



Horry County Register of Deeds

Marion D. Foxworth, III
Registrar

Transaction #: 2202776
Receipt #: 1998044
Cashier Date: 5/14/2019 4:19:57PM
SWILLIAMS

P.O. Box 470 □ Conway, South Carolina 29528 □ Phone: 843.915.5430 □ Fax: 843.915.6430 □ www.horrycounty.org

Customer Information	Transaction Information	Payment Summary
(00143) BURR & FORMAN LLP 2411 OAK ST STE 206 MYRTLE BEACH, SC 295770000 ATTN: Donna Baxley Escrow Balance: \$1,121.49	Date Received: 5/14/2019 4:16:51PM Source Code: WALK-IN Return Code: Walk-In Trans Type: Recording Agent Ref Num: DONNA	Total Fees: \$56.00 Total Payments: \$56.00 Balance Due: \$0.00

1 Payment(s)

 CHECK	#280	\$56.00
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1 Recorded Item(s)

 (082) RESTRICTIONS	BK/PG: 4207/2495 Instrument#: 2019000052065 Date: 5/14/2019 From: To:	
Recording @ \$10 for first 4 pgs, \$1 every pg after	50	\$56.00

TITLE OF DOCUMENT: Declaration of Covenants, Conditions, Restrictions and Easements for The Lakes Residential Amenity Association

NAME OF FILER: Alicia E. Thompson

TITLE OF FILER: Partner, Burr & Forman LLP, attorney for RS Parker Homes, LLC

CLIENT NAME: RS Parker Homes, LLC

ADDRESS OF FILER: Burr & Forman LLP
2411 Oak Street, Suite 206
Myrtle Beach, SC 29577

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TELEPHONE NUMBER FOR FILER: (843) 444-1107

PROPERTY DESCRIPTION: The property described on Exhibits A-1 and A-2 attached hereto to the Declaration of Covenants, Conditions, Restrictions, and Easements for the Lakes Residential Amenity Association.

Deed BK: 4207 PG: 2495 Doctype: 082
05/14/2019 at 04:19:59 PM, 1 OF 50

Marion D. Foxworth III
HORRY COUNTY, SC REGISTRAR OF DEEDS

**PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION PURSUANT
TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT 8 15-48-10, S.C. CODE
OF LAWS OF 1976 AS AMENDED.**

**Declaration of Covenants, Conditions, Restrictions and
Easements For The Lakes Residential Amenity Association**

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE LAKES RESIDENTIAL AMENITY ASSOCIATION

THIS Declaration of Covenants, Conditions, Restrictions and Easements for the Lakes Residential Amenity Association is made this 9th day of May, 2019, by THE LAKES RESIDENTIAL AMENITY ASSOCIATION, a South Carolina nonprofit corporation (hereinafter referred to as the "Amenity Association").

WITNESSETH THAT:

WHEREAS, The Amenity Association is the owner of the Common Area, as hereinafter defined, located in Horry County, South Carolina, being a recreational facility and more particularly described on Exhibit "A-1" attached hereto and incorporated herein by reference; and

WHEREAS, the Common Area includes a clubhouse with a pool and spas; and

WHEREAS, Lakes Venture Partners, LLC, a South Carolina limited liability company (hereinafter, "Lakes Venture"), is the owner of those certain real properties situate in Horry County, South Carolina and more particularly described on Exhibit "A-2" attached hereto and incorporated herein by reference, which have been or will be subdivided into lots upon which Residential Units are to be constructed ("Lakes Venture Residential Parcels"); and

WHEREAS, RS Parker Homes, LLC is the owner of those certain real properties situate in Horry County, South Carolina and more particularly described on Exhibit "A-3" attached hereto and incorporated herein by reference that may be submitted as Additional Property by the plan and operation of this Declaration pursuant to Section 2.3;

WHEREAS, Lakes Venture desires to subject the Common Area described in Exhibit "A-1" and the Lakes Venture Residential Parcels described in Exhibit "A-2" in order to provide a flexible and efficient method of administration, assessment and maintenance of the Common Area recreational facility for the use of the residential properties developed or to be developed and constituting the Lakes Venture Residential Parcels and any such Additional Property added to the plan and operation of this Declaration pursuant to Section 2.3 and to provide the procedures and mechanisms for the use of and access to the Common Area recreational facility in accordance with this Declaration; and

WHEREAS, the Lakes is an adjacent Community that is subject to the Declaration of Covenants, Conditions, Restrictions, and Easements for the Lakes dated June 5, 1987 and recorded in the Horry County Register of Deeds in Deed Book 1138, Page 704, as amended (the "Lakes Declaration"); and

WHEREAS, owners of lots subject to the Lakes Declaration as described in Exhibit "R-4" (the "Lakes Lots") may elect to execute and File of Record a Joinder Agreement certifying that their respective lot is thereafter subject to the Amenity Association and will become part of the Residential Units hereunder; and

NOW THEREFORE, Lakes Venture hereby declares that this Declaration and the covenants, restrictions and easements established herein are covenants to run with the Common Area, the Lakes Venture Residential Parcels, the Lakes Lots, if any, and the Additional Property, if any (collectively, the "Property"), and in accordance with the terms and conditions hereof. Said covenants and restrictions will inure to the benefit of and are binding upon each and every Owner, as hereinafter defined, and its, his or her respective heirs, representatives, successors, purchasers, lessees, grantees and mortgagees. By the recording or acceptance of the conveyance of any portion of the Property (regardless of whether a Residential Unit is then located thereon, or any interest therein), the person or entity to which the interest is conveyed is deemed to accept and agree to be bound by the provisions of this Declaration and the Bylaws of the Amenity Association.

ARTICLE 1

DEFINITIONS

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

(a) "Additional Property" will mean and refer to the following: (A) the land, together with the Residential Units constructed or to be constructed thereon, described in Exhibit "A-3" added hereto by the execution and Filing of Record of a Joinder Agreement by each of the owners or the filing of a Supplemental Declaration; (B) individual lots listed in Exhibit "R-4" and whose Owners execute and file Of Record a Joinder Agreement subjecting the Owners' lots and Residential Units constructed thereon to this Declaration; and (C) real property owned and occupied for residential purposes as may be added and made subject hereto as provided in Section 2.3.

(b) "Assessment" will mean and refer to the Common Expenses or other charges from time to time assessed against a Residential Unit by the Amenity Association in the manner herein provided, and will include Annual Assessment, Special Assessments, Specific Assessments, and Capital Contribution Assessments further defined in Article 5 below; but shall exclude License Fees paid by a Licensee who only acquires an annual License, as hereinafter defined, for use of and access to the Common Area.

(c) "Amenity Association" will mean and refer to The Lakes Residential Amenity Association, or any successor-in-title to its entire interest in the Common Area at the time of the transfer to said successor-in-title, or any party designated in a writing Filed of Record to succeed to the rights of the Amenity Association hereunder as to the matters set forth therein.

(d) "Lakes Venture" means Lakes Venture Partners, LLC, a South Carolina limited liability company, which has subjected its real property in the Lakes, identified as the Lakes Venture Residential Parcels, to the plan and operation of this Declaration. "Lakes Venture" shall include (i) any successor- in-title to the entire interest of Lakes Venture with respect to all Lakes Venture Residential Parcels at the time of such transfer to said successor-in-title (and such assignor no longer owns any portion of the Lakes Venture Residential Parcels) accompanied by an

assignment of all rights as a Control Authority hereunder, to the extent it is then the Control Authority; or (ii) any person designated to succeed to the rights of the assignor as to the specific matters set forth in a Supplemental Declaration, as hereinafter defined, or other instrument Filed of Record, executed by Lakes Venture or its successor and which may include, at the sole election of the assignor, a reservation of concomitant rights by the assignor in and to remaining portions of the Lakes Venture and the rights therein being assigned. "Lakes Venture Residential Parcels" those certain tracts or parcels of land further described on Exhibit "A-2", and further described in the preamble above.

(e) "Board of Directors" will mean and refer to the Board of Directors of the Amenity Association.

(f) "By-Laws" will mean and refer to the By-Laws duly adopted for the administration and operation of the Amenity Association, as may be amended from time to time, a copy of which is attached hereto as Exhibit "B."

(g) "Class A Owner" and "Class B Owner" shall have the meanings ascribed to them in Section 2.2(c) below.

(h) "Common Area" will mean and refer to all that certain piece, parcel and lot of land, together with improvements thereon and therein, further described in Exhibit "A-1" under the heading, "Common Area."

(i) "Common Expenses" will mean and refer to all liabilities or expenditures made or incurred by or on behalf of the Amenity Association, together with all funds necessary for the creation or maintenance of financial, equipment or capital improvement reserves, consistent with the provisions of this Declaration.

(j) "Community" will mean and refer to the land and improvements thereon developed in whole or in part for residential use and so designated herein. "Community" shall specifically include the Lakes Venture Residential Parcels described in Exhibit "A-2", the Additional Property, if submitted to this Declaration, as reflected on Exhibit "A-3", the Lakes Lots with respect to which Joinder Agreements are executed and Filed of Record described in Exhibit "R-4", and any other property subject to this Declaration pursuant to a Joinder Agreement executed and Filed of Record. Community Owners are divided into two (2) classes hereunder, either Class A Owners, those being Owners of Residential Units subject hereto described in Exhibit "A-2" or as defined as Additional Property reflected on Exhibit "A-3" and subject to this Declaration or Class B Owners, those being Owners of Residential Units described in Exhibit "R-4" that subject their Residential Units to this Declaration, as such classes are further described in herein.

(k) The "Control Authority" means Lakes Venture or its successor or assign that owns any of the Property and is assigned rights as set forth in Section 1.1(d). Control Authority shall terminate upon termination of the Control Period hereinafter defined; provided, however, if on the date of the sale of the last owned portion of the Property by Lakes Venture, the Majority Builder continues to own any of the Lakes Venture Residential Parcels or Additional Property subject to this Declaration, Lakes Venture shall within thirty (30) days following written request from the Majority Builder assign all of the rights, titles, interests and obligations as Control

Authority to the Majority Builder upon acceptance thereof effective from and after the date of assignment, which shall continue so long as the Majority Builder or any other assignee residential homebuilder owns any portion of the Property and will terminate upon termination of the Control Period, hereinafter defined. The Control Authority shall have full power and authority to execute such approvals, consents and actions required or allowed by the Control Authority under this Declaration. No person who may act in reliance upon the representations of the Control Authority for the scope of authority granted to it hereby shall incur any liability as a result of permitting the Control Authority to exercise such authority; nor is any such person who deals with the Control Authority responsible to determine or ensure the proper exercise of any approval, consent or action in the name or on behalf of the Control Authority.

(l) "Control Period" means the time period commencing on the date of recording of this Declaration and ending on the earlier of:

(i) December 31, 2050; or

(ii) The surrender by the Control Authority during the Control Period, as evidenced by an amendment to the Declaration executed and Filed of Record in the Horry County Register of Deeds office ("ROD,") by the Control Authority certifying to such surrender; or

(iii) The sale of the last owned portion of the Property by the Control Authority.

