DECLARATION
) OF COVENANTS, CONDITIONS, EASEMENTS
 COUNTY OF CHARLESTON) RESTRICTIONS, CHARGES AND LIENS FOR
 THE ANCHORAGE PLANTATION
 SUBDIVISION

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, RESTRICTIONS, CHARGES AND LIENS FOR ANCHORAGE PLANTATION, (the "Declaration") IS MADE THIS 11th DAY OF June, 2000, BY JOHN B. WALPOLE AND THEODORA W. WALPOLE (COLLECTIVELY, THE "DECLARANT")

WITNESSETH:

WHEREAS, Declarant filed the Declaration dated May 7, 1997 and recorded on June 24, 1997 in Book A 286 at page 37 in the RMC Office for Charleston County and rerecorded on July 13, 1999 in Book J 330 at page 856 in the RMC Office for Charleston County; and

WHEREAS, the Declarant desires to bring certain additional properties under the Declaration, thereby becoming a part of Anchorage Plantation Homeowners Association for the purpose of protecting the value and desirability of said lands; and

WHEREAS, in order to cause these covenants, conditions, restrictions, easements, charges and liens to run with, burden, benefit, and bind the properties, the Declarant executes this instrument.

NOW, THEREFORE, the Declarant declares that the real property described in paragraph 1 below is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject, to the covenants, restrictions, conditions, easements, charges, assessments affirmative obligations and liens (herein sometimes referred to as the "Covenants" or "Declaration of Covenants") hereinafter set forth.

1. The property shown on the plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II OUTFALL DRAINAGE EASEMENTS LOTS 4 THRU 72 WADMALAW ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" (Anchorage, Phase II") consisting of six (6) sheets by Engineering, Surveying, & Planning, Inc. dated May 1, 2000, amended May 30, 2000, which plat is recorded in the RMC Office for Charleston County in Plat Book EE at page 81 is 86 in all respects subject to the "DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, RESTRICTIONS, CHARGES AND LIENS FOR THE ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION".

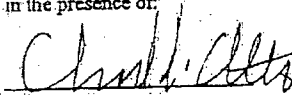
BK 0 349PG672

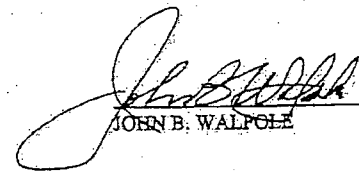
2. In addition, the following shall be applicable to Anchorage Phase II:

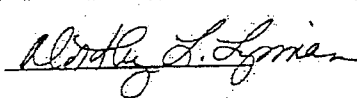
A stormwater filter buffer of 50 foot average width shall be located landward along the established DHEC-OCRM critical line as shown on the approved plans for Anchorage Phase II. This stormwater buffer is intended to provide a strip of natural vegetation through which runoff from yards will be filtered prior to entering the marsh (to remove/reduce fertilizers, pesticides, and/or pet waste). No clear-cutting, filling, excavation or construction activity (other than that necessary for permitted drainage or water access structures) or permanent structures (other than that necessary for permitted drainage or water access structures) shall be allowed within this buffer. Limited clearing of trees and ground cover shall be allowed within this buffer. Limited clearing of trees and ground cover shall be allowed to provide and maintain adequate sight vistas. Only indigenous vegetation or species that are naturally adapted to local conditions without fertilization shall be planted.

In Witness Whereof, the Declarant has hereunto set its hand and seal as of the day and year first above written.

Signed, sealed and delivered
in the presence of:


Charles H. Altis


JOHN B. WALPOLE


Theodore W. Walpole


THEODORA W. WALPOLE

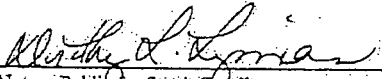
BK 0 34,9PG673

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

BEFORE ME personally appeared John B. Walpole and Theodora W. Walpole, to me well known to be the person(s) described in and who executed the within Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for The Anchorage Plantation Subdivision, and they acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that he/she executed said instrument for the purposes therein expressed therein.

WITNESS my hand and official seal this 15th day of June, 2000.


Notary Public for South Carolina
My Commission expires: 7/15/2008
(NOTARIAL SEAL)

SETTLE 000061

Hexsen Pruet Jacobs Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON SOUTH CAROLINA 29402

BK 0 349PG674

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MA
LTV

FILED

0349-671

2000 JUN 16 AM 11:40

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

BK T360PG140

THIRD AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR THE ANCHORAGE

ORIG A286-37, as recorded T360pg256

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ANCHORAGE is made this 15 day of October, 2000 by SOUTHERN LIFESTYLES VIII, LLC, a North Carolina limited liability company (the "Declarant").

WITNESSETH

WHEREAS, by Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for The Anchorage dated July 20, 2000 and recorded in the RMC Office for Charleston County, South Carolina in Book R 351 at Page 398, Declarant restated and established in one instrument the covenants, conditions and restrictions for the property described in Exhibit A to the said Second Amendment; and

WHEREAS, included at Paragraph 6.4.1 in the Second Amendment to the Covenants, Conditions and Restrictions is a reservation, for the use and benefit of Kelly T. McKee and Gladys H. McKee, their heirs and assigns; of a non-exclusive, appurtenant easement over and across the right of way shown on the Site Plan as "Anchor Watch Drive 70' R/W" from the point the said road intersects with Maybank Highway to the property belonging to McKee; and

WHEREAS, Declarant has subsequently revised its plan of development and recorded a Conditional Plat in Plat Book EE at page 081; and

WHEREAS, McKee and Declarant deem it to be in the best interest of McKee and in the best interest of the subdivision to extend the non-exclusive, appurtenant easement to include a portion of the roadway designated on the above referenced Conditional Plat as "Proposed Anchor Watch Drive 50' R/W" and to allow for access to the McKee property at a point approximately 50 yards to the North of the point at which Anchor Watch Drive reaches the property belonging to McKee; and

WHEREAS, Declarant has the right to amend the Declaration at any time within the Control Period without approval of any Owner or Mortgagee;

NOW, THEREFORE, the first sentence of Paragraph 6.4.1 McKee Tract Easement is hereby amended to read as follows:

6.4.1 McKee Tract Easement. There is hereby reserved for the use and benefit of Kelly T. McKee and Gladys H. McKee, their heirs and assigns (hereinafter "McKee"), a non-exclusive, appurtenant easement over and across the right-of-way shown and designated on the Conditional Plat recorded in Book EE page 081 as "Anchor Watch Drive 70' R/W" a non-

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exclusive, appurtenant easement over and across the improved portion of the right of way (roadway) from the point the said road intersects with Maybank Highway to the property belonging to McKee and thence on the road shown and designated as Proposed Anchor Watch Drive 60' RAW, a distance of 50 yards for pedestrian and vehicle ingress and egress, and for one (1) curb cut to allow access to the McKee property at that point.

IN WITNESS WHEREOF, the duly authorized officer of the undersigned Declaration has executed this Declaration under seal this 5th day of December 2000.

Signed, sealed and
delivered in the presence of:

Katherine D. Kelly
Notary Public

DECLARANT:
SOUTHERN LIFESTYLES VIII, LLC
A North Carolina Limited Liability

BY: *[Signature]*
Its: *Manager*

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me *The undersigned witness* and made oath that he saw Southern Lifestyles VIII, LLC, a North Carolina Limited Liability Company by its duly authorized officer, sign, seal and as its act and deed deliver the within written Third Amendment to Declaration of Covenants, Conditions and Restrictions for The Anchorage, and that he with the other subscribing witness witnessed the execution thereof.

SWORN to before me this
5th day of December 2000.

Katherine D. Kelly
Notary Public for South Carolina
My Commission Expires: 7/13/2008

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REGISTER
CHARLESTON COUNTY SC

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STATE OF SOUTH CAROLINA:) THIRD AMENDMENT OF SECOND AMENDMENT TO
COUNTY OF CHARLESTON) AND RESTATEMENT OF DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR THE ANCHORAGE
Original Covenants Recorded in
Book A286, Page 37, Re-recorded in Book J330, Page 856

THIS Third Amendment of Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage ("Amendment") is made this 19th day of June, 2003, by Southern Lifestyles, VIII, LLC, a South Carolina limited liability company (the "Declarant"), William S. Anderson, owner of Lot 46 and Armand P. and Cynthia L. Glassman, Owners of Lot 47 in the Anchorage (collectively, the "Owners").

WITNESSETH:

WHEREAS, the Declarant, by "Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage" dated July 21, 2000, recorded July 21, 2000 in the Office of Register of Mesne Conveyances for Charleston County in Book R351, at Page 391, as amended to the date hereof (the "Declaration"), made certain property in Charleston County, South Carolina (the "RMC"), subject to the Declaration; and

WHEREAS, the Owners of Lots 46 and 47 have been approved for and have been issued a permit to construct a joint dock by OCRM, and the Declarant has or will simultaneously with the recording of this instrument quit claim all of Declarant's right, title and interest in and to the land lying between Lots 46 and 47 for use by the Owners for access to and use of their shared joint dock in accordance with the OCRM permit therefor; and

WHEREAS, the Declarant and the Owners of Lots 46 and 47 wish to re-subdivide Lots 46 and 47 and the land between the two to combine said Lots with such land between the two Lots which the Declarant has by Quit Claim conveyed at the date hereof to the Owners, thereby creating two new Lots 46 and 47, and the Declarant acknowledges its consent to such re-subdivision and combining pursuant to Section 5.25.1 of the Declaration; and

WHEREAS, Section 16.2 of the Declaration provides, in relevant part, that Declarant may amend the covenants, as further set forth therein; and

WHEREAS, the Declarant wishes to amend the Declaration to correct a discrepancy between previous surveys and the approved Dock Master Plan and dock permit issued by OCRM for Lots 46 and 47, to acknowledge its consent to the re-subdivision of Lots 46 and 47 and the land between the two which the Declarant has by Quit Claim conveyed at the date hereof to the Owners, and thereby combining said Lots with such land between the two Lots and to establish additional terms and conditions, which will run with title to Lots 46 and 47, applicable to the joint dock constructed at the common property line between two Lots; and

WHEREAS, the Owners of Lots 46 and 47 wish to acknowledge and agree that the additional terms and conditions imposed hereunder shall run with and bind the title to Lots 46 and 47.

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NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Declarant and the Owners do hereby declare as follows:

1. Survey Correction. The survey further described in Exhibit "A" hereto shall take precedence over any conflicting survey previously filed Of Record for the land shown thereon, and the land between Lots 46 and 47 and added to said Lots by the filing Of record of the survey described in Exhibit "A" is quit claimed to the Owners at the date hereof and combined with Lots 46 and 47, to which combination Declarant consents as provided below.

1.1 No Common Area. The Declarant hereby acknowledges and agrees that the land between Lots 46 and 47 and added to said Lots as shown in the survey described in Exhibit "A" and quit claimed by Declarant to Owners bearing any designation in any previous as Common Area or similar description was a scrivener's error, and that such land was never intended to be, or conveyed to the Association as, Common Area as evidenced by the filings of Declarant for OCRM approval of its Dock Master Plan that included such land as being a part of Lots 46 and 47.

2. New Lots. With respect to the Lots, as defined under the Declaration, "Lot" shall mean that certain piece, parcel and lot of land identified as Lot 46 (TMS # 199-00-00-058) (hereinafter, "New Lot 46") and shall also mean Lot 47 (TMS# 199-00-00-056) (hereinafter, "New Lot 47") on plat entitled "PLAT SHOWING DOCK LOT BEING COMBINED WITH LOTS 46 & 47, ANCHORAGE PLANTATION - PHASE II" prepared by Thomas V. Bessent, RLS, SC Reg. #10778, prepared for Southern Lifestyles VIII, LLC, Wadmalaw Island, Charleston South, South Carolina, being dated January 8, 2003, and recorded in Plat Book DD at Page 637 in the Office of the Register Mesne Conveyances for Charleston County, South Carolina (collectively, "New Lots 46 & 47").

2.1 Declarant Consent. By its execution hereof, Declarant does hereby signify its consent to the re-subdivision and combining of Lots 46 and 47 pursuant to Section 5.25.1 of the Declaration, which are now known as New Lots 46 & 47.

3. Additional terms and Conditions Applicable to Joint Dock Between New Lots 46 & 47.

3.1 Joint Dock Identification. On March 1, 2001 the South Carolina department of Health and Environmental Control, Office of Ocean and Coastal Resource Management, issued Permit OCRM-00-411-M for the construction of a joint walkway or pier and pierhead between and adjacent to Lots 46 and 47 (the "OCRM Permit"). The joint walkway or pier and pierhead under the OCRM Permit are for the exclusive use and benefit of, the Owners, their family members, tenants, guests and invitees, of New Lots 46 & 47, and is and shall remain an appurtenance of such Lots. The walkway or pier and the pierhead, to which may be attached floating docks, as depicted in the OCRM Permit, is and shall constitute a joint dock, party structure under Section 4.1.1(a) of the Declaration (collectively, the "Joint Dock").

(a) Floating Docks. Such floating docks as shall be attached to the Joint Dock's pierhead by an Owner of one of the New Lots 46 & 47 shall be for the exclusive use and benefit of the Owner attaching the floating dock. A floating dock may be attached on the northeast of the pierhead by the Owner of New Lot 46, and a floating dock may be attached on the southwest of the pierhead by the Owner of New Lot 47, each of which floating docks shall be personal property and for the exclusive use and benefit of the Owner so attaching to the pierhead, as well as his tenants, guests and invitees. If conditions require that a floating dock be attached to a pierhead in a manner other than on the northeasterly and southwesterly side of the pierhead, and upon approval of same by Declarant, so long as Declarant owns a Lot for sale in the ordinary course of its business, and thereafter upon approval of same by the Association, this Section 3.1(a) shall be amended by the Declarant.

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or the Association, as the case may be, without a vote of the Association, to reflect the re-location of the floating dock to be attached to the pierhead between New Lots 46 & 47 by the applicable Owner of New Lots 46 & 47 permitted to do so.

(b) Vessels Docked at Joint Dock: The obligations of the Owners of New Lots 46 & 47 to maintain, repair the Joint Dock pursuant to Section 4.1.1(a)(ii) shall specifically extend to maintenance and repair of any vessel moored by an Owner of the Joint Dock, his family members, tenants, guests and invitees.

(c) Association's Permitted Undertakings: If one or both Owners of New Lots 46 & 47 do not undertake maintenance or make those repairs required to be made by them pursuant to Section 4.1.1(a)(ii) within thirty (30) days from the date of receipt of written demand from the Association, the same may, but shall not be required to, be repaired, or required maintenance performed, or removed if the condition thereof presents a danger or is unsightly, in its sole determination, by the Association; and the costs thereof shall be assessed against the said Owners and their Joint Dock Units. Furthermore, the Association may, but shall not be required to, cause the removal from any such Joint Dock any vessel maintained in a dangerous or unsightly condition. Any cost or expense incurred by the Association hereunder shall be payable by the responsible Owner or Owners within seven (7) calendar days of receipt of the Association's bill therefor. The failure to make payment of such sum shall result in same becoming a part of the Assessment to which such Owner and his Unit are subject and shall become a lien against such Unit as provided in the Declaration.

(d) Joint Dock Owners' Easements:

(i) Access: Each of the Owners of the New Lots 46 & 47, and their respective guests, invitees, successors and assigns shall have a non-exclusive, perpetual easement of access, ingress and egress on, over and across such portions of the Joint Dock and adjacent Lot reasonably necessary for access to and from the Joint Dock's facilities and improvements, being generally along the common property line between New Lots 46 & 47.

(ii) Maintenance, Repair and Construction Easement: There shall exist for the benefit of each of the Owners of the New Lots 46 & 47, and their respective invitees, successors and assigns a perpetual easement for access, ingress and egress on, over and across such portions of the Joint Dock and adjacent Lot reasonably necessary or desirable for the construction, repair, maintenance and replacement of the Joint Dock's facilities and, being generally along the common property line between New Lots 46 & 47. With respect to the whole or any portion of a Joint Dock located upon one of the adjoining New Lots 46 & 47, the Owner shall have an encroachment easement upon such Lot pursuant to (iii) below. This construction, repair, maintenance and replacement easement shall include the right to temporarily alter, obstruct and/or block off portions of the Joint Dock during construction or repair in order to avoid injury to persons or damage to property. However, in every case of alteration, obstruction or blocking, the said Owner exercising such right shall provide, if possible, reasonable alternative means of use and access around the affected area to allow access to and the continued use and enjoyment thereof by persons entitled to such use and enjoyment. All such construction, repair, maintenance and replacement shall be undertaken and completed in accordance with the OCRM Permit.

(iii) Encroachment Easements and Licenses: There shall exist for the benefit of each of the Owners of the New Lots 46 & 47, an exclusive perpetual encroachment easement and license on and across such portions of the Joint Dock and adjacent Lot reasonably necessary or desirable to perform any maintenance, repair, reconstruction or replacement of the Joint Dock's facilities and improvements, being generally along the common property line between New Lots 46 & 47. There shall also exist for the benefit of each of the Owners of the New Lots 46 & 47 an encroachment easement and license to physically attach to the

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Joint Dock's pierhead a floating dock, which attachment shall take place generally at the location provided in subsection (a) above. Such encroachment easements and licenses shall include the right to install decking, steps, rails, gates, lights, light poles and other similar or related fixtures or items of personalty, and to make minor modifications to such properties in connection with such installation and connection. Furthermore, such encroachment easements and licenses shall also include the right (but not the duty) to install, use, replace and maintain utility lines and facilities under and beneath such properties, including without limitation pipes and lines for water, electricity, telephone and cable television, all subject to the reasonable right of the respective Owners of New Lots 46 & 47 to designate the actual location of any such utility easements encumbering their respective Lot.

(e) New Lots 46 & 47 Subject to OCRM Permit. New Lots 46 & 47 are subject to the OCRM Permit, and the Owners of New Lots 46 & 47 do hereby agree to be bound by all the terms, conditions, limitations and obligations thereunder to be kept and performed. In the event of any conflict between the terms, conditions, limitations and obligations under this Amendment and/or the Declarations and the OCRM Permit, those of the OCRM Permit shall control.

II. Effect of Amendment. Except as herein provided, the Declaration is and shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant and the Owners have caused this instrument to be executed the day and year first above written.

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WITNESSES:

Southern Lifestyles VII, LLC, a South Carolina
limited liability companyDavid C. Joyce
Mary Elizabeth BennettBy: [Signature]
Name: Coren Dickey
Title: Sec/TreasSTATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within
Southern Lifestyles VII, LLC, LLC, a South Carolina limited liability company, by
Coren Dickey, its Sec/Treas, sign, seal and as its act
and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution
thereof.

SWORN TO before me
this 14th day of July, 2003.Mary Elizabeth Bennett
Notary Public for the State of South Carolina
My commission expires: NOTARY PUBLIC SOUTH CAROLINA
MY COMMISSION EXPIRES JAN. 28, 2012

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WITNESSES:

Owner of Lot 46:

Cheryl A. Bennett
(first witness)
Alison L. Damore
(second witness or Notary)

W.S.A.
Name: William S. Anderson

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within William S. Anderson, sign, seal and as his/her act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

SWORN TO before me
this 19 day of June, 2003.

Cheryl A. Bennett
(first witness)

Alison L. Damore
Notary Public for the State of South Carolina
My commission expires: 12/16/12

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WITNESSES:

Shirley Green
 (Witness)
Gina Michelle King
 (Witness or Notary)

Owner of (1 of 4):

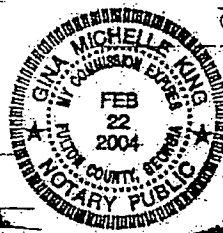
Armand P. Glassman
 Name: Armand P. Glassman
Cynthia L. Glassman
 Name: Cynthia L. Glassman

STATE OF GEORGIA)
)
 COUNTY OF *Fulton*)

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within Armand P. Glassman and Cynthia L. Glassman, sign, seal and as their act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

SWORN TO before me
 this *11* day of *June*, 2003

Notary Public for the State of Georgia
 My commission expires: *2/22/04*



Shirley Green
 (Witness)

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Exhibit "A"

ALL those certain piece, parcels and lots of land shown and designated as "LOT 46, 8.630 AC. TOTAL" and "LOT 47, 8.639 AC. TOTAL" on a plat prepared for Southern Lifestyles VIII, LLC by Thomas V. Bessent, S.C. Registered Surveyor, entitled, "Plat Showing Dock Lot Being Combined with Lots 46 & 47, Anchorage Plantation - Phase II," recorded in Book DD, Page 637 of the RMC Office for Charleston County.

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REGISTER
CHARLESTON COUNTY SC

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THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS,
RESTRICTIONS, CHARGES AND LIENS FOR ANCHORAGE PLANTATION (the
"Declaration") IS MADE THIS 12 DAY OF MAY, 1997, BY JOHN B.
WALPOLE AND THEODORA W. WALPOLE.

WHEREAS, Declarant is the developer of a subdivision development in Charleston County, South Carolina, known as Anchorage Plantation Subdivision.

WHEREAS, in order to cause these covenants, conditions, restrictions, easements, charges and liens to run with, burden, benefit, and bind the properties, the Declarant executes this instrument.

ARTICLE I

DEFINITIONS

(a) The "Anchorage Plantation Homeowners Association" shall mean and refer to the association of the property owners of the property located a Anchorage Plantation.

(b) "Common Area" shall mean and refer to all real and personal property now or hereafter owned by the Plantation Homeowners Association for the common use and enjoyment of the Owners and Residents. The Common Area shall include

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that portion of the Properties owned by the Anchorage Plantation Homeowners Association, street medians and islands, parking areas, entrance monuments, walkways, docks, wooded areas, fields and other portions of the Properties which are not a designated House Site or an Area of Exclusive Control surrounding such designated House Site, together with easement for access thereto. Common Area may be conveyed to the Anchorage Plantation Homeowners Association subject to all applicable restrictive covenants of record, and when tendered, title thereto shall be accepted by the Anchorage Plantation Homeowners Association.

- (c) "Declarant" shall mean and refer to John B. Walpole and Theodora W. Walpole, their heirs and assigns.
- (d) "House Site" shall mean a lot as shown on the Plat of the subdivision, on which single family home residences are constructed or are to be constructed as shown on a recorded plat of the property.
- (e) "Member" shall mean and refer to all those Property Owners who are Members of the Anchorage Plantation Homeowners Association as provided in Section hereof.
- (f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any House Site which is part of the Properties but excluding in all cases any party holding an interest merely as security for the performance of an obligation.
- (g) "Resident" shall mean and refer to those persons residing in a Home built on a House Site.
- (h) "Home" shall mean and refer to the residential dwelling constructed on any House Site.
- (i) Plat shall mean the Plat entitled "Final Plat, The Anchorage Plantation - Phase I, Lots 1, 2, 3, 77 and 78, Wadmalaw Island, Charleston County, South Carolina," dated September 20, 1996, which plat is recorded in the RMC Office for Charleston County. This term shall also refer to any Plat which describes additional property made subject to these Covenants as allowed under paragraph 11.05 hereof.

ARTICLE II PROPERTY

Section 2.01. Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to these Covenants, is located in Charleston County,

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South Carolina, and is more particularly described in Exhibit "A" hereto attached and by reference incorporated herein.

ARTICLE III PROPERTY RIGHTS

Section 3.01. Owners' Easement of an Enjoyment. Every Owner shall have a right to an easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every House Site, subject to the following restrictions:

(a) The right of the Anchorage Plantation Homeowners Association to suspend the voting rights and right to use of the Common Area by an Owner for (i) any period during which any assessment against his House Site remains unpaid; and (ii) for a period not to exceed (60) days for any infraction of its published rules and regulations.

(b) The right of the Anchorage Plantation Homeowners Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been recorded; provided, however, in the event the Members elect to dedicate any portion of the Common Areas designated as streets and/or drainage systems to Charleston County, then at such time and before Charleston County accepts such dedication, the Association must construct all such streets and drainage systems to the then present standards which have been adopted by any of the governing body which controls such infrastructure. Furthermore, in the event the Association is dissolved and the streets and drainage systems become the responsibility of Charleston County for any reason, each Owner will be assessed a prorata portion of the cost required to bring the streets and drainage systems into compliance with prescribed standards of Charleston County.

Section 3.02: Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Anchorage Plantation Homeowners Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside in a Home. Such delegation shall be subject in all respects to this Declaration.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 4.01: Every Owner of a House Site which is subject to assessment shall be a member of the Homeowners Association. Membership shall be appurtenant to and may not be separated from ownership of any House Site which is subject to assessment.

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Section 4.02: The Anchorage Plantation Homeowners Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of House Sites which are subject to assessment, with the exception of the Declarant, and each Owner shall be entitled to one vote for each House Site owned. When more than one person holds an interest in any House Site, the vote for such House Site shall be cast as a whole and exercised as the Owners thereof shall determine. In no event shall more than one vote be cast with respect to any House Site nor shall the vote appurtenant to any House Site be cast in fractional part. Anything contained herein not to the contrary, Declarant shall be entitled to participate in the Association as a Class A member with regard to each lot owned by him, after the Class B Membership ceases to exist.

In the event Declarant adds additional house sites the "Anchorage Plantation Subdivision" as allowed under Section 11.05, hereof, the owners of the additional house sites shall have the same rights as described herein.

Class B. The Class B Member shall be the Declarant and shall be entitled to four (4) votes for each House Site owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership or,
- (b) when in its discretion the Declarant so determines and executes and records an instrument stating such determination.

Section 4.03 Voting by Proxy. Any member shall be entitled to be represented at any meeting of the Association by Proxy, provided that such proxy is in writing and signed by all owners of the home site which is being so represented;

ARTICLE V PURPOSE AND POWERS OF THE ASSOCIATION

The Anchorage Plantation Homeowners Association is formed to provide for maintenance, preservation, and architectural control of the lots and Common Area which comprise the Properties, and to promote the health, safety and welfare of the Residents within the Properties.

The Association is authorized to:

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(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Anchorage Plantation Homeowners Association as set forth in this Declaration of Covenants as the same may from time to time be amended;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration of Covenants to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Anchorage Plantation Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Anchorage Plantation Homeowners Association;

(c) with the assent of two-thirds (2/3) of Members, acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Anchorage Plantation Homeowners Association, provided the Declarant shall have the right to lease Areas of Exclusive Control without any vote.

(d) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. Except as provided in section 8.02 thereof, no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of Members;

(e) enforce the provisions of the Declaration of Covenants and prosecute lawsuits to do so;

The affairs of the Anchorage Plantation Homeowners Association shall be managed by a Board of Directors (the "Board") of five (5) Directors except that the initial Board of Directors which serves until five (5) House Sites have been sold, shall consist of three (3) Directors. The number of directors may be changed by amendment of the By-Laws of the Anchorage Plantation Association. One of the Declarant or their designee shall be a member of the Board for so long as the Class B Membership exists.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.01: Creation of the Lien and Personal Obligation of Assessments. Each Owner of any House Site by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with Delinquent Payment Fees in the amount of One and One-half (1½%) percent per month, thereon and cost of collection, including reasonable attorney's fees, shall be a charge on the House Site and shall be a continuing lien upon the House Site against which each such assessment is made. Each such assessment, together with Delinquent Payment Fees thereon and

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cost of collection including reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such House Site at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor(s) in title unless expressly assumed by such successor(s).

Section 6.02. Purpose of Assessments. The assessments levied by the Anchorage Homeowners Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Residents and Owners; for the improvement and maintenance of the Common Area; and to perform such services for owners as authorized in this Declaration of Covenants.

Section 6.03. Maximum and Actual Annual Assessments. At such time as the Declarant has transferred the first house site to a purchaser, the board shall make a determination as to the amount that will be necessary to carry out the purposes stated in Section 6.02 hereof. Said amount shall be divided equally among all house sites subject to the provisions of these Covenants, except as set forth in Section 11.06. Thereafter, the Annual Assessment may not be increased by more than ten (10%) percent per year without a vote of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a duly called meeting of the Association.

Section 6.04. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Anchorage Plantation Homeowners Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

The requirement that there be a consent of two-thirds (2/3) of the votes of Members who are voting in order to make a special assessment shall not be applicable in the event the assessment is made to meet a requirement of a governmental body or agency which has jurisdiction on the property where Anchorage Plantation is located (hereinafter referred to as a "Mandatory Assessment"). In the event a special assessment is levied that the Board believes is a Mandatory Assessment, the Board shall provide written notification to all Members of such assessment, providing the amount of the assessment and the basis of the assessment, including the notification from the governmental body or agency which resulted in the assessment. The assessment shall become effective thirty (30) days after written notice is given unless a Court of competent jurisdiction has issued an Order Staying the effect of the assessment. Thereafter, the assessment shall only be effective if the Order staying the effect of the assessment is withdrawn. In any suit to invalidate any such assessment, the governmental agency or body that issued the requirement that caused the assessment must be made a party.

Section 6.05. Notice and Quorum for any Action Authorized Under Sections 6.03 and 6.04. Written notice of any meeting called for the purpose of taking any action authorized under

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Section 6.03 and Section 6.04 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Member or of proxies entitled to cast sixty (60%) percent of all the votes of membership shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. Such subsequent meeting (s) shall be held within sixty (60) days following the preceding meeting.

Section 6.06. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all House Sites and may be collected on a quarterly or monthly basis as determined by the Board.

Section 6.07. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all House Sites shown on recorded plats on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the then current assessment period. The Board of Directors shall fix the amount of the annual assessment against each House Site at least (30) thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon request of a member of the Association, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified House Site have been paid. A properly executed certificate of the Association as to the status of assessments on a House Site is binding upon the Association as of the date of its issuance. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his House Site.

Section 6.08. Effect of Non-Payment of Assessments; The Lien; Remedies of Anchorage Plantation Homeowners Association. Any assessments not paid within thirty (30) days after the date when due shall become delinquent and shall (together with a Delinquent Payment Fee on the unpaid balance as shall be provided in the By-Laws but not to exceed the legal rate of interest provided by Law for enrolled or entered decrees and judgements of courts, and cost of collection thereof, including reasonable attorneys' fees as herein provided) become a charge and continuing lien on the House Site and all improvements thereon, against which each such assessment is made. It is understood that by the nature of the amount of the assessments that the amount that may be due and owing will not be a large amount, therefore it is understood that the costs that may be assessed shall be based on the amount of work that must be done to collect the amounts due and not based on the amount.

If the assessment is not paid within sixty (60) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against a House Site, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgement is

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obtained, such judgement shall include Delinquent Payment Fees on the assessment as above provided and a reasonable attorney's fee together with all other costs of the action.

Section 6.09. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the House Sites subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Any assessment liens that are extinguished by a foreclosure sale shall be re-allotted and assessed as a common expense. Such sale or transfer shall not relieve such Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 6.10. Duties of the Board of Directors. The Board of Directors of the Anchorage Plantation Association shall fix the amount of the assessment equally against each House Site for the fiscal year at least thirty (30) days in advance of the first day of each fiscal year. At that time, the Board shall prepare a roster of the House Sites and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice during normal business hours.

Written notice of the assessment shall be sent to every property Owner subject thereto. Such notice shall include the Delinquent Payment Fee as provided in the By-Laws to be imposed for failure to pay the assessment by the due date.

The Anchorage Plantation Homeowners Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an Officer of the Plantation Homeowners Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6.11. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Homeowners Association and the effectuation of its purposes. The Association shall not be obligated to spend in any fiscal year all the sums collected in such year, and may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward the same from year to year.

ARTICLE VII ARCHITECTURAL CONTROL

No construction, reconstruction, remodeling, alteration, or addition to any building, fence, wall or other structure or improvement of any nature shall be commenced, erected or

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maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an Architectural Review Committee composed of three (3) or more representatives appointed by the Board (herein sometimes referred to as "ARC"). In the event said ARC, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it in writing with a signed receipt, said receipt signed by the ARC shall constitute the approval required and this Article will be deemed to have been fully complied with.

No primary single residence shall be less than 2500 sq. ft. of heated space. No secondary single family residence shall be less than 1400 sq. ft. heated space.

As a pre-requisite to consideration for approval, and prior to beginning the contemplated work, a complete set of building plans and specifications shall be submitted to the ARC in such form and include such content as specified in architectural guidelines promulgated by the ARC. The ARC shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations. Upon given approval, construction shall be started and prosecuted to completion, promptly, and in strict conformity with such plans. No previously approved building or structure shall be used for any purpose other than for which it was originally approved.

Section 7.01, Violations. If any Home, structure or building shall be erected, placed, maintained or altered upon any House Site or other Properties, or any new use commenced on any House Site or other Properties, otherwise than in accordance with the plans and specifications approved by the ARC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article, and without the approval required therein.

If in the opinion of the ARC a violation exists, written notice of the violation shall be given to the Owner by the Anchorage Plantation Homeowners Association Board (which shall be deemed to have been delivered if sent by registered mail, return receipt requested, postage paid or if delivered to the Owner at the last address provided to the Association by the Owner with proof of deliver or attempted deliver to said address. Proof of deliver shall be by registered or certified mail receipt, return of the mail marked undelivered or unclaimed by the post office, affidavit by someone of delivery or receipt of an express company). If the Owner of the Home upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same within twenty (20) days after the mailing of the aforesaid notice of violation, the Association shall have the right of enforcement as provided in Section hereof.

ARTICLE VIII EASEMENTS

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Section 8.01. Owners Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Area necessary for access to his or her House Site, and such rights shall be appurtenant to and pass with the title to each House Site. Further, Owners shall have the right of ingress and egress to fish, shrimp, crab, sein, grain, upon Common Areas designated for the specific use, however, each House Site Owner or Member's rights hereunder shall be coordinated with and shall not be in any way in derogation of any other House Site Owner's or Member's same rights. Any controversy hereunder shall be resolved by the Board whose decision shall be final.

Section 8.02. Easements for Utilities, Etc. There is hereby reserved by the Declarant blanket easements upon, across, over, and under all of the Common Area for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, and all utilities, including, but not limited to, water, sewers, telephones, gas and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any property made subject to this declaration of Covenants. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Common Areas except as may be approved by the Association's Board of Directors or as provided in the development by Declarant. Should any entity furnishing a service covered by the general easement here in provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Common Area without conflicting with the terms here of. The easements provided for in this Article shall be in addition to any other recorded easements on the Properties.

ARTICLE IX INSURANCE

Section 9.01. Association Insurance. The Board of Directors of the Association shall obtain, when available, and maintain in force public liability insurance, workmen's compensation insurance (if required) and such other insurance as the Board of Directors may from time to time determine desirable. Premiums for such insurance policies and that portion of any covered loss not compensated for because of the loss deductible clause of the policy shall be paid by the Association as a general expense.

Proceeds received by the Association from any indemnity paid under a hazard insurance policy shall be held by the Board of Directors. After deduction of all reasonable expenses of the Board in administering such proceeds, the net proceeds shall be used to repair the damages for which the claim was made under the policy.

ARTICLE X USE RESTRICTIONS

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Section 10.01. Residential Use of Home; Limitation on number of Residents. All buildings constructed on a home site shall be used for single residential purposes only, and a Home shall not be permanently occupied by more than one family unit. No buildings shall be constructed on a home site that are for multi-family use, such as duplexes. No property owner may create a timeshare use on any home site.

