



# *Lakes of Summerville*

## **Lakes Master Covenants and Restrictions**

STATE OF SOUTH CAROLINA

COUNTY OF DORCHESTER  
COUNTY OF CHARLESTON

DECLARATION

OF

THE LAKES MASTER  
ASSOCIATION

THIS DECLARATION, made on the date hereinafter set forth by LAKES OF SUMMERVILLE, LLC, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the developer of The Lakes, a planned residential development containing single family, detached houses and multi-family, attached townhomes located in Dorchester County and Charleston County, South Carolina which will contain common amenities for both the single family lots and the townhome lots;

WHEREAS, Declarant desires to provide certain amenities for both the single-family The Lakes subdivision and the multi-family The Lakes Townhomes subdivision, which together comprise Lakes, including common areas, parking area, walking area, picnic areas, entrance signage to be constructed on Master Common Areas, and to provide for the landscaping and maintenance of the property along the right-of-ways within the development and other Master Common Area improvements, which amenities will be for the common use and benefit of Lot Owners, and to provide for the maintenance and upkeep of such amenities;

WHEREAS, Declarant desires to provide for a system whereby the Lot Owners will pay for the maintenance and upkeep of the Master Common Area and whereby the Lot Owners will abide by the restrictions, rules and regulations imposed by the Declaration;

WHEREAS, Declarant deems it desirable to create an organization to own, maintain and manage the Master Common Area and for the Lakes and to perform services and enforce covenants and restrictions exclusively applicable to the Lakes Master Common Area and to collect and disburse the assessments and charges hereinafter imposed; and

WHEREAS, Declarant has caused to be created for the purposes aforesaid, a South Carolina non-profit corporation under the name and style of THE LAKES MASTER ASSOCIATION, Inc.

NOW, THEREFORE, Declarant declares that the property described in Section I of Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, are and shall be owned, held, transferred, sold, conveyed, and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the Lots and be binding upon and inure to the benefit of all Lot Owners thereof, their heirs, personal representatives, successors and assigns.

## ARTICLE I

### DEFINITIONS

Section 1. "Architectural Control Committee" shall mean and refer to the Architectural Control Committee for the single-family portion of the Lakes as set forth in Article VI hereof.

Section 2. "Approved Builder" shall mean Lakes of Summerville, LLC and its subsidiaries, associated companies, successors and assigns.

Section 3. "Declarant" means Lakes of Summerville, LLC, and any successor or assign to whom it assigns its interest as Declarant hereunder in whole or in part by instrument recorded in the official records of the County.

Section 4. "Declaration" means this Declaration and all amendments or supplements thereto.

Section 5. "Lot" means any numbered lot or plot of land, including single-family residential lots and multi-family townhome lots, together with any improvements thereon, as shown upon any recorded final subdivision map covering the Project or a part thereof, which is not a dedicated street, Master Common Area or Townhome Common Area as defined in this Declaration.

Section 6. "Lot Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Lot as defined in this Declaration.

Section 7. "Master Association" means THE LAKES MASTER ASSOCIATION, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 8. "Master Common Area" means the areas designated "Master Common Area," "Master Common Open Space," or other different language with similar meaning on map(s) of the Project recorded in Dorchester County or Charleston County RMC Office and all real property, easements and improvements thereon, including parking area, walking and picnic areas, and entrance signage, owned or held in trust for the benefit of the Master Association for the common use and enjoyment of its members.

Section 9. "Member" is a member of the Master Association.

Section 10. "Mortgage" means a mortgage or deed of trust which constitutes a first lien upon a Lot given to a bank, savings and loan association or other institutional lender or individual for the purpose of securing indebtedness incurred to purchase or improve a Lot.

Section 11. "Mortgagee" means the holder of the beneficial interest in any Mortgagee.

Section 12. "Persons" means an individual corporation, partnership, trustee or other legal entity capable of holding title to real property.

Section 13. "Project" means the planned development known as the Lakes which includes or will include the single family, detached lots and the multi-family, attached townhome including which shall be developed and constructed on the Property, and any Additional Phases and Additional Land made subject to this Declaration by recordation of a Supplemental Declaration pursuant to Article II of this Declaration.

Section 14. "Property" means the property shown on the map as defined in this Declaration exclusive of the public rights of way shown on the map, which Property includes the Lots and the Master Common Area.