(m) "Declaration" will mean and refer to this Declaration of Covenants, Conditions, Restrictions and Easements for the Lakes Residential Amenity Association, and all supplements and amendments Filed of Record from time to time.

(n) "Delegate" or "Director" shall mean and refer to a member of the Amenity Association's Board of Directors.

(o) "Equivalent Units" will mean the total number of Class A Owners and Class B Owners then eligible, as provided in Section 4.1 of the Bylaws, to vote for a Delegate; and is utilized to determine the vote to which a Delegate Board member is entitled when a Board vote is measured by the number of Equivalent Units assigned to a Delegate.

(p) "Filing of Record" or "Filed of Record" will mean and refer to the act of filing a writing in the Horry County ROD, as will give legal notice to the world of the matters set forth in the writing so filed.

(q) "Joinder Agreement" will mean a Joinder and Consent to Declaration that subjects property therein described to the plan and operation of this Declaration.

(r) "License" will mean the revocable, annual right of use and access to the Common Area in exchange for payment of the License Fee from time to time established by the Amenity Association for such revocable, annual use and access right.

(s) "Licensee" means the holder of a License to use the Common Area.

(t) "License Fee" means the fee charged a Licensee for an annual License to use the Common Area, payable in such amounts and in such installments as the Amenity Association shall, from time to time, establish therefor.

(u) "Majority Builder" means the builder of a majority the Residential Units subject to the plan and operation of this Declaration. "Majority Builder" shall include any successor-in-title to the entire interest of the Majority Builder with respect to all of the Lakes Venture Residential Parcels and the Additional Property that has been subjected hereto that it owns at the time of such transfer to said successor-in-title (and such assignor no longer owns any portion of the Lakes Venture Residential Parcels or Additional Property that has been subjected hereto) accompanied by an assignment of all rights as a Control Authority hereunder, if assigned those rights, less and excepting any Owner.

(v) intentionally omitted.

(w) "Occupant" will mean and refer to the following:

(i) with respect to an owner, such Owner and any tenant or other person who permanently resides in and occupies the Residential Unit owned by such Owner; and

(ii) with respect to a Licensee, such Licensee and any tenant or other person who permanently resides in and occupies the residence owned by such Licensee.

(x) "Owner" will mean and refer to one or more persons who, individually or collectively, if more than one, owns fee simple title to any Residential Unit subject to this Declaration. "Owner" will not refer to any mortgagee (unless the mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Residential Unit under contract (until title is conveyed of record) unless a purchaser under a contract for deed is so designated an "Owner" pursuant to a Supplemental Declaration Filed of Record by the Amenity Association and the seller of the Property.

(y) Is intentionally deleted and omitted.

(z) "Property" will mean and refer to all the land and all improvements thereto or situate thereon described in Exhibits "A-1," "A-2" and "A-3" submitted to the provisions of this Declaration herewith and, upon execution and Filing of Record a Joinder Agreement, the land and improvements thereto or situate thereon described in Exhibit "R-4" and, upon submission to the provisions of this Declaration, the other Additional Property, together with all improvements thereon, which may be added pursuant to Section 2.3.

(aa) Is intentionally deleted and omitted.

(bb) Is intentionally deleted and omitted.

(cc) "Residential Unit" will mean and refer to an improved portion of the Property, independently owned and used for residential purposes, and subjected to this Declaration. The term will refer to the land and the improvements thereon which are a part of the Residential Unit. In the case of an apartment building or a condominium building containing

multiple residential dwelling units subjected to this Declaration, each dwelling unit is a separate Residential Unit. Notwithstanding the foregoing, an unimproved lot within a Lakes Venture Residential Parcel shall not constitute a Residential Unit until a Certificate of Occupancy is issued for the residential improvements constructed on such lot and such lot and has been conveyed to a third-party Owner other than the Control Authority or a developer or builder to which the Control Authority sells unimproved portions of the Property for development, construction and sale of Residential Units in the ordinary course of its business, including without limitation, Lennar Carolinas, LLC, the Majority Builder, or any other residential homebuilder that builds Residential Units located on the Property subjected to this Declaration.

(dd) "Subordinate Association" will mean an incorporated or unincorporated association of Owners of Residential Units within a designated Community, subjected to a Subordinate Declaration providing for the orderly control, administration, maintenance, and management of common property and governance of such Residential Units.

(ee) "Subordinate Declaration" will mean and refer to the instrument or document, and any amendments thereto, which is Filed of Record for the Residential Units within a designated Community, and which creates an unincorporated property owners' association or incorporates therein an incorporated property owners' association of which Owners of Residential Units are members, and which may impose covenants, conditions, easements, and restrictions for the Residential Units made subject to such writing.

(ff) "Supplemental Declaration" will mean and refer to any amendment to this Declaration Filed of Record by the Control Authority or the Amenity Association, with the prior consent of the Control Authority during the Control Period, identifying the Community of which the Additional Property is a part and the Owners of Residential Units therein, who, together with their other Occupants, are granted use of or access to the Common Area pursuant to the provisions of the applicable Subordinate Declaration or an amendment thereto, upon the terms and conditions herein provided pursuant to Section 2.3.

ARTICLE 2

PLAN OF DEVELOPMENT

2.1 Non-Severability of Rights. The rights, liabilities and obligations set forth herein will attach to and run with the ownership of the Property, as more specifically set forth below, and may not be severed or alienated from such ownership.

2.2 The Plan.

(a) The Vision for the Amenity Association. The plan of development and use of the Amenity Association's Common Area is to create a first-class swimming complex recreational facility on the Common Area (collectively, the "Facility") that is for the use of (i) the Owners and other Occupants of Owners of Residential Units that are located on portions of the Property that have been subjected to this Declaration and as a result have been granted a perpetual right and easement of use and access to the Common Area as an interest running with title to such portions of the Property; and (ii) any Licensees and other Occupants of Licensees that may be

granted a temporary, revocable License to use the Common Area, and in each case subject to such rules and regulations limiting, restricting or conditioning such use and access as may be adopted by the Amenity Association, acting through the Board of Directors, at any time and from time to time as provided in Section 4.4 below. Persons that are not Owners, Occupants of Owners, Licensees or Occupants of Licensees shall have no right to use or access the recreational facility, except as otherwise may be permitted pursuant to rules and regulations adopted by the Amenity Association acting through the Board of Directors, at any time and from time to time pursuant to Section 4.4 below, and if such access and use is permitted, such rules and regulations may limit, restrict or otherwise condition such access and use in such manner as the Amenity Association acting through the Board of Directors may determine from time to time, including without limitation, impose a fee for such access and use.

(b) Property Subjected Hereto and Property Contemplated to be Subjected Hereto. The Property initially contains the Common Area described on Exhibit "A-1" and the Lakes Venture Residential Parcels located within the real property described on Exhibit "A-2". It is contemplated that the Property will include (i) the Additional Property described in Exhibit "A-3" attached hereto at such time, if any, as a Joinder Agreement is Filed of Record and/or a Supplemental Declaration is filed of Record; and (ii) the Residential Units described in Exhibit "R-4" attached hereto at such time, if any, as a Joinder Agreement is Filed of Record. It is also contemplated that the Property will include Additional Property added hereto by the Filing of Record of a Supplemental Declaration under Section 2.3, and Additional Property added by the Filing of Record of a Joinder Agreement under Section 2.3.

(c) Class of Residential Unit Owners Subject Hereto. There are two (2) classes of Owners whose Occupants of their Residential Units are or shall become subject to this Declaration and are granted access to the Common Area, subject to such Owners' obligation to pay Assessments hereunder, and subject to the limitations and other matters referred to in Section 2.3(a) above.

(i) The first class of Residential Unit Owners, referred to as "Class A Owners," are Owners of Residential Units located within the Community developed or to be developed and identified herein for purposes of location as the Lakes Venture Residential Parcels described on Exhibit "A-2"; and the Additional Property subjected to this Declaration described in Exhibit "A-3".

(ii) The second class of Residential Unit Owners, referred to as "Class B Owners," are Owners of Residential Units listed in Exhibit "R-4" who are granted an easement of access to and use of the Common Area hereunder upon the execution by each such Residential Unit Owner of a Joinder Agreement that submits the Owner's Residential Unit to the plan and operation hereof, the acceptance of such Joinder Agreement by the Amenity Association and the Filing of Record of such Joinder Agreement and as otherwise provided herein.

Class A Owners and Class B Owners will share in the costs and expenses of the Common Area through payment of Assessments as further described in Article 5 below.

(d) Annual, Revocable Licenses. In addition to Class A Owners and Class B Owners, the Amenity Association may, in its sole discretion, offer a revocable, annual License to

any person for use of and access to the Common Area in exchange for the payment of a License Fee, which License Fee may be increased in the Amenity Association's sole discretion each year that a revocable annual License is offered. A Licensee and its other Occupants shall be granted a revocable License to use the Common Area upon terms and conditions granted by the Amenity Association, in its sole discretion, together with the limitations and other matters referred to in Section 2.2 above. The grant of an annual License and the use and access rights appurtenant thereto shall not confer upon the Licensee or its other Occupants any right to renew any such License or acquire any such License in any subsequent year. Use and access to the Common Area by a Licensee is a revocable License and does not confer on any such Licensee a vested, prescriptive, or other right or easement to use the Common Area and its recreational facilities.

(e) Plan of Control of the Amenity Association. As further described in Section 4.2(b), during the Control Period, the Control Authority shall have the sole right to appoint and remove any Director or officer of the Amenity Association.

2.3 Additions to Property. Other property that is not otherwise described or contemplated herein may become subject to this Declaration in the following manner:

(a) Additions. The Control Authority will have the right to bring within the plan and operation of this Declaration any residential property located in close proximity to the Common Area, which property shall constitute Additional Property, for a total of no more than 387 Residential Units (237 Residential Units located on the property described on Exhibit "A-2" and the Additional Property described on Exhibit "A-3", if added to the Declaration, and 150 Residential Units). Such Additional Property may be subjected to this Declaration as one parcel or as several smaller parcels, that are subdivided into lots, at different times, by Lakes Venture and any such parcel Owner (or the declarant of any applicable Subordinate Declaration to which such Additional Property is subject) Filing of Record a Supplemental Declaration pursuant to subsection (i) hereof; or, in the case of an individual Owner invited to subject its, his or her Residential Unit to the plan and operation of this Declaration for the grant of use and easement rights in and to the Common Area that will run with title to the Owner's Residential Unit, by the execution of a Joinder Agreement by such Residential Unit Owner pursuant to subsection (ii) hereof. Upon the termination of the Control Period, the Amenity Association shall have the right to bring within the plan and operation of this Declaration any residential property located in close proximity to the Common Area, which property shall constitute Additional Property, for a total of no more than 387 Residential Units.

(i) Addition by Filing of Record a Supplemental Declaration. A Supplemental Declaration Filed of Record by any Owner of a subdivided parcel, or by the declarant of any applicable Subordinate Declaration to which such parcel is subject, will identify the Additional Property as part of a designated Community, and will further disclose that the Subordinate Association's members as Owners of Residential Units, for themselves and their other Occupants, have, pursuant to the provisions of the Subordinate Declaration or an amendment thereof, an easement for use of and access to the Common Area herein provided and the obligations appurtenant thereto will be binding upon and run with title to the land of the Owners' Residential Units subject to the Subordinate Declaration. The Owner of any subdivided parcel shall identify, in its sole discretion, the Residential Unit Owners within such Additional Property as either Class A Owners or Class B Owners in such Supplemental Declaration.