Section 10.02. Commercial Use of Home Prohibited. No trade or business of any kind or character nor the practice of any profession, or any building or structure designed or intended for any purpose connected with any trade, business, or profession shall be permitted within any Home or upon any House Site except as otherwise expressly herein provided. Nothing in this section or these Covenants shall be construed to prohibit the rental of any of the Homes for residential purposes otherwise consistent with these Covenants.

No House Site shall be used as a temporary residence except as allowed by State and County Regulations. No house trailers, mobile homes, double-wide modular homes will be allowed.

Section 10.03. Undeveloped Use of Property. No lot shall be used for over night camping or recreational vehicular traffic.

Section 10.04. Delivery Receptacles and Mail Boxes. Receptacles for the receipt of mail shall be approved by the United States Postal Service ("USPS") and in writing by the ARC. Said receptacles shall be of uniform construction and appearance as prescribed by the ARC and shall be erected in a manner approved by the ARC and at such location as the ARC may in its discretion designate. The ARC may, upon the approval of the USPS cluster mail receptacles in such location as the ARC may, in its discretion, deem appropriate. In which case all other mail receptacles shall be removed. No receptacle or any construction for the receipt of newspapers or similar delivered materials shall be erected or permitted except as approved in writing by the ARC.

Section 10.05. Completion of Construction. The exterior of all Homes must be complete within six months after the date of the construction of same shall have commenced and the home shall be fully completed within one year of commencement of construction, unless otherwise extended by the ARC, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamity. In any event, no Home or structure may be occupied or used until the necessary governmental permits have been acquired.

Section 10.06. Outbuildings and Similar Structures. No building or structure of a temporary nature shall be erected or allowed to remain on any House Site, except that sheds or other temporary structures may be used during construction provided that they be approved in writing by the ARC, and provided further, that such sheds or structures shall not be used as a temporary residence. Except as constructed as part of the original construction of the Home as

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approved by the ARC, no house trailer, shack, tent, barn, shed, workshop or other structure or outbuilding of any kind shall be erected or allowed to remain on any House Site without approval of the ARC.

Section 10.07. Sign Boards. No sign boards shall be displayed except "For Rent" and "For Sale", which signs shall not exceed six (6) square feet in size. No more than two (2) signs shall be displayed on one House Site at the same time. All signs must be of a design and location approved by the Architectural Review Committee.

Section 10.08. Antenna. No radio or television transmission or receiving tower or satellite dish over 18 inches in diameter shall be erected within the House or Lot. A screening process of the dish is desirable.

Section 10.09. Mining. No House Site or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources.

Section 10.10. Disposition of Trash and Other Debris. Trash, garbage, or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of a House Site or other portion of the Properties other than in the receptacle customarily used within the inclosed area of the Home. At all times such containers shall be stored in such a manner that they cannot be seen from adjacent and surrounding property.

No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any House Site, except building materials during the course of construction for a period not to exceed 180 days (commencing from day one of the first delivery of any of such materials) for any approved structure, unless such materials are screened from view in a manner approved by the ARC.

Section 10.11. Aesthetics, Nature Growth, Fences, Screening, Underground Utilities Service. No nature growth or flora shall be intentionally destroyed or removed, except with the prior written approval of the Architectural Review Committee, without which the Owner shall at his cost, replace the same. Garbage cans, equipment, coolers, or storage piles shall be walled to conceal them from the view of neighboring House Sites or streets. All residential utility and lines to Homes shall be underground. No automobile or other vehicle not currently licensed shall be kept on the Premises. All fuel tanks must be walled from view, as aforesaid. No fences, ornamental screens, sunshades or walls of any nature shall be erected or maintained on or around any portion of any Home, except such as are installed in accordance with the original construction, any replacement thereof, or as are authorized and approved by the ARC.

Section 10.12. Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be raised, bred, or maintained on any House Site, except that domestic dogs, cats, fish and

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birds inside bird cages, may be kept as household pets within a Home, provided they are not kept, bred, raised therein for commercial purposes, or in unreasonable quantities.

No large animals to be allowed on individual House Sites. Small domestic animals are allowed and restricted to a leash or confined to Owners property. Note: Multiple lot Owners (3 or more contiguous) may receive a restricted variance for large animals. Large animals must be trailered from one location to another to avoid roadway use.

Section 10.13. Motorcycles and other similar vehicles. Motorcycles are prohibited. Golf carts are permitted.

Section 10.14. Outdoor Lighting. Outdoor lighting shall be kept to a minimum.

Section 10.15. Maintenance Required by Owner. Each Owner shall keep his Home and all improvements therein, in good order and repair as is consistent with safety and good property management.

Section 10.16. Landscape Restrictions. No tree having a diameter of six (6) inches or more (measuring from a point five (5) feet from the ground level) shall be removed from any of the Properties without the express written authorization of the ARC and approval of all necessary governmental agencies.

Section 10.17. Prohibition Against Offensive Conduct or Nuisance. No noxious or offensive activity shall be carried on upon any House Site or other Properties; nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plant or animal, or device or anything of any sort whose normal activities or existence will in any way diminish or destroy the enjoyment of other property in the neighborhood by the Owners or Residents thereof.

Section 10.18. Outside Drying and Laundering. No clothing or household fabrics shall be hung in the open on any House Site unless they are hung where screened from view of adjacent Owners, the roads, marshlands and other Properties.

Section 10.19. Vehicle and Trailer Parking. No school bus, truck (other than non-commercial "vans" or pick-ups") or commercial vehicle shall be brought upon or parked overnight, whether on any street or on any House Site or on any part of the Properties. Boats, boat trailers, and recreational vehicles may be parked on the premises either in the yard or at such other location as may be approved in writing by the ARC. Nothing contained herein shall be considered to prohibit the use of portable or temporary buildings or trailers as field offices by contractors during actual construction, provided the same are not inhabited as a temporary residence. Further nothing contained herein shall be considered to be a prohibition against delivery vehicles from coming onto Anchorage Plantation Subdivision for the sole purpose of making a deliver to a home site.

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Section 10.20. Water and Sewer Systems. The Owner will provide, at his/her expense, a DHEC approved water and sewer system. Monitoring by DHEC shall be facilitated in complete compliance with existing regulations, ordinances and statutes. In the event public water or sewer becomes available to the subdivision, all property owners shall be required at their own expense to connect to the system provided.

ARTICLE XI GENERAL PROVISIONS

Section 11.01. Documents. All papers and instruments required to be filed with or submitted to the Declarant, the Anchorage Plantation Homeowners Association, or the ARC shall be sent by Certified Mail, Return Receipt Requested to John B. Walpole, Post Office Box 8, Wadmalaw Island, South Carolina, 29487. All papers and instruments to be filed with or submitted to any party who is subject to the provisions of these Covenants shall be mailed, Certified Mail, Return Receipt Requested to the party at the address of their property in Anchorage Plantation Subdivision or as such other address designated in writing. This provisions shall apply to the parties named in Section 11.06. Actual deliver of any papers or instruments with proof of delivery shall be sufficient to meet the requirements of this Section.

Section 11.02. Violation. If any person, firm or corporation shall violate or attempt to violate any of these Covenants, it shall be lawful for any person, firm or corporation owning any of the House Sites or having any interest therein, to prosecute any proceeding at law in equity against the person, firm or corporation violating or attempting to violate the same, and either to prevent it or them from so doing or to recover damages or other dues for such violation. The party enforcing the Covenants shall be entitled to recover attorney's fees and expenses if he prevails.

In addition to the rights and remedies hereinabove enumerated, and not as any limitation thereof, the Anchorage Plantation Homeowners Association Board determines that any provision of these Covenants has been violated, the Association Board may, in its discretion, seek appropriate relief at law or equity to assure that the purposes of these Covenants are fulfilled. After having given (14) fourteen days written notice to the Owner of any House Site involved, setting forth the specific violation or breach of these Covenants and the action required to be taken by the Owner to remedy such violation or breach and if, at the end of such time, reasonable steps to accomplish such actions have not been taken by the Owner, the Declarant can enforce these Covenants by entering upon a House Site to abate or remove any violation, and any such entry shall not be deemed a trespass. Failure to enforce any of the Covenants shall not be deemed a waiver of the right to do so.

Section 11.03. Severability. Invalidation of any of these Covenants shall in no way affect the validity or enforceability of the other Covenants, which will remain in full force and effect.

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Section 11.04. Duration and Amendment. This Declaration of Covenants shall bind all persons claiming any interest in the land and run with the land for a period of forty (40) years from the date of recording, after which time they shall be automatically extended for successive periods of then (10) years unless an instrument signed by a two-thirds (2/3) majority of the Owners (Multiple Owners of a single House Site shall have one (1) vote among them) of House Sites has been recorded terminating the Covenants.

During the first forty (40) year period, amendment shall be by a written instrument signed by not less than ninety (90%) percent of the Owners and thereafter, by an instrument signed by not less than seventy-five (75%) percent of the Owners (multiple Owners of a single House Site shall have (1) vote for each House Site it owns). Upon proper execution, the instrument shall be filed in the RMC Office for Charleston County, South Carolina.

The foregoing paragraph notwithstanding, so long as the Class B Membership shall exist, the Declarant specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion and without the vote of the Class A Membership.

Section 11.05. Addition of property to Subdivision. The property which is contained within Anchorage Plantation Subdivision is a portion of Anchorage Plantation. Declarant shall have the right, in their sole discretion, to add any portion of Anchorage Plantation to Anchorage Plantation Subdivision and to subject such added property to these Covenants. This includes the parcel of land owned by Kelly T. McKee and Gladys H. McKee and referred to in Section 11.06. In the event there are any mortgages on Anchorage Plantation at the time Declarant decides to add additional property to Anchorage Plantation Subdivision, Declarant shall, prior to adding the additional property, obtain the consents of any Mortgagees.

Section 11.06. Right of use of road by Kelly T. McKee and Gladys H. McKee, their heirs and assigns ("McKee"). McKee is the owner of a parcel of land located within the overall boundaries of Anchorage Plantation. McKee, their heirs and assigns shall be entitled to use that portion of the road designated on the Plat of Anchorage Plantation Subdivision as ANCHOR WATCH DRIVE 70' R/W from the point where the said road intersects with Maybank Highway to the property owned by them. McKee shall pay the sum of One Hundred Twenty Five and 00/100 (\$125.00) Dollars per year to Anchorage Plantation Homeowners Association, as their share of the cost of the upkeep of the road that they are entitled to use. McKee's signatures appear hereon as their agreement that they and their heirs and assigns shall be responsible to pay the costs stated herein and that such obligation may be enforced the same as any fee charged to any owner in Anchorage Plantation Subdivision. It is understood that the McKees property is not to be considered to be a part of Anchorage Plantation Subdivision unless and until the McKees or their heirs or assigns specifically agree that the property shall be a part of the subdivision. McKee's use of the Road is to be governed by the terms of an agreement entered into between them and Declarant, which agreement is recorded in the RMC Office for Charleston County. Nothing herein contained shall be deemed to provide to McKee the right to use an

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amenity of Anchorage Plantation Subdivision other than as specifically stated herein, unless the McKee property is incorporated into the subdivision.

Section 11.07. Agreement by Mortgagees. Edisto Farm Credit ("EFC") holds a first mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book A 123 at page 42. The United States of America, acting through the Farmers Home Administration, United States Department of Agriculture ("FMHA") holds a second mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book Y 136 at page 222. EFC, also, holds a third mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book D 261 at page 224. By executing this document, EFC and FMHA agree that the Property is subject to the the Covenants in all respects; provided however, the mortgages to EFC and FMHA shall not be subordinate to any Assessment provide for under Article VI of these Covenants. EFC and FMHA have executed this document for the purpose stated in this Section 11.07.

In Witness Whereof, the Declarant has hereunto set its hand and seal as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

Henry V. Aubree
Charles H. Atkins
As to Walpole

[Signature]
[Signature]
As to McKee

Dee P. Muschigh
Lessie M. Thread
As to EFC

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THE ANCHORAGE PLANTATION
HOMEBOWNERS ASSOCIATION

[Signature]
John B Walpole Indv. Pres.

Theodore W Walpole [Signature]
Theodora W Walpole/
Indv. /Sec.

[Signature]
Kelly T. McKee

Gladys H. McKee
Gladys H. McKee

EDISTO FARM CREDIT, ACA

By: [Signature]
Its: SVP

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THE UNITED STATES OF AMERICA,
ACTING THROUGH THE FARMERS
HOME ADMINISTRATION, UNITED
STATES DEPARTMENT OF
AGRICULTURE

John B. Walpole

Theodora W. Walpole
As to FMHA

By: *Barney O. Page*
BARNEY O. PAGE Its:
Acting State Executive Director

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named John B. Walpole and Theodora W. Walpole sign, seal and as their act and deed, deliver the within written Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens For The ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION and that (s)he with the other witness witnessed the execution thereof.

*Indv./Pres. **Indv./Sec.

SWORN to before me this
1st day of May, 1997.

Katherine V. Adree
Notary Public of South Carolina
My Commission Expires: July 17, 2005

Charles H. Atter

Wherever "FMHA", "Farmers Home Administration",
"RECD" or "Rural Economic and Community Development"
appear, the terms United States of America acting
through Farm Service Agency is substituted.

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STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Kelly T. McKee and Gladys H. McKee sign, seal and as their act and deed, deliver the within written instrument for the purpose specified herein and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
 5 day of June, 1997.

H. J. Chears
 Notary Public of South Carolina
 My Commission Expires: 12-01-00

Doris N. Monen

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Edisto Farm Credit, ACA by Ronald L. Summers its Senior Vice Pres. sign, seal and as their act and deed, deliver the within written instrument for the purpose specified herein and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
 17 day of May, 1997.

Jessie M. Thresh
 Notary Public of South Carolina
 My Commission Expires: 09-18-02

Dale P. Murdaugh

EX A 286PG055

STATE OF SOUTH CAROLINA)
)
) COUNTY OF CHARLESTON) PROBATE

PERSONALLY appeared before me Beverly G. Herbert
 the undersigned witness and made oath that (s)he
 saw the within named The United States of America, acting through the Farmers Home
 Administration, United States Department of Agriculture sign, seal and as their act and deed,
 deliver the within written instrument for the purpose specified herein and that (s)he with the
 other witness witnessed the execution thereof.

SWORN to before me this
 28th day of May, 1997.

[Signature]
 Notary Public of South Carolina
 My Commission Expires: 02-01-2000

Witness

[Signature]
 BARNEY O. PAGE
 Acting State Executive Director

Wherever "FmHA", "Farmers Home Administration",
 "RECD" or "Rural Economic and Community Development"
 appear, the terms United States of America acting
 through Farm Service Agency is substituted.

SETTLE 000093

FINKEL, ALTMAN & BAILEY
P. O. BOX 225
CHARLESTON, SC 29402

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

OK
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CA
Signature

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a formal communication, and it is written in a very formal and dignified style. The President expresses his regret that he cannot deliver the message in person, and he asks the Congress to excuse his absence. He then proceeds to read the message, which is a statement of the state of the Union.

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

BK K 4096481

AMENDED EASEMENT AGREEMENT

WHEREAS, on or about November 8, 2001, Southern Lifestyles VIII, LLC ("Grantor") conveyed an easement to John B. Walpole and Theodora W. Walpole ("Grantees") which Easement Agreement was recorded in the RMC Office for Charleston County on November 8, 2001 in Book K-387, at page 751; and

WHEREAS, the parties have agreed to make certain changes to said agreement which changes are necessary to reflect the intentions of the parties at the time the Agreement was entered into; and

WHEREAS, Grantor is the owner of the property described in Exhibit "A" below and Grantees are the owners of the property described in Exhibit "B" below; and

WHEREAS, pursuant to the Purchase Agreement for Unimproved Real Estate entered into with the Grantees (the "Agreement"), Grantor agreed to grant Grantees, their heirs and assigns, the right to use the access to Bohicket Creek over the community boat ramp and courtesy dock located on the said property and the right to use any road within the said property for purposes of ingress and egress to the properties owned or leased by Grantees and to the boat ramp and courtesy dock; and

WHEREAS, the Grantor is aware that Grantees may subdivide their property located adjacent to the property owned by the Grantor and that the purchasers of the Grantees' property or any portion thereof shall have the rights granted herein;

NOW THEREFORE, IN CONSIDERATION of the sum of Five and 00/100 (\$5.00) Dollars the receipt whereof is hereby acknowledged and the obligation of the Grantor under the Agreement, Grantor hereby grants, bargains, sells and releases to Grantees, their heirs and assigns, (1) an easement over the roads and streets constructed by Grantor on the property described in Exhibit "A"; the "Burdened Property", attached hereto and incorporated by reference for purposes of ingress and egress to properties owned or leased to Grantees adjacent to the Burdened Property described in Exhibit "B"; the "Benefitted Property", and (2) the right for the Grantees, their heirs and assigns to use the community boat ramp and courtesy dock located on the Burdened Property for the purpose of access to Bohicket Creek.

The rights of the Grantees to access to the Burdened Property shall be at such places on the Burdened Property as may be approved by Charleston County.

The rights granted hereunder are appurtenant to the land, shall run with the land and are for the benefit of the Grantees, their heirs and assigns.

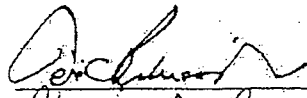
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Grantor and Grantee agree that in the event the "Benefitted Property" is subdivided, and sold to someone other than the present owner and his/her children, each subsequent owner of a residential building lot shall be obligated to pay an annual fee for the right to enjoy the easements granted herein. The annual fee shall initially be the amount of Fifty and 00/100 (\$50.00) Dollars for the first year that ownership changes, and shall increase by the amount of Five and 00/100 (\$5.00) Dollars each year thereafter, provided that at no time shall the payment required to be made by the subsequent owner of a residential building lot exceed the sum of One Hundred and 00/100 (\$100.00) Dollars per year. Payment of this fee shall be made to the Anchorage Plantation Homeowners Association, or its successors and assigns, and shall be due and payable each year during the month of November. Grantee shall cause this obligation to be set forth in the deed of any conveyance of the Benefitted Property, which obligation shall be appurtenant to and run with the land.

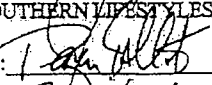
This easement shall be binding on the parties hereto their heirs, successors and assigns.

In the event Grantor or an affiliated entity of Grantor acquires title to the Benefitted Property, this easement may be cancelled by the recording of an Easement Cancellation Notice executed by Grantor and Grantees.

IN WITNESS whereof the Grantors have caused this easement to be executed the date set forth by their names.


Phyllis D. Pennell
 Witnesses as to Grantor

GRANTOR:
 SOUTHERN LIFESTYLES VIII, LLC

By: 
 Its: President

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STATE OF SOUTH CAROLINA)

COUNTY OF Charleston)

ACKNOWLEDGMENT

BEFORE me personally appeared SOUTHERN LIFESTYLES VIII, LLC, to me well known to be the person(s) described in and who execute the foregoing instrument, and he/she acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that he/she executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 13th day of June, 2002.

Phyllis D. Penrell
Notary Public for South Carolina
My Commission Expires: 2/18/2004

Curtis Small
BDR
Witnesses as to Grantees

GRANTEES:

John B. Walpole
JOHN B. WALPOLE
Theodora W. Walpole
THEODORA W. WALPOLE

STATE OF SOUTH CAROLINA)

COUNTY OF)

ACKNOWLEDGMENT

BEFORE me personally appeared JOHN B. WALPOLE AND THEODORA W. WALPOLE, to me well known to be the persons described in and who execute the foregoing instrument, and he/she acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that he/she executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 14th day of June, 2002.

BDR
Notary Public for South Carolina
My Commission Expires: 11.02.08

EXHIBIT "A"

TRACT "A"

All that piece, parcel or tract of land lying and being on Wadmalaaw Island, Charleston County, South Carolina, containing 359.847 acres, more or less consisting of lots 4-72, a 2.289 ac. dock lot, a 2.742 ac. dock and boat landing lot and a 0.614 ac. future Anchor Line Drive, and being more particularly described on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000, and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc., and recorded in Plat Book EE Pages 81-86 Charleston County RMC Office

TRACT "B"

Lots 1, 2, 3, 77, and 78, and 3.839 acres designated as Anchor Watch Drive (having a 70' right-of-way) as shown on plat entitled "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, lots 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.

Being the property conveyed to the Grantor herein by deed of the Grantors herein dated June 16, 2000 and recorded in Book N 349 at page 168, RMC Office for Charleston County.

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EXHIBIT "B"

ALL that certain tract of land, containing 1,046.4 acres, more or less, known as "Anchorage Plantation" on Wadmalaw Island, in Charleston County, State of South Carolina, on S.C. Route 700, approximately 4.4 miles south of Bluff Point Road intersection; bounded now or formerly as follows: Northwest by S.C. Route 700, by lands of School District 9, Hassell, Cummings, Barnwell and Sinkler; Northeast by Kitchen Hall Creek and lands of McKee and Nash; Southeast by Bohicket Creek and by lands of Nash and McKee; Southwest by lands of Nash, McKee, various other owners, and School District 9; and, West by lands of Sinkler and Barnwell; said tract of land being more particularly described according to plat of survey prepared by Cummings and McCrady, Inc., dated January, 1966, which plat, recorded in the RMC Office for Charleston County, South Carolina, in Plat Book U, at Page 40, is by reference incorporated herein as part of this description.

AND LESS AND EXCEPT the property described as Exhibit "A" attached hereto.

IT IS the intent of the parties that this Easement is extended to ALL tracts, parcels and lots of land, +/- 750 acres, seized by the Grantees located in Anchorage Plantation, Wadmalaw Island, Charleston County, South Carolina, as of the date of the recording of this Easement. Said tracts, parcels and lots of land are more fully described as the "Residual" on a plat entitled "CONDITIONAL PLAT, THE ANCHORAGE PHASE II, OUTFALL DRAINAGE EASEMENTS, LOTS 4 THRU 72, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel L. Porcher, L.S. of Engineering, Surveying & Planning, Inc., dated May 1, 2000, revised May 30, 2000, and recorded on June 16, 2000, in Plat Book EE at Page 81 through Page 86, inclusive, in the RMC Office for Charleston County, South Carolina.

Being the property conveyed to the Grantees herein by deed from Mower Lumber Company dated July 31, 1980 and recorded in the RMC Office for Charleston County in Book Z 122 at page 417; deed from the College of Charleston Foundation dated December 23, 1991 and recorded in the RMC Office for Charleston County in Book B 209 at page 310; and deed from Nancy C. Smythe et al dated November 1, 1991 and recorded in the RMC Office for Charleston County in Book R 207 at page 493.

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CHARLES L. GRAND
REGISTER
CHARLESTON COUNTY SC

Re-Record w/ Exhibit "A"
attached hereto.

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STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS,
RESTRICTIONS, CHARGES AND
LIENS FOR THE ANCHORAGE
PLANTATION HOMEOWNERS
ASSOCIATION.

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS,
RESTRICTIONS, CHARGES AND LIENS FOR ANCHORAGE PLANTATION (the
"Declaration") IS MADE THIS 16 DAY OF May, 1997, BY JOHN B.
WALPOLE AND THEODORA W. WALPOLE.

WITNESSETH:

WHEREAS, Declarant is the developer of a subdivision development in Charleston
County, South Carolina, known as Anchorage Plantation Subdivision.

WHEREAS, the Declaration desires to impress appropriate restrictions and to create
certain easements upon such property and establish an Anchorage Plantation Homeowners
Association for the purpose of protecting the value and desirability of said lands; and

WHEREAS, in order to cause these covenants, conditions, restrictions, easements,
charges and liens to run with, burden, benefit, and bind the properties, the Declarant executes this
instrument.

NOW, THEREFORE, the Declarant declares that the real property described as the
Properties in Article II hereof is and shall be held, transferred, sold, conveyed, given, donated,
leased, occupied, and used subject, among others, to the covenants, restrictions, conditions,
easements, charges, assessments affirmative obligations and liens (herein sometimes referred to
as the "Covenants" or "Declaration of Covenants") hereinafter set forth.

ARTICLE I DEFINITIONS

The following words and terms, when used in these Covenants (unless the context shall
clearly indicate otherwise) shall have the following meanings:

- (a) The "Anchorage Plantation Homeowners Association" shall mean and refer to the
association of the property owners of the property located at Anchorage Plantation.
- (b) "Common Area" shall mean and refer to all real and personal property now or
hereafter owned by the Plantation Homeowners Association for the common use
and enjoyment of the Owners and Residents. The Common Area shall include:

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that portion of the Properties owned by the Anchorage Plantation Homeowners Association, street medians and islands, parking areas, entrance monuments, walkways, docks, wooded areas, fields and other portions of the Properties which are not a designated House Site or an Area of Exclusive Control surrounding such designated House Site, together with easement for access thereto. Common Area may be conveyed to the Anchorage Plantation Homeowners Association subject to all applicable restrictive covenants of record, and when tendered, title thereto shall be accepted by the Anchorage Plantation Homeowners Association.

- (c) "Declarant" shall mean and refer to John B. Walpole and Theodora W. Walpole, their heirs and assigns.
- (d) "House Site" shall mean a lot as shown on the Plat of the subdivision, on which single family home residences are constructed or are to be constructed as shown on a recorded plat of the property.
- (e) "Member" shall mean and refer to all those Property Owners who are Members of the Anchorage Plantation Homeowners Association as provided in Section hereof.
- (f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any House Site which is part of the Properties but excluding in all cases any party holding an interest merely as security for the performance of an obligation.
- (g) "Resident" shall mean and refer to those persons residing in a Home built on a House Site.
- (h) "Home" shall mean and refer to the residential dwelling constructed on any House Site.
- (i) Plat shall mean the Plat entitled "Final Plat, The Anchorage Plantation - Phase I, Lots 1,2,3,77 and 78, Wadmalaw Island, Charleston County, South Carolina," dated September 20, 1996, which plat is recorded in the RMC Office for Charleston County. This term shall also refer to any Plat which describes additional property made subject to these Covenants as allowed under paragraph 11.05 hereof.

ARTICLE II PROPERTY

Section 2.01: Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to these Covenants, is located in Charleston County.

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South Carolina, and is more particularly described in Exhibit "A" hereto attached and by reference incorporated herein.

ARTICLE III PROPERTY RIGHTS

Section 3.01. Owners' Easement of an Enjoyment. Every Owner shall have a right to an easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every House Site, subject to the following restrictions:

(a) The right of the Anchorage Plantation Homeowners Association to suspend the voting rights and right to use of the Common Area by an Owner for (i) any period during which any assessment against his House Site remains unpaid; and (ii) for a period not to exceed (60) days for any infraction of its published rules and regulations.

(b) The right of the Anchorage Plantation Homeowners Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been recorded; provided, however, in the event the Members elect to dedicate any portion of the Common Areas designated as streets and/or drainage systems to Charleston County, then at such time and before Charleston County accepts such dedication, the Association must construct all such streets and drainage systems to the then present standards which have been adopted by any of the governing body which controls such infrastructure. Furthermore, in the event the Association is dissolved and the streets and drainage systems become the responsibility of Charleston County for any reason, each Owner will be assessed a prorata portion of the cost required to bring the streets and drainage systems into compliance with prescribed standards of Charleston County.

Section 3.02: Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Anchorage Plantation Homeowners Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside in a Home. Such delegation shall be subject in all respects to this Declaration.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 4.01: Every Owner of a House Site which is subject to assessment shall be a member of the Homeowners Association. Membership shall be appurtenant to and may not be separated from ownership of any House Site which is subject to assessment.

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Section 4.02: The Anchorage Plantation Homeowners Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of House Sites which are subject to assessment, with the exception of the Declarant, and each Owner shall be entitled to one vote for each House Site owned. When more than one person holds an interest in any House Site, the vote for such House Site shall be cast as a whole and exercised as the Owners thereof shall determine. In no event shall more than one vote be cast with respect to any House Site nor shall the vote appurtenant to any House Site be cast in fractional part. Anything contained herein not to the contrary, Declarant shall be entitled to participate in the Association as a Class A member with regard to each lot owned by him, after the Class B Membership ceases to exist.

In the event Declarant adds additional house sites the "Anchorage Plantation Subdivision" as allowed under Section 11.05, hereof, the owners of the additional house sites shall have the same rights as described herein.

Class B. The Class B Member shall be the Declarant and shall be entitled to four (4) votes for each House Site owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership or,
- (b) when in its discretion the Declarant so determines and executes and records an instrument stating such determination.

Section 4.03 Voting by Proxy. Any member shall be entitled to be represented at any meeting of the Association by Proxy, provided that such proxy is in writing and signed by all owners of the home site which is being so represented.

ARTICLE V PURPOSE AND POWERS OF THE ASSOCIATION

The Anchorage Plantation Homeowners Association is formed to provide for maintenance, preservation, and architectural control of the lots and Common Area which comprise the Properties, and to promote the health, safety and welfare of the Residents within the Properties.

The Association is authorized to:

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(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Anchorage Plantation Homeowners Association as set forth in this Declaration of Covenants as the same may from time to time be amended;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration of Covenants to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Anchorage Plantation Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Anchorage Plantation Homeowners Association;

(c) with the assent of two-thirds (2/3) of Members, acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Anchorage Plantation Homeowners Association, provided the Declarant shall have the right to lease Areas of Exclusive Control without any vote.

(d) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. Except as provided in section 8.02 thereof, no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of Members;

(e) enforce the provisions of the Declaration of Covenants and prosecute lawsuits to do so;

The affairs of the Anchorage Plantation Homeowners Association shall be managed by a Board of Directors (the "Board") of five (5) Directors except that the initial Board of Directors which serves until five (5) House Sites have been sold, shall consist of three (3) Directors. The number of directors may be changed by amendment of the By-Laws of the Anchorage Plantation Association. One of the Declarant or their designee shall be a member of the Board for so long as the Class B Membership exists.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.01. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any House Site by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with Delinquent Payment Fees in the amount of One and One-half (1½%) percent per month, thereon and cost of collection, including reasonable attorney's fees, shall be a charge on the House Site and shall be a continuing lien upon the House Site against which each such assessment is made. Each such assessment, together with Delinquent Payment Fees thereon and

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cost of collection including reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such House Site at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor (s) in title unless expressly assumed by such successor (s).

Section 6.02. Purpose of Assessments. The assessments levied by the Anchorage Homeowners Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Residents and Owners; for the improvement and maintenance of the Common Area; and to perform such services for owners as authorized in this Declaration of Covenants.

Section 6.03. Maximum and Actual Annual Assessments. At such time as the Declarant has transferred the first house site to a purchaser, the board shall make a determination as to the amount that will be necessary to carry out the purposes stated in Section 6.02 hereof. Said amount shall be divided equally among all house sites subject to the provisions of these Covenants, except as set forth in Section 11.06. Thereafter, the Annual Assessment may not be increased by more than ten (10%) percent per year without a vote of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a duly called meeting of the Association.

Section 6.04. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Anchorage Plantation Homeowners Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

The requirement that there be a consent of two-thirds (2/3) of the votes of Members who are voting in order to make a special assessment shall not be applicable in the event the assessment is made to meet a requirement of a governmental body or agency which has jurisdiction on the property where Anchorage Plantation is located (hereinafter referred to as a "Mandatory Assessment"). In the event a special assessment is levied that the Board believes is a Mandatory Assessment, the Board shall provide written notification to all Members of such assessment, providing the amount of the assessment and the basis of the assessment, including the notification from the governmental body or agency which resulted in the assessment. The assessment shall become effective thirty (30) days after written notice is given unless a Court of competent jurisdiction has issued an Order Staying the effect of the assessment. Thereafter, the assessment shall only be effective if the Order staying the effect of the assessment is withdrawn. In any suit to invalidate any such assessment, the governmental agency or body that issued the requirement that caused the assessment must be made a party.

Section 6.05. Notice and Quorum for any Action Authorized Under Sections 6.03 and 6.04. Written notice of any meeting called for the purpose of taking any action authorized under

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Section 6.03 and Section 6.04 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Member or of proxies entitled to cast sixty (60%) percent of all the votes of membership shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. Such subsequent meeting (s) shall be held within sixty (60) days following the preceding meeting.

Section 6.06. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all House Sites and may be collected on a quarterly or monthly basis as determined by the Board.

Section 6.07. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all House Sites shown on recorded plats on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the then current assessment period. The Board of Directors shall fix the amount of the annual assessment against each House Site at least (30) thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon request of a member of the Association, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified House Site have been paid. A properly executed certificate of the Association as to the status of assessments on a House Site is binding upon the Association as of the date of its issuance. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his House Site.

Section 6.08. Effect of Non-Payment of Assessments; The Lien; Remedies of Anchorage Plantation Homeowners Association. Any assessments not paid within thirty (30) days after the date when due shall become delinquent and shall (together with a Delinquent Payment Fee on the unpaid balance as shall be provided in the By-Laws but not to exceed the legal rate of interest provided by Law for enrolled or entered decrees and judgments of courts, and cost of collection thereof, including reasonable attorneys' fees as herein provided) become a charge and continuing lien on the House Site and all improvements thereon, against which each such assessment is made. It is understood that by the nature of the amount of the assessments that the amount that may be due and owing will not be a large amount, therefore it is understood that the costs that may be assessed shall be based on the amount of work that must be done to collect the amounts due and not based on the amount.

If the assessment is not paid within sixty (60) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against a House Site, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is

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obtained, such judgement shall include Delinquent Payment Fees on the assessment as above provided and a reasonable attorney's fee together with all other costs of the action.

Section 6.09. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the House Sites subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Any assessment liens that are extinguished by a foreclosure sale shall be re-allotted and assessed as a common expense. Such sale or transfer shall not relieve such Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 6.10. Duties of the Board of Directors. The Board of Directors of the Anchorage Plantation Association shall fix the amount of the assessment equally against each House Site for the fiscal year at least thirty (30) days in advance of the first day of each fiscal year. At that time, the Board shall prepare a roster of the House Sites and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice during normal business hours.

Written notice of the assessment shall be sent to every property Owner subject thereto. Such notice shall include the Delinquent Payment Fee as provided in the By-Laws to be imposed for failure to pay the assessment by the due date.

The Anchorage Plantation Homeowners Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an Officer of the Plantation Homeowners Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6.11. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Homeowners Association and the effectuation of its purposes. The Association shall not be obligated to spend in any fiscal year all the sums collected in such year, and may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward the same from year to year.

ARTICLE VII ARCHITECTURAL CONTROL

No construction, reconstruction, remodeling, alteration, or addition to any building, fence, wall or other structure or improvement of any nature shall be commenced, erected or

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maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an Architectural Review Committee composed of three (3) or more representatives appointed by the Board (herein sometimes referred to as "ARC"). In the event said ARC, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it in writing with a signed receipt, said receipt signed by the ARC shall constitute the approval required and this Article will be deemed to have been fully complied with.

No primary single residence shall be less than 2500 sq. ft. of heated space. No secondary single family residence shall be less than 1400 sq. ft. heated space.