Section 15. "Rules and Regulations" means reasonable rules and regulations as may be adopted from time to time by the Master Association.

Section 16. "Single-Family Lot" means any Lot located in the single-family portion of the Lakes.

Section 17. "Special Declarant Rights " means the Declarant's rights, including, but not limited to the following: to complete improvements indicated on plats or plans filed with or referenced in this Declaration; to exercise any development right; to maintain sales offices, management offices, models and signs advertising the Lakes single-family homes and townhomes; to use easements through the Master Common Area for the purpose of making improvements within The Lakes or within real estate which may be added to The Lakes; and to elect, appoint or remove any officer or Board member of the Master Association during any period of Declarant control.

Section 18. "Townhome Association" means The Lakes Townhomes Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 19. "Townhome Common Area" means the areas designated "Townhome Common Area," "Townhome Common Open Space," or other different language with similar meaning on map(s) of the Project recorded in the Dorchester County or Charleston County RMC Office and all real property, easements and improvements thereon, owned or held in trust for the benefit of the Townhome Association for the common use and enjoyment of its members.

Section 20. "Townhome Lot" means any Lot located in the multi-family townhome portion of The Lakes, known as The Lakes Townhomes.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION  
ADDITIONS THERETO

Section 1.        Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Dorchester County or Charleston County, South Carolina and is shown on the maps recorded in the RMC Office for Dorchester County or Charleston County and is more specifically described as follows:

ALL those pieces, parcels and lots of land, lying, situate and being in the Town of Summerville, County of Dorchester or Charleston County, State of South Carolina, and being more specifically shown on a plat prepared by Associated Engineers and Surveyors, Inc., entitled "SUBDIVISION PLAT SHOWING LOTS THRU, BEING SUBDIVIDED FROM \_\_\_\_\_, PROPERTY OF \_\_\_\_\_, LOCATED IN THE TOWN OF SUMMERVILLE, DORCHESTER COUNTY OR CHARLESTON COUNTY, SOUTH CAROLINA", dated March 12, 2002 and recorded April 1, 2002 in the RMC Office for Dorchester County or Charleston County in Plat Cabinet \_\_\_\_\_ at Slide \_\_\_\_\_

This property shall be hereinafter referred to as "Existing Property".

Section 2.        Additions to Existing Property. Additional property may be brought within the scheme of this Declaration and the jurisdiction of the Master Association in the following ways:

(a) Additional land which is contiguous to the property described herein may be annexed to the Existing Property by Declarant or its designated assign (but shall not be required to be annexed) and brought within the scheme of this Declaration and within the jurisdiction of the Master Association, in future stages of development, without the consent of the Master Association or its members; provided, however, that said annexations, if any, must occur within ten (10) years after the date of this instrument.

(b) The additions authorized under Subsection (a) shall be made by filing of record Supplementary Declarations with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Master Association to such properties and thereby subject such additions to assessment for their just share of the Master Association's expenses. Said Supplementary Declarations may contain such complementary additions and modification of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect only the different character of the added properties and as are not inconsistent with the provisions of this Declaration.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot, which is subject to assessment, shall be a member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Master Association shall have two classes of voting Membership:

Class A. Class A Members shall be all Lot Owners with the exception of Declarant and Approved Builder; provided, however, that Declarant shall become a Class A Member when their Class B Membership ceases as provided hereinafter. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an ownership interest in any Lot, all such persons shall be Members, but no more than one vote shall be cast with respect to any Lot. The vote for any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves. In the event of disagreement, the decision of Members holding a majority of interest in such Lot shall govern. Unless otherwise notified by a co-owner as to a dispute between the co-owners regarding their vote prior to the casting of that vote, the vote of a co-owner shall be conclusively presumed to be the majority vote of the Lot Owners of that Lot.

Class B. Class B Members shall be Declarant and Approved Builder and shall be entitled to four (4) votes for each Lot owned; provided that Declarant's Class B Memberships shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier: (i) the conveyance of seventy-five percent (75%) of all Lots within the Project to Lot Owners other than Declarant, or (ii) seven (7) years after the first Lot is conveyed to an Owner for use as that Owner's residence.