(ii) Addition by Filing of Record a Joinder Agreement. In the case of an individual Owner of a Residential Unit, the Joinder Agreement will identify the Residential Unit added hereto as an Additional Property, and the easement for use of and access to the Common Area herein provided and the obligations appurtenant hereto will be binding upon and run with title to the land of the Residential Unit Owner executing the same. The Residential Unit Owner shall become a Class B Owner pursuant to Section 2.2(c) above.

No use and access rights in and to the Common Area shall be effective until the execution and Filing of Record of a Supplemental Declaration or Joinder Agreement as herein provided.

(b) Additions by Merger. Upon merger or consolidation of the Amenity Association with another non-profit association, following approval of Board members representing two-thirds or more of the Equivalent Units represented by the entire Board, the Amenity 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 Amenity Association as a surviving corporation pursuant to a merger. The surviving or consolidated non-profit 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 affect any revocation, change, or addition to the covenants established by this Declaration within the Property. Lands which become subject to this Declaration under the provisions of this Section 2.3(b) may in the future be referred to as a part of the Property.

2.4 Withdrawal of Property by Control Authority. There is reserved for the benefit of the Control Authority the right to amend this Declaration during the Control Period for the purpose of removing any portion of the Property from the coverage of this Declaration, provided such withdrawal does not include any portion of the Property constituting a Residential Unit made subject hereto without the consent and joinder of the Owner of such Residential Unit. Such amendment will not require the consent of any person other than the Control Authority and the Owner of the portion of the Property to be withdrawn, if the Owner is not the Control Authority.

2.5 Interest Subject to Plan of Development. Every Owner and mortgagee of all or any portion of the Property will take title, or hold such security interest with respect thereto, subject to the terms, conditions, covenants and restrictions set forth in this Declaration, and to the rights of the Amenity Association hereunder.

ARTICLE 3

PROPERTY RIGHTS

3.1 General Property Rights of Owners. The ownership of each Residential Unit subject to this Declaration will include, and there will pass with each Residential Unit as an appurtenance thereto, whether or not separately described, all of the rights and interests in and to the Common Area as is established hereunder, and the limitations applicable thereto. Licensees have no such rights and interests in the Common Area, but only a revocable License to use the Common Area as herein provided.

3.2 Owners' and Occupants of Owners' Rights of Use and Enjoyment. Subject to the provisions of this Declaration and the rights and easements herein reserved to the Class A Owners and Class B Owners appurtenant to and to pass and run with title to their Residential Unit, and to the rights and easements herein reserved to the Amenity Association, which shall take precedence over this Section 3.2, and subject to the rules and regulations established by the Board of Directors in accordance with the terms hereof, every Occupant of a Residential Unit has a nonexclusive right to use and enjoy the Common Area, to the extent so entitled hereunder, subject, nevertheless, to the rights, restrictions, limitations, reservations, covenants, easements and obligations reserved, granted or alienable in accordance with this Declaration and the rules and regulations promulgated with respect thereto.

3.3 Easements of Maintenance, Repair and Improvement. The Amenity Association and the Control Authority have an alienable and transferrable right and easement on, over, through, under, and across the Common Area for the purpose of constructing improvements in and to the Common Area, and for installing, maintaining, repairing, replacing and refurbishing any improvements and components thereof as the Amenity Association and the Control Authority desires. It is expressly provided that in the exercise of its rights hereunder, the Amenity Association and the Control Authority may temporarily close the Common Area or any portion thereof for installation, maintenance, repairs, replacements, refurbishment and improvements.

3.4 Easements for Utilities. There is hereby reserved for the benefit of the Amenity Association and the Control Authority the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person, upon, over, under and across all or any portion of the Common Area for constructing, installing, replacing, repairing, operating, maintaining and using master television antennae and/or television cable systems, security and similar systems, and all utility facilities and services, 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 the Amenity Association or the Control Authority for utility easements on, over under and across the Common Area.

3.5 Municipal Easement. Police, fire, water, health and other authorized municipal officials, employees and vehicles will have the right of unrestricted ingress and egress to the Common Area, and any portion thereof, for the performance of their official duties.

ARTICLE 4

THE AMENITY ASSOCIATION

4.1 Governance. The Amenity Association will not have any members, but will be governed by an appointed Board of Directors, as set forth herein and incorporated in the Articles of Incorporation of the Amenity Association, as amended from time to time. The procedures and administration of the Board of Directors are set forth in the By-Laws of the Amenity Association. The Bylaws of the Amenity Association may be amended, from time to time, as provided in the Bylaws. The Board of Directors will constitute the final administrative authority of the Amenity Association, and all decisions of the Board of Directors are binding upon the Amenity Association, the Property and the Owners and other Occupants. All rights, titles, privileges and obligations

vested in or imposed upon the Amenity Association are held and performed solely by the Board of Directors.

4.2 Board of Directors.

(a) Following Expiration of the Control Period. Following expiration of the Control Period, the Board of Directors will consist of three (3) Delegates to be elected by a plurality vote of Class A Owners present at a meeting in which a quorum is present; and two (2) at-large Delegates to be elected by a plurality vote of Class B Owners present at a meeting in which a quorum is present. The Board of Directors may be limited to no less than three (3) Directors and may be expanded to no more than seven (7) Directors, with the number of Directors being an odd number rather than an even number.

(b) Prior to Expiration of the Control Period. Prior to the expiration of the Control Period, the Board of Directors will consist of not less than three (3) Directors appointed by the Control Authority.

(c) Board Member: Property Ownership. A person serving on the Board of Directors need not be an Owner of a Residential Unit.

(d) Licensees Have No Board Representation. Licensees described in Section 2.2(d) above shall not be entitled to vote for representation on the Board.

4.3 By-Laws. Each Class A Owner and each Class B Owner hereby consents and agrees that each Class A Owner, and each Subordinate Association of which a Class A Owner is a member, and each Class B Owner are bound by the provisions of the By-Laws of the Amenity Association, as they may be amended from time to time.

4.4 Rules and Regulations. The Amenity Association, acting through the Board of Directors, will have the authority at any time and from time to time to adopt and enforce rules and regulations governing the administration, use and operation of the Common Area, subject to the terms of this Declaration. Such rules and regulations may include, without limitation, rules and regulations limiting, restricting or conditioning use of and access to the Common Area. Further, the Board of Directors will have the authority to lease or grant licenses or concessions for portions of the Common Area; provided that the leases or grants of licenses or concessions are consistent with the provisions of this Declaration. Furthermore, the Board of Directors shall have the right to adopt fines that may be applicable, in the sole discretion of the Board of Directors, if the rules and regulations, Declaration, and/or Bylaws are violated by the Owners, Subordinate Association, or any other third party subject to this Declaration. The Board of Directors will not adopt any rule or regulation which is contrary to or at variance with, in whole or in material part, any right, easement or benefit granted or reserved to any person, including the Amenity Association, in this Declaration or in any Subordinate Declaration, and whose words of grant or reservation expressly prohibit any revocation or amendment thereto without the consent of the affected person, except with the prior written consent of such person and subject to the terms and conditions of such consent.

4.5 Indemnification of the Board and Officers. The members of the Board of Directors,

the officers of the Amenity Association as may be elected by the Board of the Amenity Association, and any professional "Managing Agent" of the Amenity Association retained by the Board pursuant to Section 4.7 below and its power to do so pursuant to Section 5.1 of the Bylaws, are not liable to the Owners or the Subordinate Associations for any mistake in judgment or acts or omissions which are made in good faith as Directors, officers or managing agent. The Amenity Association will indemnify and hold harmless those parties against all contractual liabilities to others arising out of agreements made by those parties on behalf of the Owners or the Amenity Association unless the agreements are made in bad faith or with knowledge that the same are contrary to the provisions of this Declaration. All contracts and agreements entered into by the Board of Directors, officers or any professional Managing Agent of the Amenity Association are deemed executed by them as agent for the Owners and the Amenity Association.

4.6 Board of Director's Determination Binding. In the event a disagreement arises between or among the Amenity Association, the Owners and any Subordinate Associations related to the Common Area or the interpretation and application of this Declaration or the By-Laws of the Amenity Association, the review and determination thereof by the Board of Directors are final and binding upon each and every such Owner and Subordinate Association, if any.

4.7 Management. Pursuant to its power under Section 5.1 of the Bylaws, the Board of Directors may retain a professional Managing Agent or full time employee to manage the Common Area and the operation of the administrative affairs of the Amenity Association. The Board of Directors may itself subsequently elect to assume those management responsibilities and in accordance with the terms of any management contract terminate the contract of any Managing Agent.

4.8 Insurance.

(a) Acquisition of Property Insurance Coverage. The Board of Directors will obtain insurance coverage for the Common Area, covering the insurable interest of the Amenity Association against loss or damage by fire or other casualty. The insurance will be for the full insurable value (based upon current replacement cost) thereof and the insurance premiums are a Common Expense. Such insurance coverage will be written in the name of, losses under such policies will be adjusted by, and the proceeds of such insurance will be payable to, the Amenity Association. The insurance coverage will, if possible, provide that the insurance as to the interest of the Amenity Association will not be invalidated by any act or neglect of any Owner.

The coverage will contain an endorsement to the effect that said coverage will not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to the Amenity Association. The insurance policies will, if available, contain waivers of subrogation with respect to the Board of Directors, the Amenity Association's employees and agents, including ant professional Managing Agent, Subordinate Associations and their Boards, Owners, mortgagees and Licensees, and, if available, will contain a replacement clause endorsement.

(i) Reconstruction of the Property. The insurance proceeds will be applied by the Board of Directors on behalf of the Amenity Association to the reconstruction or restoration of the damaged property, which, if insufficient, will be supplemented by a Special Assessment pursuant to Section 5.4 below, as is also applicable to any rebuilding, replacement, or

renovation following condemnation and in excess of the condemnation award recovered pursuant to Section 6.1.

(b) Other Insurance. The Board of Directors will also obtain comprehensive public liability insurance including liability for injuries or death to persons, and property damage, in such limits as it will deem desirable, and workers compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, any Subordinate Association and the Amenity Association, and their respective Directors, officers, employees and managing agents, if any, from liability in connection with the Common Area, and insuring them from liability for good faith actions. The Board of Directors may also secure other insurance coverages as it, in the exercise of reasonable judgment, will determine, including Directors' and officers' errors and omissions insurance pursuant to Section 8.6 of the Bylaws. The premiums for the insurance are a Common Expense.

(c) Appointment of Trustee for Proceeds. The Board of Directors may, at its discretion, retain any bank or trust company to act as Trustee, agent or depository on its behalf for the purpose of receiving or distributing any insurance proceeds. The fee of any trustee is a Common Expense.