As a pre-requisite to consideration for approval, and prior to beginning the contemplated work, a complete set of building plans and specifications shall be submitted to the ARC in such form and include such content as specified in architectural guidelines promulgated by the ARC. The ARC shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations. Upon given approval, construction shall be started and prosecuted to completion, promptly, and in strict conformity with such plans. No previously approved building or structure shall be used for any purpose other than for which it was originally approved.

Section 7.01. Violations. If any Home, structure or building shall be erected, placed, maintained or altered upon any House Site or other Properties, or any new use commenced on any House Site or other Properties, otherwise than in accordance with the plans and specifications approved by the ARC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article, and without the approval required therein.

If in the opinion of the ARC a violation exists, written notice of the violation shall be given to the Owner by the Anchorage Plantation Homeowners Association Board (which shall be deemed to have been delivered if sent by registered mail, return receipt requested; postage paid or if delivered to the Owner at the last address provided to the Association by the Owner with proof of deliver or attempted deliver to said address. Proof of deliver shall be by registered or certified mail receipt, return of the mail marked undelivered or unclaimed by the post office, affidavit by someone of delivery or receipt of an express company). If the Owner of the Home upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same within twenty (20) days after the mailing of the aforesaid notice of violation, the Association shall have the right of enforcement as provided in Section hereof.

ARTICLE VIII EASEMENTS

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Section 8.01. Owners Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Area necessary for access to his or her House Site, and such rights shall be appurtenant to and pass with the title to each House Site. Further, Owners shall have the right of ingress and egress to fish, shrimp, crab, sein, grain, upon Common Areas designated for the specific use, however, each House Site Owner or Member's rights hereunder shall be coordinated with and shall not be in any way in derogation of any other House Site Owner's or Member's same rights. Any controversy hereunder shall be resolved by the Board whose decision shall be final.

Section 8.02. Easements for Utilities, Etc. There is hereby reserved by the Declarant blanket easements upon, across, over, and under all of the Common Area for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, and all utilities, including, but not limited to, water, sewers, telephones, gas and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any property made subject to this declaration of Covenants. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Common Areas except as may be approved by the Association's Board of Directors or as provided in the development by Declarant. Should any entity furnishing a service covered by the general easement here in provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Common Area without conflicting with the terms here of. The easements provided for in this Article shall be in addition to any other recorded easements on the Properties.

ARTICLE IX INSURANCE

Section 9.01. Association Insurance. The Board of Directors of the Association shall obtain, when available, and maintain in force public liability insurance, workmen's compensation insurance (if required) and such other insurance as the Board of Directors may from time to time determine desirable. Premiums for such insurance policies and that portion of any covered loss not compensated for because of the loss deductible clause of the policy shall be paid by the Association as a general expense.

Proceeds received by the Association from any indemnity paid under a hazard insurance policy shall be held by the Board of Directors. After deduction of all reasonable expenses of the Board in administering such proceeds, the net proceeds shall be used to repair the damages for which the claim was made under the policy.

ARTICLE X USE RESTRICTIONS

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EX-J 330 PG 866

Section 10.01. Residential Use of Home; limitation on number of Residents. All buildings constructed on a home site shall be used for single residential purposes only, and a Home shall not be permanently occupied by more than one family unit. No buildings shall be constructed on a home site that are for multi-family use, such as duplexes. No property owner may create a timeshare use on any home site.

Section 10.02. Commercial Use of Home Prohibited. No trade or business of any kind or character nor the practice of any profession, or any building or structure designed or intended for any purpose connected with any trade, business, or profession shall be permitted within any Home or upon any House Site except as otherwise expressly herein provided. Nothing in this section or these Covenants shall be construed to prohibit the rental of any of the Homes for residential purposes otherwise consistent with these Covenants.

No House Site shall be used as a temporary residence except as allowed by State and County Regulations. No house trailers, mobile homes, double-wide modular homes will be allowed.

Section 10.03. Undeveloped Use of Property. No lot shall be used for over night camping or recreational vehicular traffic.

Section 10.04. Delivery Receptacles and Mail Boxes. Receptacles for the receipt of mail shall be approved by the United States Postal Service ("USPS") and in writing by the ARC. Said receptacles shall be of uniform construction and appearance as prescribed by the ARC and shall be erected in a manner approved by the ARC and at such location as the ARC may in its discretion designate. The ARC may, upon the approval of the USPS cluster mail receptacles in such location as the ARC may, in its discretion, deem appropriate. In which case all other mail receptacles shall be removed. No receptacle or any construction for the receipt of newspapers or similar delivered materials shall be erected or permitted except as approved in writing by the ARC.

Section 10.05. Completion of Construction. The exterior of all Homes must be complete within six months after the date of the construction of same shall have commenced and the home shall be fully completed within one year of commencement of construction, unless otherwise extended by the ARC, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamity. In any event, no Home or structure may be occupied or used until the necessary governmental permits have been acquired.

Section 10.06. Outbuildings and Similar Structures. No building or structure of a temporary nature shall be erected or allowed to remain on any House Site, except that sheds or other temporary structures may be used during construction provided that they be approved in writing by the ARC, and provided further, that such sheds or structures shall not be used as a temporary residence. Except as constructed as part of the original construction of the Home as

(c) (4) (b) (7) (c) (1)

EX 0 785 PG 048

Re-Recorded
EX J 330 PG 867

approved by the ARC, no house trailer, shack, tent, barn, shed, workshop or other structure or outbuilding of any kind shall be erected or allowed to remain on any House Site without approval of the ARC.

Section 10.07. Sign Boards. No sign boards shall be displayed except "For Rent" and "For Sale", which signs shall not exceed six (6) square feet in size. No more than two (2) signs shall be displayed on one House Site at the same time. All signs must be of a design and location approved by the Architectural Review Committee.

Section 10.08. Antenna. No radio or television transmission or receiving tower or satellite dish over 18 inches in diameter shall be erected within the House or Lot. A screening process of the dish is desirable.

Section 10.09. Mining. No House Site or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources.

Section 10.10. Disposition of Trash and Other Debris. Trash, garbage, or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of a House Site or other portion of the Properties other than in the receptacle customarily used within the inclosed area of the Home. At all times such containers shall be stored in such a manner that they cannot be seen from adjacent and surrounding property.

No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any House Site, except building materials during the course of construction for a period not to exceed 180 days (commencing from day one of the first delivery of any of such materials) for any approved structure, unless such materials are screened from view in a manner approved by the ARC.

Section 10.11. Aesthetics, Nature Growth, Fences, Screening, Underground Utilities Service. No nature growth or flora shall be intentionally destroyed or removed, except with the prior written approval of the Architectural Review Committee, without which the Owner shall at his cost, replace the same. Garbage cans, equipment, coolers, or storage piles shall be walled to conceal them from the view of neighboring House Sites or streets. All residential utility and lines to Homes shall be underground. No automobile or other vehicle not currently licensed shall be kept on the Premises. All fuel tanks must be walled from view, as aforesaid. No fences, ornamental screens, sunshades or walls of any nature shall be erected or maintained on or around any portion of any Home, except such as are installed in accordance with the original construction, any replacement thereof, or as are authorized and approved by the ARC.

Section 10.12. Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be raised, bred, or maintained on any House Site, except that domestic dogs, cats, fish and

OK A 286 PG 049 *Re-recorded*
 OK J 330 PG 868

birds inside bird cages, may be kept as household pets within a Home; provided they are not kept, bred, raised therein for commercial purposes, or in unreasonable quantities.

No large animals to be allowed on individual House Sites. Small domestic animals are allowed and restricted to a leash or confined to Owners property. Note: Multiple lot Owners (3 or more contiguous) may receive a restricted variance for large animals. Large animals must be trailered from one location to another to avoid roadway use.

Section 10.13. Motorcycles and other similar vehicles. Motorcycles are prohibited. Golf carts are permitted.

Section 10.14. Outdoor Lighting. Outdoor lighting shall be kept to a minimum.

Section 10.15. Maintenance Required by Owner. Each Owner shall keep his Home and all improvements therein, in good order and repair as is consistent with safety and good property management.

Section 10.16. Landscape Restrictions. No tree having a diameter of six (6) inches or more (measuring from a point five (5) feet from the ground level) shall be removed from any of the Properties without the express written authorization of the ARC and approval of all necessary governmental agencies.

Section 10.17. Prohibition Against Offensive Conduct or Nuisance. No noxious or offensive activity shall be carried on upon any House Site or other Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plant or animal, or device or anything of any sort whose normal activities or existence will in any way diminish or destroy the enjoyment of other property in the neighborhood by the Owners or Residents thereof.

Section 10.18. Outside Drying and Laundering. No clothing or household fabrics shall be hung in the open on any House Site unless they are hung where screened from view of adjacent Owners, the roads, marshlands and other Properties.

Section 10.19. Vehicle and Trailer Parking. No school bus, truck (other than non-commercial "vans" or pick-ups") or commercial vehicle shall be brought upon or parked overnight, whether on any street or on any House Site or on any part of the Properties. Boats, boat trailers, and recreational vehicles may be parked on the premises either in the yard or at such other location as may be approved in writing by the ARC. Nothing contained herein shall be considered to prohibit the use of portable or temporary buildings or trailers as field offices by contractors during actual construction, provided the same are not inhabited as a temporary residence. Further nothing contained herein shall be considered to be a prohibition against delivery vehicles from coming onto Anchorage Plantation Subdivision for the sole purpose of making a deliver to a home site.

(Revised 10/7/77)

BK A 286PG050 *Re-Recorded*
BK J 330PG869

Section 10.20. Water and Sewer Systems. The Owner will provide, at his/her expense, a DHEC approved water and sewer system. Monitoring by DHEC shall be facilitated in complete compliance with existing regulations, ordinances and statutes. In the event public water or sewer becomes available to the subdivision, all property owners shall be required at their own expense to connect to the system provided.

ARTICLE XI GENERAL PROVISIONS

Section 11.01. Documents. All papers and instruments required to be filed with or submitted to the Declarant, the Anchorage Plantation Homeowners Association, or the ARC shall be sent by Certified Mail, Return Receipt Requested to John B. Walpole, Post Office Box 8, Wadmalaw Island, South Carolina, 29487. All papers and instruments to be filed with or submitted to any party who is subject to the provisions of these Covenants shall be mailed, Certified Mail, Return Receipt Requested to the party at the address of their property in Anchorage Plantation Subdivision or as such other address designated in writing. This provisions shall apply to the parties named in Section 11.06. Actual delivery of any papers or instruments with proof of delivery shall be sufficient to meet the requirements of this Section.

Section 11.02. Violation. If any person, firm or corporation shall violate or attempt to violate any of these Covenants, it shall be lawful for any person, firm or corporation owning any of the House Sites or having any interest therein, to prosecute any proceeding at law in equity against the person, firm or corporation violating or attempting to violate the same, and either to prevent it or them from so doing or to recover damages or other dues for such violation. The party enforcing the Covenants shall be entitled to recover attorney's fees and expenses if he prevails.

In addition to the rights and remedies hereinabove enumerated, and not as any limitation thereof, the Anchorage Plantation Homeowners Association Board determines that any provision of these Covenants has been violated, the Association Board may, in its discretion, seek appropriate relief at law or equity to assure that the purposes of these Covenants are fulfilled. After having given (14) fourteen days written notice to the Owner of any House Site involved, setting forth the specific violation or breach of these Covenants and the action required to be taken by the Owner to remedy such violation or breach and if, at the end of such time, reasonable steps to accomplish such actions have not been taken by the Owner, the Declarant can enforce these Covenants by entering upon a House Site to abate or remove any violation, and any such entry shall not be deemed a trespass. Failure to enforce any of the Covenants shall not be deemed a waiver of the right to do so.

Section 11.03. Severability. Invalidity of any of these Covenants shall in no way affect the validity or enforceability of the other Covenants, which will remain in full force and effect.

EX A 286PG051

Re-Recorded
BA J 330PG870

Section 11.04. Duration and Amendment. This Declaration of Covenants shall bind all persons claiming any interest in the land and run with the land for a period of forty (40) years from the date of recording; after which time they shall be automatically extended for successive periods of then (10) years unless an instrument signed by a two-thirds (2/3) majority of the Owners (Multiple Owners of a single House Site, shall have one (1) vote among them) of House Sites has been recorded terminating the Covenants.

During the first forty (40) year period, amendment shall be by a written instrument signed by not less than ninety (90%) percent of the Owners and thereafter, by an instrument signed by not less than seventy-five (75%) percent of the Owners (multiple Owners of a single House Site shall have (1) vote for each House Site it owns). Upon proper execution, the instrument shall be filed in the RMC Office for Charleston County, South Carolina.

The foregoing paragraph notwithstanding, so long as the Class B Membership shall exist, the Declarant specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion and without the vote of the Class A Membership.

Section 11.05. Addition of property to Subdivision. The property which is contained within Anchorage Plantation Subdivision is a portion of Anchorage Plantation. Declarant shall have the right, in their sole discretion, to add any portion of Anchorage Plantation to Anchorage Plantation Subdivision and to subject such added property to these Covenants. This includes the parcel of land owned by Kelly T. McKee and Gladys H. McKee and referred to in Section 11.06. In the event there are any mortgages on Anchorage Plantation at the time Declarant decides to add additional property to Anchorage Plantation Subdivision, Declarant shall, prior to adding the additional property, obtain the consents of any Mortgagees.

Section 11.06. Right of use of road by Kelly T. McKee and Gladys H. McKee, their heirs and assigns ("McKee"). McKee is the owner of a parcel of land located within the overall boundaries of Anchorage Plantation. McKee, their heirs and assigns shall be entitled to use that portion of the road designated on the Plat of Anchorage Plantation Subdivision as ANCHOR WATCH DRIVE 70' R/W from the point where the said road intersects with Maybank Highway to the property owned by them. McKee shall pay the sum of One Hundred Twenty Five and 00/100 (\$125.00) Dollars per year to Anchorage Plantation Homeowners Association, as their share of the cost of the upkeep of the road that they are entitled to use. McKee's signatures appear hereon as their agreement that they and their heirs and assigns shall be responsible to pay the costs stated herein and that such obligation may be enforced the same as any fee charged to any owner in Anchorage Plantation Subdivision. It is understood that the McKees property is not to be considered to be a part of Anchorage Plantation Subdivision unless and until the McKees or their heirs or assigns specifically agree that the property shall be a part of the subdivision. McKee's use of the Road is to be governed by the terms of an agreement entered into between them and Declarant, which agreement is recorded in the RMC Office for Charleston County. Nothing herein contained shall be deemed to provide to McKee the right to use an

(c)(1)(b)(5)(7)(c)(v1)

BK A 286 PG 052 *Re-Recorded*
 BK J 330 PG 871

amenity of Anchorage Plantation Subdivision other than as specifically stated herein, unless the McKee property is incorporated into the subdivision.

Section 11.07. Agreement by Mortgagees. Edisto Farm Credit ("EFC") holds a first mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book A 123 at page 42. The United States of America, acting through the Farmers Home Administration, United States Department of Agriculture ("FMHA") holds a second mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book Y 136 at page 222. EFC, also, holds a third mortgage on the Property which is the subject of the Covenants under a mortgage recorded in the RMC Office for Charleston County in Book D 261 at page 224. By executing this document, EFC and FMHA agree that the Property is subject to the Covenants in all respects, provided however, the mortgages to EFC and FMHA shall not be subordinate to any Assessment provide for under Article VI of these Covenants. EFC and FMHA have executed this document for the purpose stated in this Section 11.07.

In Witness Whereof, the Declarant has hereunto set its hand and seal as of the day and year first above written.

Signed, sealed and delivered
 in the presence of:

Harry V. Walpole
Charles H. Walpole
 As to Walpole.

M. Walpole

Doris D. McKee
 As to McKee.

Dee P. Murkigh
Lessie M. Shad
 As to EFC.

THE ANCHORAGE PLANTATION
 HOMEOWNERS ASSOCIATION

John B. Walpole
 John B. Walpole: Indv./Pres.

Theodora W. Walpole
 Theodora W. Walpole:
 Indv./Sec.

Kelly T. McKee
 Kelly T. McKee

Gladys H. McKee
 Gladys H. McKee

EDISTO FARM CREDIT, ACA

By: Ronald J. [Signature]
 Its: 5/8

Re-Recorded
BX J 330 PG 872

EX-A 286 PG 053

THE UNITED STATES OF AMERICA,
ACTING THROUGH THE FARMERS
HOME ADMINISTRATION, UNITED
STATES DEPARTMENT OF
AGRICULTURE

John B. Walpole

Beverly B. Herbert
As to FMHA

By: Barney O. Page
BARNEY O. PAGE Ins.
Acting State Executive Director

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named John B. Walpole and Theodora W. Walpole sign, seal and as their act and deed, deliver the within written Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens For The ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION and that (s)he with the other witness witnessed the execution thereof.

*Indv. /Pres. **Indv. /Sec.

SWORN to before me this
10 day of May, 1997.

Katherine V. Dufree
Notary Public of South Carolina
My Commission Expires: July 19, 2005

Charles H. Allen

Wherever "FMHA", "Farmers Home Administration",
"RECD" or "Rural Economic and Community Development"
appear, the term United States of America acting
through Farm Service Agency is substituted.

EX A 286PG054

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Re-Recorded
EX J 330PG873

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Kelly T. McKee and Gladys H. McKee sign, seal and as their act and deed, deliver the within written instrument for the purpose specified herein and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
5 day of June, 1997.

[Signature]
Notary Public of South Carolina
My Commission Expires: 01/01/00

Dora M. Hanson

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Edisto Farm Credit, ACA by Ronald L. Summers its Senior Vice Pres. sign, seal and as their act and deed, deliver the within written instrument for the purpose specified herein and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
7th day of May, 1997.

[Signature]
Notary Public of South Carolina
My Commission Expires: 09-18-02

Don P. Murdaugh

EX 11 286PG055
 Re-Recorded
 EX J 330PG874

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me Beverly G. Herbert the undersigned witness and made oath that (s)he saw the within named The United States of America, acting through the Farmers Home Administration, United States Department of Agriculture sign, seal and as their act and deed, deliver the within written instrument for the purpose specified herein and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
 28th day of May, 1997.

Frank B. Shy
 Notary Public of South Carolina
 My Commission Expires 02-01-2000

Witness

Barney O. Page
 BARNEY O. PAGE
 Acting State Executive Director

Wherever "FmHA", "Farmers Home Administration", "RECD" or "Rural Economic and Community Development" appear, the terms United States of America acting through Farm Service Agency is substituted.

BX J 330P6875

EXHIBIT "A"

All of those lots, pieces, parcels or tracts of land being a portion of The Anchorage Plantation Subdivision as shown on a plat entitled "Final Plat, The Anchorage Plantation - Phase I, Lots 1, 2, 3, 77 and 78; Wadmalaw Island, Charleston County, South Carolina prepared by Joel P. Porter of Engineering, Surveying & Planning, Inc. dated June 9, 1997 and recorded in the RMC Office for Charleston County, South Carolina on June 23, 1997 in Plat Book EB at Page 892.

SETTLE 000120

Re-Recorded
BK J 330 PG 876
FINKEL, ALTMAN & BAILEY
P. O. BOX 225
CHARLESTON, SC 29402

BK A 286 PG 056

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

THIS DOCUMENT IS THE PROPERTY OF THE
FEDERAL BUREAU OF INVESTIGATION
AND IS LOANED TO YOUR AGENCY. IT IS
NOT TO BE REPRODUCED OR DISTRIBUTED
OUTSIDE YOUR AGENCY.

BK N 349PG168

STATE OF SOUTH CAROLINA)
) TITLE TO REAL ESTATE
 COUNTY OF CHARLESTON)

KNOW ALL MEN BY THESE PRESENTS that JOHN B. WALPOLE AND THEODORA W. WALPOLE, hereinafter referred to as Grantor, in the State aforesaid, for and in consideration of the sum of TEN MILLION ONE HUNDRED THOUSAND AND 00/100 (\$10,100,000.00) DOLLARS, to us in hand paid at and before the sealing of these presents by SOUTHERN LIFESTYLES VIII, LLC in the State aforesaid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents does grant, bargain, sell, and release, unto the said SOUTHERN LIFESTYLES VIII, LLC, its successors and assigns forever, the hereinafter described property, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

~~TMS# 119-00-00-016, 119-00-00-018, 119-00-00-023, 119-00-00-026, 119-00-00-027, 119-00-00-028, 119-00-00-029, and part of 119-00-00-017~~

Grantee's address:

PO Box 4937
 Pinehurst, NC 28374

199-0-0 26 199-0-0 27
 199-0-0 30
 199-0-0 29
 199-0-0 28

TOGETHER with all and Singular the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the said Premises before mentioned unto SOUTHERN LIFESTYLES VIII, LLC, its successors and assigns forever, the herein described property.

AND the said GRANTOR, only with regard to that portion of the property lying above the mean high water line, hereby binds themselves, their heirs, executors, administrators, and assigns to warrant and forever defend all and singular the said premises unto the said SOUTHERN LIFESTYLES VIII, LLC, its successors and assigns, against themselves and their heirs, and assigns and against every person whomsoever lawfully claiming, or to claim the same or any part thereof.

HOWEVER, with regard to any property that lies below the mean high water line, no warranty is given, and the Grantors are only conveying such right, title and interest, if any, that they may have in the property which lies below the mean high water line.

A:\dccc0600

WITNESS our Hand and Seal this 16th day of June, 2000.

IN THE PRESENCE OF:

Wendy A. Hyman
1st witness

Cheryl A. Hyman
2nd witness

John B. Walpole
John B. Walpole

Theodora W. Walpole
Theodora W. Walpole

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGEMENT

BEFORE ME personally appeared John B. Walpole and Theodora W. Walpole, to me well known to be the persons described in and who executed the foregoing Title to Real Estate, and they acknowledged to and before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, that they executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 16th day of June, 2000.

Wendy A. Hyman
NOTARY PUBLIC FOR

MY COMMISSION EXPIRES: 7/13/2008

EXHIBIT "A"

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, containing 359.847 acres, more or less consisting of lots 4-72, a 2.289 ac. dock lot, a 2.742 ac. dock and boat landing lot and a 0.614 ac. future Anchor Line Drive, and being more particularly described on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000, and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc., and recorded in Plat Book 22, Page 81-84, Charleston County RMC Office

TOGETHER WITH:

Lots 1, 2, 3, 77, and 78, and 8.839 acres designated as Anchor Watch Drive (having a 70' right-of-way) as shown on plat entitled "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, lots 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.

TOGETHER with that certain non-exclusive easement of right of way fifty (50) feet wide, over lands now or formerly of Mower Lumber Company, and forty (40) feet wide over lands now or formerly of Huger Sinkler for ingress and egress to and from S.C. Route 700 and for all public utilities. The forty-foot easement over the lands of Huger Sinkler was created in favor of the Mower Lumber Company, its successors and assigns, by deed dated September 2, 1959 and recorded in the RMC office for Charleston County, South Carolina, Book Q-68, page 585, and is shown on a plat registered in said office in Plat Book M, page 57, entitled "Map of Private Road to Rosebank and Anchorage Plantation as is now built, also piece designated by letters ABC." The complete easement is described in deed of Mower Lumber Company to Edwin J. Thornhill, Jr., and Martha W. Thornhill dated June 2, 1969, recorded as aforesaid in Book R-92, page 359, and is also shown on the plat of March 1969 by Cummings and McCrady recorded with the said deed.

TOGETHER with all right, title and interest, if any, in the marshland lying between the said property and Bohicket Creek on the Southeast and Kitchen Hall Creek on the Northeast

Being a portion of the property conveyed to the Grantor herein by deed from Mower Lumber Company dated July 31, 1980 and recorded in the RMC Office for Charleston County in Book Z122 at page 417; deed from the College of Charleston Foundation dated December 23, 1991 and recorded in the RMC Office for Charleston County in Book B 209 at page 310; and deed from Nancy C. Smythe et al dated November 1, 1991 and recorded in the RMC Office for Charleston County in Book R207 at page 493.

A:\deed\deed0600

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) AFFIDAVIT

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by JOHN B. WALPOLE AND THEODORA W. WALPOLE to SOUTHERN LIFESTYLES VII LLC on June 16, 2000.
3. Check one of the following: *The DEED is*
 - (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) ☐ EXEMPT from the deed recording fee because (exemption # _____)
Explanation if required _____
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$10,100,000.00
 - (b) ☐ The fee is computed on the fair market value of the realty which is \$ _____
 - (c) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____
6. The DEED Recording Fee is computed as follows:
 - (a) \$10,100,000.00 the amount listed in item 4 above
 - (b) .00 the amount listed in item 5 above (no amount place zero)
 - (c) \$10,100,000.00 subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for the grantee.
8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Bryan J. Lipzels, III
Grantor, Grantee or Legal Representative

Sworn to before me this 16th
day of June, 2000.
Alvin R. Simpson
Notary Public for South Carolina
My Commission Expires: 7/15/2008

SETTLE 000125

Nexsen Pruet Jacobs Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON, SOUTH CAROLINA 29402

BA N 349PG172

Recording
Fee 10.00

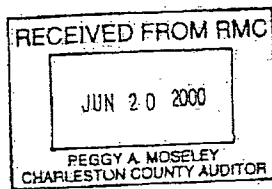
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County
Fee 11,110.00

Postage

TOTAL 37,380.00
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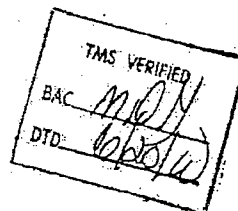
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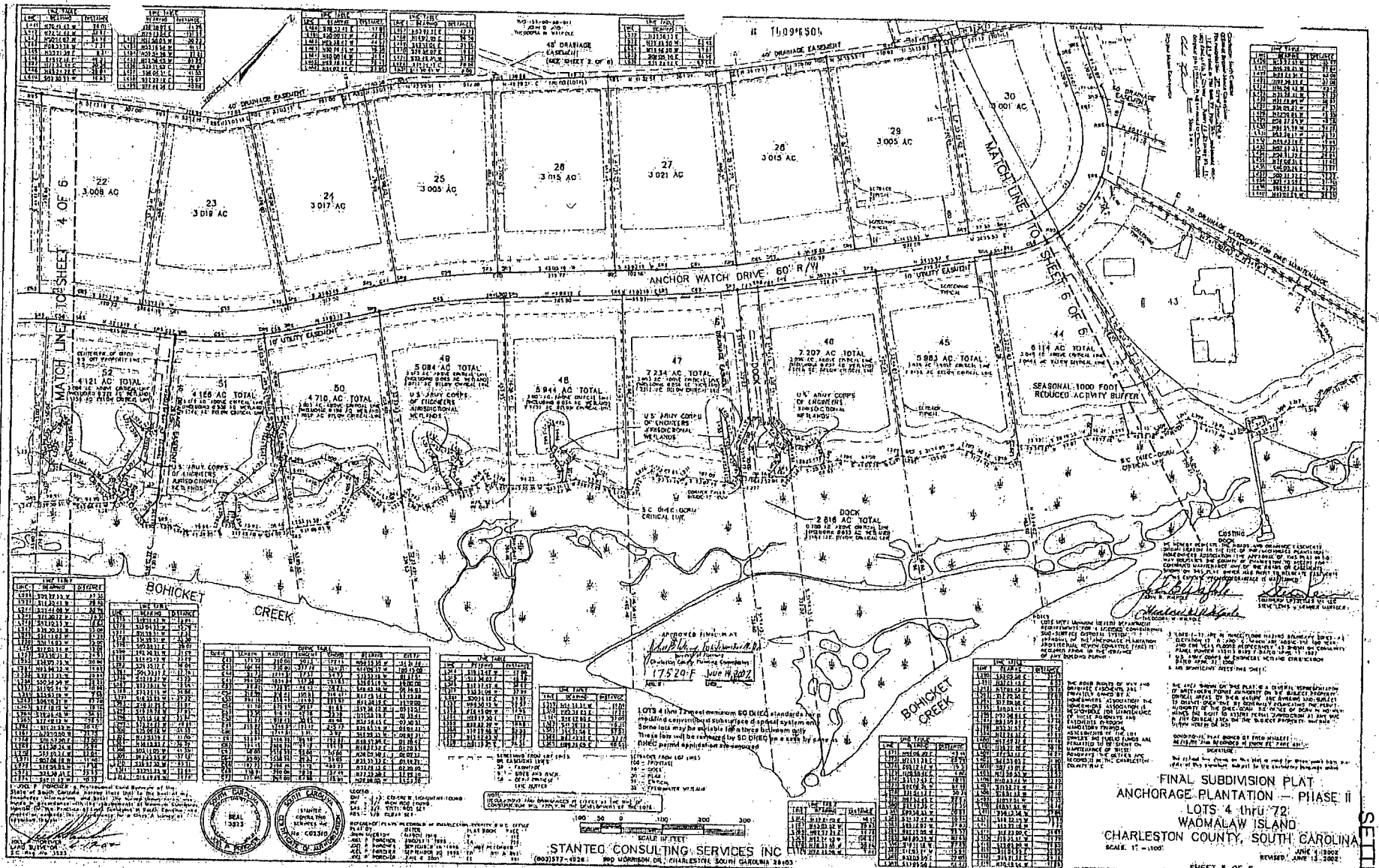
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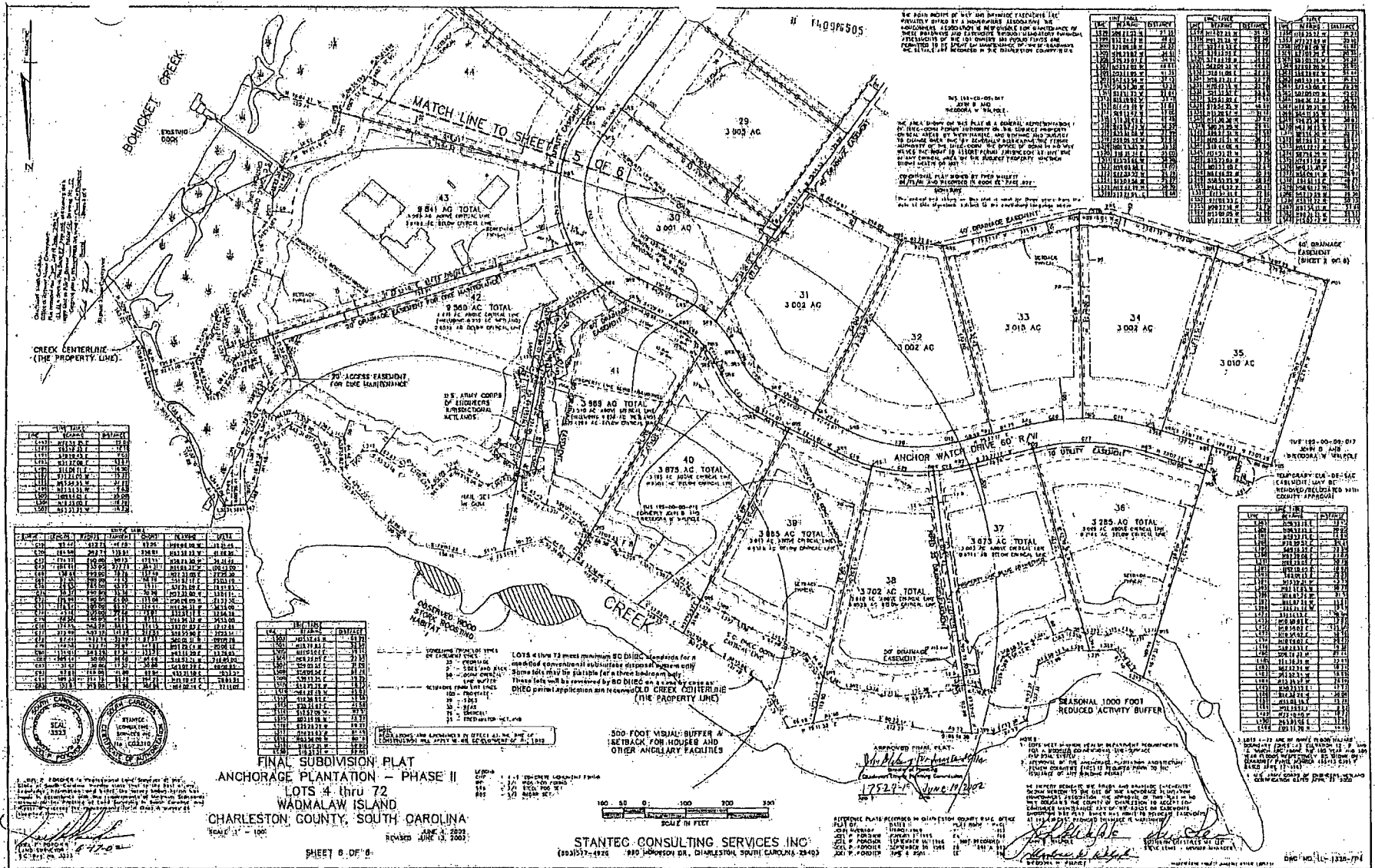
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CHARLIE CYBRAND
REGISTER
CHARLESTON COUNTY SC

(signed)
June 16







STATE OF SOUTH CAROLINA)

COUNTY OF BERKELEY)

TITLE TO REAL ESTATE
SPECIAL WARRANTY

KNOW ALL MEN BY THESE PRESENTS THAT SOUTHERN LIFESTYLES VIII LLC, a North Carolina limited liability company, (the "Grantor"), for and in consideration of the sum of Five and 00/100 (\$5.00) Dollars to it in hand paid by the ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION, a South Carolina corporation, at and before the sealing and delivery hereof, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto the ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION (the "Grantee"), the following described property, to wit:

SEE EXHIBIT A FOR LEGAL DESCRIPTION
WHICH IS INCORPORATED HEREIN BY REFERENCE

TOGETHER with, all and singular, the rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

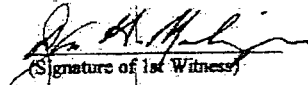
TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, its successors and assigns, forever, subject, however, to all matters of record affecting the property.

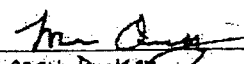
AND the Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, the said Premises unto the said Grantee, its successors and assigns, against it and its successors, lawfully claiming or to claim the same or any part thereof, but not otherwise.

IN WITNESS WHEREOF, the Grantor herein has caused these presents to be executed this 22nd day of July, 2003.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

SOUTHERN LIFESTYLES VIII LLC


(Signature of 1st Witness)

BY: 
Name: Loren Duggan
Title: Secretary


(Signature of 2nd Witness)

Handwritten note:
Warrantee present
work & b/Landing

STATE OF SOUTH CAROLINA

)

ACKNOWLEDGMENT

COUNTY OF BERKELEY

)

The foregoing instrument was acknowledged before me this 21st day of July, 2003 by
Loren Dickey as secretary of Southern Lifestyles VIII LLC.
Sandra H. Cleary
Notary Public for South Carolina
My Commission Expires: 5/2011

Exhibit "A"

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, being designated as "Dock and Boat Landing" containing 2.742 acres, more or less, and shown on that certain plat entitled "FINAL SUBDIVISION PLAT ANCHORAGE PLANTATION - PHASE II OUTFALL DRAINAGE EASEMENTS LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated June 4, 2002 and revised June 13, 2002; prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EF, pages 683-688, Charleston County RMC Office, reference to which is craved for a more complete description.