Section 3. Suspension of Voting Rights. Voting rights attributable to an ownership interest in a Lot shall be suspended throughout the term of any default under these Declarations or By-Laws by a Lot Owner.

Section 4. Control by Declarant. Notwithstanding any other language or provision to the contrary in the By-Laws, in the Articles of Incorporation, or in this Declaration, Declarant hereby retains the right to appoint and remove any Members of the Board of Directors of the Master Association and any officer or officers of the Master Association until ninety (90) days after the first of the events to transpire outlined in Section 2 concerning the termination of the Class B Member status of Declarant; or the surrender by Declarant of the authority to appoint and remove directors and officers by a written letter to the Master Association. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Master Association pursuant to the provisions of this Section, such right shall automatically pass to the Lot Owners, including Declarant if they then own one or more Lots; and a special meeting of the Master Association shall be called for and held within ninety (90) days from the date of the expiration of Declarant's rights hereunder. At such special meeting, the Lot Owners shall elect a new Board of Directors which shall undertake the responsibilities of running the Master Association and Declarant shall deliver the books, accounts, and records, if any, which they have kept on behalf of the Master Association as well as any agreements or contracts executed by or on behalf of the Master Association which may still be in effect or operation. Each Lot Owner by acceptance of a deed to or other conveyance of the Lot vests in Declarant such authority to appoint and remove directors and officers of the Master Association as provided in this Section.

## ARTICLE IV

### PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Except as limited by Section 2 of this Article IV, every Lot Owner shall have a right and easement of enjoyment in and to the Master Common Area established initially and in all future Stages or Sections of the development, which right and easement shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Master Association to charge reasonable admission and other fees for the use of any facility situated upon the Master Common Area and to limit the use of said facilities to Lot Owners who

occupy a residence on the Properties, and to their families, tenants, and guests as provided in Section 2 of this Article IV;

(b) The right of the Master Association to suspend the voting rights and rights of a Lot Owner to the use of the facilities for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) The right of the Master Association to dedicate or transfer all or any part of the Master 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 the members entitled to at least three-fourths (3/4) of the votes appurtenant to all Class A lots and at least three-fourths (3/4) of the votes appurtenant to all Class B lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this subsection shall not preclude the Board of Directors of the Master Association from granting easements for the installation and maintenance of sewerage, utilities, including CATV, and drainage facilities upon, over, under and across the Master Common Area without the assent of the membership when such easements, in the opinion of said Board, are requisite for the convenient use and enjoyment of the Property.

(d) The right of the Master Association, with the assent of members entitled to at least two-third (2/3) of the votes appurtenant to each class of lot (Class A and B), to mortgage, pledge, deed in trust, or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

#### Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment granted to every Lot Owner in Section 1 of this Article may be exercised by members of the Lot Owner's family who occupy the residence of the Lot Owner within the Project as their principal residence in Dorchester County, South Carolina.

(b) Tenants. The right and easement of enjoyment granted to every Lot Owner in Section 1 of this Article may be delegated by the Lot Owner to his tenants or contract purchasers who occupy a residence within the Project, or a portion of said residence, as their principal residence in Dorchester County, South Carolina.

(c) Guests. Facilities located on Master Common Areas situated within the Project may be utilized by guests of Lot Owners, tenants or contract purchasers subject to such rules and regulations governing said use of the Master Association as may be established by the Board of Directors.

#### Section 3. Use Restrictions.

(a) Residential Use. Except as may be otherwise expressly provided in this Declaration, each Lot shall be used for residential purposes only. Lease or rental of a lot for residential purposes shall not be considered to be a violation of this Covenant, so long as the lease is in compliance with the provisions of this Declaration, the Bylaws and reasonable Rules and Regulations adopted by the Board.

(b) Prohibition of Renting for Transient or Hotel Purposes. No Owner shall rent his Lot for transient or hotel purposes, which, for the purposes of this Declaration shall be defined as either a rental for any period less than one hundred eighty (180) days or any rental if the lessee of the Lot is provided customary hotel services. Each permitted lease shall be in writing and shall be subject to this Declaration, the Bylaws, and the Rules and Regulations adopted hereunder and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Other than the foregoing restrictions, each Owner shall have the full right to lease all or any portion of his Lot.