(d) Acceptance of Insurance Proceeds. Payment by an insurance company to the Board of Directors of any insurance proceeds coupled with the receipt and release from the Board of Directors of the company's liability under said policy will constitute a full discharge of a said insurance carrier.

(e) Insurance Acquisition During Control Period. Anything contained in this Section 4.8 to the contrary notwithstanding, during the Control Period the Control Authority may secure insurance coverage on behalf of the Amenity Association in accordance herewith under its master, multi-property insurance policies and be reimbursed the policy premium(s) therefore if not otherwise charged directly by the carrier(s).

ARTICLE 5

COVENANT FOR ASSESSMENTS AND CHARGES

5.1 Creation of Lien and Personal Obligation for Assessments. Each Class A and Class B Owner of a Residential Unit by ownership of the Residential Unit shall be deemed to covenant and agree to pay all Assessments and charges assessed against the Owner's Residential Unit. The "Annual Assessments," "Special Assessments," and "Specific Assessments," as such terms are hereinafter defined, shall be established and collected as hereinafter provided. All Assessments and charges which are unpaid when due, together with interest and late charges set forth in Section 5.8 and all costs of collection, including reasonable attorney's fees and costs, shall be a charge against and a continuing lien upon the Residential Unit against which such Assessment or charge was made. An Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments and charges coming due while the person is the Owner of the Residential Unit.

Each such Assessment or charge, together with interest and costs of collection, including

reasonable attorneys' fees and costs, shall also be the personal obligation of the Owner of such Residential Unit at the time when the Assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid Assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid Assessments and charges shall continue to be a lien upon the Residential Unit against which the Assessment or charge was made. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Areas or by the abandonment of the Residential Unit against which the Assessments are made or for any other reason.

5.2 Purposes of Assessments. The assessments levied by the Amenity Association shall be used to operate the Amenity Association, maintain, repair, operate, insure and replace the Common Area, and to promote the recreation, health, safety and welfare of the Owners and, in particular, for: (i) improvement and maintenance of the improvements to the Common Area and the provision of personal property, services and facilities, the establishment of operating reserves and capital reserve accounts related to the use and enjoyment of the Common Area; (ii) maintenance, repair, replacement and reconstruction of the improvements on the Common Area, including, without limitation, the cost of a Managing Agent (if any) which costs shall be commercially reasonable based on comparable facilities in the surrounding local area, other labor, equipment, materials, management, inspection and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Amenity Association; (iv) procurement and maintenance of insurance; (v) employment of attorneys, accountants, consultants and other persons or firms to represent the Amenity Association when necessary; (vi) payment of principal and interest on funds borrowed for Amenity Association purposes; (vii) such other needs and reserves as may arise; (viii) generally, any expenses necessary or desirable to carry out the duties of the Amenity Association under this Declaration or at law; and (ix) any other Common Expenses of the Amenity Association.

5.3 Annual Assessments. Annual Assessments ("Annual Assessments") are computed and assessed by the Amenity Association against Residential Units of Class A Owners and Class B Owners. The Control Authority and the Majority Builder will prepare the initial budget of the Amenity Association for the period commencing with the date this Declaration is Filed of Record and ending on the last day of the Amenity Association's first calendar year, and a copy thereof will be made available to Class A and Class B Owners upon written request.

(a) Amenity Association Expenses. Annual Assessments are based upon annual estimates of the Amenity Association's cash requirements to provide for payment of all estimated Common Expenses arising out of or connected with maintenance and operation of the Common Area and discharge of the Amenity Association's responsibilities therefor, including those incurred for the purposes provided in Section 5.2 above. The costs and expenses of and replacements of the Common Area by the Amenity Association are part of the Common Expenses and a reserve fund for these purposes must also be included as a Common Expense.

(b) Annual Budget. On or before November 1 of each year following the first budget year, the Board of Directors will prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget will serve as the supporting document for the Assessments for the upcoming fiscal year and as the major guideline under which the Amenity Association is

operated during the annual period. The Board of Directors shall also set the amount of License Fee to be charged to Licensees in the coming year, if the Board determines that Licenses are to be issued. The budget will itemize the estimated License Fees to be received from Licensees and the Common Expenses of the Amenity Association for the calendar year in excess thereof, taking into account any deficit or surplus from the prior operating period ("Net Expenses"). The total Net Expenses will be divided by the sum of the existing Residential Units subject to Assessment, being each Residential Unit Owner's proportionate share of the Net Expenses, and will take into account an estimate of Residential Units anticipated to be added during the year, the result of which being the "Tentative Assessment." The Tentative Assessment represents each Residential Unit Owner's proportionate share of the Net Expenses. The initial annual Tentative Assessment is \$250.00; however, nothing contained herein shall prohibit an increase in the Annual Assessment if the initial budget adopted projects a higher Annual Assessment amount. In the event the Board fails for any reason to adopt a budget for the succeeding year, then and until the time it is adopted, the budget and Annual Assessments in effect for the then current year will be increased in proportion to the percentage increase, if any, for the then current year, in the "CPI- U," as hereinafter defined, and the increased budget will be the budget for the succeeding year, until a new budget is adopted. The "CPI-U" will mean the Consumer Price Index for All Urban Consumers (1982-84=100), or, if the index is discontinued or revised, by reference to another government index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if the index had not been discontinued or revised. Notwithstanding anything herein to the contrary, the Annual Assessment may not increase more than ten percent (10%) above the prior year's Annual Assessment unless such increase is approved by a vote of at least fifty-one percent (51%) of the Eligible Units.

(c) Residential Unit's Annual Assessment. Unless reduced by the Control Authority pursuant to subsection (i) hereof, each Class A Owner and each Class B Owner of a Residential Unit is responsible for its proportionate share of the Net Expenses for the coming year, as calculated in Section 5.3(b) above. Notwithstanding anything herein to the contrary, for purposes of calculating Annual Assessments, the Net Expenses shall be divided by the total number of Residential Units within the Amenity Association (but in no event less than 237 Residential Units).

(i) Control Authority's Reduction Of Annual Assessment Amount: Subsidy. During the Control Period, the Control Authority may, in its sole discretion, but is under no obligation whatsoever to, reduce the total Tentative Assessment for any year to be paid by all Class A and Class B Owners by payment of a non-reimbursable subsidy. The subsidy shall be allocated between Control Authority entities as they may elect, from time to time. The amount of such subsidy payment will be conspicuously disclosed as a line item in the budget and will be made known to the Class A and Class B Owners. The payment of such a subsidy in any year will not create an obligation to continue payment of a subsidy in future years, unless otherwise provided in a written agreement between the Amenity Association and the Control Authority. Each Class A Owner's and each Class B Owner's Tentative Assessment amount after deducting its allocable share of the Control Authority's the subsidy amount shall constitute the Annual Assessment.

(ii) Control Authority's Payment In Lieu of Annual Assessment. With respect to Residential Units owned by the Control Authority and with respect to which it is a Class A Owner, the Control Authority shall have the option, in its sole discretion, (1) to pay the Annual

Assessments hereinabove calculated on the Residential Units owned by it and subject to assessment, or (2) not to pay Annual Assessments on any Residential Units owned by them which are subject to assessment and in lieu thereof fund any resulting "shortfall." The "shortfall" to be paid under option (2), above, shall be the difference between (i) actual Net Expenses of the Amenity Association (exclusive of capital improvement costs, reserves and management fees), and (ii) the sum of all monies receivable by the Amenity Association (including, without limitation, Assessments, License Fees, interest, late charges, fines, rents and incidental income) from any sources other than the Control Authority and any surplus carried forward from the preceding year(s). The shortfall shall be allocated between Control Authority entities as they may elect, from time to time. The shortfall for which the Control Authority assumes responsibility hereunder shall not include Common Expenses incurred by the Amenity Association as a result of a natural disaster, casualty or an act of God which are not covered by the proceeds of insurance or as a result of Common Expenses incurred in excess of any condemnation award, which shall be subject to Special Assessment hereunder. The Control Authority may from time to time change the options under which the Control Authority is making payments to the Amenity Association by written notice to such effect to the Amenity Association.

(A) Characterization of Shortfall Funding. Any payment of a shortfall will be characterized and carried in the books and records of the Amenity Association, in the Control Authority's sole and absolute discretion and election, as (a) a contribution to the Amenity Association's capital, (b) an advance against future Annual Assessments due from the Control Authority, if any, (c) in-kind services, or (d) a loan to the Amenity Association. The amount and character (contribution, advance, in-kind services or loan) of such payment by the Control Authority will be conspicuously disclosed in the financial records of the Amenity Association. The payment of the shortfall in any year will under no circumstances obligate the Control Authority to continue payment of such shortfall in future years, unless otherwise provided in a written agreement between the Amenity Association and the Control Authority.

(d) Rounding. Annual Assessments charged by the Amenity Association may be rounded off to the nearest dollar.

(e) Notice and Payment. The Annual Assessments will be made on a calendar year basis in advance. Following the determination of the budget pursuant to Section 5.3(b) and the Annual Assessments pursuant to Section 5.3(c), but not later than December 1 of each year, the Amenity Association will furnish to each Class A Owner and to each Class B Owner a copy of the budget and the amount of the Annual Assessments for all such Owners for the following calendar year. Class A Owners and Class B Owners shall remit the Annual Assessment to the Amenity Association in one installment by the fifteenth day of January of the calendar year to which the Annual Assessment relates. The failure of the Amenity Association to give timely notice of any Annual Assessment as provided herein will not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the Annual Assessment or any other Assessment; but, the date when the payment is due in such case will be fifteen (15) days following the notice of such Assessment which is given to the Owner in the manner provided in this Declaration.

(f) Annual Financial Statements. At least sixty (60) days following the close of the Amenity Association's fiscal year, the Board of Directors will cause an unaudited financial

statement of the Amenity Association to be prepared, which will be made available to each Class A Owner and Class B Owner upon request and upon payment of a reasonable copying charge.

5.4 Special Assessments. In addition to the Annual Assessments authorized above, the Board of Directors may levy, in any fiscal year, "Special Assessments" for: (a) unbudgeted expenses or expenses in excess of the amounts budgeted; (b) expenses incurred by the Amenity Association for replacement or reconstruction of any improvements on any portion of the Common Area, including fixtures and personal property related thereto; (c) expenses incurred by the Amenity Association for installation or construction of any improvements in the nature of a capital improvement on any portion of the Common Area, including fixtures and personal property related thereto; (d) repayment of indebtedness and interest on any funds borrowed by the Amenity Association; or (e) expenses incurred as a result of an emergency of any type or any other unanticipated Common Expense of the Amenity Association. Special Assessments will only be levied during the Control Period if the Control Authority, and the Majority Builder for so long as the Majority Builder owns a majority of the Residential Units within the Amenity Association, approves, in writing, such Special Assessment.