Subject to all matters of record and the following:

1. Taxes and assessments for the year 2002, and subsequent years, which are a lien but are not yet due and payable.
2. Easement to Berkeley Electrical Cooperative, Inc. by instrument recorded in Book G106, page 194, aforesaid records, as modified by that certain Modification of the Easement Agreement recorded in Book D-293, page 138, aforesaid records.
3. Charleston County User Fees.
4. Berkeley Electric Easement, 20' Berkeley Electric Easement, 67.5' Berkeley Electric Easement, and 30' drainage easement as shown on that certain "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE 1, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, Surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.
5. 40' drainage easement, 20' piped drainage easement, setback lines, notes and conditions, 10' utility easement, 70' boat ramp, existing docks, wood stork roosting areas, seasonal 1000 foot reduced activity buffer, 20' drainage easement for dike maintenance, 80' drainage easement, 20' access easement for dike maintenance, 500' foot visual buffer and setback for houses and other ancillary facilities, 80' drainage easement, 50' drainage easement, pipe 25' drainage easement as shown on that certain plat entitled "FINAL SUBDIVISION PLAT ANCHORAGE PLANTATION - PHASE II OUTFALL DRAINAGE EASEMENTS LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated June 4, 2002 and revised June 13, 2002, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EF, pages 683-688, Charleston County RMC Office.
6. Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for Anchorage Plantation Homeowners Association dated May 7, 1997 and recorded in Book A-288, page 37, Charleston County RMC Office, and re-recorded in Book J-330, page 856, aforesaid records, as modified by that certain Modification Agreement dated June 16, 2000 and recorded in Book O-349, page 671, Charleston County RMC Office, as further modified by that Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage dated July 21, 2000 and recorded in Charleston County RMC Office in Book R351, page 391.
7. Anchorage Plantation Design Guidelines dated July 1, 2000 as may be amended from time to time;
8. Interests created or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or S. C. Code Section 48-39-200, as amended, or any regulations promulgated pursuant to said state or federal laws, including any dock master plan for Anchorage Plantation on file with the OCRM Office of DHEC.
9. Charleston County, South Carolina ordinances and applicable building codes and development standards, and the Regulations of the S. C. Department of Health and Environmental Control relating to installation, use and maintenance of septic systems.

TMS No. 199-00-00-049

STATE OF SOUTH CAROLINA
COUNTY OF BERKELEY
AFFIDAVIT Date of Transfer of Title
(Closing Date) July 22, 2003

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred Southern Lifestyles VIII LLC to Anchorage Plantation Homeowners Association.
3. Check one of the following: **The DEED is:**
(a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
(b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
(c) X EXEMPT from the deed recording fee because (Exemption # 1)
(Explanation if required: Transferring Realty for less than \$5.00)
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
(a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$.
(b) The fee is computed on the fair market value of the realty which is \$.
(c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$.
5. Check YES or NO X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$.
6. The DEED Recording Fee is computed as follows:
(a) -0- the amount listed in item 4 above.
(b) -0- the amount listed in item 5 above (no amount place zero)
(c) -0- subtract line 6(b) from line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Attorney
8. Check if Property other than Real Property is being transferred on this Deed.
(a) Mobile Home
(b) Other
9. DEED OF DISTRIBUTION - ATTORNEY'S AFFIDAVIT: Estate of deceased CASE NUMBER Personally appeared before me the undersigned attorney who, being duly sworn, certified that (s)he is licensed to practice law in the State of South Carolina; and (s)he has prepared the Deed of Distribution for the Personal Rep. in the Estate of deceased and that the grantee(s) therein are correct and conform to the estate file for the above named decedent.
10. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to before me this 22nd
day of July, 2003.
Mary Elizabeth Bennett
Notary Public for South Carolina
My Commission Expires: 1-28-12

Signed Bryan L. Walpole, III
Grantor, Grantee or Legal Representative
connected with this transaction
Bryan L. Walpole, III
Print or Type Name Here

SETTLE 000136

RECORDER'S PAGE

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the original document.



Naxson Pruet Jacobs Pollard & Robinson
POST OFFICE BOX 486
CHARLESTON, SOUTH CAROLINA 29402

*OK
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S459-632

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CLERK OF COURTS
REGISTER
CHARLESTON COUNTY SC

RECEIVED FROM RMC

AUG 14 2003

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

**PID VERIFIED
BY ASSESSOR**

REP LMG

DATE 8/14/03

(843) 958-4800 2 Courthouse Square Charleston, SC 29401

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, That SOUTHERN LIFESTYLES VII, LLC, a North Carolina limited liability company, for/and in consideration of the sum of FIVE AND 00/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents by ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION, a South Carolina Non-Profit corporation, the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION its successors and assigns, forever, the following described property, to-wit:

SEE ATTACHED EXHIBIT A
FOR COMPLETE LEGAL DESCRIPTION

TOGETHER will all and singular, the rights, Members,
Hereditament and Appurtenances to the said Premises belonging
or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION, its successors and assigns forever.

AND Grantor does hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, said Premises unto the said Grantee, its successors and assigns, against it and its successors and assigns, lawfully claiming, or to claim the same or any part hereof, but not otherwise.

(The remainder of this page intentionally left blank)

WITNESS its HAND and SEAL, this 9 day of January in the year 2003.

IN THE PRESENCE OF:

SOUTHERN LIFESTYLES VIII, LLC, a
North Carolina limited liability company

David C. Jernigan
Notary Public for South Carolina

By: [Signature]
Name: Loren Dickey
Its: Secretary/Treasurer

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

PERSONALLY appeared before me the undersigned witness and made oath that he/she saw the within named Southern Lifestyles VIII, LLC, by Loren Dickey, its Secretary/Treasurer, sign, seal, and as its act and deed, deliver the within written TITLE TO REAL ESTATE and that he/she with the other witness above subscribed, witness the execution thereof.

SWORN to before me 9th

day of January, 2003

Notary Public for South Carolina

My Commission Expires: 7/13/2008

EXHIBIT A
LEGAL DESCRIPTION

ALL those streets, roads, roadway right of ways, drives and other thoroughfares, situate, lying and being Wadmaw Island, County of Charleston, State of South Carolina located in Anchorage Plantation and shown on the PLAT ENTITLED "FINAL SUBDIVISION PLAT ANCHORAGE PLANTATION - PHASE II OUTFALL DRAINAGE EASEMENTS LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated June 4, 2002 and revised June 13, 2002, prepared by Engineering, Surveying & Planning, Inc. and recorded in Plat Book EF, pages 683-688, Charleston County RMC Office, reference to which is craved for a more complete description.

It being the intention of the grantor herein to dedicate and convey all of its right, title and interest in all of the streets, roads, roadway right of ways, drives and other thoroughfares for vehicular ingress and egress located in the said Anchorage Plantation.

TMS No. 199-00-00-049

Grantee's Address: P.O. Box 171
Wadmaw Island, SC 29487

Being a portion of the same property as conveyed to Grantor by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349, page 168, Charleston County RMC Office.

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

AFFIDAVIT

BOOK 0 432 P 66 SETTLE 000140

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by Southern Lifestyles VIII LLC and Anchorage Plantation Homeowner's Association.
3. Check one of the following: The DEED is
 - (a) _____ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) ☒ EXEMPT from the deed recording fee because (exemption # 1)
Explanation if required less than \$100.00
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ _____.
 - (b) fee is computed on the fair market value of the realty which is \$ _____.
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES or NO ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (a) \$ _____ .00 the amount listed in item 4 above
 - (b) _____ .00 the amount listed in item 5 above (no amount place zero)
 - (c) \$ _____ .00 subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor (Grantor/Grantee or Legal Representative).
8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to before me this 9
day of Jan, 2003.

[Signature]
Notary Public for

My Commission Expires: 2/18/2008

[Signature]
Grantor, Grantee or Legal Representative

NPCHAR1:175105.1-PL-(DLL) 900000-00441

SETTLE 000141

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Recording

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~~AUDITORS OFFICE~~

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

**PID VERIFIED
BY ASSESSOR**

REP LMG

DATE 1/27/03

RECEIVED FROM RMC

JAN 27 2003

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

(843) 958-4800 2 Courthouse Square Charleston, SC 29401

EXHIBIT 3 TO COMPLAINT

Buist · Moore · Smythe · McGee · P.A.

February 5, 2004

THOMAS L. HARPER, JR.
ATTORNEY AT LAW
E-Mail: tharper@bmsmlaw.com
DIRECT DIAL: 843-720-4636
FAX: 843-723-7398

By Fax Only
Gerald M. Finkel, Esq.
Finkel & Altman, LLC

RE: Anchorage Plantation Homeowners Association
BMSM File No. F1926.0000

Dear Mr. Finkel:

This law firm represents the Anchorage Plantation Homeowners Association (the "Association"). I have been asked by the Association to inquire about various matters pertaining to the proposed development by your client, John B. Walpole, of certain real property (the "Walpole Property") located adjacent to Anchorage Plantation as the same is currently configured. In particular, based upon its review of materials submitted by your client to the Charleston County Planning Department, the Association is concerned that Mr. Walpole intends to use the roads, thoroughfares and other common areas located within Anchorage Plantation for the construction and improvement of the Walpole Property. It also appears that Mr. Walpole may intend to tie the roads constructed upon the Walpole Property to Anchorage Plantation. As you would expect, the Association does not want to see either of these happen.

By deed dated January 9, 2003, Southern Lifestyles VIII, LLC conveyed to the Association all the streets, roads, roadways, drives and other thoroughfares located in Anchorage Plantation. I have reviewed the restrictive covenants encumbering Anchorage Plantation (the "Declaration"), and do not believe that Mr. Walpole (or the owner of the Walpole Property) has the right either to enter onto Anchorage Plantation for the development of the Walpole Property, or to connect the roads on the Walpole Property to the current roads in Anchorage Plantation for use by the owner(s) of the Walpole Property. These roads are private and were conveyed to the Association without reservation by Southern Lifestyles VIII, LLC for the sole use of the owners of Anchorage Plantation. While the Declaration does reserve an access easement over Anchorage Plantation in favor of the Declarant for the benefit of the Additional Property (as those terms are defined in the Declaration), the Walpole Property does not fall within the definition of the Additional Property, and I am unaware of any reservation of a right of access over Anchorage Plantation in favor of Mr. Walpole.

It is, of course, possible either that my client's concerns about Mr. Walpole's intentions are unfounded, or that some other agreement or instrument of record exists which I have not seen.

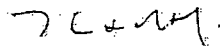
EXHIBIT 3 TO COMPLAINT

Gerald M. Finkel, Esq.
February 5, 2004
Page 2

but which affects this legal analysis. If either of these is the case, I would ask that you let me know as soon as possible so that we can minimize any further confusion or delay in this development process.

I look forward to speaking with you about this matter.

Sincerely yours,



Thomas L. Harper, Jr.

TLH/dlh
cc: Anchorage Plantation Homeowners Association

JUN-08-2004 TUE 04:25 PM FINKEL & ALTMAN

FAX NO. 843 577 3133

SETTLE 000144

P. 01

FINKEL & ALTMAN, L.L.C.
ATTORNEYS AND COUNSELORS AT LAW

EXHIBIT 3 TO COMPLAINT

COLUMBIA OFFICE
1201 MAIN STREET, SUITE 1800
POST OFFICE BOX 1799
COLUMBIA, SOUTH CAROLINA
29202
(803) 765-2938
FACSIMILE (803) 332-0766

THE CARROLL BUILDING
24 NORTH MARKET STREET, SUITE 200
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS
POST OFFICE BOX 225
CHARLESTON, SOUTH CAROLINA 29402
(843) 577-5460
FACSIMILE (843) 577-5125

GEORGETOWN OFFICE
717 C FRONT STREET
GEORGETOWN, SOUTH CAROLINA
29442
(843) 527-3281

REPLY TO CHARLESTON OFFICE

February 13, 2004

GERALD M. FINKEL, Esquire
gfinkel@finkelaltman.com

VIA FACSIMILE AND U. S. MAIL

Thomas L. Harper, Esquire
Buist Moore Smythe & McGee, PA
Post Office Box 999
Charleston South Carolina 29402

RE: *Anchorage Plantation Homeowner's Association*
BMSM File Number: 11926.0000
Our File Number: 18430/14842

Dear Tom:

Pursuant to your letter of February 5, 2004, and our subsequent telephone conversation of February 9, 2004, I am enclosing an Amended Easement Agreement between Southern Lifestyles VIII, LLC to John B. Walpole and Theodora W. Walpole dated June 13, 2002, and recorded in the office of the Register of Deeds in Book K 409 at Page 481-485. This Amended Easement was specifically bargained for and anticipated the development of the adjacent property as stated in the Easement.

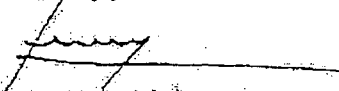
In addition to the foregoing, Article IX, Section 9.2 of the original Purchase Agreement for Unimproved Real Estate dated November 8, 2001, allowed the purchaser, at its sole expense, to tie into seller's irrigation ponds for purposes of withdrawing water for landscaping irrigation. This tie-in was actually accomplished and the Agreement has subsequently lapsed. We are unclear as to whether or not the Homeowner's Association wishes to renew their right to take the water from these irrigation ponds.

Our clients intend to develop an upscale community comparable with the first phase. They want to be good neighbors and obviously see a number of synergies between the respective phases of development.

I look forward to resolving any outstanding issues with you.

With best personal regards, I remain

Sincerely yours,


Gerald M. Finkel

GMF/mmj

cc: John & Theodora Walpole (via facsimile only)

Z:\WPDATA\FAC\entst\14842\Harper.021104.wp3

EXHIBIT 3 TO COMPLAINT

Buist · Moore · Smythe · McGee · P.A.

March 18, 2004

THOMAS L. HARPER, JR.
ATTORNEY AT LAW
E-Mail: tharper@bmsmlaw.com
DIRECT DIAL: 843-720-4636
FAX: 843-723-7398

Gerald M. Finkel, Esq.
Finkel & Altman, LLC
1201 Main Street, Suite 1800
P. O. Box 1799
Columbia, South Carolina 29202

RE: Anchorage Plantation Homeowners Association
BMSM File No. 11926.0000

Dear Gerry:

Thank you for your letter of February 13, 2004, regarding the Amended Easement Agreement pursuant to which Southern Lifestyles VIII, LLC ("Southern Lifestyles") granted John and Theodora Walpole (the "Walpoles") the right of use of the community boat ramp, community dock, and any roads within Anchorage Plantation (the "Easement") for the benefit of a tract of land contiguous to Anchorage Plantation consisting of approximately 792 acres owned by the Walpoles, TMS No. 199-00-00-017 (the "Walpole Property").

Your letter was the first that the Anchorage Plantation Homeowners Association had heard of the Walpoles being granted rights in the Anchorage Plantation common areas after they sold out to Southern Lifestyles. Needless to say, the Association is very disturbed by this agreement between the Walpoles and Southern Lifestyles. In light of the potential construction of 107 homes on the Walpole Property, the effect of the Easement on Anchorage Plantation could be devastating. The nominal annual consideration of \$50 per "Walpole lot" for the use of the ramp, dock and roads is severely below market value, and does not come close to covering the additional costs associated with this dramatic increase in use of such facilities. By way of reference, the annual assessments at Anchorage Plantation currently total \$900 per lot, almost all of which is devoted to the maintenance and upkeep of these facilities. The Easement provides no obligation to the Walpoles (or the subsequent owners of the Walpole lots) to pay for any extraordinary repairs, maintenance or improvements to these facilities, even though the development of the Walpole Property as planned will substantially more than double the number of homesites with apparent rights in them. The fact that there is a permanent cap of this fee at \$100 per Walpole lot means that this problem will only be exacerbated in the future.

The Anchorage Plantation restrictive covenants provide means by which the Walpole Property could have been brought into Anchorage Plantation. If this approach had been adopted,

EXHIBIT 3 TO COMPLAINT

Gerald M. Finkel, Esq.
March 18, 2004
Page 3

I look forward to speaking with you about this matter.

Sincerely yours,



Thomas L. Harper, Jr.

TLH/djh

cc: Southern Lifestyles VIII, LLC
Anchorage Plantation Homeowners Association

EXHIBIT 3 TO COMPLAINT

CHARLESTON OFFICE
37 NORTH MARKET STREET, SUITE 200
POST OFFICE BOX 225
CHARLESTON, SOUTH CAROLINA
29402
(843) 577-5400
FACSIMILE (843) 577-5125

FINKEL & ALTMAN, L.L.C.
ATTORNEYS AND COUNSELORS AT LAW
1201 MAIN STREET, SUITE 1800
COLUMBIA, SOUTH CAROLINA 29201
MAILING ADDRESS
POST OFFICE BOX 1799
COLUMBIA, SOUTH CAROLINA 29202
(803) 785-1935
FACSIMILE (803) 252-0786

GEORGETOWN OFFICE
717 C FRONT STREET
GEORGETOWN, SOUTH CAROLINA
29442
(843) 527-0281

REPLY TO COLUMBIA OFFICE

March 29, 2004

Gerald M. Finkel, Esquire
j.finkel@finkellaw.com

VIA FACSIMILE (843) 723-7398

AND U.S. MAIL

Thomas L. Harper, Jr., Esquire
Buist, Moore, Smythe & McGee, P.A.
5 Exchange Street
Post Office Box 999
Charleston, South Carolina 29402-0999

RE: Anchorage Plantation Homeowners Association
Your File No. 11926.0000
Our File No. 15430.14842

Dear Tom:

I am in receipt of your letter of March 18, 2004. Your arguments against the Walpoles are based on several seriously flawed premises.

First of all, if my letter was the first notice that the Anchorage Plantation Homeowners Association "had heard of the Walpoles being granted rights in the Anchorage Plantation common areas after they sold out to Southern Lifestyles" then it is obvious that they did not do any title search when Southern Lifestyles conveyed the dock and land on July 29, 2003 and the roads and right-of-way easements on June 13, 2003 to your clients. The initial easement to the Walpoles was recorded on November 8, 2001 and the amended easement was executed on June 14, 2002. Both agreements were matters of public record.

It is important to note that the Anchorage Plantation Homeowners Association was not incorporated until July 14, 2000. The operative document is the Second Amendment To and Restatement of Declaration of Covenants, Conditions and Restrictions dated July 21, 2000 and recorded in Book R 351 at Page 391. Article I, Section 1.1(j) defines Declarant as Southern Lifestyles VIII LLC. Subsection (j) defines the Declarant Control Period as the time period commencing on the date the Declaration was filed of record and ending on the earlier of December 31, 2015, or three (3) months after the conveyance by the Declarant, in the ordinary course of business, property representing ninety-five (95) percent of the total number of lots intended for development on all of the property. Article II, Section 2.3 provides for the conveyances of common area. It states, *inter alia*:

EXHIBIT 3 TO COMPLAINT

Letter to Thomas L. Harper, Jr., Esquire

Page 2

March 29, 2004

2.3 Conveyances Of Common Areas. All parcels of land shown as Common Areas on the Site Plan or which are identified herein as Common Areas and require a conveyance to vest in the Association ownership and use thereof, will be decided or an easement will be granted with respect thereto by Declarant within two (2) years after the Declarant has completed improvements thereon.

Any such conveyance by the Declarant will be conveyed subject to:

- (a) All restrictive covenants filed Of Record at the time of conveyance; and
- (b) The right of access of the Declarant, its successors and assigns, over and across such property, ...

At all relevant times, Southern Lifestyles was the grantee of the property and the Declarant. The closing vesting Southern Lifestyles with title took place on June 16, 2000, prior to any sales of individual lots to homeowners. Part of the consideration to the Walpoles for the transfer of the land and certain financing concessions, was the grant of the easement. The seller of property has no fiduciary duty to a purchaser's inchoate homeowners. I would agree that there is case law holding that a residential real estate developer owes a fiduciary duty to homeowners. E.g. *Concerned Dunes West Residents v. Georgia Pacific Corp.*, 562 S.E.2d 633 (S.C. 2002). However, I am at a loss to find any authority for the proposition that such authority extends past the developer to the prior grantor of the property to be developed. As explained in *Concerned Dunes West Residents*, a developer's fiduciary duty is similar to that of a promoter of a corporation in that "both are entrusted to by interested investors to bring about a viable organization to serve a specific function." *Id.* at 636. The RESTATEMENT (3rd) OF PROPERTY further clarifies this by explaining the source of this fiduciary duty does not stem from the developer's role as seller, but because "the developer also creates the [home owners] association . . . and then controls the association through the election and appointment of the directors and officers." *Id.*, cmt a, see also Boken, *Developers' Fiduciary Duty*, 45 S.C. L. REV. 195 (1993). Simply put, the developer's duty stems from its formation and control of the initial association, and not from the sale of the land. Thus, Southern Living may have a fiduciary duty to your clients, but since the Walpoles were mere grantors of the property and had no role as developers in the control and operations of the association, they have no fiduciary obligations to your clients.

Tom, I do not believe that the threat of litigation is the appropriate way to advance your client's interest in this matter and would be ill advised. Nevertheless, if your clients are determined to proceed with litigation, they should be advised that in light of this clarification we would counterclaim for Abuse of Process and/or violation of the Frivolous Civil Proceedings Sanctions. From our perspective, the threat of litigation is a continuing effort by the Anchorage Plantation Homeowners Association to extort a collateral advantage by thwarting Mr. Walpole's development plans on the adjacent property. As Mr. Walpole owes no fiduciary obligations to your clients, we suggest that your clients govern themselves accordingly.

M: LUCIEN T. LISA 2 Walpole Dr. Wpa

EXHIBIT 3 TO COMPLAINT

Letter to Thomas L. Harper, Jr., Esquire

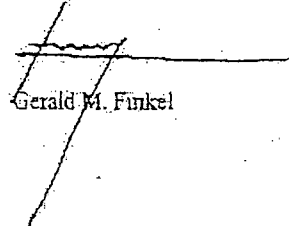
Page 3

March 29, 2004

I will be happy to discuss this matter further with you.

With kindest personal regards, I remain

Sincerely,



Gerald M. Finkel

GMF/la

cc: John and Theodore Walpole

BK K 387PG751

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

EASEMENT AGREEMENT

Whereas, Southern Lifestyles VIII, LLC ("Grantor") is the owner of the property described below, and

Whereas, pursuant to the Purchase Agreement for Unimproved Real Estate entered into with John B. Walpole and Theodora W. Walpole ("Grantees") (the "Agreement"), Grantor agreed to grant Grantees, their heirs and assigns, the right to use the access to Bohicket Creek over the community boat ramp and courtesy dock located on the said property and the right to use any road within the said property for purposes of ingress and egress to the properties owned or lease by Grantees and to the boat ramp and courtesy dock, and

Whereas, the Grantor is aware that Grantee may subdivide their property located adjacent to the property owned by the Grantor and that the purchasers of the Grantee's property or any portion thereof shall have the rights granted herein,

NOW THEREFORE, IN CONSIDERATION of the sum of Five and 00/100 (\$5.00) Dollars, the receipt whereof is hereby acknowledged and the obligation of the Grantor under the Agreement, Grantor hereby grants, bargains sells and releases to Grantees, their heirs and assigns, (1) and easement over the roads and streets constructed by Grantor on the property described in Exhibit "A", the "Burdened Property", attached hereto and incorporated by reference for purposes of ingress and egress to properties owned or leased to Grantees adjacent to the Burdened property described in Exhibit "B"; the "Benefitted Property", and (2) the right for the Grantees, their heirs and assigns to use the community boat ramp and courtesy dock located on the Burdened property for the purpose of access to Bohicket Creek.

The rights granted hereunder are appurtenant to the land, shall run with the land and are for the benefit of the Grantees, their heirs and assigns.

Grantor and Grantee agree that in the event the "Benefitted Property" is subdivided, and sold to someone other than the present owner and his/her children, each subsequent owner of a residential building lot shall be obligated to pay an annual fee for the right to enjoy the easements granted herein. The annual fee shall initially be the amount of Fifty and 00/100 (\$50.00) Dollars for the first year that ownership changes, and shall increase by the amount of Five and 00/100 (\$5.00) Dollars each year thereafter. Payment of this fee shall be made to the Anchorage Plantation Homeowners Association, or its successors and assigns, and shall be due and payable each year during the month of November. Grantee shall cause this obligation to be set forth in the deed of any conveyance of the Benefitted Property, which obligation shall be appurtenant to and run with the land.

This easement shall be binding on the parties hereto their heirs, successors and assigns.

In the event Grantor or an affiliated entity of Grantor acquires title to the Benefitted Property, this easement may be cancelled by the recording of an Easement Cancellation Notice executed by Grantor and Grantees.

IN WITNESS whereof the Grantors have caused this easement to be executed the date set forth by their names.

[Signature]
Chantel Atto
Witnesses as to Grantor

GRANTOR:
SOUTHERN LIFESTYLES VIII, LLC
By: [Signature]
Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF)

ACKNOWLEDGMENT

BEFORE me personally appeared SOUTHERN LIFESTYLES VIII, LLC, to me well known to be the person(s) described in and who execute the foregoing instrument, and he/she acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that he/she executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 8 day of November, 2001.

[Signature]
Notary Public for South Carolina
My Commission Expires: 4-9-2004

Chall. Atty
 Witnesses as to Grantees

GRANTEES:
John B. Walpole
 JOHN B. WALPOLE
Theodora W. Walpole
 THEODORA W. WALPOLE

STATE OF SOUTH CAROLINA)
)
 COUNTY OF)

ACKNOWLEDGMENT

BEFORE me personally appeared JOHN B. WALPOLE AND THEODORA W. WALPOLE, to me well known to be the persons described in and who execute the foregoing instrument, and he/she acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that he/she executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 9 day of November, 2001.

Chall. Atty
 Notary Public for South Carolina
 My Commission Expires: 4-4-2004

BK K 387PG754

EXHIBIT "A"

TRACT "A"

All that piece, parcel or tract of land lying and being on Wadmalaw Island, Charleston County, South Carolina, containing 359.847 acres, more or less consisting of lots 4 - 72, a 2.289 ac. dock lot, a 2.742 ac. dock and boat landing lot and a 0.614 ac. future Anchor Line Drive, and being more particularly described on that certain plat entitled "CONDITIONAL PLAT THE ANCHORAGE PHASE II, LOTS 4-72, WADMALAW ISLAND, CHARLESTON COUNTY, SC" dated May 1, 2000, and revised May 30, 2000, prepared by Engineering, Surveying & Planning, Inc., and recorded in Plat Book EE Pages 81-86 Charleston County RMC Office.

TRACT "B"

Xc
y
Lots 1, 2, 3, 77, and 78, and 8.839 acres designated as Anchor Watch Drive (having a 70' right-of-way) as shown on plat entitled "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, lots 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Joel P. Porcher of Engineering, surveying and Planning, Inc., dated June 9, 1997 and recorded in Plat Book EB, page 892, aforesaid records.

Being the property conveyed to the Grantor herein by deed of the Grantees herein dated June 16, 2000 and recorded in Book N 349 at page 168, RMC Office for Charleston County.

EXHIBIT "B"

ALL that certain tract of land, containing 1,046.4 acres, more or less, known as "Anchorage Plantation" on Wadmalaw Island, in Charleston County, State of South Carolina, on S.C. Route 700, approximately 4.4 miles south of Bluff Point Road intersection; bounded now or formerly as follows: Northwest by S.C. Route 700, by lands of School District 9, Hassell, Cummings, Barnwell and Sinkler; Northeast by Kitchen Hall Creek and lands of McKee and Nash; Southeast by Bohicket Creek and by lands of Nash and McKee; Southwest by lands of Nash, McKee, various other owners, and School District 9; and, West by lands of Sinkler and Barnwell; said tract of land being more particularly described according to plat of survey prepared by Cummings and McCrady, Inc., dated January, 1966, which plat, recorded in the RMC Office for Charleston County, South Carolina; in Plat Book U, at Page 40, is by reference incorporated herein as part of this description.

LESS AND EXCEPT 41.7 acres thereof more or less conveyed by the Mower Lumber Company by deed dated June 2, 1969, and recorded in Book R-92, at Page 359, in the RMC Office for Charleston County, South Carolina, particularly described as follows: All that certain tract of land containing 41.7 acres, more or less, known as "Part of Anchorage Plantation" on Wadmalaw Island in Charleston County, State of South Carolina; bounded now or formerly as follows: North by lands of Sinkler; East by Kitchen Hall Creek; South by Bohicket Creek; and West by the remainder of the tract above described; according to a plat of survey prepared by Cummings & McCrady, Inc., dated March, 1969, which plat recorded in Plat Book Y, at Page 113; RMC Office for Charleston County, South Carolina, is by reference incorporated herein as part of this description.

AND LESS AND EXCEPT the property described as Exhibit "A" attached hereto.

Being the property conveyed to the Grantees herein by deed from Mower Lumber Company dated July 31, 1980 and recorded in the RMC Office for Charleston County in Book Z 122 at page 417; deed from the College of Charleston Foundation dated December 23, 1991 and recorded in the RMC Office for Charleston County in Book B.209 at page 310; and deed from Nancy C. Smythe et al dated November 1, 1991 and recorded in the RMC Office for Charleston County in Book R.207 at page 493.

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Funkel + Altman BK K 387PG756

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Feltain

FILED

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2001 NOV -8 AM 10:21

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC.

11-00B

BN R 351PG391

PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION PURSUANT TO THE
SOUTH CAROLINA UNIFORM ARBITRATION ACT, § 15-48-10, S.C. CODE OF LAWS OF
1976, AS AMENDED.

**SECOND AMENDMENT TO AND RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE ANCHORAGE**

SECOND AMENDMENT TO AND RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE ANCHORAGE

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SECOND AMENDMENT TO AND RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE ANCHORAGE

THIS SECOND AMENDMENT TO AND RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE ANCHORAGE is made this 20 day of July, 2000, by SOUTHERN LIFESTYLES VIII LLC, a North Carolina limited liability company (the "Declarant");

WITNESSETH

WHEREAS, John B. Walpole and Theodora W. Walpole submitted certain property in Charleston County to that certain Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for the Anchorage Plantation Homeowners Association dated May 7, 1997, recorded June 24, 1997 in Book A286 at Page 37 and re-recorded on July 13, 1999 in Book J330 at Page 856 (the "Walpole Declaration") in the RMC Office for Charleston County, South Carolina (the "RMC"); and

WHEREAS, John B. Walpole and Theodora W. Walpole amended the Walpole Declaration and submitted additional property to the Walpole Declaration by First Amendment to Declaration of Covenants, Conditions, Easements, Restrictions, Charges and Liens for the Anchorage Plantation Subdivision dated June 16, 2000 and recorded June 16, 2000 in Book O-349 at Page 671 of the RMC (the "Walpole Amendment"); and

WHEREAS, Declarant purchased all of the property subject to the Walpole Declaration, as amended by the Walpole Amendment, by deed of John B. Walpole and Theodora W. Walpole dated June 16, 2000 and recorded in Book N349 at Page 168 of the RMC (the "Walpole Property"); and

WHEREAS, Declarant, as the owner of the Walpole Property, which is more fully described in Exhibit "A" hereto and incorporated herein by this reference, has designated the Walpole Property as "The Anchorage"; and

WHEREAS, Declarant deems it to be in the best interest of the subdivision known as The Anchorage, as it exists today and as it will evolve in the future, to further amend the Walpole Declaration, as amended by the Walpole Amendment, and to restate the same in one instrument which establishes the covenants, conditions and restrictions which will promote efficiencies and provide a flexible mechanism for the administration and maintenance of the subdivision's facilities and services which are for the common use and benefit of the subdivision property owners.

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as may be added by subsequent amendment hereto, and in accordance with the terms and conditions hereof, is subjected to this Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for The Anchorage (referred to hereinafter as, the "Declaration"); that the terms and conditions of the Walpole Declaration and the Walpole Amendment are subsumed under this Declaration and shall have no further independent force or effect; and that the property described in Exhibit "A" will be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens,

what is

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and conditions which are for the purpose of protecting the values and desirability of, and which will touch and concern and run with title to the real properties subjected to the Declaration and which will be binding on all parties having any right, title, or interest in the described properties or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and will inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

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

(a) "ARC" will mean and refer to the board or committee established pursuant to this Declaration to approve exterior and structural improvements, additions, and changes within the Development.

(b) "Articles of Incorporation" will mean and refer to the Articles of Incorporation of Anchorage Plantation Homeowners Association, as amended from time to time, filed in the Office of the Secretary of State of the State of South Carolina in accordance with the Nonprofit Corporation Act.

(c) "Assessment" will mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

(d) "Association" will mean and refer to Anchorage Plantation Homeowners Association, a South Carolina not-for-profit corporation, its successors and assigns. In exercising any right or easement granted or reserved to it hereunder, such right or easement shall be deemed to extend to its duly authorized directors, officers, agents, employees and contractors.

(e) "Board of Directors" or "Board" will mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

(f) "By-Laws of the Association" or "By-Laws" will mean and refer to those By-Laws of Anchorage Plantation Homeowners Association attached hereto as Exhibit "B", which govern the administration and operation of the Association, and as the same may be amended from time to time.

(g) "Common Areas" will mean and refer to any and all real and personal property now or hereafter deeded or leased to, or which is the subject of a use agreement with, the Association, and wherein the property therein described is specifically denominated to be a part of the Common Areas. The Common Areas may include the Association's, private roads, streets, road and street shoulders, walkways, sidewalks, leisure trails, bike paths, gazebos, gates, fountains, entry walls, street lighting, signage, and such maintenance and drainage areas, easements, lagoons, and ponds located within the Property and which are not maintained by public authority. The designation of any land and/or improvements as a Common Area will not mean or imply that the public at large acquires any easement of use of enjoyment therein. All Common Areas are to be devoted to and intended for the common use and enjoyment of the Declarant, Owners, and their respective guests, and invitees, ~~as well as other parties with easements in and to such Common Areas, as herein provided.~~

(h) "Common Expenses" will mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration for the maintenance, repair and management of the Common Areas, and for the maintenance, repair and management of other property, whether owned by the Association or not and set forth in this Declaration or incorporated herein by a Supplemental Declaration, for which the Association has

responsibility, such as providing, conducting, or maintaining water pollution and shoreline erosion abatement measures including, without limitation, the installation, maintenance and repair of shore revetments pursuant to Article 11 hereof.

(i) "Declarant" will mean and refer to Southern Lifestyles VIII LLC, or any successor-in-title to the entire interest of such person with respect to the Property at the time of such transfer to said successor-in-title, or any party designated Of Record to succeed to the rights of Declarant hereunder as to the matters set forth in such writing. In exercising any right or easement granted or reserved to it hereunder, such right or easement shall be deemed to extend to its duly authorized directors, officers, agents, employees and contractors.