(c) Rules and Regulations. Use and enjoyment of the Properties shall be governed and regulated by the rules and regulations set out in this Article IV, which may be amended or abrogated only by amendment to this Declaration, as provided in Article VIII, Section 3. However, the Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable supplemental rules and regulations and may provide for

imposition of fines and other penalties for the violation thereof or for the violation of any of the covenants and conditions contained in this Declaration.

(d) Antennas/Satellite Dishes. Except for such as are covered by, and installed in strict compliance with, the requirements of the Telecommunications Act of 1996, as amended, no outside radio or transmission tower or receiving antenna, including a satellite dish antenna, and no outdoor television antenna or satellite dish may be erected or installed by an Owner or permitted by an Owner to remain on his or her Lot without the prior written approval of the Board of Directors or the Architectural Control Committee, if any.

(e) Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

(f) Dwelling Size. The total square footage of the main structure located on a Lot, exclusive of one-story open porches and garages, shall not be less than one thousand (1000) square feet.

(g) Nuisances. No activity deemed noxious or offensive by the Board of Directors or the Architectural Control Committee, if any, shall be carried on upon any Lot or within the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as determined by said Board or Committee. Examples of such offensive activities shall include, but not be limited to, the origination or emission of any loud or disturbing noise or vibrations, failure of lot occupants to insure that garage doors are closed at all times except when automotive traffic is moving in or out; the maintenance of an auto repair site; the maintenance of unsightly outdoor storage of personal property (including toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, terraces or yards; and similar unsightly activity (such as use of outdoor clothes drying lines) not in keeping with the aesthetic character and high level of appearance of the community.

No potentially hazardous or toxic materials or substances shall be used or stored on any Lot other than normal household, lawn and garden products which shall be used by Owner in a manner that will not permit spills or runoff of such materials anywhere within the Properties. No activity shall be allowed which violates local, state or federal laws or regulations and the Board shall have the right, but not the obligation, to take enforcement action in the event of a violation.

(h) Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes. The number of household pets generally considered to be outdoor pets, such as dogs and cats, shall not exceed two (2) in number, except for newborn offspring of such household pets which are under six (6) months in age. Notwithstanding the foregoing, Pit bulls are expressly prohibited, and the Association shall have the right to prohibit, or require the removal of, any dog or other animal which the Association, in its sole discretion, deems to be undesirable, a nuisance or a safety hazard after consideration of factors such as size, breed and disposition of the animal, likely interference by the animal with the peaceful enjoyment of the Properties by Owners and the security measures taken by the Owner with respect to such animal.

(i) Temporary Structures and Parking of Vehicles Onstreet and Offstreet. No residence or other improvement of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, basement, shack, tent, garage, barn or any other building of a similar nature shall be used as a residence on any Lot, either temporarily or permanently. No mobile house trailers, on or off wheels, recreational vehicles ("RVs"), motor homes, vehicles or enclosed bodies of the type which may be placed on or attached to a vehicle, known generally as "campers", commercial vehicles of any kind or boats or boat trailers shall be permitted, parked or stored in the Common Area or within any Lot, unless inside the garage of that Lot with the garage door closed; provided that the temporary parking of commercial vehicles will be permitted while the driver thereof is on business delivering goods or services to a customer within the Properties.

No vehicle of any type which is abandoned or inoperative shall be stored, parked or kept in the Common Area nor shall any such vehicle be stored, parked or kept on any Lot if it can be seen from any other Lot or from any street within the Properties, and no automobiles or other mechanical equipment may be dismantled or parts thereof stored on any said Lot. No vehicles of any type shall be parked on the sidewalk or within a street

right-of-way, nor shall vehicles of any type be parked or stored on any part of a Lot not improved for that purpose (a garage, driveway or parking pad). This prohibition shall not preclude occasional, overnight or temporary daytime overflow parking within the street right-of-way by guests of an Owner, or tenant of an Owner, as long as no inconvenience is imposed upon one or more Owners of other Lot(s).

The provisions of this Section i. shall not preclude the parking of construction trailers within the Properties or the construction, maintenance and use by Declarant of temporary buildings and other structures while there are new lot construction and/or sales activities within the Properties. Daytime and overnight parking of trucks and other construction vehicles shall also be permitted throughout the Lot development and lot construction periods.