5.5 Assessment Rate; Collection Period. Except as provided in Section 5.6, the Annual Assessments and Special Assessments shall be fixed at a uniform rate for all Residential Units of Class A Owners and Class B Owners. Annual Assessments shall be collected on an annual basis. Special Assessments may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

5.6 Date of Commencement of Annual Assessments; Amount of Initial and Subsequent Annual Assessments; Certificate of Amounts Due. The Annual Assessments provided for herein shall commence as to a Residential Unit that is subject hereto on the date of the first conveyance of the Residential Unit to an Owner other than the Control Authority or a developer or builder to which the Control Authority sells unimproved portions of the Property for development, construction and sale of Residential Units in the ordinary course of its business, including without limitation, Lennar Carolinas, LLC; provided, however, that with respect to Additional Property and property added by a Joinder Agreement, on the date a Joinder Agreement and/or Subordinate Declaration is Filed of Record acknowledging each Residential Unit is subject to this Declaration.

5.7 Specific Assessment. Any expenses incurred by the Amenity Association because of the actions of one or more Class A or Class B 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, including, but not limited to, fines levied as a result of a violation of the Declaration, Bylaws, and rules and regulations of the Amenity Association and recoverable expenses incurred as a result of work performed on behalf of a Class A or Class B Owner will be specially assessed as a "Specific Assessment" against each such Owner and the Owner's Residential Unit. Fines assessed to any Class A or Class B Owners or Occupants shall also be considered a Specific Assessment as defined herein. Licensees shall not be subject to Specific Assessment as aforesaid, but will be charged for expenses incurred by the Amenity Association as a result of any injurious act of a Licensee or its Occupant or any failure to act, payable upon demand. The failure of a Licensee to pay such expense may result in the immediate termination of all use and access rights under the License without rebate or refund.

5.8 Effect of Nonpayment of Assessments: Remedies. Any Assessment not paid within ten (10) days after the due date shall incur such late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen (18%) percent per annum or the highest rate allowed by law, whichever is less. The Amenity Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Residential Unit for which such Assessment is due. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such Assessment.

5.9 Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage on a Residential Unit recorded prior to the date the Amenity Association's claim of lien was recorded. Sale or transfer of a Residential Unit shall not affect any Assessment lien; however, the sale or transfer of a Residential Unit pursuant to foreclosure of a first mortgage, or conveyance by deed in lieu of foreclosure thereof, shall extinguish the lien of any Assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Residential Unit from liability for any Assessment thereafter becoming due or from the lien thereof. When the holder of the first mortgage of record or other purchaser of such a Residential Unit obtains title pursuant to judicial or nonjudicial foreclosure of the first mortgage or by deed in lieu of foreclosure, it shall not be liable for the Assessments chargeable to such Residential Unit which became due prior to the acquisition of title to such Residential Unit. Such unpaid Assessments shall become a Common Expense divided among, payable by and assessed against all Residential Units, including the Residential Unit as to which the foreclosure (or deed in lieu of foreclosure) took place.

5.10 Creation of the Lien and Personal Obligation for Assessments. Each Class A and Class B Owner of a Residential Unit subject hereto is deemed to covenant and agree with each other and with the Amenity Association to pay to the Amenity Association: (a) the Residential Unit's Annual Assessment when due (b) Special Assessments for capital improvements, and necessary for reserves or for any other purpose adopted by the Board of Directors; and (c) Specific Assessments as more fully defined herein. The Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, are a charge on each Residential Unit and are a continuing lien upon each Residential Unit in favor of the Amenity Association. To evidence a lien for sums assessed pursuant to this Section, the Amenity Association may prepare a written notice of lien setting forth the amount of the unpaid Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Residential Unit, and a description of the Residential Unit. Such a notice will be signed and acknowledged by a duly authorized officer of the Amenity Association and may be Filed of Record. No notice of lien will be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by judicial foreclosure by the Amenity Association in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the Owner will be required to pay the costs and expenses of the proceeding (including reasonable attorneys' fees) and the costs and expenses will be secured by the lien being foreclosed. The Owner will also be required to pay to the Amenity Association any Assessments against the Residential Unit which will become due during the period of foreclosure, and all the Assessments will be secured by the lien being foreclosed. The Amenity Association will have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Residential Unit. Each such

Assessment, together with interest, costs and reasonable attorney's fees will be the personal obligation of the person who was the Owner of the Residential Unit at the time when the Assessment fell due and also of any subsequent Owner, except as otherwise provided in Section 5.9 above. Assessments will be used exclusively for the purpose of promoting the recreation, beautification, health, safety and welfare of the Owners and occupants and in particular for improvements and maintenance (including the payment of ad valorem taxes and other governmental assessments) of the Common Area.

5.11 Subordinate Association's Collection of Amenity Association Assessments. For convenience, the Assessments applicable to all Class A Owners of a Subordinate Association may be billed to the Subordinate Association which will immediately thereafter bill its Class A Owners for its collection. Upon a Subordinate Association's remittance of collected Annual or Special Assessments from Class A Owners, it shall provide the Amenity Association with a list of all Class A Owners failing to pay the Annual Assessment amount. The Amenity Association will have all rights and remedies for collection of unpaid Annual or Special Assessments provided in Sections 5.8 and 5.10 above.

5.12 Statements of Account. Upon payment of a reasonable fee, which is hereby initially set at \$50.00, and upon written request of any Owner, mortgagee, prospective mortgagee, or prospective purchaser of a Residential Unit, the Amenity Association will issue a written statement setting forth the following:

- (a) The amount of the unpaid Assessments, if any, for the Residential Unit.
- (b) The amount of the current Annual Assessment and the date or dates upon which installments thereof become due.

The fee payable to the Amenity Association for the statement of account may be increased, from time to time, by and at the sole discretion of the Board of Directors. A statement is conclusive upon the Amenity Association in favor of persons who rely thereon in good faith. Subject to the provisions of Section 5.9 above, a purchaser of a Residential Unit is jointly and severally liable with the seller thereof for all unpaid Assessments against the Residential Unit up to the time of the grant or conveyance; provided, however, that this provision will not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for the Assessments.

5.13 Capital Contribution Assessment. Each Owner of a Residential Unit subject to Assessments hereunder shall pay a capital contribution Assessment as a one-time buy-in fee to be permitted access to the Common Area (the "Capital Contribution Assessment"). The amount of the Capital Contribution Assessment for any Residential Units located on the Lakes Venture Residential Parcels and any Additional Property shall be \$2,000, such Capital Contribution Assessment being due and payable by the first purchaser of a Residential Unit on the Lakes Venture Residential Parcels or the Additional Property, as applicable, from the builder thereof at the closing of such purchase. The Capital Contribution Assessment for the Lakes Lots shall be \$3,000, such Capital Contribution Assessment being due and payable by each owner of a Lakes Lot upon the initial submission of such Lakes Lot to this Declaration. The Controlling Authority or the Amenity Association Board of Directors may increase the Capital Contribution Assessment by an amendment to the Declaration Filed of Record, provided however, that the Majority

Builder's prior written consent shall be required for so long as the Majority Builder owns property within the Lakes Venture Residential Parcels or the Additional Property; and, further provided, that Lennar Carolinas, LLC's prior written consent shall be required for so long as Lennar Carolinas, LLC owns any property within the Lakes Venture Residential Parcels or the Additional Property. The Capital Contribution Assessment may be used by Lakes Venture for the construction of the planned improvements on the Common Areas, as well as any other Common Expense of the Amenity Association. Notwithstanding anything contained herein to the contrary, after the payment of the the Capital Contribution Assessment at the conveyance of a Residential Unit (or the payment of the Capital Contribution Assessment upon the submission of a Lake Lot to this Declaration, a applicable), the Capital Contribution Assessment shall not be applicable to any future conveyance of a Residential Unit, the Capital Contribution Assessment being a one-time fee that, once paid, shall be inapplicable to all future conveyances of a Residential Unit subject hereto.

ARTICLE 6

CONDEMNATION

6.1 Condemnation of Common Area. Whenever all or any part of the Common Area is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof (solely with consent of the Control Authority during the Control Period), the award or proceeds made or collected for the taking or sale in lieu thereof will be paid to and disbursed or held by the Amenity Association. If the portion of the Common Area so taken or conveyed was improved in any way, then the Amenity Association will repair, rebuild, replace or renovate the improvements so taken, to the extent practical, on the remaining lands included in the Common Area which are available therefor, in accordance with plans approved by the Board of Directors. If the awards or proceeds are not sufficient to defray the cost of the repair and replacement and the deficiency cannot be appropriated from a reserve fund established for such a purpose, the Board of Directors may levy a special Assessment against all Residential Units of Class A and Class B Owners, such Special Assessment to be in an amount sufficient to provide funds to pay the excess cost of repair or reconstruction. Such Special Assessments will be levied against the Class A and Class B Owners in the same manner and proportion as the Annual Assessments are levied, and additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction for costs and expenses remaining unpaid.

ARTICLE 7

ALTERNATIVE DISPUTE RESOLUTION & LITIGATION

7.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Amenity Association, Owners, Subordinate Associations, Managing Agents for an association subject to this Declaration, and any persons not otherwise subject to the Declaration who agree to submit to this Article 7 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving this Declaration or the Property, 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 (but not matters applicable solely

to a Subordinate Association, Subordinate Declaration, or the Community covered thereby) 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 7.2, are subject to the procedures set forth in Section 7.3.

7.2 Exempt Claims. The following Claims ("Exempt Claims") are exempt from the provisions of Section 7.1:

(a) any suit by the Amenity Association against any Bound Party to enforce any Assessments or other charges hereunder; and

(b) any suit by the Amenity 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 Amenity Association hereunder until the matter may be resolved on the merits pursuant to Section 7.3 below; or

(c) any suit involving a matter which is not an Exempt Claim under (a) or (b) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 7.3 below.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 7.3, but there is no obligation to do so.

The issue of whether or not a Claim is or is not within the scope of the requirements of this Article 7 (or "arbitrability") will be decided by an arbitrator selected pursuant to the terms of Section 7.3(c) below.

7.3 Mandatory Procedures for Non-Exempt Claims. Any Bound Party having a Claim ("Claimant") against a Bound Party involving this Declaration or the Property, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 7.2, 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 following procedures, and then only to enforce the results hereof:

(a) 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:

(i) 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;

(ii) what Claimant wants Respondent to do or not do to resolve the Claim; and

(iii) 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.

(b) Negotiation.

(i) 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, but not later than 30 days following the Notice, unless otherwise agreed by the Parties.

(ii) 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.

(c) Final and Binding Arbitration.

(i) 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 give Respondent notice that the Claim be settled by binding arbitration. Arbitration will be governed by the commercial arbitration rules of the American Arbitration Association (AAA), but will not be administered by the AAA unless the Parties so agree, 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 Myrtle Beach, 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 prevailing Party's actual damages, 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 Section 7.3 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 Section 7.3.

This Section 7.3 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.

7.4 Allocation of Costs of Resolving Claims.

(a) Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Section 7.3(b), 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 Section 7.3(b), 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.

(b) Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Section 7.3(c), 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 Section 7.3(c) 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 the arbitrator, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Parties and the arbitrator 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:

(i) Not less than five (5) days prior to the first meeting with the arbitrator, a Party or Parties may file and serve on the other Party(ies) an offer of settlement, and within three (3) 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 section and will specify the amount, exclusive of interest and costs, which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of the Claim.