(j) "Declarant Control Period" means the time period commencing on the date this Declaration is filed Of Record and ending on the earlier of:

(i) December 31, 2015; or

(ii) Three (3) months after the conveyance by the Declarant, in the ordinary course of business to persons other than a successor Declarant, property representing ninety-five percent (95%) of the total number of Lots intended for development on all of the Property as set forth in a Supplemental Declaration executed and filed Of Record by the Declarant on or before December 31, 2015, making specific reference to this Section; or

(iii) Three (3) months following the date the Declarant surrenders its authority to appoint directors of the Association by an express amendment to this Declaration executed and filed Of Record by the Declarant.

(k) "Declaration" will mean and refer to this Declaration of Covenants, Conditions, and Restrictions for The Anchorage, as amended, from time to time, by any Supplemental Declaration filed Of Record.

(l) "Development" will mean and refer to the Property and all improvements located or constructed thereon, and being a part of the overall plan, from time to time existing hereunder, for the real estate development known as "The Anchorage."

(m) "Dwelling" will mean and refer to any improved Lot used as a single-family detached residence.

(n) "Institutional Mortgage" will mean and refer to a Mortgage held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental insurer or purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

(o) "Lot" will mean and refer to any unimproved portion of the Property upon which Dwelling will be constructed, as such Lot is shown on the Site Plan. A parcel of land will be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon such completion, such parcel and the improvements thereon will collectively be considered to be a Dwelling for purposes of this Declaration.

(p) "Member" will mean and refer to an Owner with appurtenant membership in the Association as defined in Section 7.1.

(q) "Mortgage" will mean and refer to a mortgage, security deed, deed of trust, installment lands sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot or Dwelling.

(r) "Mortgagee" will mean and refer to the holder of a Mortgage, its successor and assign.

(s) "Nonprofit Corporation Act" means and refers to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code Sections 33-31-101, et. seq., as amended.

(t) "Occupant" will mean and refer to any person, including, without limitation, any Owner, occupying or otherwise using a Dwelling within the Development, and their respective families, servants, agents, guests, and invitees.

(u) "Of Record" will mean and refer to the place of filing a writing in the applicable public records, currently being the Charleston County R.M.C. Office, as will give legal notice to the world of the matters set forth in the writing so filed.

(v) "Owner" will mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Lot or Dwelling, its respective heirs, executors, legal representatives, successors, and assigns, excluding, however, those persons having such an interest under a Mortgage. In the event that there is filed Of Record any installment land sales contract covering any Lot or Dwelling, the Owner thereof will be deemed to be the purchaser under the installment sales contract and not the fee simple title holder. An installment land sales contract will be an instrument whereby the purchaser is required to make payment for such property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to such property until all such payments are made, although the purchaser is given use thereof.

(w) "Property" will mean and refer to those pieces, parcels and lots of land described on Exhibit "A," and all Additions to Property which may become subject to this Declaration pursuant to the provisions of Article 2 hereof, or any portion thereof, together with all improvements thereon.

(x) "Referendum" will mean and refer to the vote of Members by mailed ballots on certain actions submitted to the Members by the Board of Directors, as more particularly set forth herein and in the Bylaws.

(y) "Site Plan" will mean and refer, collectively, to those certain subdivision plats prepared by Engineering, Surveying & Planning dated September 20, 1996 and recorded in the RMC on June 23, 1997 in Plat Book EB, Page 892, entitled "Final Plat, The Anchorage Plantation - Phase I, Lots 1, 2, 3, 77 and 78, Wadmalaw Island, Charleston County, South Carolina" (hereinafter sometime referred to as, the "Phase I Plat"), and dated May 1, 2000, amended May 30, 2000 and recorded in the RMC June 16, 2000 in Plat Book EE, Pages 81-86, Entitled "Conditional Plat, The Anchorage Phase II, Lots 4 thru 72, Wadmalaw Island, Charleston County, South Carolina," (the latter survey sometimes hereinafter being referred to as, the "Phase II Plat") and all re-subdivisions, modifications, revisions and additions thereto. Further, "Site Plan" will mean and refer to any subdivision plat for any Additional Property placed Of Record in furtherance of the development scheme for The Anchorage, as it exists from time to time.

(z) "Supplemental Declaration" will mean and refer to any amendment to this Declaration filed Of Record, which makes any changes hereto.

ARTICLE 2. THE GENERAL PLAN FOR THE ANCHORAGE

2.1 Plan of Development of The Property. The Property initially contains seventy-four (74) Lots as shown on the Site Plan, upon each of which one Dwelling may be constructed, and such private roads and other Common Areas serving the Lots and Dwellings as are, from time to time, denominated as such in this Declaration or by the Declarant on the Site Plan or in any deed, lease, use agreement, Supplemental Declaration or memorandum thereof filed Of Record, and which are installed and existing. All Lots and Dwellings within the Development will be and are hereby restricted exclusively to single-family residential use and will be subject to the standards and restrictions set forth in Article 5 hereof, including, but not limited to, restrictions and standards applicable to accessory buildings, including guest houses set forth in Section 5.1.1. Without the consent of any person, Declarant will have the right, but not the obligation, during the Declarant Control Period, to make improvements and changes to all Common Areas and to all such properties owned by Declarant, including, without limitation: (a) installation and maintenance of any improvements, (b) changes in the location of the boundaries of any such properties owned by Declarant, and (c) installation and maintenance of any water, sewer, and other utility systems and facilities.

2.2 Additions To Property. Other property may become subject to this Declaration in the following manner:

2.2.1 Additions By Declarant. During the Declarant Control Period, the Declarant shall have the right, without further consent of the Association or any Owner, to bring within the plan and operation of this Declaration, or to consent thereto, the whole or any portion of any property contiguous or nearly contiguous to the Property and whether or not owned by the Declarant. Such property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under this subsection shall be made by filing Of Record a Supplemental Declaration with respect to the land to be added hereto and which shall extend the operation and effect of the covenants and restrictions of this Declaration thereto, and which, upon filing Of Record of a Supplemental Declaration, shall constitute a part of the Property.

(a) The Supplemental Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant to reflect the different character, if any, of the land added hereto, and as are not materially inconsistent with, this Declaration, but such modifications shall have no effect on the Property described in Section 2.1 above.

(b) The option reserved under this Section 2.2.1 may be exercised by Declarant only by the execution of a Supplemental Declaration filed Of Record and the filing Of Record of a Site Plan showing the land being added or such portion or portions thereof as are being added to the Development by such amendment, as well as the Lots and Common Areas therein. Any such Supplemental Declaration shall expressly submit the added land to all or specific provisions of this Declaration, as may be provided therein, and such other covenants, restrictions, conditions and easements as Declarant, in its sole discretion, shall determine.

2.2.2 Additions of Other Properties. Upon approval by two-thirds (2/3) of the votes of the Members pursuant to a Referendum therefor or upon approval by two-thirds (2/3) of the votes of the Members present, in person or by proxy, at a duly held meeting at which a quorum is present, the owner of any property contiguous or nearly contiguous to the Property and who desires to add it to the plan of this Declaration and to subject it to the jurisdiction of the Association, may file Of Record a Supplemental Declaration with respect to the property to be added, which will extend the operation and effect of the covenants and restrictions of the Declaration to such property, thereafter constituting a part of the Property. Any such Member approval shall be reflected in a consent to such Supplemental Declaration executed by the President of the Association.

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2.2.3 Additions By Merger. Upon merger or consolidation of the Association with another association, following approval by two-thirds (2/3) of the votes of the Members pursuant to a Referendum therefor or upon approval by two-thirds (2/3) of the votes of the Members present, in person or by proxy, at a duly held meeting at which a quorum is present, the Association's property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the existing property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation will effect any revocation, change, or addition to the covenants established by this Declaration within the Property, including, without limitation, the maximum limits on Assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association. Lands which become subject to this Declaration under the provisions of this Section 2.2.3 may in the future be referred to as a part of the Property.

2.3 Conveyances Of Common Areas. All parcels of land shown as Common Areas on the Site Plan or which are identified herein as Common Areas and require a conveyance to vest in the Association ownership and use thereof, will be deemed an easement with respect thereto by Declarant within two (2) years after the Declarant has completed improvements thereon. Upon any such conveyance or grant of easement, if such is required, or upon completion of any improvements thereon or thereto by the Declarant, the Association will immediately become responsible for all maintenance, repair and replacements therefor, the operation thereof and such additional construction of improvements as may be authorized by the Board of Directors. For purposes of measuring the foregoing two (2) -year period, any improvements will be deemed completed the later of the date all required certificates or permits of occupancy or use are issued therefor, or the date such improvements may be used in the manner and for the purposes for which they are constructed. It is the purpose of this provision to provide that the Association will be responsible for all maintenance of Common Areas when improvements thereto have been completed, notwithstanding the fact that the Declarant is not obligated to deed or grant an easement for such properties until two (2) years after improvements have been completed thereon. Any such conveyance by the Declarant will be conveyed subject to:

- (a) All restrictive covenants filed Of Record at the time of conveyance; and
- (b) The right of access of the Declarant, its successors and assigns, over and across such property; and
- (c) The right of both the Declarant, during the Declarant Control Period, or the Association, after expiration of the Declarant Control Period, and the ARC to approve all structures, construction, repairs, changes in elevation and topography and the location of any object (including vegetation) within the Common Areas prior to the commencement of such activities or location of any object thereon;
- (d) All utilities and drainage easements; and
- (e) All reserved rights set forth in Section 2.1.

Notwithstanding anything in the foregoing to the contrary, the Declarant will not be required to so convey the Common Areas where such conveyance would be prohibited under agreements to which the Declarant is a party on the date of establishment of such Common Areas, but, in such case, Declarant will be allowed to postpone such conveyance, without a penalty, until such time as said prohibition terminates, is released or is nullified.

In consideration of the benefits accruing to the Association and to the Members under this Declaration and in consideration of the covenants and agreements of the Declarant hereunder, the Association hereby agrees to accept title to any property, or to any interest in property, now or hereafter conveyed to it pursuant to the

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terms and conditions of this Declaration. Upon the due recording of a deed, easement, lease or other instrument or memorandum of conveyance Of Record to the Association, title or such other interest in property conveyed will vest in and to the Association without the necessity of any further act, deed or approval of any person, including the grantor, lessor and/or Association.

2.4 Owner's Interest Subject to Plan of Development. Every purchaser of a Lot and Dwelling will purchase such property, and every Mortgagee and lienholder holding an interest therein will take title, or hold such security interest with respect thereto, subject to the plan of development for The Anchorage and this Declaration.

ARTICLE 3. ARCHITECTURAL GUIDELINES: APPROVALS

3.1 Purpose. In order to enhance the beauty of the Development, to establish and preserve harmonious and aesthetically pleasing designs incorporated into the Development, and to protect and promote values for the Development and Dwellings located therein or thereon, no Lot site plan will be undertaken (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) nor any structures placed, erected, or installed upon any Lot or adjacent to any Lot where the purpose of the structure is to service the Lot, except in accordance with this Article 3 and upon approval as herein provided unless specifically exempted from the application and approval requirements hereof by specific terms and conditions hereof pursuant to this Declaration or pursuant to a writing signed by Declarant in recordable form. Structures existing on the Property as of the date of the recording of the Declaration shall not be subject to the Design Guidelines.

3.2 Architectural Review Committee. The Declarant will establish an Architectural Review Committee ("ARC") to administer the architectural and aesthetic approval process for the Development. The ARC under this Declaration will consist of not more than five (5) nor less than three (3) members, who need not be Lot Owners. The terms of office for each member and other matters of governance to be applicable to the ARC, will be established by the Declarant prior to the time any review and approval process hereunder would otherwise have to take place. A member appointed by the Declarant may be removed with or without cause by the Declarant at any time by written notice to the appointee, and any successor appointed to fill the vacancy will serve the remainder of the term of the former member. Notwithstanding the foregoing to the contrary, any member appointed to the ARC following assignment of the whole or any portion of ARC functions pursuant to Section 3.2.1 below is subject to the prior approval of Declarant until that date which is three (3) years following the termination of the Declarant Control Period. The ARC is responsible for administering the Design Guidelines, adopted and amended from time to time as hereinafter provided, and for the review and approval process conducted in accordance with this Article 3. The ARC is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the ARC in performing its functions set forth herein. The ARC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the committees in having any application reviewed by architects, engineers or other professionals.

3.2.1 Right to Assign ARC Functions. The Declarant reserves the right to assign to the Association, at its sole discretion at any time during the Declarant Control Period, the whole or any portion of its rights reserved in this Declaration which are exercisable by the ARC. The Association does hereby agree to accept any such assignment of rights without the necessity of any further action by it. Upon the expiration of three (3) years following the termination of the Declarant Control Period, any then remaining ARC rights of the Declarant are deemed assigned to the Association, which will succeed to all the rights of Declarant over the ARC then remaining unassigned without further action on the part of either the Declarant or the Association.

3.2.2 Liability of ARC Members. No member of the ARC, or any assignee of rights hereunder, will be liable to any Unit Owner for any decision, action or omission made or performed by the ARC member in the course of his duties unless the member acted in bad faith or in reckless disregard of the rights of any person or of the terms of this Declaration.

(a) Indemnification. Until all the ARC functions are assigned, the Declarant will, to the full extent permitted by law, indemnify all persons designated from time to time by the Declarant to serve as members of the ARC exercising unassigned rights hereunder from and against any liability, including attorney fees, as may be incurred by the members contrary to the provisions of this Section 3.2.2. Following any such assignment by the Declarant, members of the ARC or successor board exercising rights so assigned are indemnified by the Association.

3.3 Design Guidelines. The Declarant will prepare the initial design and development guidelines, as well as the form of application and review procedures therefor (the "Design Guidelines"), which will apply to all development and construction activities within the Development. The Design Guidelines may contain general provisions applicable to all of the Development, as well as specific provisions which may vary according to Community, location therein, unique characteristics, and intended use.

3.3.1 Interior Improvements. Generally speaking, the Design Guidelines will not cover interior improvements, which will, generally, not be subject to review and approval by the ARC, unless the review and approval may otherwise be required because the interior improvements are made within an area plainly within view of adjacent properties.

3.3.2 Drainage. The Design Guidelines may provide that, in connection with the ARC's approval and to prevent excessive drainage or surface water runoff, the ARC may have the right to establish a maximum percentage of property which may be covered by buildings, structures, or other improvements, which guidelines may be promulgated on the basis of topography, percolation rates of the soil, soil types and conditions, vegetation cover, and other environmental factors, or to impose guidelines for the installation of storm water management facilities deemed appropriate to limit or control runoff.

3.3.3 Siting, Setbacks, Height and Impervious Area Limitations. Unless otherwise specifically provided or allowed in writing by the Declarant or by applicable zoning or governmental authority, and subject to the limitation provided in Section 3.3.3(a) below, the siting of improvements, including driveways, setbacks from other properties, and maximum Dwelling height and impervious area limitations will be vested solely in the ARC and promulgated in the Design Guidelines. Any such limitations established by the ARC or the Declarant may be more, but not less, restrictive than zoning or other governmental authority and shall take precedence over the same.

(a) Phase II Stormwater Filter Buffer. A stormwater filter buffer of 50 foot average width shall be located landward along the established DHEC-OCRM critical line as shown on the Phase II Plat (the "Phase II Stormwater Filter Buffer"). The Phase II Stormwater Filter Buffer is intended to provide a strip of natural vegetation through which runoff from yards will be filtered prior to entering the marsh (to remove/reduce fertilizers, pesticides, and/or pet waste). No clear-cutting, filling, excavation or construction activity (other than necessary for permitted drainage of water access structures approved by the ARC) shall be allowed within the Phase II Stormwater Filter Buffer. Limited clearing of trees and ground cover to provide and maintain sight vistas may be allowed by the ARC, subject to the ARC's approved clearing guidelines and locations therefor. Only indigenous vegetation or species that are naturally adapted to local conditions without fertilization shall be planted within the Phase II Stormwater Filter Buffer, and subject to an ARC-approved landscape plan therefor. All ARC approval required or permitted under this Section 3.3.3(a) shall be undertaken pursuant to the ARC's jurisdiction under Section 3.4 below.

3.3.4 Other Guidelines. The Development's Design Guidelines may provide, in the sole discretion of Declarant, and, following the Declarant Control Period, the ARC, applicable guidelines (a) prohibiting

or restricting the erection and use of temporary structures; (b) setting permissible times of construction and requirements concerning construction debris; (c) covering the allowance of and, where allowed, the content, size, style and placement location for signage; (d) requiring or encouraging visually screened service and boat storage yard areas; (e) establishing exterior lighting design and location criteria; (f) prohibiting or limiting installation and use of wells; (g) requiring installation of mailboxes of consistent design and composition, and (h) setting conditions for property subdivision or consolidation, and for subjecting Development property to further covenants, conditions, restrictions and easements; provided, however, Declarant's activities may be excepted or exempted from any and all such guidelines. The within listing of possible guidelines is not an exhaustive listing and is intended merely to provide an example of the diversity of guidelines as may be incorporated in the Design Guidelines, and will not act as a limitation upon guidelines and guidelines as may or may not be implemented.

3.3.5 Guidance: Final Authority of ARC: The Design Guidelines are intended to provide guidance, and will not be the exclusive basis for decisions of the ARC, and compliance with the Design Guidelines may not guarantee approval of any application. The ARC will have the sole discretion to determine whether plans and specifications submitted for approvals are acceptable to it. The refusal of approval of any plans and specifications or the approval of same as a variance from any the Design Guideline may be based by the ARC upon any ground which is consistent with the objects and purposes of this Declaration, as may be supplemented by the Design Guidelines, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

3.3.6 Inspections and Permit and Certificate Issuance: The Design Guidelines may also provide procedures for ARC inspection of work, for the issuance of a permit to commence work and for issuance of a certificate following completion thereof, in addition to any such permits and certificates as may be issued by governmental authority with jurisdiction thereof, which may constitute conditions precedent to use or occupancy.

3.3.7 Fees and Charges: In addition to application fees and charges, the Design Guidelines may provide a schedule of fees, charges, required damage or other deposits, fines for noncompliance, and other amounts due and payable by an Owner as part of the application, review and approval processes, which schedule the ARC may increase, modify and amend at any time. All fees and charges provided herein will constitute specific Assessments and a lien upon the Unit to which the fees and charges relate.

3.4 ARC Building Construction and Landscaping Approval: To preserve the architectural and aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever, and no construction of improvements of any nature whatsoever, will be commenced or maintained by the Association or any Owner, other than Declarant, on any portion of the Development, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, decks, patios, courtyards, amenities and recreational facilities, walls, fences, or exterior lights, nor will any building construction, exterior addition, change or alteration, be made (including, without limitation, painting or staining of any exterior surface), unless and until application is made to the ARC pursuant to the Design Guidelines and the plans and specifications therefor are approved by the ARC.

3.5 Approval Not a Guarantee: No approval of plans and specifications and no publication of Design Guidelines by the ARC will be construed as representing or implying that the plans, specifications, or guidelines will, if followed, result in properly designed improvements. Such approvals and guidelines will in no event be construed as representing or guaranteeing that any dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, nor the ARC is responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article 3, nor any defects in construction undertaken pursuant to the plans and specifications.

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ARTICLE 4. PLAN OF DEVELOPMENT FOR DOCKS ALONG ADJACENT WATERWAYS: OTHER ENVIRONMENTAL MATTERS

4.1 Construction of Docks and Bulkheads. Owners of Lots fronting on a navigable, saltwater creek or waterway may be permitted to erect dock and/or bulkheads (where appropriate in the discretion of the Declarant and governmental authority with jurisdiction thereof) upon their Lots and between the outer boundary of their Lots and the high water mark of contiguous navigable waters upon complying with the following terms and conditions:

4.1.1 Plans and Specifications; Siting. Complete plans and specifications, including color or finish must be submitted to the ARC in writing for approval in accordance with Article 3, and must conform to the architectural standards therefor adopted by the ARC in conformity with construction, siting and other conditions established by OCRM, including, but not limited to, requirements concerning permitted roof structures, lighting, maximum lengths, and square footage. Docks shall only be constructed within an area of said Lot which is more than twenty (20') feet from the centerline of the extended corridor lines applicable thereto and shown on the copy of the Dock Master Plan ("DMP") approved by the Office of Ocean and Coastal Resource Management of the S.C. Department of Health and Environmental Control ("OCRM") and attached as Exhibit "D" (a larger copy of which is maintained at the offices of the Declarant); provided, however, the ARC will approve a dock being built within said area and less than twenty (20) feet from the centerline of the extended corridor line shown applicable thereto if, and only if, the dock to be constructed is for the benefit of said Lot and one or more adjacent or nearly contiguous Lots to the same extended corridor line shown on the DMP; all Owners affected thereby or joining in the construction of said dock join in the submittal to be made to the ARC and OCRM; valid and enforceable easements for access to and from said dock are executed by all Owners affected thereby; and the plans and specifications for said dock conform to the architectural standards adopted for such multiple user dock and are approved by OCRM.

(a) Joint Docks.

(i) General Rules of Law of Party Structures to Apply. Every joint dock built for the use and benefit of more than one Owner shall constitute a party structure. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(ii) Maintenance; Damage and Destruction. All Owners who make use of a joint use dock shall share the cost of reasonable repair and maintenance equally. If a joint use dock is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the joint use dock may restore it. If another Owner subsequently uses the restored dock, he shall contribute equally to the restoration cost. However, any such contribution will not prejudice the right to call for a larger contribution from another joint dock user under any rule of law regarding liability for negligent or willful acts or omissions.

(iii) Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(iv) Disputes. Any dispute concerning a joint use dock wall shall be subject to the dispute resolution procedures set forth in Article 14.

4.1.2 Governmental Approval of Docks. Owners shall comply with all applicable governmental regulations, laws and ordinances for obtaining approval from agencies having approval authority, including, but not limited to, the OCRM. No representation is made by Declarant that any such agency approval will be granted, nor shall any such representation be inferred from the matters set forth herein. The copy of the plat of the DMP attached

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as Exhibit "D" and the establishment of extended corridor lines shown on the DMP are intended solely as a means to promote Declarant's plan of development to maintain and enhance responsible conservation and recreational opportunities along the Development's abutting waterways, and do not constitute a covenant, guaranty or warranty to any Owner that required agency approval(s) will be granted. Declarant reserves the right to adjust any extended corridor line shown on the DMP now or hereafter established if such adjustment is deemed by Declarant to be warranted to give full effect to its development plan, and such change to the DMP is approved by OCRM.

4.1.3 Alteration of Docks. Any alterations of the plans and specifications or of the completed structure must also be submitted to the ARC in writing and the ARC's approval in writing must be similarly secured prior to construction, the ARC being granted the same rights to disapprove alterations as it retains for disapproving the original structures. Governmental approval of any such alteration shall be undertaken and completed as may be required by the original permit therefor and by applicable regulations.

4.1.4 Maintenance of Docks. All Owners who construct, or cause to be constructed, docks as herein provided, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree, if required by the ARC, to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings, and to maintain such paint or preservatives in an attractive manner. The ARC shall be the judge as to whether the docks are clean, orderly in appearance, and properly painted or preserved in accordance with reasonable standards as may be adopted therefor by the ARC, and where the ARC notifies the particular Owner in writing that said dock fails to meet acceptable standards, said Owner shall thereupon remedy such conditions within thirty (30) days of notice from and to the satisfaction of the ARC, and that failing to so remedy such conditions, each affected Owner hereby covenants and agrees that the ARC may make the necessary repairs, but is not obligated to do so, or take such actions as will bring said dock up to acceptable standards, all such repairs and actions to be at the sole expense of the Lot Owner in question and a lien upon his Lot as a specific Assessment.

4.2 Wood Stork Roosting Area. Lots 30, 31, 32, 37, 38, 39, 40, 41, 42 and 43 are adjacent to or in the vicinity of an impoundment area, which serves as or is in proximity to a wood stork roosting area, a bird protected by law as an endangered species. Each Owner of Lots 30, 31, 32, 37, 38, 39, 40, 41, 42 and 43, by acceptance of a deed thereto, hereby acknowledges and agrees that the Lot and the Owner and Occupants thereof may be subject to guidelines adopted by the ARC, in conformity with requirements of the United States Department of the Interior, that may limit the time and scope of construction and other human activity within established setbacks from identified wood stork roosts. A copy of such guidelines and United States department of the Interior requirements forming the basis therefor are available from the Declarant and the ARC.

ARTICLE 5. OWNERS' COVENANTS AND USE RESTRICTIONS

5.1 Building Restrictions. Except as may be otherwise set forth in this Declaration, in the Site Plan, in any Supplemental Declaration, in any agreement with Declarant, the maintenance of structures existing as of the date of filing of this Declaration, or by specific deed restriction, the following building restrictions will apply with respect to the properties subject to this Declaration:

5.1.1 Number of Buildings on Lots. No structure will be constructed on a Lot other than one (1) Dwelling and one (1) accessory building, which may include a detached private garage, servant's quarters, guest house or pool house, provided the use of such dwelling or accessory building does not overcrowd the Lot and provided further, that such building is not used for any activity normally conducted as a business. Such accessory building may not be constructed prior to the construction of the main building. A guest suite or like facility may be included as part of the main dwelling or accessory building, but said suite may not be rented or leased except as part of the entire premises including the main dwelling.

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5.1.2 Square Footage Requirements. All residential Dwellings constructed on the Lots shall have a minimum of two thousand five hundred (2,500) square feet of living space, being the enclosed and covered areas within the Dwelling, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyard, greenhouses, atriums, storage areas, attics, and basements.

5.1.3 Completion of Improvements. The exterior of all Dwellings and other structures constructed upon any Lot must be completed within eighteen (18) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder thereof due to strikes, fires, national emergencies or natural calamities. No Dwelling under initial construction shall be occupied until construction is completed and all necessary approvals of any governmental authorities have been obtained.

5.1.4 Other Requirement of Residences. In addition, all residential structures constructed on a Lot will be designed and constructed in compliance with the requirements of the Building Code of Charleston County, and/or such other political subdivision with jurisdiction thereof, related to construction in flood hazard areas.

5.2 Trees. No Owner, other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6) inches or more at a point of four and one-half (4½) feet above the ground level, or other significant vegetation as designated, from time to time, by the ARC, without obtaining the prior approval of the ARC, provided that dead or diseased trees which are inspected and certified as dead or diseased by the ARC or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any property by the Owner thereof. Nothing herein shall be construed so as to limit any applicable law or ordinance.

5.3 Alteration of Setback Lines in the Best Interest of Development. Where because of size, natural terrain, or any other reason in the opinion of the Declarant, it should be in the best interest of the Development that the setback lines of any Lot should be altered or changed, then the Declarant reserves unto itself, its successors or assigns, and no other, the right to change said setback lines to meet such conditions. The Declarant specifically reserves the right to transfer and assign this right of approval to the ARC hereinafter established.

5.4 Use of Lots and Dwellings. Except as permitted by Section 5.21, each Lot and Dwelling will be used for residential purposes only, and no trade or business of any kind may be carried on therein. The use of a portion of a Dwelling as an office by an Owner or Occupant will not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic; provided that in no event will any Lot or Dwelling be used as the office of or storage area for any building contractor, real estate developer or real estate broker, except as may be on a temporary basis, with the express written approval of the Declarant during the Declarant Control Period, and thereafter by the Board of Directors, and in accordance with reasonable rules and regulations promulgated therefor. Nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on a Lot or the showing of Dwellings for the purpose of selling houses in the Development; and nothing herein shall be construed to prevent the Declarant or its permittees from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales in the Development. Lease or rental of a Dwelling for residential purposes will also not be considered to be a violation of this covenant so long as the lease (a) is for not less than the entire Dwelling and all the improvements thereon; and (b) is otherwise in compliance with rules and regulations as may be promulgated and published from time to time by the Declarant and the Board of Directors. All leases or rental agreements will be required to be for a duration of 6 months or more and will be in writing, and upon request, the Owner will provide the Declarant and Board of Directors with copies of such lease or rental agreement. Any Occupant will in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

5.4.1 Time Sharing and Vacation Multiple Ownership Plans. No part of the Property subject to this Declaration, including any improvements thereon or to be built thereon, will be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan, as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, *et seq.*, or any subsequent laws of this State dealing with that or similar type of ownership by a Unit Owner, or which is used for, in conjunction with and/or as an advertised part of any time share exchange program which makes available as accommodations the Unit and which is not otherwise registered as a Vacation Time Sharing Plan or Vacation Multiple Ownership Plan or which utilizes the Unit as accommodations for time share sale prospects of any person, without the prior written approval of the Declarant, which it may grant or deny in whole, or may grant to some and deny to others, in its sole discretion.

5.5 Antennas. No television antenna, radio receiver, or other similar device will be attached to or installed on any portion of the Development, except as required by the Telecommunications Act of 1996 and implementing rules therefor issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, the Declarant and the Association will not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Development.

5.6 Clotheslines. No clotheslines or drying yards shall be located upon the premises so as to be visible from any Common Area or from any adjoining property or Lot.

5.7 Propane Gas Tanks. Any propane gas tanks shall either be buried underground on the Lot or screened from view in accordance with design guidelines adopted therefor by the ARC.

5.8 Firearms and Fireworks. No firearms or fireworks of any variety shall be discharged upon the Lots, in any Dwelling or upon any Common Area. The term "firearms" shall include, without limitation, guns, "B-B" guns and pellet guns.

5.9 Exclusion of Above Ground Utilities. All electrical services and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antenna shall be erected, placed or maintained on any part of a Lot. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the Development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

5.10 Signs. Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including, but not limited to, "For Rent," "For Sale," and other similar signs, shall be erected by an Owner, the Association, or any agent, broker, contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any window or on the exterior of any improvements or on any unimproved portion of property located within the Development, without the express written permission of the ARC. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the ARC and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 5.10 shall not apply to the Declarant or to any person having the prior written approval of the Declarant. In addition, the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas in accordance with architectural design standards adopted therefor by the ARC and approved by governmental authority with jurisdiction thereof.

5.11 Pets. No animals of any kind shall be kept by any Occupant upon any portion of the Development, provided that a reasonable number of generally recognized house pets, not to exceed three (3), may be kept in Dwellings, subject to rules and regulations adopted by the Association, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an

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unreasonable amount of noise or to become a nuisance. Pets shall be under leash at all times when walked or exercised in any portion of the Common Areas, and the owner of such pet shall clean up after such pet. Upon the written request of any Occupant, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section 5.11, a particular pet is a generally recognized house pet or such pet is a nuisance, and the Board shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have the further right, subject to Section 13.2, to fine any Occupant for the violation of these pet restrictions by such Occupant, and the Occupant shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the Occupant's pet. Any such fine or cost of repair shall be added to and become a part of that portion of any Assessment next coming due to which such Dwelling and its Owner are subject.

5.12 Lakes. No lake area shown on any map of the Development shall be used for swimming, boating or diving, nor shall the use of any personal flotation devices, jet skis or other such items be permitted on any lake. Fishing by Owners may be permitted subject to Association rules and regulations. No piers, docks or barriers shall be constructed on any portion of lakes, streams or ponds, nor attached to the shoreline or banks thereof, except those that may be constructed by the Declarant. No Lot Owner may use or permit to be used any water from any lakes or other bodies of water for irrigation of such Owner's Lot. Neither the Declarant nor the Association shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within or contiguous to the Development. Nothing shall be done which disturbs or potentially disturbs wetlands within the Development in any manner unless approved by the proper regulatory authority. No dredging or filling shall be undertaken on any property adjacent to any water body or wetland.

5.13 Drainage. No Owner shall channel or direct drainage water onto a neighboring Lot or Common Area except in accordance with a drainage plan approved by Declarant.

5.14 Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Subdivision. Exterior sculpture, fountains, flags, and similar items are subject to Declarant's or the ARC's prior approval; provided, however, that nothing contained herein shall prohibit the appropriate display of the American flag.

5.15 Nuisances. No rubbish or debris of any kind will be dumped, placed, or permitted to accumulate upon any portion of the Development, nor will any nuisance or odors be permitted to exist or operate upon or arise from the Development, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of the Development. Noxious or offensive activities will not be carried on in any part of the Development, and the Association and each Owner and Occupant will refrain from any act or use which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the Occupants of other portions of the Development or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security and fire alarm devices used exclusively for such purposes, will be located, used, or placed within the Development, except as may be permitted pursuant to terms, conditions, rules and regulations adopted therefor by the Board of Directors. Any Owner or Occupant who dumps or places any trash or debris upon any portion of the Development will be liable to the Association for the actual costs of removal thereof plus an administrative fee of \$100.00, or such other sum set therefor by the Board as a recoupment of administrative costs in administering the cleanup and notices to the Owner and Occupant, and such sum will be added to and become a part of that portion of any Assessment next becoming due to which such Owner and his property is subject.

5.16 Motor Vehicles, Trailers, Boats, Etc. Each Owner will provide for parking of automobiles off the streets and roads within the Development. There will be no outside storage or parking upon any portion of the Development of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than

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pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices, except on the Owner's Lot and if screened from view in accordance with design guideline adopted therefor by the ARC. Furthermore, although not expressly prohibited hereby, the Board of Directors may at any time prohibit or write specific restrictions with respect to the operating of mobile homes, motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts, all terrain vehicles (ATVs), and other vehicles, or any of them, upon any portion of the Development if in the opinion of the Board of Directors such prohibition or restriction will be in the best interests of the Development. Such policies may change from time to time with changing technology. The storage of any such vehicles on an Owner's Lot within an area screened from view in accordance with design guidelines adopted therefor by the ARC will be permitted, even if operating the same is prohibited. No Owners or other Occupants of any portion of the Development will repair or restore any vehicle of any kind upon or within a property subject to this Declaration except (a) within enclosed garages; (b) within an area screened from view in accordance with design guidelines adopted therefor by the ARC; or (c) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

5.17 Mining and Drilling. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the Development; nor shall any oil, natural gas, petroleum, asphalt or hydrocarbon products or materials of any kind be produced or extracted from the premises.

5.18 Garbage Disposal. Each Lot Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the Declarant, or a roll-out garbage rack of the type approved by the Declarant, which shall be visible from the streets on garbage pickup days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal of garbage on any Lot or within the Development shall be permitted (except vegetative debris may be burned only during the period of construction of improvements on any Lot); provided, however, the Declarant shall be permitted to modify the requirements of this Section 5.18 where necessary to comply with orders of governmental bodies.

5.19 Owner's Landscape Maintenance Between Lot Line and Adjacent Paving. Each Owner will be responsible for maintaining on a regular basis the landscaping, if any, and ground cover along the right-of-way roadside or sidewalk, as applicable, bordering the Owner's Lot, whether or not such area is a part of the Owner's Lot. Each Owner will perform such maintenance within the unpaved area of right-of-way immediately adjacent to a Lot's lot line, and will be of such quality of maintenance as is required to maintain a Development consistency in appearance and cleanliness. An Owner's responsibility under this Section 5.19 to provide regular maintenance will be fulfilled regardless of whether or not an Owner has constructed improvements upon his Lot or whether or not the Owner permanently resides outside of the Development.