(j) Signs. No signs or other advertising devices shall be erected upon or displayed or otherwise exposed to view on any Lot, or any improvement thereon, without the prior written consent of the Association, except that "For Sale" signs not exceeding 18" x 35" may be placed on a lot and provided, further, that Declarant may post temporary "For Sale" and other advertising signs anywhere on the Properties until such time as all Lots owned by Declarant have been sold and conveyed.

(k) Street Lamps. The street lamps installed in the Common Areas at or near the roads upon which Lots face shall be maintained, repaired and replaced at the expense of the Association and the electricity bills shall be paid by the Association. No Owner may or shall disconnect a street light or remove any element thereof or in any way damage or deface a street light.

(l) Control of Dogs. Every person owning or having possession, charge, care, custody or control of a dog shall keep such dog exclusively upon his or her Lot; provided, that such dog may be off premises if it is under the control of a competent person and restrained by a chain, leash or other means of adequate physical control.

(m) Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, and all trash, garbage and other waste shall be stored in sanitary containers in accordance with the rules and regulations of the Association and of any health or public safety authority having jurisdiction over the Properties. No trash, garbage or other waste may be placed within the Common Area, except in containers approved by the Association.

(n) Garages. Garages are included in the required number of parking spaces.

(o) Artificial Vegetation, Exterior Sculpture, Exterior Statuary and Similar Items. No artificial vegetation or plastic animal decoration, such as pink flamingos, etc. shall be permitted on the exterior of any property, unless placed temporarily on the property by a church or charitable organization in connection with fund raising purposes. Exterior sculpture, fountains, flags, birdbaths, birdhouses and similar items must be approved by the Declarant or the Architectural Control Committee.

(p) Firearms. The use of firearms in The Lakes is prohibited. The term "firearms" includes, without limitation, "B-B" guns, pellet guns, bow and arrows, slingshots and small firearms of all types.

Section 4. Wetlands Ordinances and Regulations. Portions of the Master Common Area for The Lakes may be designated as "Wetlands" by the US Army Corps of Engineers and may be shown as Wetlands on the recorded maps of The Lakes. Any areas designated as Wetlands must be maintained as Wetlands in compliance with any applicable laws, ordinances and regulations governing Wetlands until such time as changes to such laws, ordinances and regulations allow these areas to be maintained or developed in a condition or state other than as previously required of areas designated as Wetlands.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot owned within the Property, hereby covenants, and with the exception of the Approved Builder each Lot Owner of any Lot 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 to the Master Association an initial capital contribution, Annual Assessments and Special Assessments, as hereinafter defined, for maintenance and repair costs of the Master Common Area established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made and upon the right to use the Master Common Area. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Lot Owner of such Lot effective at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to a Lot Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Master Association against each Lot ("Annual Assessments") shall be used as follows:

(a) to repair and maintain the Entrance Monument, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping on the Entrance Monument, and to provide and pay for utility charges for irrigation and lighting of the signage located thereon;

(b) to keep the Entrance Monument clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;

(c) to keep the Master Common Areas clean and free from debris, to maintain the same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping;

(d) to repair and maintain the Master Common Areas;

(e) to pay all ad valorem taxes levied against the Master Common Areas and any other property owned by the Master Association;

(f) to pay the premiums on all insurance carried by the Master Association pursuant hereto or pursuant to the Bylaws;

(g) to pay all legal, accounting and other professional fees incurred by the Master Association in carrying out its duties as set forth herein or in the Bylaws;

(h) to maintain contingency reserves as to the amounts described in subsections (a) through (e) above in amounts determined by the Board of Directors and

(i) to promote the recreation, health, safety and welfare of the residents in The Lakes as it relates to this Master Association.

(j) to perform maintenance and repair any and all improvements of association. (i.e. pools, lakes and clubhouse).

Section 3. Payment of Annual Assessments: Due Dates.