(ii) An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is filed and served on the Party(ies) making the offer twenty-four (24) hours prior to the first meeting with the arbitrator.

(iii) If an offer of settlement is rejected, it may not be referred to for any purpose at arbitration, but may be considered solely for the purpose of awarding costs and expenses of arbitration.

(iv) If Claimant makes no written offer of settlement, the amount of the Claim offered in arbitration is deemed to be Claimant's final offer of settlement under this Section 7.4(b).

(v) If Respondent makes no written offer of settlement, Respondent's offer of settlement is deemed to be zero.

(vi) The Party(ies) whose offer, made or deemed made, is closer to the Award granted by the arbitrator 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 costs and expenses of arbitration, which shall be divided equally among the Parties.

7.5 Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Section 7.3(b) 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 proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 7.3. 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 pro rata) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

7.6 Litigation. From and after the expiration of the Control Period, no judicial or administrative proceeding with an amount in controversy exceeding \$75,000.00, will be commenced or prosecuted by the Amenity Association unless approved by members of the Board of Directors entitled to vote and representing at least 75% of the total Equivalent Units at a regular or special meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the proceeding. This Section will not apply, however, to (a) actions brought by the Amenity 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 Amenity Association in proceedings instituted against it; or (e) actions brought by the Amenity 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 of the Board of Directors, 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 7, if applicable.

7.7 Miscellaneous Alternative Dispute Resolution Provisions.

(a) Conflicting Provisions. Any conflict or discrepancy between the terms and conditions set forth in this Article 7 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 will control.

(b) TIME IS OF ESSENCE. All periods of time set forth herein or calculated

pursuant to provisions of this Declaration will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

ARTICLE 8

GENERAL PROVISIONS

8.1 Amendments by the Amenity Association. Amendments to this Declaration, other than those authorized by Section 8.2 hereof, may be adopted upon the affirmative vote of Board members representing two-thirds or more of the Equivalent Units represented by the entire Board; provided, however, no amendment to this Declaration will be adopted by the Amenity Association which is contrary to and at variance, in whole or in material part, with any right, easement or benefit granted or reserved to any person in this Declaration and whose words of grant or reservation expressly prohibit any revocation or amendment thereto without the consent of the affected person, except with the prior written consent of such person and subject to the terms and conditions of the consent. Notwithstanding the foregoing, any amendment that adversely and materially affects the rights of Owners by significantly increasing obligations or liabilities shall be approved by a majority of a quorum of the Owners.

8.2 Amendments Without Any Required Vote by Reference to Equivalent Units by the Board and by the Control Authority.

(a) Amendments by Control Authority. During the Control Period, the Control Authority may amend this Declaration in its sole and absolute discretion and without the consent of any Owner, mortgagee, Subordinate Association or the Board of Directors of the Amenity Association; provided however, the Majority Builder's prior written consent shall be required for so long as the Majority Builder owns a majority of the Residential Units subject to the Declaration. Notwithstanding the foregoing, any amendment that adversely and materially affects the rights of Owners by significantly increasing obligations or liabilities shall be approved by a majority of a quorum of the Owners.

(b) Amendments by Board of Directors Without a Representative Vote. Following expiration of the Control period, the Board of Directors may, by simple majority of its members amend this Declaration if: (i) the amendment is necessary to bring any provision hereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which is in conflict therewith; (ii) the amendment is necessary to enable any reputable title insurance company to issue title insurance coverage for any Residential Units subject to this Declaration; (iii) the amendment is required by a mortgagee to enable it to make mortgage loans on any Residential Unit or other improvements subject to this Declaration; or (iv) the amendment is necessary to enable any governmental agency or reputable private mortgage insurance company to insure Mortgages on the Residential Units subject to this Declaration. Such a Board vote shall be determined by majority vote and without regard to Equivalent Units represented by the Board members.

8.3 Scrivener's Errors. Notwithstanding the provisions of Sections 8.1 and 8.2 above,

during the Control Period the Control Authority, and thereafter the Board, may adopt amendments to this Declaration without the consent or approval of any person to correct any scrivener's error.

8.4 Enforcement. Each Owner and Subordinate Association will comply strictly with the By-Laws and the published rules and regulations of the Amenity Association adopted pursuant to this Declaration, as they may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration. A failure to comply with any rule or regulation will be grounds for imposing fines, for instituting an action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Amenity Association or, in a proper case, by a Subordinate Association or an aggrieved Owner. Should the Amenity Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, will be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws and the rules and regulations of the Amenity Association are essential for the effectuation of the plan and operation of this Declaration, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that the Amenity Association, Subordinate Association or any aggrieved Owner, in addition to all other remedies, may require and will be entitled to the equitable remedy of an injunction to restrain any such violation or omission. Failure on the part of the Amenity Association, Subordinate Association or any aggrieved Owner in exercising any right, power or remedy provided herein will not be construed as an acquiescence thereto and will not be deemed a waiver of the right to enforce such right, power or remedy thereafter for the same violation or breach, or for any other violation or breach occurring prior or subsequent thereto. No right of action will accrue in favor of, nor will any action be brought or maintained by, anyone whatsoever against the Amenity Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the By-Laws or any rules and regulations of the Amenity Association, however long continued.

8.5 Duration. The provisions of this Declaration will run with the land and be binding upon the title to the Property, are binding upon and inure to the benefit of all Owners and Subordinate Associations, the Amenity Association and all mortgagees, and their respective heirs, executors, legal representatives, successors and assigns, and successors in title, and are and will remain in effect for a period of thirty (30) years following the date of the recording of this Declaration, provided their 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, seventy-five percent (75%) of the total votes of all Owners are cast in favor of terminating this Declaration at the end of the then current term. Such voting will be held by referendum, and the Owner of each Residential Unit is entitled to cast one (1) vote for each Residential Unit owned. In the event that the Owners vote to terminate this Declaration, an instrument evidencing the termination is Filed of Record, the instrument to contain a certificate wherein the President of the Amenity Association swears that the termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in the Property, by acceptance of a deed or other conveyance thereof,

thereby agrees that the provisions of this Declaration will run with the land and be binding upon the title to the land as provided hereby. No termination of this Declaration is enforceable or valid if termination occurs prior to expiration of the Control Period, unless the Control Authority consents in writing to the termination.

8.6 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration is unlawful, void or voidable for violation of the rule against perpetuities, then such provision will continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of President George H. W. Bush.

8.7 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 the Amenity Association or the Board of Directors, will best effect the intent of the plan and operation herein described. The provisions hereof will be liberally interpreted and, if necessary, they will be so extended or enlarged by implication 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 is the date it is Filed of Record. The captions of each Article and Section hereof, describing their respective contents, 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.

8.8 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.

8.9 Severability. Whenever possible, each provision of this Declaration will be interpreted in such a manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property is prohibited or held invalid, the prohibition or invalidity will not affect any other provision or the application of any provisions 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.

8.10 Rights of Third Parties. This Declaration is recorded for the benefit of the Owners, the Amenity Association, the Subordinate Associations and their mortgagees as herein provided, and by such recording, no adjoining land owner or third party will have any right, title or interest whatsoever in the Property, 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 the Amenity Association and mortgagees herein provided, the Amenity Association 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.

8.11 Notice of Sale, Lease or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Residential Unit, the Owner must promptly furnish to the Amenity Association, in writing, the name and address of the purchaser, lessee, mortgagee, or transferee. A

Residential Unit purchaser is hereby put on notice of the existence of a lien on a Seller's Residential Unit for unpaid Assessments arising prior to closing, and that the lien will follow title to the Residential Unit and be a lien and encumbrance upon the Residential Unit following the closing unless satisfied with delivery of the deed to the purchaser.

8.12 Notices. Notices required hereunder are deemed given when in writing and delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners and Subordinate Associations will be delivered or sent to the addresses designated in writing to the Amenity Association, or if no address has been so designated, to the addresses of such Owners' respective Residential Units. All notices to the Amenity Association will be delivered or sent in care of the Amenity Association's main office in Myrtle Beach, Horry County, South Carolina, or to such other address as the Amenity Association may from time to time notify the Owners.

8.13 Successors and Assigns. Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein are binding upon and inure to the benefit of the Amenity Association, Subordinate Association and Owners and their respective heirs, successors and assigns and successors in title.

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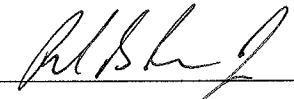
The undersigned, Lakes Venture Partners, LLC, has hereby caused this instrument to be executed this 9th day of May 2019.

SIGNED, SEALED AND DELIVERED

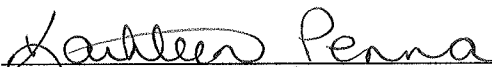
IN THE PRESENCE OF:

Lakes Venture Partners, LLC


COLLEEN D'ARGENIO
1st WITNESS


By: Ronnel S. Parker, Jr.

Title: Manager


Kathleen Penna
2ND WITNESS (can also be NOTARY)

STATE OF SOUTH CAROLINA)

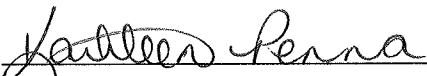
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ACKNOWLEDGMENT

COUNTY OF HORRY)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Ronnel S. Parker, Jr., the Manager of the Lakes Venture Partners, LLC, personally appeared before me and having satisfactorily proven to be the person whose name is subscribed above, has acknowledged the due execution of the foregoing instrument.

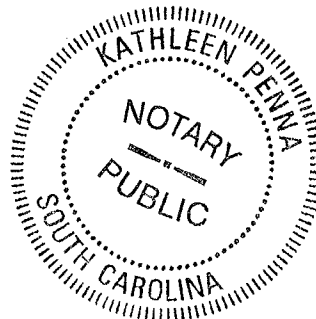
Witness my hand and official seal this the 9th day of May, 2019.



Notary Public for SC

My Commission Expires: 10-29-28

[AFFIX NOTARY SEAL OR STAMP]



The undersigned, RS Parker Homes, LLC, has hereby caused this instrument to be executed this 9th day of May 2019.

SIGNED, SEALED AND DELIVERED

IN THE PRESENCE OF:

Colleen D'Argenio
COLLEEN D'ARGENIO
1st WITNESS

Kathleen Penna
Kathleen Penna
2ND WITNESS (can also be NOTARY)

RS Parker Homes, LLC

Ronnel S. Parker, Jr.
By: Ronnel S. Parker, Jr.

Title: Manager

STATE OF SOUTH CAROLINA)

)

ACKNOWLEDGMENT

COUNTY OF HORRY)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Ronnel S. Parker, Jr., the Manager of RS Parker Homes, LLC, personally appeared before me and having satisfactorily proven to be the person whose name is subscribed above, has acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 9th day of May, 2019.

Kathleen Penna
Kathleen Penna
Notary Public for SC

My Commission Expires: 10-29-28

[AFFIX NOTARY SEAL OR STAMP]

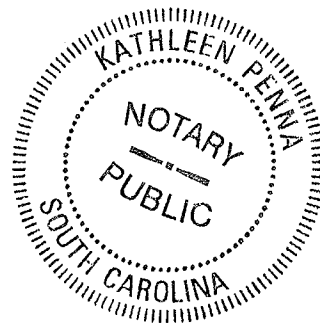


EXHIBIT "A-I"
AMENITY PARCEL

Amenities consisting of, without limitation, landscaping, hardscaping, and infrastructure including an enclosed clubhouse, pool and related improvements as approximately shown on Schedule 1 ("Amenities") in the location as shown on Schedule 1 (the "Amenities Area").