5.20 Owner's Landscape Maintenance Between Lot Line and Adjacent Lake or Pond. Each Owner will be responsible for maintaining on a regular basis the landscaping, if any, and ground cover along the edge of any lake or pond (above the waterline, from time to time existing) bordering the Owner's Lot, whether or not such area is a part of the Owner's Lot. Each Owner will perform such maintenance with such quality of maintenance as is required to maintain a Development consistency in appearance and cleanliness. An Owner's responsibility under this Section 5.20 to provide regular maintenance will be fulfilled regardless of whether or not an Owner has constructed improvements upon his Lot or whether or not the Owner permanently resides outside of the Development.

5.21 Development Sales and Construction Activities of Declarant. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, the Declarant and its agents, employees, successors, and assigns are permitted to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the development, completion, improvement, and sale of the whole or any portion of the Property, including, without limitation, the installation and operation of development, sales and construction trailers and offices, signs and models, provided that the location of any such trailers or any assignees of Declarant's rights under

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this Section 5.21 are subject to Declarant's prior written approval. The right of Declarant to maintain and carry on such facilities and activities will include specifically the right of Declarant to use Dwellings as models and as offices for the sale or lease of Lots and Dwellings and for related activities.

5.22 Use of Trademark. Each Owner and Occupant, by acceptance of a deed to any lands, tenements or hereditament within the Development hereby acknowledges that "The Anchorage" is a service mark and trade mark. Each Owner and Occupant agrees to refrain from misappropriating or infringing this service mark or trademark.

5.23 Owner Recording Additional Restrictions on Property. No Owner may impose additional restrictive covenants on any lands within the Property, beyond those contained in this Declaration without approval of the Declarant during the Declarant Control Period, and thereafter without consent of the Board of Directors. The Declarant may impose additional restrictive covenants on property then owned by the Declarant without the consent of any other Owner or the Association.

5.24 Repurchase Option. Until termination of the Declarant Control Period, until the expiration of ten (10) years following the date this Declaration is placed Of Record, or until the rights of the Declarant set forth in this Section 5.24 are relinquished by the Declarant in a writing filed Of Record, whichever shall occur first, the Declarant will have the right and option to purchase any Lot or Dwelling within the Development which is offered for sale by the Owner thereof, such option to be at the price and on the terms and conditions of any bona fide offer therefor which is acceptable to such Owner and which is made in writing to such Owner. The Owner will promptly submit a copy of the same to Declarant, and Declarant will have a period of ten (10) business days (exclusive of Saturday, Sunday and Federal holidays) from and after the presentation of such offer to Declarant in which to exercise its purchase option by giving such Owner written notice of such exercise in accordance with Section 16.15. If Declarant fails to respond or to exercise such purchase option within said ten (10)-day period, Declarant will be deemed to have waived such purchase option. If Declarant responds by declining to exercise such option, Declarant will execute an instrument evidencing its waiver of its repurchase option, which instrument will be in recordable form. In the event that Declarant does not exercise its purchase option and such sale to a third party is not consummated on such terms and conditions set forth in the bona fide offer within six (6) months of the date in which the offer is transmitted to Declarant, or within the period of time set forth in such bona fide offer, whichever is later, the terms and limitations of this Section 5.24 will again be imposed upon any sale by such Owner. If Declarant elects to purchase, the transaction will be consummated within the period of time set for closing in said bona fide offer, or within thirty (30) days following delivery of written notice by Declarant to such Owner of Declarant's decision to so purchase such Lot or Dwelling, whichever is later.

5.25 Owner's Re-subdivision. No Common Area or Lot will be subdivided, or its boundary lines changed, nor will application for the same be made to any political subdivision with jurisdiction thereof, except with the prior written approval of the Declarant, during the Declarant Control Period, and thereafter except with the prior written approval of the Board of Directors. However, the Declarant reserves the right to so subdivide, and to take such other steps as are reasonably necessary to make the re-platted property suitable and fit as a building site, including, but not limited to, the relocation of easements, walkways, rights-of-way, private roads, bridges, parks, and Common Areas.

5.25.1 Consolidation of Lots. The provisions of this Section 5.25 will not prohibit the combining of two (2) or more contiguous Lots into one (1) larger Lot. Following the combining of two (2) or more Lots into one (1) larger Lot, only the exterior boundary lines of the resulting larger Lot will be considered in the interpretation of this Declaration. Consolidation of Lots, as described herein, must be approved by the Declarant during the Declarant Control Period, and thereafter by the Board of Directors, said approval to be granted in its respective sole discretion upon the terms and conditions established by it from time to time, including specific provisions for the payment of Assessments.

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5.26 Assignment of Declarant's Rights to the Association. The Declarant reserves the right to assign to the Association, at its sole discretion, its rights reserved in this Declaration, including all rights set forth in this Article 5. The Association hereby agrees to accept any and all assignments of rights hereunder, and no further action will be required by it.

5.27 Other Rights and Reservations. THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE WILL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY THE DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

ARTICLE 6. PROPERTY RIGHTS

6.1 General Rights of Owners. Each Lot and Dwelling will for all purposes constitute real property which will be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. Each Owner will be entitled to the exclusive ownership and possession of his said property, subject to the provisions of this Declaration, including, without limitation, the provisions of this Article 6. If any chutes, flues, ducts, conduits, wires, pipes, plumbing, or any other apparatus or facilities for the furnishing of utilities or other services or for the provision of support to any Lot or Dwelling lie partially within and partially outside of the designated boundaries of the Lot, any portions thereof which serve only such property will be deemed to be a part thereof, and any portions thereof which serve more than one such Lot or Dwelling or any portion the Common Areas will be deemed to be a part of the Common Areas. ~~Ownership of each property subject to this Declaration will include, and here will pass with each property as an appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, and the limitations applicable, which will include, but not be limited to, membership in the Association. Each Owner will automatically become a Member of the Association and will remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association will automatically pass to his successor-in-title to his or its property.~~

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6.2 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the By-Laws and the terms hereof, every Owner and Occupant will have a ~~nonexclusive right, privilege, and easement of use and enjoyment in and to the Common Areas, to the extent so entitled hereunder, such easement to be appurtenant to and to pass and run with title. Subject to the rights, restrictions, reservations, covenants, easements and obligations reserved, granted or ascertainable in accordance with this Declaration, including, but not limited to,~~

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6.2.1 Right Of Association To Borrow Money. The right of the Association to borrow money (a) for the purpose of improving the Development, or any portion thereof, (b) for acquiring additional Common Areas, (c) for constructing, repairing, maintaining or improving any facilities located or to be located within the Development, or (d) for providing the services authorized herein, and, subject to the provisions of Section 11.2, to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

~~The rights and easements specifically reserved to Declarant in this Declaration.~~ The rights and easements specifically reserved to Declarant in this Declaration.

6.2.3 Association's Rights to Grant and Accept Easements. The right of the Association to grant and accept easements as provided in Section 6.7 and to dedicate or transfer fee simple title to all or any portion of the Common Areas to any public agency or authority, public service district, public or private utility, or other person, provided that any such dedication or transfer of the simple title must be approved by a majority of those present in person or by proxy at a duly held meeting of the Association and by Declarant, during the Declarant Control Period and thereafter for so long as Declarant owns any of the Property primarily for the purpose of development or sale.

6.2.4 Association's Rights and Easements. The rights and easements specifically reserved in this Declaration for the benefit of the Association, its directors, officers, agents, and employees.

6.2.5 Declarant's Easements for Additional Property. The Declarant's right to add Additional Property to this Declaration pursuant to Section 2.2.1 and the rights and easements reserved in Section 6.5.1 hereof for the benefit of the Additional Property so added to this Declaration.

6.3 Access, Ingress and Egress, Roadways. All Owners, by accepting title to property conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress will be limited to roads, sidewalks, walkways, and trails located within the Development from time to time, provided that pedestrian and vehicular access to and from all such property will be provided at all times. Subject to the right of the Declarant to dedicate any roadways within the Development pursuant to Section 6.3.2, there is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Development, provided that access to the Property may be granted to any person who gives reasonable evidence satisfactory to entry guards, if there are any, that entry is with the specific permission of the Owner, or his duly authorized agent. Neither the Declarant nor the Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Property in accordance with the foregoing.

NEITHER THE DECLARANT NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF ANY GATE OR CONTROLLED ACCESS TO THE PROPERTY OR SAFETY MEASURES UNDERTAKEN WITH RESPECT THERETO BY EITHER OR BOTH OF THEM, NOR SHALL EITHER OR BOTH BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE CONTROLLED ACCESS OR SAFETY MEASURES, OR FROM LEAVING ANY GATE OPEN, AS PERMITTED UNDER SECTION 6.3.3 BELOW, OR FROM A FAILURE OR INEFFECTIVENESS OF ANY SUCH CONTROLLED ACCESS OR SAFETY MEASURES UNDERTAKEN BY EITHER OR BOTH OF THEM. NO REPRESENTATION, WARRANTY OR COVENANT IS GIVEN TO ANY OWNER OR OCCUPANT BY EITHER OR BOTH OF THE DECLARANT AND THE ASSOCIATION THAT ANY CONTROLLED ACCESS OR SAFETY MEASURES INSTALLED OR UNDERTAKEN CANNOT BE BYPASSED OR COMPROMISED, OR THAT THEY WOULD, IN FACT, AVERT DAMAGE OR LOSS RESULTING FROM THAT WHICH THEY ARE DESIGNED TO PREVENT, AND EACH OWNER BY ACCEPTANCE OF A DEED TO A LOT OR DWELLING AND EACH OCCUPANT THEREOF SHALL INDEMNIFY AND HOLD THE DECLARANT AND ASSOCIATION HARMLESS FROM ANY DAMAGE AND COSTS AND EXPENSES, INCLUDING ATTORNEY FEES, INCURRED BY EITHER OR BOTH OF THEM AS A RESULT OF ANY SUCH ASSERTION OR DETERMINATION.

6.3.1 Uniform Act Regulating Traffic. In order to provide for safe and effective regulation of traffic, the Declarant reserves the right to file Of Record the appropriate consent documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976)

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applicable to all of the private streets and roadways within the Development. Moreover, the Declarant may promulgate from time to time additional parking and traffic regulations which will supplement the above-mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in the Development. These supplemental regulations will initially include but will not be limited to those set out hereinafter and the Declarant reserves the right to adopt additional regulations or to modify previously promulgated regulations from time to time and to make such adoption or modification effective thirty (30) days after mailing notice of same in accordance with Section 16.15 to the record Owners within the Development as of January 1 of the year in which such regulations are promulgated.

(a) The Declarant, or the Association after title to any private streets and roadways has passed to it from the Declarant, may post "no parking" signs along such private streets and roadways within the Development where it, in its sole discretion, determines it to be appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and will be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicles will not be deemed a trespass or a violation of the Owners' property rights, because the Owner will be deemed to have consented to such action by accepting the right to use the private roads and streets within the Development.

6.3.2 Public Roadways Within The Development: The Declarant reserves the right to dedicate any portion of the roadways within the Development to the State of South Carolina or any political subdivision thereof for the purpose of granting public access thereto and over said roadway and for the purpose of having said political subdivision assume responsibility for maintenance of such roadways. The Declarant further reserves the right to impose upon the Association the requirement of maintaining any such dedicated roadway until such time as the roadway is brought up to standards acceptable to such public body and maintenance thereof is assumed by such public body; provided, however, Declarant may, in its sole discretion, reserve an easement over any such public roadway to be primarily maintained by such public body for the purpose of doing additional maintenance to said public streets and roads and to maintain landscaping along the unpaved rights-of-way thereof, and thereafter denominate in a Site Plan or Supplemental Declaration that said easement will constitute a Common Area of the Development to be maintained by the Association. The Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 12.5.1 hereof, in an amount sufficient to provide funds required to bring any roadway up to standards acceptable to any public body for the assumption by it of maintenance of a said roadway.

6.3.3 Declarant's Right to Maintain Open Gate: Notwithstanding anything herein contained to the contrary, the Declarant hereby reserves unto itself, its successors and assigns, the right and option to control any gate to the Development and to leave the gate in an open position for the unobstructed and uncontrolled passage of construction vehicles for persons engaged in both infrastructure and building construction activities. The within right, if exercised, will be limited to the hours of 6 a.m. to 6 p.m. and will terminate upon expiration of the Declarant Control Period.

6.4 Easements Over Private Roadways:

6.4.1 Public and Service Vehicles: Police, fire, water, health and other authorized municipal officials, employees and their vehicles; paramedic, rescue and other emergency personnel and their vehicles and equipment; school bus and U.S. Postal Service delivery drivers and their vehicles; private delivery or courier service personnel and their vehicles; and persons providing garbage collection services within the Development and their vehicles and equipment will each have a perpetual, non-exclusive easement for access, ingress and egress over the private roadways constituting a portion of the Common Areas, solely for the performance of their official duties.

6.4.2 McKee Tract Easement: There is hereby reserved for the use and benefit of Kelly T. McKee and Gladys H. McKee, their heirs and assigns (hereinafter, "McKee"), a non-exclusive, appurtenant easement

over and across the right-of-way shown and designated on the Site Plan as "ANCHOR WATCH DRIVE 70' R/W" from the point the said road intersects with Maybank Highway to the property now or formerly belonging to McKee located within or adjacent to the boundaries of the Development, and being the same easement described in Section 11.06 of the Walpole Declaration. McKee shall pay the sum of One Hundred Twenty-five and 00/100 (\$125.00) Dollars per year to the Association, as their share of the cost of upkeep of the road that they are entitled to use. The McKee's property is not a part of the Development unless and until the McKees or their heirs or assigns specifically agree that the property shall be part of the Development. McKee's use of the road and easement granted therein shall also be governed by the terms of those certain agreements Of Record in Book B90, Page 400 and Book A286, Page 57; provided, however, nothing herein shall be construed as to grant to the Association or any other person any right or option to acquire any property now or formerly belonging to the McKees. Nothing herein shall be deemed to provide to the McKees the right to use any Common Area of the Development except the road over which the McKees are granted the easement provided herein unless and until the McKees' property is added to the Development as provided in Section 2.2. The within easement is and shall remain appurtenant to the McKees' property and shall run with the land herein described.

6.5 Easements for Declarant: During the period that Declarant owns any of the Property for sale, Declarant will have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing improvements in and to the Lots and for installing, maintaining, repairing and replacing other improvements to the Property contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article 2, and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided in no event will Declarant have the obligation to do any of the foregoing. *purpose*

6.5.1 Declarant's Easements for Any Additional Property: There is hereby reserved for Declarant, and its successors, assigns, and successors-in-title to the Additional Property, for the benefit of and as an appurtenance to the Additional Property, when added to this Declaration pursuant to Section 2.2.1, and as a burden upon the then existing Development, perpetual, non-exclusive rights and easements for (a) pedestrian, vehicular, access, ingress, egress, parking over, across, within, and on all private roads, sidewalks, trails, parking facilities, and lagoons, from time to time located within the Common Areas or within easements serving the Common Areas, (b) the installation, maintenance, repair, replacement, and use within the Common Areas, and those portions of properties encumbered pursuant to Section 6.7 for security systems and utility facilities and distribution lines, including, without limitation, drainage systems, storm sewers, and electrical, gas, telephone, water sewer, and master television antenna and/or cable system lines, and (c) drainage and discharge of surface water onto and across the then existing Development, provided that such drainage and discharge shall not materially damage or affect the then existing Development or any improvements located thereon.

6.6 Changes in Boundaries; Additions to Common Areas: Declarant expressly reserves the right to change and realign the boundaries of the Common Areas and any Lots or Dwellings between such adjacent properties owned by Declarant, provided that any such change or realignment of boundaries will not materially decrease the acreage of the Common Areas and will be evidenced by a revision of or an addition to the Site Plan which will be filed Of Record.

6.7 Easements for Utilities: There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility, or other person, upon, over, under, and across (a) all of the Common Areas in accordance with this Declaration; (b) those strips of land, one hundred (100') feet in width, running adjacent to and parallel with the front lines of Lots, not to conflict with any drainage easements thereon, and as further shown on the Site Plan; and (c) such other such easement areas shown on any Site Plan or recited in any Supplemental Declaration for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and

similar systems, and all utilities, including, but not limited to, storm sewers and drainage systems and electrical, gas, telephone, water, and sewer lines. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board of Directors, provided, however, that during the Declarant Control Period and thereafter for as long as the Declarant owns any of the Property primarily for the purpose of development and sale, the Board of Directors must obtain the written approval of Declarant prior to granting and accepting any such easements. To the extent practical, in Declarant's sole discretion, all utility lines and facilities serving the Development and located therein will be located underground. By virtue of any such easement and facilities, it will be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonable necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

6.8 Easement for Walks, Paths, and Signs. There is hereby reserved for the benefit of Declarant and the Association the alienable, transferable, and perpetual right and easement upon, over and across (a) all portions of the Common Areas in which improvements are not constructed or erected, and (b) all areas shown and noted on any Site Plan or described in any Supplemental Declaration for the installation, maintenance, and use of sidewalks, leisure trails, bike paths, traffic directional signs, and related improvements.

6.9 Easements for the Association. There is hereby reserved a general right and easement for the benefit of the Association, and to any manager employed by the Association and any employees of such manager, to enter upon any Lot, Dwelling, or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner directly affected thereby.

6.10 General Maintenance Easement. There is hereby reserved for the benefit of Declarant and the Association an alienable, transferable, and perpetual right and easement to enter upon any Property subject to this Declaration for the purpose of providing insect and reptile control, mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash; so as to maintain reasonable standards of health, fire safety, and appearance within the Development; provided that such easements will not impose any duty or obligation upon Declarant or the Association to perform any such actions, or to provide garbage or trash removal services. Furthermore, it is hereby reserved for the benefit of the Declarant and the Association an alienable, transferable, and perpetual right and easement, but not the obligation, to enter upon any unimproved portions of a Lot or Dwelling which is located within twenty (20') feet from the water's edge of any lagoon, pond or other body of water within the Development for the purpose of (a) mowing such area and keeping the same clear and free from unsightly growth and trash, (b) maintaining such bodies of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards, and (c) installing, constructing, repairing, replacing, and maintaining erosion control devices, provided that the foregoing reservation of easements will not be deemed to limit the responsibility therefor by Owners under Section 8.1 hereof. The costs thereof incurred as a result of the action or inaction of any Owner will be paid by such Owner, and until paid will be a continuing lien upon the Owner's Lot or Dwelling.

6.11 Environmental Easement. There is hereby reserved for the benefit of Declarant and the Association an alienable, transferable, and perpetual right and easement on, over, and across all unimproved portions of properties subject to this Declaration for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Board of Directors, or by any governmental entity, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to disperse pesticides.

6.12 Irrigation Wells and Pumps. There is hereby reserved for the benefit of the Association, for the purpose of irrigating any portions of the Development, an alienable, transferable, and perpetual right and easement (a) to pump water from lagoons, ponds, and other bodies of water located within the Development, and (b) to drill, install, locate, maintain, and use wells and pumps within the Common Areas.

6.13 Easements Deemed Granted and Reserved. All conveyances of a Lot hereunder, whether by the Declarant or otherwise, will be deemed to have granted and reserved, as the context will require, all easements set forth in this Declaration, including, but not limited to, those set forth in this Article 6.

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

ARTICLE 7. MEMBERSHIP

7.1 Membership. Every Owner, including the Declarant, of a Lot and Dwelling will be a Member of the Association. Ownership of a Lot will be the sole qualification for such membership. In the event that fee title to a Lot or Dwelling is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto will automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate or otherwise affect an Owner's membership in the Association.

7.2 Voting Rights. The Association will have two (2) types of voting memberships which are as follows:

TYPE A: Type A Members will be Owners (including the Declarant) of Lots and Dwellings. A Type A Member will be entitled to one (1) vote for each Lot and Dwelling owned.

TYPE B: The Type B Member will be the Declarant or its designated assign. The Type B Member will be entitled to three (3) votes for each vote held by Type A Members, plus one (1) vote during the Declarant Control Period. Thereafter, the Type B Member will exercise votes only as to its Type A Memberships.

Payment of Special Assessments or Emergency Special Assessments will not entitle Type A Members to additional votes. Only those Members in good standing and eligible to vote pursuant to the Bylaws shall be entitled to cast any vote required or permitted hereunder, and only the votes of Members in good standing and eligible to vote shall be considered in any calculation of votes on any required percentage thereof.

7.2.1 Voting By Multiple Owners. When any Lot or Dwelling of a Type A Member of the Association is owned Of Record in the name of two or more persons, other than husband and wife (either of whose vote will bind both, by an entity, or in any other manner of joint or common ownership, the vote for such Lot or Dwelling will be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting, or the vote will be exercised by such co-Owner, or his duly appointed proxy, as will be designated in a writing by all co-Owners recorded in the R.M.C. Office for Charleston County, a copy of which will be delivered to the Secretary of the Association and will remain effective for all meetings until revoked by the co-Owners in a similar writing or until such designation terminates pursuant to the terms of such writing.

7.3 Association Governance by Board: The Association will be governed by a Board of Directors consisting of Three (3) or five (5) members. Initially, during the Declarant Control Period, the Board will consist of three (3) members appointed by the Declarant, and following expiration of the Declarant Control Period, the Board will consist of five (5) members elected as provided in the Bylaws of the Association.

7.4 Meetings and Membership Voting: Except as otherwise provided in this Declaration, rules and procedures of the Association, including, but not limited to, conducting elections, meetings (both regular and special), and for casting of votes by members, and the number thereof required for quorums and approval or ratification, shall be as set forth in the Bylaws.

ARTICLE 8. MAINTENANCE

8.1 Responsibilities of Owners. Unless specifically identified herein as the responsibility of the Association, all maintenance and repair of Lots and Dwellings, or the marsh and waterfront property adjacent to any such property, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within such property will be the responsibility of the Owner thereof. Each Owner will be responsible for maintaining his or its property in a neat, clean, and sanitary condition, and such responsibility will include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. Except as provided in Section 8.2.2 hereof, each Owner will also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. No Owner will (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling, building or other structure, or the landscaping, grounds, or other improvements within his or its property unless such decoration, change, or alteration is first approved, in writing, by the ARC, or (ii) do any work which, in the reasonable opinion of the Board of Directors, would jeopardize the soundness and safety of the Development, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the Board of Directors and the Owners, and the Mortgagees of property directly affected thereby or benefiting from such easement or hereditament.

8.2 Association's Responsibility

8.2.1 General. Except as may be herein otherwise specifically provided, the Association will maintain and keep in good repair all portions of the Common Areas and any easement area encumbering properties of Owners for which the Association is responsible under this Declaration, including responsibility prior to transfer to the Association in accordance with Section 2.3, or under any Supplemental Declaration, which responsibility will include the maintenance, repair, and replacement of (a) all drainage not under the expressly specified jurisdictional care and maintenance of any governmental authority, and walking, ingress and egress easements shown and noted on the Site Plan, (b) all private roads, road shoulders, walks, trails, lagoons, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas or easements, (c) security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of its said properties and which are not maintained by a public authority, public service district, public or private utility, or other person; and (d) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon its said properties. The Association will not be liable for injury or damage to any person or property (i) caused by the elements or by any Owner or any other person, (ii) resulting from any rain or other surface water which may leak or flow from any portion of its properties, or (iii) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor will the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of its properties or any other portion of the Property. No diminution or abatement of Assessments will be claimed or allowed by reason of any alleged failure of the Association to take some

action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association; or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments being a separate and independent covenant on the part of each Owner.

8.2.2. Work In Behalf of Owners. In the event that Declarant or the Board of Directors determines that: (a) any Owner or Occupant has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (b) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner or Occupant, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice in accordance with Section 16.15 of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner will have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15)-day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but will not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost will be added to and become a part of the Assessment to which such Owner and his property is subject and will become a lien against such property. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association will promptly reimburse Declarant for Declarant's costs and expenses.

ARTICLE 9. INSURANCE AND CASUALTY LOSSES

9.1 Insurance.

9.1.1 Association's Property Insurance. The Board of Directors will have the authority to obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association. Such coverage will insure all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

9.1.2 Association's Liability Insurance. The Board will have the authority to and will obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its Members, its directors and officers, or any of its agents. Such public liability policy will provide such coverages as are determined to be necessary by the Board of Directors.

9.1.3 Fidelity Bonds. The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Association. The total amount of the fidelity bond coverage required will be based upon the best business judgment of the Board of Directors. Fidelity bonds will meet the following requirements: (a) the Association will be named as an obligee; (b) the bonds will

contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and (c) the bond will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of a premium) without at least ten (10) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the fidelity bond.

9.1.4 Association's Other Insurance. The Board will have the authority and may obtain (a) workers' compensation insurance to the extent necessary to comply with any applicable laws and (b) other types and amounts of insurance as may be determined by the Board to be necessary or desirable, including, but not limited to, fidelity and directors' and officers' liability coverage.

9.1.5 Association's Policies. All such insurance coverage obtained by the Board of Directors will be written in the name of the Association as trustee for each of the Owners and costs of all such coverage will be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development will be vested in the Board of Directors; provided, however, that no mortgagee or other security holder of the Common Areas having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Insofar as permitted by law, the Association will be required to make every effort to secure insurance policies with the provisions hereinafter set forth:

(a) All policies will be written with a company holding a rating of A+ in a financial category of 10, or a better rating and financial category, as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best possible rating.

(b) All property insurance policies will be for the benefit of the Owners and their Mortgagees as their interests may appear.

(c) All policies will contain a waiver of the insurer's right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Association and to any Mortgagee to which a mortgagee endorsement has been issued.

(d) In no event will the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies will contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.

(e) All policies will contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the Owners, Occupants, and the Association's manager.

(f) All policies will contain a provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Owners or Occupants on account of the acts of any director, officer, employee, or agent of the Association or of its manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(g) All liability insurance will contain cross-liability endorsements to cover liability of the Association to an individual Owner.

9.1.6 Owner's Insurance. It will be the individual responsibility of each Owner at his own expense and election to provide public liability, property damage, title, and other insurance with respect to his or its

own Lot and Dwelling. The Board of Directors may require all Owners to carry public liability and property damage insurance with respect to their respective properties and to furnish copies or certificates thereof to the Association.

9.2 Damage or Destruction to Common Areas. Immediately after damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent will proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board will obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article 9, means repairing or restoring the damaged property substantially to the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns any of the Property primarily for development or sale, and the Board acting on the vote of seventy-five percent (75%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members (which percentage will also constitute the quorum required for any such meeting), will otherwise agree, the Association will restore or replace such damaged improvements. If any insurance proceeds for such damage or destruction are not sufficient to defray the cost thereof, including any amount attributable to Association's insurance deductible, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 12.5.1 hereof, such Special Assessment to be in an amount sufficient to provide funds to pay such excess cost or repair or reconstruction. Such a Special Assessment will be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such Assessments will be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and Assessments will be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs will be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid will not be repaired or reconstructed, such proceeds will be retained by and for the benefit of the Association, and the ruins of the Common Areas damaged or destroyed by fire or other casualty will be cleared and the Common Areas left in a clean, orderly, safe, and sightly condition.

9.3 Damage or Destruction to Owners' Properties. In the event of damage or destruction by fire or other casualty to any property subject to this Declaration, or the improvements thereon, and in the further event that the Owner responsible for the repair and replacement of such property elects not to repair or rebuild, such Owner will promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such property in a clean, orderly, safe, and sightly condition. Should such Owner elect to repair or rebuild such property or other improvements thereon, such Owner will repair or rebuild substantially to the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provision of this Declaration (including, without limitation, the procedures and architectural guidelines under Article 5) and all applicable zoning, subdivision, building, and other governmental regulations. All such work or repair or construction will be commenced promptly following such damage or destruction and will be carried through diligently to conclusion.

ARTICLE 10. CONDEMNATION

10.1 Condemnation of Common Areas. Whenever all or any part of the Common Areas of the Development will be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the affirmative vote of seventy-five percent (75%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members, which percentage will also constitute the quorum required for any such meeting, and following written approval by the Declarant for so long as Declarant owns

any of the Property primarily for development or sale, the award or proceeds made or collected for such taking or sale in lieu thereof will be payable to the Association and will be disbursed or held as follows:

10.1.1 Common Areas With Improvements. If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, for so long as Declarant owns any of the Property primarily for development or sale, and the Board, acting on the vote of seventy-five percent (75%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members (which percentage will also constitute the quorum required for any such meeting), will otherwise agree, the Association will restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefore, in accordance with the plans approved by the Board of Directors, the ARC, and by Declarant during the Declarant Control Period. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 12.5, such Special Assessment to be in an amount sufficient to provide funds to pay such excess cost or repair or reconstruction. Such a Special Assessment will be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds will be retained by and for the benefit of the Association.

10.1.2 Common Areas Without Improvements. If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are net funds remaining after any such restoration or replacement of such improvements is completed, then such award, proceeds, or net funds will be retained by and for the benefit of the Association.

10.1.3 Including Owner's Property. If the taking or sale in lieu thereof includes all or any part of an Owner's property and also includes any part of the Common Areas, then a court of competent jurisdiction will apportion such award or proceeds and such award or proceeds will be disbursed to the Association and the Owners so affected so as to give just compensation to the Owners for their interest in such property; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board of Directors, (ii) the Owners of all properties wholly or partially taken or sold, together with the Mortgagees for each such property, and (iii) Declarant, for so long as Declarant owns any of the Property primarily for development or sale.

10.2 Condemnation of Owners' Properties.

10.2.1 Election Not To Restore. In the event that all or any part of a property subject to this Declaration, or any improvements thereon is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner thereof elects not to restore the remainder of such property, then the Owner making such election will promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and will leave such property and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such property remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provision of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner will have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the property to the Association as a part of the Common Areas, and thereafter any such Owner will not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and will not be subject to any further Assessments imposed by the Association and payable after the date of such deeding and attributable to such property deeded to the Association.

10.2.2 Election to Restore. In the event that any part of a property subject to this Declaration, or any improvements thereon, is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner thereof elects to restore the remainder of the property, such Owner making such election will restore such remainder thereof as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration will be commenced promptly following such taking or conveyance and will be carried through diligently to conclusion.

ARTICLE 11. FUNCTIONS OF THE ASSOCIATION

11.1 Board of Directors and Officers. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, will be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and will keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the Nonprofit Corporation Act, this Declaration, the Bylaws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association shall be exercised by the Board of Directors, acting through the officers of the Association and their duly authorized delegates, without any further consent or action on the part of the Owners. As provided in Section 16.1 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant will have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association during the Declarant Control Period. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Dwelling vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 11.1 and by Section 16.1 hereof.

11.2 Duties and Powers. The duties and powers of the Association will be those set forth in the provision of the Nonprofit Corporation Act, the Bylaws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Nonprofit Corporation Act, this Declaration, the Bylaws, or the Articles of Incorporation, the provisions of the Nonprofit Corporation Act, this Declaration, the Articles of Incorporation, and the Bylaws, in that order, will prevail, and each Owner of a property within the Development, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, together with every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association will include, but will not be limited to, the power to purchase one or more properties subject to this Declaration and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but will not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to the Owners, to furnish trash collections, water, sewer, and/or security service for the properties subject to this Declaration. Notwithstanding the foregoing provision of this Section 11.2 or any other provision of this Declaration to the contrary, during the Declarant Control Period the Association will not, without the written approval of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

11.2.1 Ownership of Properties. The Association will be authorized to own, purchase, lease, use under any use agreement, and maintain (subject to the requirements of any Federal, State or local governing body of South Carolina) Common Areas, equipment, furnishings, and improvements devoted to the uses and purposes expressed and implied in this Declaration, including, but not limited to, the following uses:

- (a) For walks, paths or trails throughout the Property;

(b) For security services, including security stations, maintenance building and/or guardhouses;

(c) For providing any of the services which the Association is authorized to offer under Section 11.2.2 below; and

(d) For purposes set out in deeds or agreements by which Common Areas are conveyed or by which use rights are granted to the Association.

11.2.2 Services. The Association will be authorized (unless prohibited by the requirements of any Federal, State or local governing body) to provide such services required to promote the uses and purposes for which the Association is formed as expressed or implied in this Declaration, including, but not limited to, the following services:

(a) Cleanup and maintenance of all private roads, roadways, road shoulders, roadway medians, parkways, lakes, lagoons, waterways, drainage areas and easements, marshes and Common Areas within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;

(b) Landscaping of Common Areas and walking paths within or constituting a Common Area;

(c) Lighting throughout the Property;

(d) Maintenance of any installed electronic and other access and control devices for the protection of the Property, if any such devices are ever installed, and assistance to the local police and sheriff departments in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

(e) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors to supplement the service provided by the state and local governments;

(f) The services necessary or desirable in the judgment of the Board of Directors to carry out the Association's obligations and business under the terms of this Declaration and to collect Annual Assessments, Special Assessments, Emergency Special Assessments, specific Assessments, and other fees and charges collectable from the Owners hereunder;

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

(h) To set up and operate an architectural review board in the event that the Association is assigned the whole or any portion of the function of the ARC by the Declarant.

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

(j) To provide administrative services including but not limited to legal, accounting and financial; and communications services informing Members of activities, notice of Meetings, Referendums, etc., incident to the above listed services;

(k) To provide liability and hazard insurance covering improvements and activities on Common Areas;

(l) To provide water, sewage, and any necessary utility services not provided by a public body, private utility or the Declarant;

(m) To provide any or all of the above listed services to another Association or Owners of real property under a contract, the terms of which must be approved by the Board of Directors; and

(n) To provide for hearings and appeal process for violations of rules and regulations.

11.3 Agreements. Subject to the prior approval of Declarant during the Declarant Control Period, all agreements and determinations lawfully authorized by the Board of Directors will be binding upon the Association and all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development will comply with and be subject to the authorized actions of the Board of Directors. In performing its responsibilities hereunder, the Association, through its Board of Directors, will have the authority to delegate to persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association will deem necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager will be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and will be responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or Members of the Association by this Declaration or the By-Laws. Such manager may be an individual, corporation, or other legal entity, as the Board of Directors will determine, and may be bonded in such a manner as the Board of Directors may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

11.3.1 Management Agreement. During the Declarant Control Period, Southern Lifestyles VIII LLC, or an affiliate may be employed as the manager of the Association and the Development, with the option on the part of Southern Lifestyles or its affiliate to renew such employment for three (3) successive one-year terms from and after the termination of the Declarant Control Period. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, will be deemed to ratify such management agreement.

11.4 Mortgage or Pledge. Subject to the provisions of Section 6.2.1, the Board of Directors will have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans will be used by the Association in performing its authorized functions. The Declarant may make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association will not be allowed to reduce the limits of the regular Annual Assessment at any time there are outstanding any amounts due the Declarant as repayment of any loans made by the Declarant to the Association.

11.5 Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal property and real property and may dispose of

the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring or selling the same, will be held by and for the benefit of the Association. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner, except to the extent that a transfer of the ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot and Dwelling.