The Annual Assessments provided for herein shall be paid monthly, quarterly or annually as determined by the Board of Directors. The Annual Assessments for the townhome Lots shall be collected monthly by the Townhome Association as part of the Townhome Association dues for each townhome Lot. The Townhome Association shall pay over to the Master Association the monthly Annual Assessment dues collected from its Townhome Association members. The Annual Assessments for single family Lots shall be paid by the single family Lot Owners directly to the Master Association. The Annual Assessments for the fiscal year beginning January 1, 2004, shall be a maximum of \$240.00 per Lot owned by a Class A Member with the exception of the Approved Builder; provided, however, that if the first assessment year shall have fewer than twelve (12) months, the foregoing amounts shall be proportionately reduced. The Annual Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Sections 4 and 6 of this Article V, and shall be due and payable no later than January 31 of each such fiscal year or as determined by the Board of Directors. The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any fiscal year at least thirty (30) days prior to January 1 of such fiscal year, and the Master Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the first installment due, to each Lot Owner on or before January 1 of such fiscal year. Failure of the Master Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For fiscal years beginning January 1, 2003, and thereafter, the Board of Directors, by a vote in accordance with the By-Laws, without a vote of the Members, may increase the Annual Assessments each year by a maximum amount equal to the previous year's Annual Assessments times the greater of (1) twenty percent (20%), or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84=100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Annual Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after January 1, 2004, the Annual Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of each class of Members owning Lots, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum set forth in subparagraph (a) above (the "Maximum Annual Assessment"). If the Board of Directors shall levy less than the Maximum Annual Assessment for any calendar year and thereafter, during such year, determine that the important and essential functions of the Master Association as to the Master Common Area cannot be funded by such lesser assessment, the Board may, by a vote in accordance with the By-Laws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"). In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Master Association may levy against each Lot Owner with the exception of the Approved Builder, in any assessment year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of the Master Common Area, including the pool, cabana, entrance monument, parking areas, and any capital improvement located thereon, including lighting, water lines and other fixtures, poles, wires, railings and other facilities located thereon and personal property related thereto; provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of each of class of Members taken at a duly held meeting of such Members in accordance with the By-Laws called for this purpose.

Section 6. Assessment Rate. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots except Lots owned by the Approved Builder;

Section 7. Commencement of Assessments. The Annual Assessments provided for herein shall commence for each individual Lot upon the closing of a completed single family or townhome residence constructed on that Lot to an Owner other than Declarant or the Approved Builder. The first assessment year shall be the period commencing on the date regular annual assessments commence and ending on the December 31 next following. The regular Annual Assessment for the first assessment year shall be prorated from the amount fixed by the Board for a full twelve-month year, based on the number of months to be contained in the first assessment year. Subsequent assessment years shall be each successive calendar year; provided, however, that at any time the Board may change the assessment year to correspond to a fiscal year selected by the Board.

Notwithstanding the provisions of this Article V hereof, the Declarant may at its election, postpone, in whole or in part, the date on which the Annual Assessment shall commence, provided that the Declarant maintains the Master Common Areas and Entrance Monument for which no assessment is being collected during the period of such postponement.

Section 8. Initial Capital Contribution. Each Purchaser of a Lot with the exception of the Approved Builder will pay an Initial Capital Contribution to the Master Association in an amount of \$40.00 of the Annual Assessment of the Master Association.

Section 9. Certificate Regarding Assessments. The Master Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Master Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Master Association as to the status of assessments on a Lot is binding upon the Master Association as of the date of its issuance.

Section 10. Special Assessments Regarding Damage to Master Common Area. In addition to the powers for assessments set forth herein, the Board of Directors shall have the power to levy a special assessment applicable to any particular Owner responsible for damage to the Master Common Area, through intentional conduct or any act or omission of himself, members of his family, his agents, guests, employees or invitees.

Section 11. Effect of Nonpayment of Assessments: Remedies of the Master Association. Any Annual or Special Assessment installment not paid by its due date as set forth in Article V, Section 3 hereof, or any other assessment not paid by its due date, shall bear interest from such due date at the annual rate of twelve percent (12%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors to defray the costs arising because of late payment. The Master Association may bring an action at law against the delinquent Owner or foreclose the lien in the same manner as a mortgage lien foreclosure against the Lot; and interest, late payment charges, costs and reasonable attorney's fees related to such action or foreclosure shall be added to the amount of such assessment. The Master Association shall also have the right to suspend the right to use the Master Common Area and voting rights of an Owner for any period during which any assessment against his Lot remains unpaid or for any infraction of the Rules and Regulations for the duration of the infraction and for an additional period not to exceed ninety (90) days. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Master Common Area.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Article V of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot. Sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may in its sole discretion determine such unpaid assessments to be an Annual or Special Assessment, as applicable, collectable pro rata from Owners, including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners notwithstanding the fact that such pro rata portions may cause the Annual Assessment to be in excess of the Maximum Annual Assessment permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