SCHEDULE 1

AMENITIES AND AMENITIES AREA

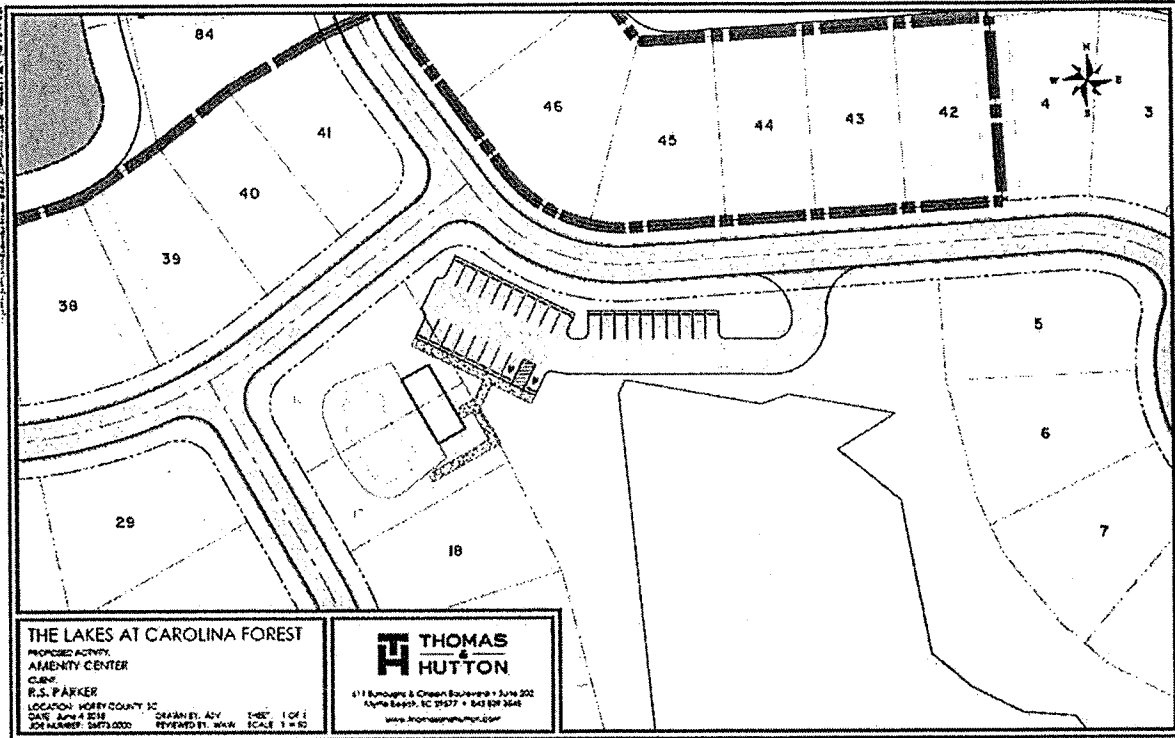


EXHIBIT "A-2"
LAKES VENTURE RESIDENTIAL PARCELS

ALL THOSE CERTAIN pieces, parcels or lots of land situate, lying and being in the Socastee Township, Horry County, South Carolina shown and designated as **"Lots 1T through and including 33T, 35T, and 36T"** on that certain plat entitled "Subdivision Plat of The Lakes Phase 14-B, Located Near Surfside Beach, Socastee Township, Horry County, South Carolina" prepared for RS Parker Homes, LLC by Culler Land Surveying III, Inc., dated August 17, 2017 and recorded August 24, 2018 in Plat Book 283 at Page 25, Horry County Records.

AND, ALL AND SINGULAR, that certain piece, parcel or lot of land situate, lying and being in Socastee Township, Horry County, South Carolina, shown and designated as **"84.44 Acres (3,678,038 sq. ft)"** on that certain plat entitled "Original Survey of the Remaining Tracts Located in the Lakes Subdivision, Containing 117.96 Acres of Land, Socastee Township, Horry County, South Carolina" prepared for MF South Carolina I, LLC by Culler Land Surveying III, Inc. dated February 16, 2016 and recorded on March 7, 2017 in Plat Book 274 at Page 201, Horry County Records.

LESS AND EXCEPTING, that certain piece, parcel or lot of land situate, lying and being in Socastee Township, Horry County, South Carolina, shown and designated as **"0.98 Acres (42,743 sq. ft.)"** on that certain plat entitled "Original Survey of the Remaining Tracts Located in the Lakes Subdivision, Containing 117.96 Acres of Land, Socastee Township, Horry County, South Carolina" prepared for MF South Carolina I, LLC by Culler Land Surveying III, Inc. dated February 16, 2016 and recorded on March 7, 2017 in Plat Book 274 at Page 201, Horry County Records.

This being a portion of the property conveyed to Lakes Venture Partners, LLC by Deed of RS Parker Homes, LLC dated March 24, 2017 and recorded April 3, 2018 in Deed Book 4095 at Page 2042, Horry County Records.

EXHIBIT "A-3"
ADDITIONAL PROPERTY

Parcel I:

ALL AND SINGULAR, all that certain piece, parcel or tract of land located in Socastee Township, Horry County, State of South Carolina, known and designated as Parcel B on that plat prepared for South State Bank F/K/A SCBT by Huntley and Associates, Inc., dated March 25, 2015 and recorded April 10, 2015 in Plat Book 265 at Page 325, in the Office of the Register of Deeds for Horry County, South Carolina.

This being the identical property conveyed to RS Parker Homes, LLC by deed of Twin Oaks Management Company, LLC dated and recorded December 11, 2017 in Deed Book 4066 at Page 1136, Horry County Records.

PIN # 463-04-02-0002 / TMS # 190-00-03-075

Parcel II:

All and singular that certain piece, parcel or tract of land situate, lying and being in Socastee Township, County and State aforesaid, containing two (2) acres, as is shown on a map by A. J. Baker dated April 26, 1934, and designated on said map as Tract A.

Beginning at Stake O on the Joe Vereen Line and running north 51 degrees east 272 feet to Stake N; thence south 38 degrees 30 minutes east 323 feet to Stake N; thence south 51 degrees west 273 feet to Stake N; thence north 39 degrees west 88 feet to Pine O; thence north 38 degrees west 234 feet to Stake O; on the beginning corner.

Bounded on the northwest and northeast now or formerly by the Estate of F. A. Burroughs; on the southeast by Parcel 3 (laid off for Joe Carr); on the southwest now or formerly by Joe Vereen.

This being the identical property conveyed to RS Parker Homes, LLC by deed of Pearline B. Mills f/k/a Pearline Causey Brown dated and recorded December 11, 2017 in Deed Book 4066 at Page 1122, Horry County Records.

PIN # 460-04-02-0001 / TMS # 190-00-03-074

EXHIBIT "R-4"
THE LAKES LOTS
(SEPARATELY SUBJECTED PURSUANT TO JOINDER AGREEMENTS)

All property that is subject to the Declaration of Covenants, Conditions, Restrictions and Easements for the Lakes Subdivision dated June 5, 1987 and recorded in the Horry County Register of Deeds in Deed Book 1138 at Page 704, as supplemented and amended.

EXHIBIT "B"
BYLAWS OF
THE LAKES RESIDENTIAL AMENITY ASSOCIATION
[Attached Hereto]

BYLAWS OF
THE LAKES RESIDENTIAL AMENITY ASSOCIATION

ARTICLE 1

NAME AND LOCATION

1.1 Name and Location. The name of the corporation is THE LAKES RESIDENTIAL AMENITY ASSOCIATION, hereinafter referred to as the "Amenity Association." The principal office of the Amenity Association shall be located at the Development, or at such other place as may be designated by the Board.

ARTICLE 2

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, Restrictions and Easements for The Lakes Residential Amenity Association recorded in the Office of the Recorder of Deeds for Horry County, South Carolina, and subsequent amendments thereto.

(b) The Act. "Act" shall mean and refer to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code Sections 33-31-101, et. seq.

ARTICLE 3

MEMBERS

3.1 No Members. Pursuant to the Declaration and Article of Incorporation, the Amenity Association will not have members.

3.2 Unit Owners. Every Residential Unit Class A and Class B Owner will be a part of a specifically designated Community, as described in the Declaration, located in the Lakes in Horry County, South Carolina; and represented on the Board of Directors by a Delegate. Licensees will not be represented on the Board by a Delegate.

ARTICLE 4

THE BOARD OF DIRECTORS

4.1 Directors. The Board of Directors will be comprised of Delegates appointed or

elected as provided in the Articles of Incorporation, as amended, and in Section 4.2 of the Declaration. The number of members of the Board of Directors will be dictated by the Declaration, and the Board will constitute the final administrative authority of the Amenity Association, and all decisions of the Board of Directors will be binding upon the Amenity Association, Owners and Occupants. All rights, titles, privileges and obligations vested in or imposed upon the Amenity Association will be held and performed by the Board of Directors.

(a) The Control Authority Appoints Board Purine Control Period. During the Control Period, the Control Authority, as defined in the Declaration, may appoint all members of the Board of Directors, as further provided in Section 4.2(b) of the Declaration and Articles of Incorporation, as amended.

(b) Board Delegates from Communities Following Expiration of Control Period. Within 30 days following expiration of the Control Period, three (3) Delegates to the Board of Directors shall be elected by the Class A Owners of the Community. Further, within 30 days following expiration of the Control Period, two (2) at-large Delegates will be elected by the Class B Owners granted by the Amenity Association the right and opportunity to subject their individual Residential Units to the plan and operation of the Declaration. A meeting will be called by the Amenity Association giving each individual Residential Unit Owner written notice of the date, time, and place of a meeting at which the Delegates will be elected. Owners representing five percent (5%) of eligible Class B Owners and five percent (5%) of the Class A Owners shall constitute a quorum for such meeting. Each Owner shall be entitled to cast one (1) vote for each Residential Unit owned. The Class B Owners' Delegates shall be such persons receiving a plurality of the votes of Class B Owners present and voting at such meeting at which the quorum is present. The Class A Owner's Delegates shall be such persons receiving a plurality of the votes of Class A Owners present and voting at such meeting at which a quorum is present. Directors shall serve terms of one (1) to three (3) years at the sole discretion of the Board of the Board of Directors.

(i) Notice of Meeting to Owners. Notice shall be given to Owners by, or at the direction of, the Secretary of the Amenity Association, and/or with the assistance of any Managing Agent, by mailing a copy of such notice, first class mail, postage prepaid, at least ten (10) days before such meeting; but if notice is given other than by first class or registered mail, notice shall be given at least thirty (30) but not more than sixty (60) days before such meeting, addressed to the Owner's address last appearing on the books of the Amenity Association, or supplied by such Owner to the Amenity Association for the purpose of notice. Notice of a meeting of the Owners need not be given to any Owner who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Amenity Association for inclusion in the minutes or filing with the corporate records. Attendance of an Owner at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Owner 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 an Owner 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 Amenity Association.

(ii) Voting Referendum: Written Ballots. A vote by Owners may be taken, without a meeting, by written ballot delivered by the Amenity Association to every Owner entitled to vote. The ballot shall set forth the names of Owners or any other person nominated to

be an at-large Delegate and provide thereon a place to vote for or against a nominee. 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 ballot shall (i) indicate the record date for Owners eligible to vote; (ii) indicate the number of returned ballots voting for a nominee that is required to satisfy the quorum requirement; and (iv) state the date and time by which an Owner's completed ballot must be received by the Secretary or the Managing Agent in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary or the Managing Agent, may not be revoked. An Owner's signed ballot shall be delivered to the Secretary or the Managing Agent 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.

(iii) Eligibility of Owners' Equivalent Units to be Counted. Only Owners in good standing shall be entitled to vote. In order to be in good standing, an Owner must be current in the payment of all Assessments levied against the Owner's Residential Unit and not subject to any suspension of voting privileges as a result of an uncured violation of the Amenity Association's rules and regulations. An Owner's good standing shall be determined as of the record date established in accordance with Section 4.4. The Amenity Association shall not be obligated to conduct a hearing in order to suspend an Owner's voting privileges based on the nonpayment of assessments, although a delinquent Owner shall be entitled to request such a hearing.

(c) Term of Board Membership. The Delegates shall serve terms of one (1) to three (3) years as determined in the sole discretion of the Board of Directors. The failure to hold a meeting of Owners to elect new Delegates to the Board shall not disqualify the person then serving to continue service as a Director.

4.2 Resignation and Removal. A Delegate to the Board may resign at any time by delivering a written resignation to either the President of the Amenity Association or the Board. Unless otherwise specified therein, such resignation will take effect upon delivery. Prior to the termination of the Control Period, the Control Authority may remove any Delegate. Following the Control Period, only a majority of the Class Owners that elected the Delegate at a meeting at which a quorum is present will have the power to remove its Delegate, for or without cause.

4.3 Vacancies. If a vacancy occurs on the Board by reason of the death, resignation or removal of a Delegate, then such vacancy shall be filled by appointment by the Board. The appointed Delegate shall serve the remaining term of the Delegate that caused the vacancy to occur.

4.4 Record Dates.

(a) Record Dates Established by the Board: For the purpose of determining which Owners 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 Owners 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 changes or additions on the books of the Amenity Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the Act. The record dates established by the Board pursuant to this section shall be as follows:

(i) "Record Date" Means as of the Close of Business: For purposes of this Section 4.4, calculations and determinations to be made as of a record date will be made as of the close of business on such record date.

(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 Act shall apply.

ARTICLE 5

THE BUSINESS OF THE BOARD OF DIRECTORS

5.1 General Powers. The property, affairs, and business of the Amenity Association will be managed by its Board of Directors. The Board may exercise all of the powers of the Amenity Association, whether derived from law, the Declaration or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, or these Bylaws, or by the Declaration vested in another party. The Board may by written contract Delegate, in whole or in part, to a Managing Agent such of its duties, responsibilities, functions, and powers, or those of any officer, as are properly delegable.

5.2 Quorum and Manner of Acting. Except as otherwise provided herein, a majority of the number of Directors will constitute a quorum for the transaction of business at any meeting of the Board. Except as otherwise provided herein, the act of a majority of the Directors present at any meeting at which a quorum is present will be the act of the Board. The Directors will act only as a Board, and individual Directors will have no powers as such.

(a) Equivalent Unit Voting. With respect to a meeting at which Directors are to vote on a matter requiring that the vote be by reference to the Equivalent Units represented by each of the Directors, the vote shall be undertaken by all Directors and a quorum for the vote on such matter will be the number of Directors present and entitled to vote representing a majority of the Equivalent Units represented by such Directors. The number votes a Director is entitled to cast which is measured by the Equivalent Units shall be the number of Equivalent Units of the Community that are eligible to be cast and represented by such Director, being those owned by Owners who are current in the payment of all assessments levied with respect thereto and not subject to any suspension of voting privileges as a result of an uncured violation of the Amenity Association's rules and regulations.

5.3 Compensation. No Director will receive compensation for any services that he or she may render to the Amenity Association as a Director; provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Amenity Association other than in their capacities as Directors.

5.4 Conduct of Board Meetings: Except as otherwise provided by law, any proper matter may be presented at the meeting for action. No Unit Owner or other person shall have any right 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 a Unit Owner or any other person. In any matter relating to the discipline of an Owner or Occupant, the Board shall always meet in closed session if requested by that Owner or Occupant, and the Owner or Occupant shall be entitled to attend such closed session.

5.5 Telephone Meetings. Any meeting of the Board 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. The identity of the Directors attending by telephone and an explanation of the action taken shall be filed with the minutes of the proceedings of the Board.

5.6 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 minute. The waiver of notice or consent need not 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.

5.7 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.

5.8 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all Directors, 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.

5.9 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 Amenity 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 6

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 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 Area and assess the cost thereof to the Owners 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 Amenity Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Amenity Association;
- (f) Records: Cause to be kept a complete record of all its acts and affairs; keep adequate and correct books and records of account, minutes of proceedings of its Board and committees, and a record of its Class A Owners and Class B Owners giving their names and addresses and class;
- (g) Supervision: Supervise all officers, agents and employees of the Amenity 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 Amenity 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 Amenity Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Amenity Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Amenity Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components which the Amenity Association is obligated to maintain.
- (i) Reserve Account Withdrawal Restrictions: Require that at least two (2) signatures is needed for the withdrawal of monies for the Amenity 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 Amenity Association's Managing Agent.

(j) Reserve Account Fund Management: The Board shall allocate a portion of the Annual Assessment for a reserve fund in an amount to be determined adequate in the Board's sole discretion. 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 Amenity Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

(k) Reserve Studies. At least every three (3) 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. The Board shall have the authority to reserve for less than the amount recommended by any Reserve Study company based on other evaluations of the property and other factors that it can reasonably rely upon in determining the amount to allocate for reserve purposes.

6.2 Powers. The Board of Directors shall have power to:

(a) Managing Agent: Employ a Managing Agent as provided in the Declaration;

(b) Adoption of Rules: Adopt rules in accordance with the Declaration;

(c) Assessments, Liens and Fines: Levy and collect Assessments and impose fines as provided in the Declaration.

(d) Enforcement ("Notice and Hearing"): Enforce these Bylaws, rules and regulations, and/or the Declaration, provided that at least fifteen (15) days' prior notice of any charges (other than Assessment) or potential discipline or fine and the reasons therefor are given to the Owner affected, and that an opportunity is provided for the Owner to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Owner as shown on the Amenity Association's records.

(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 Amenity Association or to a Managing Agent employed by the Amenity Association. 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 against Units, temporarily suspend an Owner's rights or otherwise impose discipline following any such hearing; to make a decision to levy Annual, Special and Specific 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 Managing Agent of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

(g) Appointment of Trustee: Appoint an insurance trustee as provided in Section 4.8 of 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 Amenity 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 Lakes Venture, 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 Amenity Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Act.

ARTICLE 7

OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The officers of this Amenity Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

7.2 Election of Officers. Lakes Venture shall have the sole right to appoint and remove officers during the Control Period. Thereafter, all officers shall hold office at the pleasure of the Board.

7.3 Term. The officers of this Amenity 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.

7.4 Special Appointments. The Board may elect such other officers as the affairs of the Amenity 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.

7.5 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.

7.6 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.

7.7 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) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board; serve notice of meetings of the Board; keep appropriate current records showing the Owners of Units, together with their 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 Owners may be delegated to an Amenity Association Managing Agent.

(c) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Amenity Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Amenity 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 Amenity Association Managing Agent.

ARTICLE 8

INDEMNIFICATION

8.1 Indemnification Against Third Party Actions. The Amenity Association will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Amenity Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Amenity Association, or is or was serving at the request of the Amenity Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Amenity Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, or settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Amenity Association and, with respect to any criminal action or proceeding, had reasonable cause to believe

that his conduct was unlawful.

8.2 Indemnification Against Amenity Association Actions. The Amenity Association will indemnify any person who was or is a party or to an action or suit by or in the name of the Amenity Association to procure a judgment in the Amenity Association's favor by reason of the fact that such person is or was a Director, officer, employee, or agent of the Amenity Association, or is or was serving at the request of the Amenity Association as a Director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Amenity Association; provided, however, no indemnification will be made in respect of any claim, issue, or matter as to which such person will have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Amenity Association, unless and only to the extent that the court in which such action or suit was brought will determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court will deem proper.

8.3 Determination. To the extent that a Director officer, employee, or agent of the Amenity Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 8.1 or 8.2 hereof, or in defense of any claim, issue, or matter therein, he will be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Section or hereof will be made by the Amenity Association only upon a determination that indemnification of the Director, officer, employee, or agent is proper in (he circumstances because he has met the applicable standard of conduct set forth respectively in Section or hereof. Such determination will be made by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding.

8.4 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Amenity Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Amenity Association as authorized by this Article.

8.5 Scope of Indemnification. The indemnification provided for by this Article will not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Amenity Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested members of the Board of Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article will apply to all present and future Directors, officers, employees, and agents of the Amenity Association and will continue as to such persons who cease to be Directors, officers, employees, or agents of the Amenity Association and wilt inure to the benefit of the heirs and personal representatives of all such persons and will be in addition to all other rights to which such persons may be entitled as a matter of law.

8.6 Insurance. The Amenity Association may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee, or agent of the Amenity Association, or who was or is serving at the request of the Amenity Association as a Director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Amenity Association would have the power to indemnify him against such liability under the laws of the State of South Carolina, as the same may hereafter be amended or modified.

8.7 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article will constitute expenses of the Amenity Association and will be paid with funds of the Amenity Association.

ARTICLE 9

MISCELLANEOUS

9.1 Amendments. Prior to the expiration of the Control Period, Lakes Venture may amend these Bylaws. After the expiration of the Control Period, these Bylaws may be amended, only upon the affirmative vote of Board members representing two thirds or more of the Equivalent Units represented by the entire Board. No amendment of these Bylaws be adopted by the Board of Directors which is contrary to and at variance, in whole or in material part, with any right, easement or benefit granted or reserved to any person in the Amenity Declaration and whose words of grant or reservation expressly prohibit any revocation or amendment thereto without the consent of the affected person, except with the prior written consent of such person and subject to the terms and conditions of the consent.

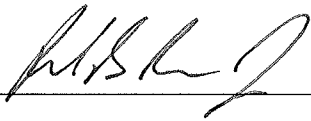
9.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

9.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Amenity 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

I, the undersigned, the duly elected and incorporator and acting secretary of THE LAKES RESIDENTIAL AMENITY ASSOCIATION, a South Carolina nonprofit mutual benefit corporation, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of the Amenity Association on May 9, 2019. and that the same do now constitute the Bylaws of the Amenity Association.

Dated: May 9, 2019

By: 

Its: Incorporator and Secretary