11.6 Rules and Regulations. As provided in Article 13 hereof, the Association, through its Board of Directors, may make, amend, revoke and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, and Common Areas, which rules and regulations will be consistent with the rights and duties established by this Declaration.

11.7 Reduction in Services. During the calendar years of 2000 and 2001, and during the first two years when any additional property may be added to this Declaration, the Board of will define and list a minimum level of services which will be furnished by the Association. So long as the Declarant is engaged in the development of properties which are subject to the terms of this Declaration, the Association will not reduce the level of services it furnishes below such minimum level. Such minimum level of service will expressly include an obligation of the Association to maintain the Common Areas and pay the costs and expenses set forth in any lease or use agreement therefor.

11.8 Obligation of the Association. The Association will not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except as specified in Section 11.7 above. The functions and services to be carried out or offered by the Association at any particular time will be determined by the Board of Directors taking into consideration the funds available to the Association and the needs of the Members of the Association. Special Assessments will be submitted for approval as herein provided. Subject to the provisions of Section 11.7 above, the functions and services which the Association is authorized to carry out or to provide may be added or reduced at any time upon the sole approval of the Declarant during the Declarant Control Period; and thereafter, the functions and services which the Association is authorized to carry out or to provide may be added or reduced by the Board acting on the vote of fifty-one percent (51%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members (which percentage will also constitute the quorum required for any such meeting).

ARTICLE 12. ASSESSMENTS

12.1 Purpose of Assessments. The Assessments for Common Expenses provided for herein will be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of the Development, and maintaining the Development and improvements therein; all as may be more specifically authorized from time to time by the Board of Directors.

12.2 Creation of Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed or other conveyance thereof, whether or not it will be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments, such Assessments to be established and collected as provided in Section 12.3, (b) Special Assessments, such Assessments to be established and collected as provided in Section 12.5, (c) Emergency Special Assessments, such Assessments to be established and collected as provided in Section 12.6, (d) individual or specific Assessments pursuant to Section 12.8. Any such Assessments payable, together with late charges, simple interest at a rate established from time to time by the Board of Directors, and court costs and attorneys' fees incurred to enforce or collect such Assessments, will be an equitable charge and a continuing lien upon the property of the Owner thereof who is responsible for payment. Each Owner will be personally liable for Assessments, coming due while he is the Owner of a property, and his grantee will take title to such property

subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefor; provided, however, the lien for unpaid Assessments will be subordinate to the lien of any unpaid taxes and any Institutional Mortgage or Mortgage held by Declarant. Sale or transfer of any Lot or Dwelling will not affect the lien of the Assessments; however, the sale or transfer of any Lot or Dwelling, which is subject to any Institutional Mortgage or Mortgage of Declarant, pursuant to a decree of foreclosure, will extinguish the lien of the Assessments as to payment thereof which became due prior to such sale or transfer. In the event of co-ownership of any property subject to this Declaration, all of such co-Owners will be jointly and severally liable for the entire amount of such Assessments. Assessments will be paid in such manner and on such dates as may be fixed by the Board of Directors in accordance with Section 12.3.3, provided that unless otherwise provided by the Board, the Annual Assessments will be paid in equal monthly installments. To the extent any subordinated lien and permanent charge for any Assessment is extinguished by foreclosure of any Institutional Mortgage or Mortgage of Declarant, then the amount or amounts otherwise secured thereby which cannot otherwise be collected will be deemed a Common Expense collectible from all Owners, including the person who acquires title through the foreclosure sale.

12.3 Establishment of Annual Assessment. Until an initial budget of Common Expenses of the Association has been prepared by either the Declarant or the Board of Directors and a copy of the initially adopted budget and the Annual Assessments established thereby is provided to each owner, no Annual Assessments shall be charged to or collected from the Owners. Upon adoption of the initial budget and Annual Assessments, any full, annual budget amount being prorated for the remainder of the fiscal year in which so adopted, the Association shall bill each Owner for his or her share of the Annual Assessments, as hereinafter provided, and each Owner shall pay said amount. It will be the duty of the Board of Directors at least ninety (90) days prior to the first day of the Association's first full fiscal year after the fiscal year in which the initial budget and Annual Assessments are adopted, and each fiscal year thereafter, to prepare a budget covering the estimated Common Expenses during the coming year; such budget to include a reserve account, if necessary, for the capital needs of the Association. The Board will cause the budget and the proposed total of the Annual Assessments to be levied against properties subject to this Declaration for the following year to be delivered to each Owner at least thirty (30) days prior to the first day of the fiscal year for which the budget and Assessments are established. Each Lot and Dwelling shall be responsible for that portion of the total Annual Assessments determined by multiplying the total Common Expenses by a fraction, the numerator of which is the number of "Assessment Units" assigned to the Lot or Dwelling and the denominator of which is the total number of Assessment Units assigned to all Lots and Dwellings existing at the date such budget is finalized. Each Lot (without residential improvements) shall be assigned one (1) Assessment Unit; and each Dwelling (a Lot with a completed residence thereon) will be assigned two (2) Assessment Units.

12.3.1 Disapproval of Annual Assessments. The annual budget and Annual Assessments, as determined by the Board of Directors, as hereinabove provided, will become effective unless disapproved (a) solely by the Declarant in writing during the Declarant Control Period; and (b) thereafter by seventy-five percent (75%) or more of the votes of the entire Association at a special meeting of Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. Notwithstanding the foregoing, in the event the proposed budget and Annual Assessments are disapproved or in the event the Board of Directors fails for any reason to determine an annual budget and to set the Annual Assessments, then and until such time as a budget and Annual Assessment will have been determined as provided herein, the budget and Annual Assessments will be the Default Budget and Default Annual Assessments calculated in accordance with Section 12.4.

12.3.2 Special Board Action to Increase. If the Board of Directors determines that the important and essential functions of the Association will not be properly funded in any year by the Annual Assessment herein provided, it may increase such Assessment; provided, however, an increase in Annual Assessments in any year pursuant to special Board action as aforesaid will in no way affect Annual Assessments for subsequent years.

12.3.3 Billing of Annual Assessments. The Annual Assessments will be billed annually, quarterly or monthly, as determined by the Board, and will be due and payable on or before the last day of the month in which billed.

12.3.4 Rounding. All Annual Assessments charged by the Association will be rounded off to the nearest dollar.

12.3.5 For Common Expenses. The Common Expenses to be funded by the Annual Assessments may include, but will not necessarily be limited to, the following:

(a) management fees and expenses of administration, including legal and accounting fees;

(b) utility charges for utilities serving the Common Areas and charges for other common services for the Development, including trash collection and security services, if any such services or charges are provided or paid by the Association;

(c) the cost of any policies of insurance purchased for the benefit of all the Owners and the Association as required or permitted by this Declaration, including fire, flood, and other hazard coverage, public liability coverage, and other insurance coverage determined by the Board to be in the interests of the Association and the Owners;

(d) the expenses of maintenance, operation, and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of this Declaration;

(e) the expenses of any architectural review board established to receive and administer the whole or any portion of the ARC functions transferred and conveyed to the Association which are not defrayed by plan review charges;

(f) ad valorem real and personal property taxes assessed and levied against the Common Areas;

(g) such other expenses as may be determined from time to time by the Board of to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against Lots or Dwellings; and

(h) the establishment and maintenance of a reasonable reserve fund or funds (i) for maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be maintained, repaired, or replaced on a periodic basis, (ii) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (iii) to cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

12.4 Determination of Default Budget and Default Annual Assessment. Upon the failure of the Board of Directors to adopt a budget, or upon the disapproval of any budget pursuant to Section 12.3.1, the Default Budget and Default Annual Assessments will be the greater of:

(a) The then existing budget and Annual Assessments, increased in proportion to the percentage increase, if any, in the "CPI-U," as hereinafter defined, from December of the preceding year to November

of the then current year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent, whichever is greater; or

(b) The budget and Annual Assessments for the year in which this Declaration is filed Of Record by the Declarant, increased to the year in which the said maximum budget and Annual Assessment is being determined in proportion to the percentage increase, if any, in the "CPI-U," as hereinafter defined, from December of the year preceding the year in which this Declaration is filed Of Record to November of the year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent per annum, compounded, whichever is greater.

The "CPI-U" will mean the Consumer Price Index for All Urban Consumers (1982-84=100), or, if such index is discontinued or revised, by reference to such other government index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if such index had not been discontinued or revised.

12.4.1 Change in Default Amounts Upon Merger or Consolidation. The limitations of Section 12.4 will apply to any merger or consolidation in which the Association is authorized to participate under Section 2.2.3, and under the Bylaws of the Association.

12.5 Special Assessments for Improvements and Additions. In addition to the regular Annual Assessments authorized by Section 12.3 hereof, the Association may levy Special Assessments, for the following purposes:

- (a) Construction or reconstruction, repair or replacement of capital improvements upon the Common Areas, including the necessary fixtures and personal property related thereto;
- (b) To provide for the necessary facilities and equipment to offer the services authorized herein;
- (c) To cover any shortfall, whether by way of deductible or otherwise, in insurance proceeds recovered; and
- (d) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

12.5.1 Special Assessments: Approval by Declarant and Disapproval by Members. Except as otherwise permitted in Sections 6.3.2, 9.2, 10.1 and 12.6 hereof, any Special Assessment will only be levied if: (a) during the Declarant Control Period the Declarant approves, in writing, such Special Assessment; and (b) after the Declarant Control Period the Special Assessment is not disapproved by sixty-seven percent (67%) or more of the votes of the entire Association at a special meeting of Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. The notices of such special meeting will include one statement from the Directors favoring the Special Assessment and one statement from those Directors opposing the Special Assessment containing the reasons for those Directors' support and opposition for the Special Assessment, if any such statements are provided by the Directors supporting and opposing the Special Assessment (Directors being under no obligation to provide such statements). Neither statement, either supporting or opposing the Special Assessment, will exceed five pages in length.

12.5.2 Apportionment. Special Assessments will be apportioned among the Lots and Dwellings in relation to their then existing Assessment Units and in the same manner as Annual Assessments.

12.6 Emergency Special Assessments. In addition to the Annual Assessments authorized by Section 12.3 and the Special Assessment authorized by Section 12.5 hereof, the Association may levy Assessments for repairs, reconstruction, alterations or improvements due to emergencies of any type, as determined by the Declarant during the Declarant Control Period, and/or by the Board of Directors, in their sole discretion ("Emergency Special Assessment"). Any Emergency Special Assessment may be imposed without a vote of the Members. Emergency Special Assessments will be apportioned among the Lots and Dwellings in relation to their then existing Assessment Units and in the same manner as Annual Assessments unless it is determined by the Declarant and/or Board that another apportionment thereof is more reasonable and more equitably justified by the circumstances giving rise to such emergency.

12.7 Declarant's Properties. Anything contained herein to the contrary notwithstanding, Declarant will be exempt from the payment of Annual Assessments, Special Assessments and Emergency Special Assessments with respect to unimproved Lots and unoccupied Dwellings owned by the Declarant and subject to this Declaration. The Declarant hereby covenants and agrees, however, that during the Declarant Control Period it will annually elect either to pay an amount equal to the Annual Assessment for each such Lot and Dwelling owned by it or to pay the difference between the amount of Assessments collected on all other Lots and Dwellings not owned by Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than the Annual Assessment for any year to be paid by Owners. Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant will be deemed to have elected to continue paying on the same basis as existed during the immediately preceding year. Furthermore, so long as the Declarant owns any Lot or Dwelling for sale, the Declarant may, but will not be obligated to, reduce the Annual Assessment for any year to be paid by Owners. Any such reduction in the amount assessed against the Owner will be funded as a subsidy by the Declarant. Any such subsidy will, in the Declarant's sole discretion, be (a) a contribution to the Association, (b) an advance against future Annual Assessments due from said Declarant, or (c) a loan to the Association. The amount and character (contribution, advance or loan) of such payment by the Declarant will be conspicuously disclosed as a line item in the budget and will be made known to the Owners. The payment of such a subsidy in any year will under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant. Any such subsidy payment by Declarant may be made in-kind.

12.8 Individual Specific Assessments. Any expenses incurred by the Association or the Declarant because of the actions of one or more Owners or Occupants, or because of their failure to act, and with respect to which such expenses are chargeable thereto and recoverable therefrom pursuant to any provision of this Declaration, and any fines as may be imposed against an Owner in accordance with Article 13 hereof will be specially assessed as a specific Assessment against each such Owner and the Owner's Lot or Dwelling.

12.9 Effect of Nonpayment; Remedies of the Association. An Assessment shall be due in full not later than the last day of the month in which the Assessment is billed, and any Assessment or portions thereof which is not paid when so due will be delinquent. Any delinquent Assessment will incur a late charge in an amount as may be determined by the Board from time to time and, upon adoption of a policy therefor by the Board of Directors, will also commence to accrue simple interest at the rate set by the Board of Directors from time to time. A lien and equitable charge as herein provided for each Assessment installment shall attach simultaneously as the same will become due and payable, and if an Assessment installment has not been paid as aforesaid, the entire unpaid balance of the Assessment installments remaining to be paid during the fiscal year may be accelerated by the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment will include all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law, subordinate only to liens for unpaid taxes, any Institutional Mortgage and any Mortgage held by Declarant as provided in Section 12.2 above. In the event that the Assessment remains unpaid sixty (60) days following the date when so due, the Association may institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Section will be in favor of the Association, and each

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Owner, by his acceptance of a deed or other conveyance to a Lot, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments as a debt and/or to foreclose the aforesaid lien in like manner as a mortgage of real property. The Association will have the power to bid on the Lot or Dwelling at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot, and an Owner will remain personally liable for Assessments, including interest and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot.

12.10 Certificate. The Treasurer, any Assistant Treasurer, or the manager of the Association will, within ten (10) days of a written request and upon payment of a fee set from time to time by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate signed by the Treasurer, Assistant Treasurer, or manager setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such certificate will be conclusive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

12.11 Date of Commencement of Assessments. The Assessments provided for herein will commence on the date on which a Lot is conveyed to a person other than Declarant and will be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual Assessments, Special Assessments and Emergency Special Assessments will be adjusted for such property according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such property is first conveyed.

12.11.1 Working Capital Collected At Initial Closing. Notwithstanding anything to the contrary in this Declaration, a working capital fund will be established for the Association by collecting from each Owner who acquires title to his Lot from the Declarant a working capital amount equal to 2/12ths of the Annual Assessment then in effect, which Assessment will be due and payable, and will be transferred to the Association, at the time of transfer of each Lot by the Declarant to any other Owner. Such sum is and will remain distinct from the Annual Assessment and will not be considered advance payment of the Annual Assessment. The working capital receipts may be used by the Association in covering operating expenses as well as any other expense incurred by the Association pursuant to this Declaration and the Bylaws.

ARTICLE 13. RULE MAKING

13.1 Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings, and the Common Areas, and facilities located thereon. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which will govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto will be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations will be binding upon the Owners and Occupants until and unless any such rule or regulation is specifically overruled, cancelled, or modified by the Board of Directors or any such rule or regulation is disapproved by a majority or more of the votes of the entire Association at a special meeting of Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. Any action by the Board to adopt, overrule, cancel or modify any rule or regulation, or any vote of Members disapproving any rule or regulation, will not be effective and binding upon the Owners and Occupants until and unless the same is approved by the Declarant during the Declarant Control Period.

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13.2 Authority and Enforcement. Subject to the provisions of Section 13.3 hereof, upon the violation of this Declaration, the Bylaws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (i) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, or (iii) to suspend an Owner's or Occupant's right to use any of the Common Areas. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner or Occupant will be subject to the foregoing sanctions in the event of such a violation by such Owner or Occupant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

13.3 Procedure. Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other Occupant of the Development for violations of the Declaration, By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

13.3.1 Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

- (a) The alleged violation;
- (b) The action required to abate the violation; and
- (c) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

13.3.2 Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice, in accordance with Section 16.15 of a hearing to be held by the Board in executive session. The notice will contain:

- (a) The nature of the alleged violation;
- (b) The time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;
- (c) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
- (d) The proposed sanction to be imposed.

13.3.3 Hearing. The hearing will be held in executive session of the Board of Directors pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice together with a statement of the date and matter of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement

will be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

ARTICLE 14. ALTERNATIVE DISPUTE RESOLUTION & LITIGATION

14.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Declarant, Association, Owners, and any persons not otherwise subject to the Declaration who agree to submit to this Article 14 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving this Declaration or the Development, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Declaration or the Development, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 14.2, are subject to the procedures set forth in Section 14.3.

14.2 Exempt Claims. The following Claims ("Exempt Claims") are exempt from the provisions of Section 14.3:

- (a) any suit by the Association against a Bound Party to enforce any Assessments or other charges hereunder; and
- (b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association hereunder until the matter may be resolved on the merits pursuant to Section 14.3 below; or
- (c) any suit between Owners which does not include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Declaration and the Development; or
- (d) any suit in which an indispensable party is not a Bound Party; or
- (e) any suit which otherwise would be barred by any applicable statute of limitation; or
- (f) any suit involving a matter which is not an Exempt Claim under (a) through (e) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 14.3 below.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 14.3, but there is no obligation to do so.

14.3 Mandatory Procedures for Non-Exempt Claims. Any Bound Party having a Claim ("Claimant") against a Bound Party involving this Declaration or the Development, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 14.2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the procedures set forth in Exhibit "C" to this Declaration, and then only to enforce the results hereof.

14.4 Litigation. No judicial or administrative proceeding, including any mandatory procedure under Section 14.3 above, with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the

Association unless approved by 75% or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members called for the purpose of approving the proceeding, which percentage will also constitute the quorum required for any such meeting. This Section will not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitations, the foreclosure of liens); (b) the imposition and collection of Assessments; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section will not be amended unless the amendment is approved by the requisite percentage of votes of Members, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the negotiation and arbitration provisions of this Article 14 and the procedures therefor set forth in Exhibit "C" to this Declaration, if applicable.

14.5 Miscellaneous Alternative Dispute Resolution Provisions.

14.5.1 Conflicting Provisions. Any conflict or discrepancy between the terms and conditions set forth in this Article 14 and the procedures set forth in Exhibit "C" and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein and in Exhibit "C" will control.

14.5.2 TIME IS OF ESSENCE. All periods of time set forth herein or calculated pursuant to provisions of this Article 14 will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

ARTICLE 15. MORTGAGEE PROTECTION

15.1 Introduction. This Article 15 establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain mortgages. This Article 15 is supplemental to, and not in substitution for, any other provisions of the Declaration, the Bylaws of the Association and the Articles of Incorporation of the Association (the "Constituent Documents"), but in the event of conflict, this Article shall control. Unless the Board of Directors shall vote to suspend this provision, the Board shall periodically amend this Article from time to time, to be consistent with generally applicable requirements of the Federal National Mortgage Association governing mortgagee approval requirements.

15.2 Eligible Mortgagees. Wherever in the Constituent Documents the approval or consent of a specified percentage of "Eligible Mortgagees" is required, it shall mean the approval or consent of the Institutional Mortgagees holding first lien Mortgages on Lots which have provided to the Association written requests, stating their names and addresses and the street addresses of the Lots to which their Mortgages relate, to receive written notice of the matters for which they are entitled to vote, and which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Lots then subject to first Mortgages held by Eligible Mortgagees.

15.3 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Lot in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer as applicable;

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(b) Any delinquency in the payment of Assessments owed by an Owner whose Lot is subject to a first Mortgage held, insured, or guaranteed, by such Eligible Mortgagee which remains unpaid for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 15.4; and

(e) Any judgment rendered against the Association.

15.4 Consents Required; Constituent Documents' Changes. Notwithstanding any lower requirement permitted by the Constituent Documents or the Nonprofit Corporation Act, no amendment of any material provision of the Constituent Documents by the Owners described in this Section 15.4 may be effective without the vote of sixty-seven percent (67%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members (which percentage will also constitute the quorum required for any such meeting), or any greater vote required in the Constituent Documents or the Nonprofit Corporation Act, and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Constituent Documents). The foregoing approval requirements do not apply to amendments effected by the exercise of any rights of the Declarant to amend the Constituent Documents during the Declarant Control Period. Consent of an Eligible Mortgagee is deemed granted if no denial is received within thirty (30) days after the Eligible Mortgagee receives notice of the proposed changes. Material provisions requiring such Members' vote and Eligible Mortgagees' approval include, but are not limited to, any provision affecting:

- (a) Assessments, assessment liens, or subordination of assessment liens;
- (b) Voting rights;
- (c) Reserves for maintenance, repair and replacement of the Common Areas;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the Common Areas or Limited Common Areas except that when Limited Common Areas are reallocated by agreement between Lot Owners, only those Lot Owners and only the Eligible Mortgagees which hold Mortgages on such Lots must approve such action;
- (f) Rights to use Common Areas and Limited Common Areas;
- (g) Boundaries of Lots except that when boundaries of only adjoining Lots are involved, or a Lot is being subdivided, then only those Lot Owners and the Eligible Mortgagees holding mortgages on such Lot or Lots must approve such action;
- (h) Convertibility of Lots into Common Areas or Common Areas into Lots;
- (i) Expansion or contraction of the Development, or the addition, annexation or withdrawal of property to or from the Development;

- (j) Insurance or fidelity bonds;
- (k) Leasing of Lots;
- (l) Imposition of restrictions on a Lot Owner's right to sell or transfer his or her Lot;
- (m) Establishment of self-management when professional management had been required previously by the Constituent Documents or by an Eligible Mortgagee;
- (n) Restoration or repair of the Property after a hazard damage or partial condemnation in a manner other than that specified in the Constituent Documents;
- (o) Termination of the legal status of the Development after occurrence of substantial destruction or condemnation; and
- (p) Any provision that expressly benefits Mortgage holders, insurers or grantors.

15.5 Actions. Notwithstanding any lower requirement permitted by the Constituent Documents or the Nonprofit Corporation Act, the Association may not take any of the following actions without the approval of at least fifty-one (51%) of the Eligible Mortgagees or such higher percentage as set forth herein:

- (a) The conveyance or encumbrance of the Common Areas or any portion thereof, as to which at least a sixty-seven percent (67%) approval by Eligible Mortgagees is required. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas for the benefit of the Development shall not be deemed a conveyance or encumbrance within the meaning of this clause;
- (b) The restoration or repair of the Property after damage or a partial condemnation in a manner other than that specified in the Constituent Documents;
- (c) The termination of the legal status of the Development for reasons other than substantial destruction or condemnation, as to which at least sixty-seven percent (67%) approval by Eligible Mortgagees is required;
- (d) The alteration of any partition or creation of any aperture between adjoining Lots when Lot boundaries are not otherwise being affected, in which case only the owners of Lots affected and Eligible Mortgagees of those Lots need approve the action;
- (e) The merger of the Association with any other common interest community;
- (f) The granting of any easements, leases, licenses and concessions through or over the Common Areas excluding, however, any utility easements serving or to serve the Development and excluding any leases, licenses or concessions for no more than one year;
- (g) The assignment of the future income of the Association, including its right to receive Common Expense assessments; and
- (h) Any action taken not to repair or replace the Property.

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The foregoing consents do not apply to the exercise of any right reserved by the Declarant in the Constituent Documents.

15.6 Change From Monthly Assessment. The Association may not change the period for collection of regularly budgeted Common Expenses Assessments to other than monthly without the consent of all Eligible Mortgagees.

15.7 Declarant's Reserved Rights. No rights reserved by the Declarant may be voluntarily abandoned or terminated by the Declarant unless all persons holding security interests in the Declarant's reserved rights consent to the abandonment or termination.

15.8 Inspection of Books. The Association shall permit any Eligible Mortgagee to inspect the books and records of the Association during normal business hours.

15.9 Financial Statements. The Association shall provide any Eligible Mortgagee which submits a written request, with a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if the number of Lots is 50 or more, or if the number of Lots is less than 50 and no audited statement is otherwise required under the Constituent Documents, any Eligible Mortgagee may have an audited statement prepared at its own expense.

15.10 Enforcement. The provisions of this Article 15 are for the benefit of Eligible Mortgagees and their successors, and may be enforced by any of them by any available means, at law, or in equity.

15.11 Attendance at Meetings. Any representative of an Eligible Mortgagee may attend any meeting which a Lot Owner may attend.

ARTICLE 16. GENERAL PROVISIONS

16.1 Control of Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BYLAWS OF THE Association, Declarant hereby retains for the duration of the Declarant Control Period the right to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant will have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 16.1. The provisions of this Section 16.1 are supplemental to, and not in substitution of, other rights retained by Declarant pursuant to this Declaration.

16.1.1 Voting Agreement and Proxy. By acceptance of a deed or other conveyance of a real estate interest subject hereto, an Owner-Member does hereby grant, and if further required, does agree to vote in a manner to provide, to Declarant all voting rights and other corporate powers specifically reserved to, and designated for Declarant under this Declaration. IN CONNECTION WITH THIS VOTING AGREEMENT, EACH MEMBER APPOINTS DECLARANT AS PROXY FOR SUCH MEMBER WITH FULL POWER OF SUBSTITUTION TO VOTE FOR THE MEMBER ON ALL SUCH MATTERS ON WHICH THE MEMBER MAY BE ENTITLED TO VOTE, AND WITH RESPECT TO WHICH THERE IS A RESERVATION OR DESIGNATION OF VOTING RIGHTS IN DECLARANT UNDER THIS DECLARATION, AND WITH ALL POWERS WHICH THE MEMBER WOULD POSSESS IF PERSONALLY PRESENT AT ANY MEETING

OF MEMBERS. SUCH APPOINTMENT WILL BE, UPON A MEMBER'S ACCEPTANCE OF A DEED OR OTHER CONVEYANCE AND WITHOUT THE NECESSITY OF FURTHER ACTION BY THE DECLARANT OR THE MEMBER, A POWER COUPLED WITH AN INTEREST AND IRREVOCABLE. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Owner-Member is filed Of Record. This irrevocable proxy will automatically terminate on the date Declarant's voting rights as a Type B Member terminate. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Declarant herein provided, which will run with the Property.

16.1.2 Creation of New Board: Upon the expiration of the Declarant Control Period, election of the Board will pass to the Owners as provided in the Bylaws. Following election of a new Board of Directors, Declarant will deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

16.2 Amendments by Declarant: During the Declarant Control Period, the Declarant may amend this Declaration or the Bylaws by an instrument in writing filed Of Record without the approval of any Owner or Mortgagee; provided, however, that: (a) in the event that such amendment has a material adverse effect upon any Owner's rights hereunder or adversely affects the title to any Lot or Dwelling, such amendment will be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby; and (b) in the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment will be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Section 16.2 will be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and will be effective only upon it being filed Of Record or at such later date as will be specified in the amendment itself. Furthermore, following the Declarant Control Period, this Declaration and the Bylaws may be amended solely by the Declarant filing same Of Record if such amendment is necessary, in the reasonable determination of the Declarant, (i) to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which will be in conflict therewith, (ii) to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to this Declaration, or (iv) to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to this Declaration. Each Owner by acceptance of a deed or other conveyance of a Lot or Dwelling agrees to be bound by amendments permitted by this Section 16.2, and further agrees, if requested by the Declarant, such Owner will consent to such amendment.

16.3 Amendments by the Association: Amendments to this Declaration or the Bylaws, other than those authorized by Section 16.2 hereof, will be proposed and adopted in the following manner:

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

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or Members of the Association. Such amendment must be approved by sixty-seven percent (67%) or more of the votes of the entire Association; by Referendum or at a duly held meeting of Members called for the purpose of approving a proposed amendment, which percentage will also constitute the quorum required for

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any such meeting; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee; (ii) during the Declarant Control Period, such amendment must be approved by Declarant; and (iii) in the event that such amendment also is an amendment to the Bylaws, the amendment will be adopted pursuant to the applicable procedures of the Nonprofit Corporation Act.

(c) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration pursuant to this Section 16.3 will be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement will state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration will become effective only when filed Of Record or at such later date as may be specified in the amendment itself.

Anything contained in this Section 16.3 to the contrary notwithstanding, no amendment under this Declaration shall be made, or any vote therefor effective, if the result or effect thereof would have a material adverse effect upon Declarant or any right, limitation, approval or easement of Declarant without the prior written approval of the Declarant, including, but not limited to, this Section 16.3 and any matter set forth in Sections 2.2.1, 2.3, 2.4, 5.4, 5.4.1, 5.13, 5.21, 5.22, 5.23, 5.24, 5.25.1, 5.26, 5.27, 6.2.5, 6.3, 6.3.3, 6.5, 6.5.1, 6.6, 6.7, 11.2, 11.3, 11.3.1, 12.5.1, 12.7, 16.2, 16.8, 16.9, and 16.14.

16.4 Duration. The provisions of this Declaration will run with and bind title to the Property, will be binding upon and inure to the benefit of all Owners and Mortgagees, and will be and remain in effect for a period of thirty (30) years from and after the date this Declaration is filed Of Record, provided that rights and easements which are stated herein to have a longer duration will have such longer duration. Upon the expiration of said thirty (30)-year period, this Declaration will be automatically renewed for successive ten (10)-year periods. The number of ten (10)-year renewal periods will be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10)-year renewal period for an additional ten (10)-year period; provided, however, that there will be no renewal or extension of this Declaration, if, during the last year of an initial thirty (30)-year period or the last year of any ten (10)-year renewal period, 75% or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members called for the purpose of approving the proceeding, which percentage will also constitute the quorum required, approve terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination will be filed Of Record, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration will run with and bind title to the Property as provided hereby.

16.5 Termination of the Association. In the event that this Declaration is declared to be void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within ten (10) years following the date of recording this Declaration, all Common Area belonging to the Association at the time of such adjudication will revert to the Declarant, and the Declarant will own and operate said Common Areas as Trustee for use and benefit of Owners within the Property as set forth below. If said adjudication will occur on a date more than ten (10) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Section 16.4, all Common Areas owned by the Association at such time will be transferred to a properly appointed Trustee, which Trustee will own and operate said Common Areas for the use and benefit of Owners within the Property as set forth below:

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(a) Each lot, parcel or tract of land located within the Property will be subject to an Annual Assessment which will be paid by the Owner thereof to the Declarant or Trustee, whichever becomes the successor in title to the Association. The amount of such Annual Assessment and its due date will be determined solely by the Declarant or the Trustee, as the case may be, but the amount of such Annual Assessment on any particular lot, parcel or tract of land will not exceed the amount actually assessed against that lot, parcel or tract of land in the last year that Assessments were levied by the Association, subject to the adjustment set forth in subparagraph (b) immediately below.

(b) The rate of the Annual Assessment which may be charged by the Declarant or Trustee hereunder on any particular lot or parcel may be automatically increased each year by either five (5%) percent or the percentage increase between the first month and the last month of the Annual Assessment period in the CPI-U issued by the U.S. Bureau of Labor Statistics in its monthly report, whichever of these two percentage figures is larger. The actual amount of such increase in the regular Annual Assessment on a parcel will equal the regular Annual Assessment on such lot or parcel for the previous year multiplied by the larger of the two percentage factors set forth above. If the CPI-U is discontinued, then there will be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Any past due Annual Assessment together with interest thereon at the greater of fifteen (15%) percent or the maximum annual rate permitted by law from the due date and all costs of collection including reasonable attorney's fees will be a personal obligation of the Owner at the time that the Annual Assessment becomes past due, and it will also constitute and become a charge and continuing lien on the lot or parcel of land and all improvements thereon, against which the Assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

(d) The Declarant, or the Trustee, as the case may be, will be required to use the funds collected as Annual Assessments for the operation, maintenance, repair and upkeep of the Common Areas. Declarant or Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided. Neither the Declarant nor the Trustee will have the obligations to provide for operation, maintenance, repair and upkeep of the Common Areas once the funds provided by the Annual Assessment have been exhausted.

(e) The Declarant will have the right to convey title to the Common Areas and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby.

(f) The Trustee will have the power to dispose of the Common Areas (subject to the limitations of Article 4), free and clear of the limitations imposed hereby, provided, however, that such disposition will first be approved in writing by fifty-one (51%) percent of the Owners of Property within the Property or in the alternative will be found, in the exercise of reasonable business judgment, to be in the best interest of the Owners of property within the Property. The proceeds of such a sale will first be used for the payment of any debts or obligations constituting a lien on the Common Areas, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such Property, then for the payment of any obligations distributed among the Owners of property within the Development, exclusive of the Trustee, in a proportion equal to the portion that the Default Annual Assessment on property owned by a particular Owner bears to the total Default Annual Assessment for all property located within the Property.

16.6 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration will be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions will continue

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only until twenty-one (21) years after the death of the last survivor of the now living descendants of Mrs. Rose Kennedy, mother of U. S. Senator Edward Kennedy.

16.7 Interpretation. In all cases, the provisions set forth or provided for in this Declaration will be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof will be liberally interpreted and, if necessary, they will be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration will be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration will be the date of its filing of record. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration will be construed under and in accordance with the laws of the State of South Carolina.

16.8 No Affirmative Obligation Unless Stated. ANY RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM THIS DECLARATION WILL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DECLARANT UNLESS EXPRESSLY STATED IN THIS DECLARATION.

16.9 No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT PURSUANT TO THIS DECLARATION WILL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY PROPERTY OWNER.

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

16.11 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property will be prohibited or held invalid, such prohibition or invalidity will not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

16.12 Rights of Third Parties. This Declaration will be filed Of Record for the benefit of Declarant, the Owners, and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party will have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the rights of Declarant and Mortgagees as herein provided, the Owners will have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

16.13 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

16.14 No Trespass. Whenever the Association, Declarant, or the ARC are permitted by this Declaration to enter upon, correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action will not deem to be trespass.

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16.15 Notices. Notices required hereunder will be in writing and will be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners will be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots. All notices to the Association will be delivered or sent in care of Declarant to Declarant's main office, P.O. Box 267, Wadmalaw Island, South Carolina 29487 or to such other address as the Association may from time to time notify the Owners. All notices to Declarant will be delivered or sent to Declarant's main office, P.O. Box 267, Wadmalaw Island, South Carolina 29487, or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees will be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. Notices to any other person or persons entitled to same hereunder will be delivered or sent to such address or addresses as such person or persons specify, from time to time, in writing to the sender, or, in the absence thereof, to such address or addresses as will, in the exercise of reasonable judgment by the sender, reasonably expected to be received by such person or persons.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, duly authorized officers of the undersigned Declarant have executed this Declaration under seal, this 20th day of July, 2000.

Signed, sealed and
delivered in the
presence of

DECLARANT:

SOUTHERN LIFESTYLES VIII LLC
a North Carolina limited liability company

BY:

Its:

Raymond J. Wozniak III

Matthew A. Lorian

Stephen J. Lorian

Partner

ASSOCIATION ACKNOWLEDGMENT

The undersigned Officer of The Anchorage Property Owners' Association, in behalf of itself and its existing and future Members of the Association, does hereby acknowledge the foregoing Covenants, Conditions And Restrictions For The Anchorage, consenting to all the terms and conditions thereof and agreeing to be bound thereby.

ASSOCIATION:

Signed, sealed and
delivered in the
presence of:

The Anchorage Property Owners' Association

By:

Its:

Raymond J. Wozniak III

Matthew A. Lorian

for

President

BK R 351PG446

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

Personally appeared before me Bryan L. Walpole III and made an oath that (s)he saw Southern Lifestyles VIII LLC, a North Carolina limited liability company by its duly authorized officer(s), sign, seal, and as its act and deed deliver the within written Declaration of Covenants, Conditions and Restrictions for The Anchorage, and that (s)he with Richard L. Lyman witnessed the execution thereof.

Bryan L. Walpole III (SEAL)

Sworn to before me this:
20th day of July, 2000.

Richard L. Lyman
 Notary Public for South Carolina

My Commission expires: 7/13/2008

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

Personally appeared before me Bryan L. Walpole III and made an oath that (s)he saw Property Owners' Association, by Loren Dietz, its President, sign, seal, and as its act and deed deliver the within written Association Acknowledgment to the Declaration of Covenants, Conditions and Restrictions for, and that (s)he with Richard L. Lyman witnessed the execution thereof.

Bryan L. Walpole III (SEAL)

Sworn to before me this:
20th day of July, 2000.

Richard L. Lyman
 Notary Public for South Carolina
 My Commission expires: 7/13/2008

EXHIBIT "A"

BK R 351 PG 447

All those certain pieces, parcels and lots of land shown on a plat entitled "FINAL PLAT, THE ANCHORAGE PLANTATION - PHASE I, LOTS 1, 2, 3, 77 AND 78, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Engineering, Surveying & Planning, Inc. recorded in the RMC Office for Charleston County in Book EE, Page 892.

- ALSO -

All those certain pieces, parcels and lots of land shown on a plat entitled "CONDITIONAL PLAT, THE ANCHORAGE PLANTATION - PHASE II, LOTS 4 THRU 72, WADMALAW ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Engineering, Surveying & Planning, Inc. recorded in the RMC Office for Charleston County in Book EE, Pages 81 Thru 86.

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EXHIBIT "B"BYLAWS
OF
THE ANCHORAGE
PROPERTY OWNERS' ASSOCIATIONARTICLE I
NAME AND LOCATION

1.1 Name and Location. The name of the corporation is "ANCHORAGE PLANTATION HOMEOWNERS ASSOCIATION," hereinafter referred to as the "Association." The principal office of the Association shall be located at the Development, or at such other place as may be designated by the Board.

ARTICLE II
DEFINITIONS

2.1 Incorporation. The definitions contained in the Declaration are incorporated by reference herein.

(a) The Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for recorded in the Office of Register of Mesne Conveyances for Charleston County, South Carolina, and subsequent amendments thereto.

ARTICLE III
MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held on the second Saturday of December which is more than nine (9) months following the date of the close of the sale of the first Lot or Dwelling in the Project. Subsequent annual meetings of the Members shall be held thereafter at an hour and place within thirty (30) days of the same month and day of such first meeting, as set by the Board.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Corporation Act.

3.3 Notice and Place of Meetings. Unless otherwise provided in the Declaration, the Articles of Incorporation, in these By-Laws, or in the Nonprofit Corporation Act, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent of the total voting power of the (5%) Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall specify the place, day and hour of the

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meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein, in the Declaration, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (1/3) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (1/3) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Voting Referendum: Written Ballots. Any vote of Members on a matter which would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised; provided in every such case the sender retains proof of transmission and receipt.

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(b) Proxies. All of the provisions of this Section 3.5(b) are subject to Section 16.1.1 of the Declaration. To the extent that a provision set forth in this Section is inconsistent with Section 16.1.1 of the Declaration, the provisions of Section 16.1.1 of the Declaration shall control. At all meetings of Members, each Member may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointed time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his Lot or Dwelling, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy in accordance with the Nonprofit Corporation Act, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Nonprofit Corporation Act. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

3.7 Membership and Voting. Membership in the Association will be as set forth in the Declaration and in the Articles of Incorporation.

Except as otherwise provided in the Declaration, the Articles of Incorporation, these By-Laws, or the Nonprofit Corporation Act, any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members present at which the required quorum is present. An abstention shall be counted as a negative vote in calculating the majority. Members are divided into Type A and Type B Members for the sole purpose of computing voting rights and shall not vote as a class. Owners of Lots and dwellings in all phases shall have the same voting rights.

3.7 Eligibility to Vote: Voting rights attributable to Lots and Dwellings shall not vest until Assessments against those Lots and Dwellings have been levied by the Association. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lots or Dwellings and not subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with section 3.8. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing.

3.8 Record Dates:

A. Record Dates Established by the Board: For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as

otherwise provided in the Articles of Incorporation, by agreement, or in the Nonprofit Corporation Act. The record dates established by the Board pursuant to this section shall be as follows:

(1) Record Date for Notice of Meetings: In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting;

(2) Record Date for Voting: In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot Without Meeting: In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action: In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(5) "Record Date" Means as of the Close of Business: For purposes of this subparagraph, A, a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

B. Failure of Board to Fix a Record Date: If the Board, for any reason, fails to establish a record date, rules set forth in the Nonprofit Corporation Act shall apply;

3.9 Action Without Meeting: Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting in accordance with the provisions of the Nonprofit Corporation Act. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

3.10 Conduct of Meetings: Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. Except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Nonprofit Corporation Act. No Member of the Association shall have any right as an Association Member to attend any meeting of the Board, except such meetings of the Board as the Board of Directors shall, in the exercise of its sole discretion, open to the membership or any other person. In any matter relating to the discipline of an Association Member, the Board shall always meet in closed session if requested by that Member, and the Member shall be entitled to attend such closed session.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. The affairs of the Association shall be managed by a Board of Directors, all of whom must be Members of the Association, or an officer, director, employee or agent of a Member, including Declarant. The initial Board of Directors shall consist of three (3) Directors who shall be appointed by the Declarant.

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shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to the Declaration until the expiration of the Declarant Control Period. Within sixty (60) days after the expiration of the Declarant Control Period, the Members shall elect five (5) Directors. The Association shall either call, and give not less than thirty (30) days' and not more than sixty (60) days' notice of, such special meeting of the Members to elect the Board of Directors, or the date on which the Association shall count the written ballots distributed to the Members with such notice for the election of the Board of Directors. Each year thereafter, the Members shall elect such number of Directors as shall exist whose terms are expiring.

4.2 Term of Office. The election of Directors shall be by plurality, the number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes being elected. However, at the meeting of the Association following expiration of the Declarant Control Period held to elect five (5) Directors or the date following expiration of the Declarant Control Period when written ballots are to be counted for the election of such Directors pursuant to Section 4.1, the two (2) nominees receiving the highest number of votes will each be elected for a term of two (2) years, and the next three (3) nominees receiving the highest number of votes will each be elected for a term of one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve for a term of two (2) years. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

4.3 Removal; Vacancies. A Director appointed by the Declarant may only be removed by the Declarant, otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members by sixty-seven percent (67%) of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than 10 days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting, or by the sole remaining Director. A successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.4 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties, including, but not limited to, travel expenses.

4.5 Indemnification of Corporate Agents. The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under the Nonprofit Corporation Act, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Notice to the Members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations to be placed on the ballot may also be solicited by the Nominating Committee or the Board from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The

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Nominating Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to the meeting of the Members at which the election is to be held, or if the election is to take place solely by written ballot not less than sixty (60) days prior to the date set on the ballot as the election date when ballots are to be counted, and shall serve until the close of the election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted as set forth in Section 4.1. At such election the Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Section 3.5(a).

ARTICLE VI MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place within the Project, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists within the Project, the Board shall select a room as close as possible to the Project. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) Directors. Notice of the special meeting shall specify the time and place of the meeting and the nature of the special business to be considered.

6.3 Quorum. A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decisions made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.5 Executive Session. The Board may, with approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts of which the Association is a party, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the minutes of the proceedings of the Board.

6.7 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not

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specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.9 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.10 Notices Generally. Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, charges prepaid; or (e) by facsimile transmission to the fax number of the Directors or to e-mail address of the Directors, with proof of transmission and receipt thereof being retained in the minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, fax number or e-mail address as shown on the records of the Association. Such notice shall be sent to all Directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided, however, notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile transmission or e-mail shall be delivered, telephoned, given to the telegraph company, faxed or e-mailed, as the case may be, at least seventy-two (72) hours before the time set for the meeting. Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to:

- A. Maintenance: Perform the maintenance described in the Declaration;
- B. Insurance: Maintain insurance as required by the Declaration;
- C. Discharge of Liens: Discharge by payment, if necessary, any lien against the Common Areas and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);
- D. Assessments: Fix, levy, collect and enforce Assessments as set forth in the Declaration;
- E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- F. Records: Cause to be kept minutes of annual meetings of Members and to present such minutes to the Members at the next annual meeting of the Members; minutes of any special meeting when such

statement is requested in writing by one-fourth (¼) of the Class "A" Members; and to keep adequate and correct books and records of account, minutes of proceedings of its Board and committees, and a roll of its Members giving their names and addresses and classes of membership;

G. Supervision: Supervise all officers, agents and employees of the Association; and to see that their duties are properly performed;

H. Review of Financial Records: Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components which the Association is obligated to maintain.

I. Reserve Account Withdrawal Restrictions: Require that at least two (2) signatures are needed for the withdrawal of monies from the Association's reserve accounts, at least one (1) of whom shall be a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

J. Reserve Account Fund Management: The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

K. Reserve Studies: At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

7.2 Powers. The Board of Directors shall have power to:

A. Manager: Employ a manager as provided in the Declaration;

B. Adoption of Rules: Adopt rules in accordance with the Declaration, including rules setting aside Common Area parking spaces as handicap parking only, and adopt rules limiting the number of cars which will be permitted to be parked in the Common Area parking spaces;

C. Assessments, Liens and Fines: Levy and collect Assessments and impose fines as provided in the Declaration.

D. Enforcement: Enforce these Bylaws and/or the Declaration as provided in Article 13 of the Declaration.

E. Contracts: Contract for goods and/or services in accordance with the Declaration.

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulation promulgated by the Board, or to make a decision to levy monetary fines, impose special Assessments

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against individual Lots and Dwellings, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy Annual or Special Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

G. Appointment of Trustees: Appoint a trustee as provided in the Declaration.

H. Borrowings: Borrow money (i) for the purpose of improving the Development, or any portion thereof, (ii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Development, (iii) for providing services authorized herein, and, (iv) to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

I. Other Powers: In addition to any other power contained herein or in the Declaration, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

7.3 Prohibited Acts: The Board shall not take any of actions prohibited of it under the Declaration except with the vote or written consent of a majority of the Members other than Declarant.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers: The officers of this Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, a Vice President, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers: The Declarant shall have the sole right to appoint and remove officers during the Declarant Control Period. Thereafter, all officers shall hold office at the pleasure of the Board.

8.3 Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal: Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to an Association manager.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to an Association manager.

ARTICLE IX COMMITTEES

9.1 Appointment. An Architectural Review Committee may be appointed as provided in the Declaration, and a Nominating Committee shall be appointed as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Act, also requires Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more Directors or committee members have a material financial interest.

ARTICLE X BOOKS AND RECORDS

10.1 Inspection by Members. The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Project as the Board shall

prescribe. Board minutes shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made;
- C. Payment of the cost of reproducing copies of documents requested by a Member.

10.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board. Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the governing documents of the Project, a copy of the most recent budget and statements of the Association, and a true statement in writing from an authorized representative of the Association as to the amount of the Association's current Annual and Special Assessments and fees, as well as any Assessments levied upon the Owner's interest which, as of the date of the statement, are or may be made a lien upon the Owner's Lots or Dwellings. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XI MISCELLANEOUS

11.1 Amendments. Prior to close of the sale of the first Lot or Dwelling, Declarant may amend these Bylaws. After sale of the first Lot or Dwelling these Bylaws may be amended, only as provided in the Declaration or in the Nonprofit Corporation Act.

11.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

11.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATE

AK R 351PG459

I, the undersigned, the duly elected and acting Secretary of THE ANCHORAGE PROPERTY OWNERS ASSOCIATION, a South Carolina nonprofit mutual benefit corporation, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of the Association on July 20, 2000 and that the same do now constitute the Bylaws of the Association.

Dated: 7/20/00

Director/President

EXHIBIT "C"

BK R 351PG460

1. Mandatory Procedures for Non-Exempt Claims. Any Claimant with a Claim against a Respondent shall comply with the following procedures.

1.1 Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

1.1.1 the nature of the Claim, including applicable date, time, location, persons involved, Respondent's role in the Claim and the provisions of the Declaration or other authority out of which the Claim arises;

1.1.2 what Claimant wants Respondent to do or not do to resolve the Claim; and

1.1.3 that Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

1.2 Negotiation.

1.2.1 Each Claimant and Respondent (the "Parties") will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, not later than 30 days following the Notice, unless otherwise agreed by the Parties.

1.2.2 Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint an attorney licensed to practice law in the State of South Carolina to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes his or her efforts will be beneficial to the Parties. Such an attorney will have been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments and will not have a conflict of interest with any of the Parties.

1.3 Final and Binding Arbitration.

1.3.1 If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant will have 30 days within which to submit the Claim to binding arbitration under the auspices and the Commercial Arbitration Rules of the American Arbitration Association; and in accordance with the substantive and procedural laws of the state of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

(a) Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10)-day period, or on or before any later day set by them by which to select an arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Charleston, South Carolina before a neutral person who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15)

years, specializing in commercial transactions with substantial experience in planned real estate developments, and who has no conflict of interest with any Party. The arbitrator may award any remedy or relief that a court of the State of South Carolina could order or grant, including, without limitation, specific performance of any obligation created under this Declaration, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or any other damages not measured by the actual damages of the "Prevailing Party," as said term is hereinafter defined, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Declaration.

(b) In the event Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent is released and discharged from any and all liability to Claimant arising out of the Claim; provided, nothing herein will release or discharge Respondent from any liability to a person not a Party to the foregoing proceedings, or the mandatory requirements of this Paragraph 14.3 with respect to any subsequently arising new dispute or claim by the Claimant which is identical or similar to the Claim previously deemed abandoned under this Paragraph 1.3.1(b).

This Paragraph 1 is an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the "Award") is final and binding on the Parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

2. Allocation of Costs of Resolving Claims.

2.1 Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Paragraphs 1.1 and 1.2, including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of any attorney appointed by the Board pursuant to Paragraph 1.2, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Board is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses.

2.2 Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Paragraph 1.3, the "Prevailing Party," as hereinafter defined, will receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of selection of the arbitrator under Paragraph 1.3 to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of any attorney appointed by American Arbitration Association pursuant to Paragraph 1.3, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

2.2.1 Not less than ten (10) days prior to the first day of the proceeding, a Party or Parties may file and serve on the other Party(ies) an offer of settlement, and within five (5) days thereafter the Party(ies) served may respond by filing and serving such Party(ies) its own offer of settlement. An offer of settlement will state that it is made under this paragraph and will specify the amount which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of all claims in dispute, including the Claim and all counterclaims.

2.2.2 An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is served on the Party(ies) making the offer prior to the first day of the proceeding.

BK R 351PG462

2.2.3 If an offer of settlement is rejected, it may not be referred to for any purpose in the proceeding, but may be considered solely for the purpose of awarding fees, costs and expenses of the proceeding under Paragraph 1.3 and as provided in this section.

2.2.4 If the Claimant makes no written offer of settlement, the amount of the Claim made or asserted by the Claimant during the action is deemed to be such Claimant's final offer of settlement hereunder.

2.2.5 If the Respondent makes no written offer of settlement, the final offer of settlement by the Respondent will be the amount asserted during the action to be due in satisfaction of the Claimant's claims; otherwise the Respondent's offer of settlement hereunder is deemed to be zero.

2.2.6 If the respondent asserts a counterclaim, then offers of settlement shall take into consideration such counterclaim in the manner above provided. Furthermore, any Award shall also take into account such counterclaim.

2.2.7 The Party(ies) whose offer, made or deemed made, is closer to the Award granted in the proceeding is considered the "Prevailing Party" hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of fees, costs and expenses of arbitration.

3 Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Paragraph 1.2 and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party thereafter fails to comply with the Award, then any other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Paragraph 14.3. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all the Parties jointly and severally) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

SETTLE 000229

M R 35 PG 453

EXHIBIT "D"

THE ANCHORAGE - DOCK MASTER PLAN

1

NPCHAR1042005.1-AGR-0LL) 024121-00012

Exhibit "D"

BK R 351PG464



Office of Ocean and Coastal
Resource Management

1362 McMillan Avenue, Suite 400
Charleston, SC 29405

(803) 744-5838 FAX (803) 744-5847

April 12, 1999

Mr. John B. Walpole
Sunny Point Farms
P. O. Box 8
Wadmalaw Island, S. C. 29487

Re: Anchorage Plantation
Dock Master Plan

Dear Mr. Walpole:

The Office of Ocean and Coastal Resource Management planning and permitting staff have reviewed and has conceptually approved the dock master plan for the Anchorage Plantation development located on Bohicket Creek and its tributaries, on Wadmalaw Island, Charleston County, S. C. This plan will be used as an advisory opinion in permitting, but designation of any lot as a "dock lot" does not guarantee the issuance of any permits. The following comments will also be made part of the file and any subsequent permit review.

1. Any modifications or changes to the subdivision plan submitted with P/N #93-3E-119/149-P will null and void this dock master plan.
2. Dock sizes will be limited to a 50 square foot pierhead only on creeks that measure 20' or less as measured from marsh grass to marsh grass. Dock sizes will be limited to a 120 square foot dock on creeks that measure from 21' to 50' from marsh grass to marsh grass. Dock sizes will be limited to 160 square foot dock on creeks that measure 51' to 150' from marsh grass to marsh grass. Special geographic circumstances may warrant larger structures for docks within the 120 and 160 square foot classification.
3. Channelward extension of docks will be evaluated at the time of permit application but will generally be limited to 1/4 of the creek's width as measured from marsh grass to marsh grass.
4. Precedent in the vicinity for roof structures will be considered as well as the potential for impacting the view of others. Roofs, which have the potential to impact views, will not be allowed, while those that have minimal impact may be allowed.
5. All parts of any permitted dock structure should generally remain a minimum of 20' inside extended corridor lines. However, OCRM may require docks to be built closer than 20' when it would substantially decrease walkway length.

Exhibit: "D"

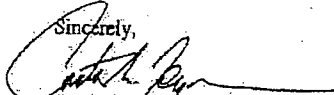
OK R 351PG465

Mr. John Walpole
April 12, 1999
Page 2

This letter will be made part of the dock master plan file and will be considered as part of any future permit review. Additional concerns and further restrictions may occur as part of the permit public review. Reference must be given to this dock master plan in all contracts of sale of affected lots. *OCRM strongly suggests the developer record this DMP in the local RMC office.* This would place potential buyers on notice that their property may be affected by the DMP. This master plan shall be presumed to take precedence over applications inconsistent with this plan unless new information is revealed in an application to address and overcome the concerns identified in the dock master plan.

Please call me at 747-4323-122 or 744-5838 if you have any questions.

Sincerely,



Curtis M. Joyner
Permitting DMP Coordinator

laurelhilapp
cc: Mr. Chris Brooks
Mr. Richard Chinnis
Mr. Mark Caldwell

SETTLE 000232

PROFESSIONAL ASSOCIATION

16 CHARLOTTE STREET
CHARLESTON, SC 29403PO DRAWER 22247
CHARLESTON, SC 29413-2247PHONE: 843.727.2200
FAX: 843.727.2238

WWW.P-TW.COM

E-MAIL: dsm@p-tw.com
DIRECT DIAL: 843.727.2256
FAX: 843.727.2231E. DOUGLAS PRATT-THOMAS
G. TRENHOLM WALKER
W. ANDREW GOWDER, JR.
JON L. AUSTEN
LINDSAY K. SMITH-YANCEY (SC, NC)
CLAYTON B. MCCULLOUGH
THOMAS H. HESSE (SC, GA)
JAN W. FREEMAN (SC, CA)
FRANCIS M. ERYN II (SC, MA)
DANIEL S. McQUEENEY, JR.
JAMIE A. KHAN
KATHLEEN FOWLER MORRIS

November 4, 2011

U.S. MAIL ☒ FACSIMILE ☐ EMAIL ☐Elizabeth W. Settle, Esq.
Hagood & Kerr, P.A.
P.O. Box 220
Mt. Pleasant, SC 29464Re: Anchorage Plantation Home Owners Association v. John Walpole et al
Our File No.: 7279-001

Dear Beth:

I am writing to confirm your retention by my client, Anchorage Plantation Homeowners' Association (the "Association"), as a consultant and possible expert witness in the above-referenced matter. This case involves the validity and scope of purported easements to John and Theodora Walpole with respect to the roads and other common areas of the Anchorage Plantation subdivision.

On January 20, 2010, we filed a declaratory judgment action on behalf of the Association against the Walpoles. This action seeks to determine the efficacy and scope of certain easements purportedly granted by the developer of the subdivision to the Walpoles. Trenholm and I would like to meet with you to discuss the particular aspects of the purported easements and Declaration of Covenants, Conditions and Restrictions that are at issue. My client seeks your objective analysis of these real property questions.

Please consider your engagement as an informally consulted expert in this matter to be confidential at this point. You should consider any impressions and opinions that you may have once you are familiar with the facts to be confidential as well. If you and we decide later that you shall be a testifying expert witness in the case, we will disclose your involvement then.

Enclosed herewith, please find copies of the pleadings in the case, as well as the relevant deeds, plats, declarations, amendments, and easement agreements. We would like to have our meeting before you get too far along. Let me know when suits you.

SETTLE000233

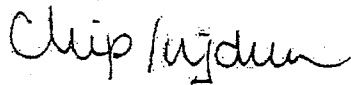
Elizabeth W. Settle, Esq.
Re: Anchorage Plantation
November 4, 2011
Page 2

It is my understanding that you will bill the Association hourly at \$275 per hour. The bills should be sent to me even though the Association will pay them.

We greatly appreciate your willingness to dedicate time from your busy schedule to review and assess this matter. I look forward to working with you.

Yours very truly,

PRATT-THOMAS WALKER, P.A.



Daniel S. McQueeney

DSM\njdm
Enclosures (As Stated)

SETTLE000234

HAGOOD & KERR, P.A.

ATTORNEYS & COUNSELORS AT LAW

Thomas L. Harper, Jr.
tharper@hagoodkerr.com

March 7, 2005

**By Fax and Certified Mail,
Return Receipt Requested**Jennifer L. Miller, Planning Director
Charleston County Planning Department
Lonnie Hamilton, III Public Services Building
4045 Bridgeview Drive
North Charleston, SC 29405-7464

Re: Proposed subdivision of certain real property located on Wadmalaw Island,
South Carolina, TMS No. 199-00-00-017 (the "Walpole Property"), owned by
John and Theodora Walpole (the "Walpoles")
Charleston County Planning Dept. Application No. 19861 (the "Application")

Dear Ms. Miller:

This firm represents Anchorage Plantation Homeowners Association (the "Association"). The Board of Directors of the Association (the "Board") has considered the proposed subdivision plat submitted by the Walpoles to the Planning Department for Charleston County (the "County") pursuant to the referenced Application (the "Plat"), as well as the objections to the Application set forth in the letter of G. Trenholm Walker to you dated February 10, 2005. After careful consideration, the Association must join in and separately assert its own objections to the Application on the grounds set forth in Mr. Walker's letter and as set forth herein.

The Plat identifies the Walpole Property as "The Anchorage Plantation - Phase III", suggesting that it will become part of the Association or otherwise affiliated with the Anchorage Plantation development. This is not the case. The Walpoles have not approached the Board about joining the Association and do not otherwise have a right to do so. More troubling, they did not consult with the Association before submitting the Application to the County, even though the Plat shows multiple lots on the Walpole Property deriving access to Maybank Highway through Anchor Watch Drive, which is a private road owned and maintained by the Association for the benefit of the residents of Anchorage Plantation. As described below, the Walpole Property is not entitled to use Anchor Watch Drive, leaving multiple lots shown on the Plat without access to a public right of way. For this reason the Plat does not comply with the County's applicable Zoning and Land Development Regulations.

Post Office Box 220
Mount Pleasant, South Carolina 29465654 Coleman Blvd.
Mount Pleasant, South Carolina 29464
www.HagoodKerr.comTelephone: 843-972-1000
Facsimile: 843-972-1005

Walpole 0041

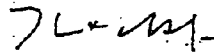
The Walpoles contend they have a right to use Anchor Watch Drive by virtue of an amended easement agreement (the "Walpole Easement Agreement") granted to them in June, 2002 by the developer of Anchorage Plantation, Southern Lifestyles VII, LLC (the "Developer"). However, the Walpole Easement was preceded by that certain Second Amendment to and Restatement of Declaration of Covenants, Conditions and Restrictions for the Anchorage, dated July 20, 2000, and recorded in the Charleston County R.M.C. Office in Book R351 at Page 391 (the "Declaration"). Section 6.2 of the Declaration provides that the common areas in Anchorage Plantation (including Anchor Watch Drive and other private roads) are for the use of the homeowners of Anchorage Plantation, subject to rights and easements "specifically reserved to Declarant in this Declaration" (emphasis added). The Declaration did not reserve to the Developer the right to grant the access easement to the Walpoles set forth in the Walpole Easement Agreement.

Incidentally, the Declaration does allow the Developer to subject additional property to the Declaration during the so-called "Declarant Control Period", with that additional land being entitled to use the roads within Anchorage Plantation, subject to those owners paying their pro rata share for the maintenance and repair to those common areas. However, the Declarant Control Period expired over two (2) years ago without the Walpole Property having been brought in to the Association. At present, any inclusion of new land into the development requires the consent of the Association, which the Walpoles have not obtained. The Board contests the right of the Walpole Property owners to use Anchor Watch Drive, and intends to protect its rights through litigation with the Walpoles if necessary.

For the foregoing reasons, as well as those set forth in Mr. Walker's letter to you, the Association urges the County to deny the Application and rescind any approval of the Plat.

I welcome your questions or comments. Thank you for your consideration.

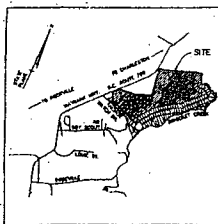
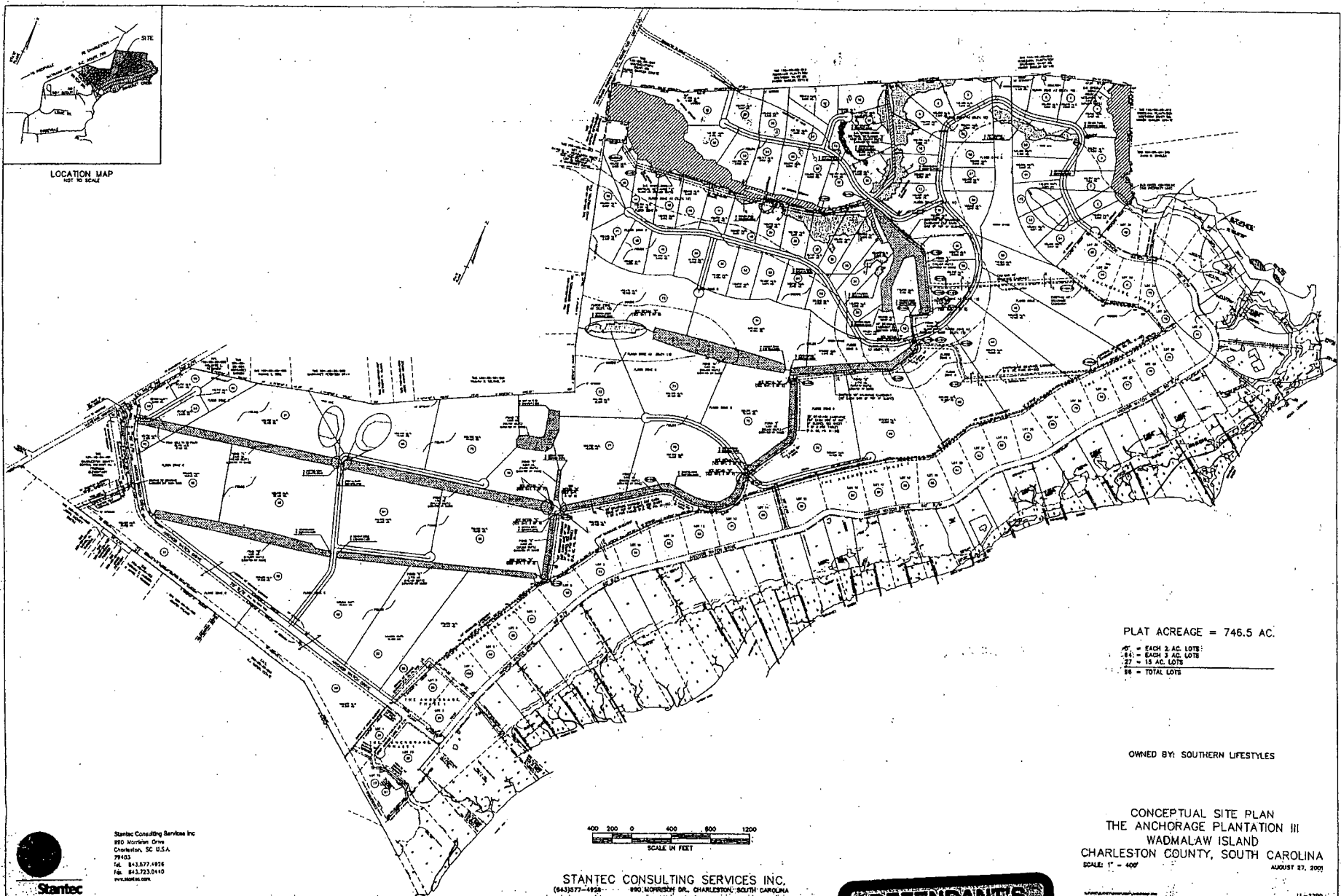
Sincerely yours,



Thomas L. Harper, Jr.

TLH/caa

cc: G. Trenholm Walker, Esq.
G. Dana Sinkler, Esq.
J. Rutledge Young, Jr., Esq.
John A. Mayer, M.D.

LOCATION MAP
NOT TO SCALE

PLAT ACREAGE = 746.5 AC.

1/4" = EACH 2 AC. LOT
 1/2" = EACH 3 AC. LOT
 3/4" = EACH 4 AC. LOT
 1" = TOTAL LOTS

OWNED BY: SOUTHERN LIFESTYLES

CONCEPTUAL SITE PLAN
 THE ANCHORAGE PLANTATION III
 WADMALAW ISLAND
 CHARLESTON COUNTY, SOUTH CAROLINA
 SCALE: 1" = 400'

LL-2299

Webcode 0878



Stantec Consulting Services Inc.
 880 Morrison Drive
 Charleston, SC 29405
 Tel. 843.577.4926
 Fax. 843.723.0110
 www.stantec.com

STANTEC CONSULTING SERVICES INC.
 (843)577-4926 880 MORRISON DR., CHARLESTON, SOUTH CAROLINA

DEFENDANT'S
 EXHIBIT
 16

FINKEL & ALTMAN, L.L.C.

ATTORNEYS AND COUNSELORS AT LAW

THE CARROLL BUILDING

24 NORTH MARKET STREET, SUITE 200
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS

POST OFFICE BOX 228

CHARLESTON, SOUTH CAROLINA 29402
(843) 577-5460

FACSIMILE (843) 577-5135

COLUMBIA OFFICE

1201 MAIN STREET, SUITE 1800
POST OFFICE BOX 1798
COLUMBIA, SOUTH CAROLINA
29202
(803) 765-2935
FACSIMILE (803) 252-0788

GEORGETOWN OFFICE

717 C FRONT STREET
GEORGETOWN, SOUTH CAROLINA
29442
(843) 527-9281

REPLY TO CHARLESTON OFFICE

CHARLES S. ALTMAN

altman@finkelaltman.com

October 30, 2001

VIA FACSIMILE: 720-1777

Neil C. Robinson, Jr., Esquire

Nexen, Pruet, Jacobs, Pollard & Robinson, LLP

P.O. Box 486

Charleston, SC 29402

Re: *Walpole, John B./Subdivision Development*
Our File No.: 18430/05477

Dear Neil:

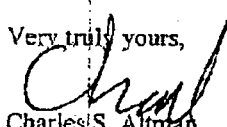
I apologize for the delay in getting back to you with regard to your letter of Friday, October 26, 2001, however, it was necessary for the Walpoles to have time to review and digest the contents.

You were correct in several instances that the language in the draft I sent you is not necessary as it does not apply to the obligations of the parties going forward. Overall, however, the Walpoles feel the proposal they made was extremely generous. This is especially true with regard to allowing the deferral of a major portion of the Purchase Price, thereby eliminating the need for bank financing. In effect, the Walpoles are being placed in the position of being Southern Lifestyles' bank for this development. As a result the other provisions of the proposed agreement were aimed at protecting their interest.

When the Walpoles first reviewed your letter, their initial reaction was that since the contract was not accepted as drafted, I should notify you there was no longer any reason to discuss the matter further. However, after considering the situation overnight, the Walpoles saw the logic in having one developer for the property as a result they have instructed me to advise you they are willing to further negotiate the terms of the contract, but only after receipt and recording of the access and boat ramp and dock easements previously sent to you. They feel this sign of good faith on the part of Southern Lifestyles is absolutely necessary to show their sincerity in moving forward.

Please advise me what your clients' position is with regard to proceeding on this matter.

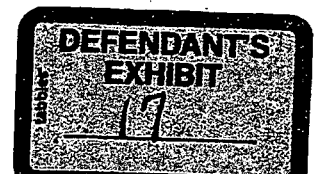
Very truly yours,


Charles S. Altman

CSA/

cc: John B. & Theodora W. Walpole

F:\WPDATA\Clients\5477\ntcr103001.wpd



RECEIVED
SEP 15 2016
SC Court of Appeals

Certificate of Counsel

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

September 15, 2016



Charles S. Altman
Meredith L. Coker
ALTMAN & COKER, LLC
575 King St., Ste. A
Charleston, SC 29403
T: (843) 853-9907
F: (843) 722-5702

Attorneys for Appellants

5
RECEIVED

SEP 15 2016

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

R. Markley Dennis, Circuit Court Judge

Case No. 2016-000281

Anchorage Plantation
Homeowners Association,

Respondent,

v.

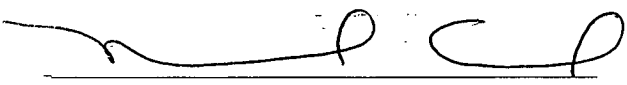
John B. Walpole and
Theodora W. Walpole

Appellant.

PROOF OF SERVICE OF RECORD ON APPEAL

I certify that I have served the Record on Appeal by delivering the same via hand delivery on September 15, 2016, to Respondent to its attorney of record, G. Trenholm Walker, Pratt-Thomas Walker, P.A., 16 Charlotte Street, Charleston, South Carolina 29403.

September 15, 2016



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