## ARTICLE VI

### ARCHITECTURAL CONTROL

Section 1.        Architectural Control. No building, dwelling, accessory building, improvement or structure, all as defined in Section 2 hereof on any Single-Family Lot shall be erected, constructed, placed, demolished, or altered until an application, including plans and specifications showing the nature, kind, shape, height, materials, and location of the same, shall have been submitted to and approved in writing by the Declarant during the period in which Declarant has the right to appoint the members of the Board of Directors and then, after Declarant no longer has the right to appoint the Board, by an architectural control committee which is hereby empowered to approve such applications and which shall at all times be comprised of not less than three (3) owners of Single-Family Lots and not more than five (5) owners of Single-Family Lots who have been appointed by the Declarant or the Board (hereinafter the "Architectural Control Committee" or "A.C.C."); provided, however, that no such approval shall be required for alterations to the interior of any residential structure. If the Architectural Control Committee, having not theretofore approved or disapproved an application, fails to approve or disapprove an application within ten (10) days following receipt of written notice of failure to act, which written notice is given at least thirty (30) days following receipt of the initial application, the application shall be deemed approved. The restrictions herein contained shall have no application to the development, improvement, maintenance and repair of the Property by Declarant or by the Association, and neither the Board nor the architectural control committee shall have any power or authority to review or require modifications in plans and specifications for construction or installation of improvements by Declarant.

Section 2.        Definitions. For purposes of this Article VI, the following terms shall have the following meanings unless the context clearly requires a different meaning:

- (a) "accessory building" means every detached garage, carport, tool shed, storage or utility building, detached guest quarters, detached servants' quarters or other similar building constructed on a Lot or incidental thereto which is not a dwelling;
- (b) "building" means an accessory building or dwelling;
- (c) "dwelling" means a building constructed for single family residential use but excluding detached servants' quarters and guest quarters; and
- (d) "improvement" or "structure" means a building, wall, fence, deck, patio, planter, statuary, terrace, swimming pool, tennis court, television and radio antennae, towers, dishes and discs or anything else constructed or placed on a Lot.

Section 3.        Declarant Exempt from Approval. Notwithstanding any provisions to the contrary, the provisions of this Article VI shall have no application to the development, improvements, maintenance and repair of the Properties by Declarant, Approved Builder or by the Association, and neither the Board of Directors, nor the Committee shall have any power or authority to review or require modifications in plans and specifications for construction or installation of improvements by Declarant or Approved Builder.

## ARTICLE VII

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Neither Declarant, nor any Member, nor the Board, nor the Association, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association making such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof.

The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty.

The indemnifications provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or any disinterested directors or otherwise and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall make efforts to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article VII, or in the Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Master Association, or any Lot Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Master Association or by any Lot Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run and bind the Lots, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of seventy-five (75%) percent of a vote of the Owners after the expiration of said twenty-five (25) year period. This Declaration may be amended by the Declarant during the first thirty-six (36) months without the assent of the other Lot Owners if required to meet any requirement of local or state laws or regulations, or a requirement of the Department of Housing or the Veterans Administration or for the betterment of the overall community to be located within the property subject to this Declaration. This Declaration may be amended during the first twenty-five year period by an instrument signed by the Lot Owners of not less than eighty (80%) percent of the Lots, and thereafter by an instrument signed by the Lot Owners of not less than seventy-five (75%) percent of the Lots. Any amendment must be properly recorded. For the purpose of this section, additions to existing Lots as provided in Article II, Section 2 hereof shall not constitute an "amendment".

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

WITNESSES:

LAKES OF SUMMERVILLE, LLC

BY: SUNBURST PROPERTIES, INC.,  
A FLORIDA CORPORATION,  
ITS SOLE MEMBER

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Stan Walker, President

STATE OF SOUTH CAROLINA)  
COUNTY OF \_\_\_\_\_)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by STAN WALKER, President of SUNBURST PROPERTIES, INC., A FLORIDA CORPORATION, as Sole Member of LAKES OF SUMMERVILLE, LLC, a South Carolina limited liability company, on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public for SC  
My Comm. Expires: