DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BATTERY GAILLARD

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BATTERY GAILLARD is made by Pettus Properties, Inc., a South Carolina corporation, f/k/a Eastern Enterprises Corp, (hereafter referred to as "Developer"), on this 11th day of July, 2006.

WITNESSETH

WHEREAS, Developer is the owner of certain real property located in the City of Charleston, County of Charleston, State of South Carolina, and more particularly described in Exhibit A attached to this Declaration (the "Property"), and Developer desires to develop on the Property a subdivision known as **Battery Gaillard** containing fifty-four residential lots and common areas, and to provide a flexible and reasonable method for the administration and maintenance of the Subdivision; and

WHEREAS, Developer wishes to declare certain easements, restrictions, covenants, and conditions for the purpose of protecting the value and desirability of Subdivision; and to this end, Developer hereby subjects the Property, together with such additions as may be made in the future, to the covenants, restrictions, easements, affirmative obligations, charges, and liens set forth, each and all of which is declared to be for the benefit of the Property and each and every owner of any and all parts thereof; and

WHEREAS, this Declaration of Covenants, Conditions and Restrictions for Battery Gaillard shall be referred to as the "Battery Gaillard Declaration of 2005" (also sometimes referred to herein as the "Declaration") and will be recorded in the office in which real property records are recorded in Charleston County, South Carolina, and may be incorporated by reference into deeds issued by the Developer, by reference to the book and page of recording in that office.

NOW, THEREFORE, Developer hereby declares that all of the Property described in Exhibit A (and any additional property that may by subsequent amendment be subjected to this Declaration) shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions, which are for the purpose of protecting the value and desirability of the Property and which shall run with the title to the Property and which shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of any purchaser or the holder of any interest in the Property.

ARTICLE 1
DEFINITIONS

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

1.1 "Additional Property" shall mean and refer to such real property as may be added pursuant to Section 15.2, and all improvements thereon.

1.2 "Architectural Review Board" (the "ARB") shall mean and refer to the board established to approve exterior and structural improvements, additions and changes within the Subdivision as provided in Article 7; provided, however, the Developer shall serve as the ARB until such time as control is given to a separate board as provided in Article 7.

1.3 "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Battery Gaillard Property Owners Association, Inc., as amended from time to time.

1.4 "Assessment" shall mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner provided in the Association's Bylaws.

1.5 "Association" shall mean and refer to Battery Gaillard Property Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

1.6 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

1.7 "Bylaws of the Association" or "Bylaws" shall mean and refer to those Bylaws of Battery Gaillard Property Owners Association, Inc. attached hereto as Exhibit "B" and incorporated herein by reference, which govern the administration and operation of the Association, as they may be amended from time to time.

1.8 "Common Areas" shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or designated by Developer as Common Areas, and shall also be deemed to include the areas on either side of the portion of the entrance road to the Subdivision known as Planters Drive which shall be owned by the City of Charleston and maintained by the Association as well as any areas owned by an Owner which are located within the easement areas reserved in Article 5 of this Declaration or which are designated on the Subdivision Plat as easement areas, which easement areas shall, at the Association's sole option, be maintained by the Association or by the Owner. The designation of any land and/or improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use of enjoyment of such land and/or improvement.

1.9 "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves deemed appropriate by the Board, consistent with the provisions and intent of this Declaration, the Articles and/or the Bylaws.

1.10 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for Battery Gaillard and all amendments and supplements filed of record.

1.11 "Developer" shall mean and refer to Pettus Properties, Inc., or any successor-in-title to the entire interest of such person with respect to the Property and the Additional Property at the time of such transfer to any successor-in-title.

1.12 "Developer Control Period" shall be the period from the date this Declaration is filed until the first to occur of the following:

(a) When 85% of the Lots which have been conveyed to owner-occupants, i.e., persons other than builders, have dwellings constructed on them as to which certificates of occupancy have been issued and;

(b) January 1, 2012; or

(c) When, in its discretion, the Developer gives written notice of the termination of the Developer Control Period to the Owners at their addresses on record with the Association, and to the Directors of the Association.

1.13 "Dwelling" shall mean and refer to any improved property intended for use as a single-family detached dwelling within the Subdivision.

1.14 "Living Space" shall mean the enclosed, covered, finished and heated areas within a Dwelling, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics, and basements. Living Space shall, however, include any finished, heated room(s) located over a garage or accessory building, provided that such garage or accessory building is attached to the main Dwelling by at least a breezeway.

1.15 "Lot" shall mean any unimproved portion of the Property upon which a Dwelling intended for use as a single-family detached residence shall be constructed, as such Lots are shown on the recorded Subdivision Plat. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling until the improvements constructed thereon are sufficiently complete to reasonably permit habitation. After such completion, the Lot and the improvements thereon shall sometimes collectively be referred to as a Dwelling for purposes of this Declaration.

1.16 "Member" shall mean and refer to all Owners, who are members of the Association.

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

1.18 "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, partnerships, or other legal entities, of the fee simple title to any Lot or Dwelling, including Developer, excluding, however, those persons merely having such an interest pursuant to a mortgage.

1.19 "Subdivision" shall mean and refer to that certain real property described in this Declaration, along with any additions that are brought within the jurisdiction of the Association.

1.20 "Subdivision Plat" shall mean that plat described in Exhibit A to this Declaration.

ARTICLE 2
MAINTENANCE OF ENTRANCE(S) TO SUBDIVISION

The Association shall be responsible for maintaining the residual of the Vespers Drive Tract (TMS #355-14-00-181) now encompassing a portion of Planters Drive owned by the City of Charleston ("City Residual Area") including but not limited to planting and maintenance of landscaping, lighting and signage to be approved by the City of Charleston.

ARTICLE 3
SETBACK AND BUILDING LINES

3.1 Requirement of ARB Approval; Setbacks: No building or other structure of any type shall be located on any Lot, and no construction of any nature shall be commenced on any Lot, without the prior written approval of the ARB. As minimums and notwithstanding anything to the contrary contained in this Declaration, the ordinances, laws, rules and regulations of the City of Charleston and/or

such other political subdivision with jurisdiction thereof, shall apply to front, side, and rear setbacks, if such setbacks are greater than those set forth on the Subdivision Plat. The ARB shall have the power and authority to promulgate and publish additional setback requirements for each Lot. In addition, the Owner will either be required to honor any governmental setback requirements with respect to grand trees, or to seek a variance from the City of Charleston and/or such other political subdivision with jurisdiction thereof, if necessary, with regard to disturbing or destroying grand trees.

3.2 Riparian Buffers: Within the riparian buffer areas shown as Critical Line Buffers on recorded plats of the Property (including without limitation riparian buffer areas adjoining Lake Dotterer and the waters of Church Creek), existing vegetation shall remain pursuant to the following guidelines (or, if other applicable covenants, rules or regulations are more restrictive, pursuant to such other applicable covenants, rules or regulations):

a. The following activities or improvements shall be prohibited within the Critical Line Buffers:

(i). Manicured, grassed lawns and non-native plants. Only native grasses shall be allowed.
(ii). Removal, damage or abuse in any manner of protected trees (trees with a trunk diameter of six (6) inches or greater) or of any foliage or vegetation; and
(iii). Pruning shrubs below three (3) feet in height
(iv) Impervious areas and structures of any kind.

b. Only such activities or improvements as may be approved in writing by the Association, the City of Charleston and DHEC-OCRM, if applicable, shall be allowed within the Critical Line Buffers. Any such approved activities or improvements shall be maintained at the expense of the Owner of the Lot on which such activities or improvements exist.

c. Sediment control. Sufficient sediment control measures, including without limitation installation and maintenance of silt fences, straw base fences, storm water inlet protection or retention pond and temporary seeding, to the extent deemed reasonably necessary by Developer, shall be taken by the Owner or Owner's builder to ensure that all sediment resulting from any land disturbance or construction operation is retained on the Lot in question. All sediment control measures must be maintained until the home constructed on the Lot has been permanently stabilized with respect to soil erosion.

3.3 OCRM JURISDICTION AND CRITICAL LINE SETBACK: NOTICE IS HEREBY GIVEN OF THE RESTRICTION THAT, AS TO ANY PORTION OF ANY LOT WITHIN THE SUBDIVISION WHICH MAY CONTAIN SUBMERGED LAND OR OTHER CRITICAL AREAS, AS DETERMINED BY THE SOUTH CAROLINA OFFICE OF COASTAL RESOURCES MANAGEMENT ("OCRM"), ALL ACTIVITIES ON OR OVER AND ALL USES OF SUCH LAND ARE SUBJECT TO THE JURISDICTION OF THE OCRM. ANY OWNER IS LIABLE FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS OR OTHER CRITICAL AREAS. There is hereby established a 25 foot vegetated Critical Line Buffer adjacent to the entire length of the Critical Line as designated by the OCRM within which no structures shall be constructed and within which a natural buffer shall be maintained, except as approved by the OCRM, the ARB and the City of Charleston. In addition, there is a 10 foot building setback adjacent to the entire length of the buffer. The required Critical Line Buffer is shown on the recorded subdivision plat of Battery Gaillard and is under the jurisdiction and permitting authority of the City of Charleston. See the City of Charleston Zoning Ordinance Section 54-347.1 and Section 54-348 Buffer Type L for Critical Line Buffer restrictions. Any alteration of the buffer area must be approved by the City of Charleston.

ARTICLE 4
LOT OWNERSHIP

4.1 Consolidation of Lots: Two or more contiguous Lots may not be combined into one or more larger Lot(s), and no portion of any Lot combined with another Lot can be used as a separate building Lot, except with the prior written approval of Developer, which approval may be withheld in Developer's sole discretion. There will be no reduction in the amount of the assessments due pursuant to this Declaration or the Bylaws of the Association as a result of combining Lots (For example, if two Lots are combined to form one Lot, the Owner will still pay two assessments, and the Owner will have two votes in the Association).

4.2 Subdivision of Lot: Except in the case of a vacant Lot, which may be divided in any percentage between the Owners of the Lots abutting each side of same, no Lot shall be subdivided, except with the prior written approval of the Developer, which approval may be withheld in the Developer's sole discretion. Nothing herein shall be construed to allow any portion of any Lot so sold or conveyed to be used as a separate building Lot if subdivided. No Lot shall be split, divided or subdivided for sale, re-sale, gift, transfer or otherwise without the prior written consent of the Developer, except as provided in this section.

4.3 Interval Ownership/Multiple Ownership, Vacation Time Sharing: No Lot or Dwelling may be owned by more than four Owners at any one time. For the purposes of this restriction, a married couple constitutes a single Owner. Notwithstanding the foregoing to the contrary, a Lot or Dwelling may be owned by a corporation or partnership so long as such corporation or partnership does not have more than four shareholders or partners; provided, however, the prohibition contained in this section shall not apply to Developer, its affiliates, or their respective successors or assigns, or with respect to any institutional mortgagee or such corporation or partnership approved by Developer for such ownership. Furthermore, the Property subject to this Declaration, including any improvements thereon or to be built thereon, shall not be used for or subject to any type of interval ownership or Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership, or by any partnership or other entity which provides for its partners or owners to alternate living in a Dwelling.

ARTICLE 5
EASEMENTS

5.1 Drainage and Utility Easements: Developer reserves, for the benefit of Developer and the Association, permanent easements for construction, installation, maintenance and continued operation of water and sewer lines, sanitary sewer and storm drainage facilities (including without limitation bio-retention swales, stormwater detention/retention facilities and stormwater quality control structures), for other utility installations and for environmental protection of trees and wetlands (including riparian buffers) in the areas shown on recorded plats of the Property. In addition to the aforesaid reservation of easements and any easements shown on the Subdivision Plat, and not as any limitation, an easement on each Lot is hereby reserved by the Developer for itself and its agents, designees, successors and assigns, along over, under and upon the following areas: a strip of land five (5) feet in width, parallel and contiguous with each side lot line and a strip of land five (5) feet in width, parallel and contiguous with the rear or back and front property lines of each Lot. The purpose of these easements shall be to provide, install, maintain, construct and operate utilities and/or drainage facilities, now or in the future. Within these easements, no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in such easements except for special bioretention swales with

specific vegetation within designated drainage easements. The easement area of such Lot and all improvements in it shall be maintained continuously by the Owner, except for those improvements for which a public authority or utility company becomes responsible, or those designated drainage easements and buffers on various lots as shown on the Subdivision Plat for which the Association shall have specific maintenance responsibility. For the purpose of this covenant, the Developer reserves the right to modify or extinguish the easement herein reserved along any Lot line when, in its sole discretion, adequate reserved easements are otherwise available for the installation of drainage facilities or utility service lines. All easements shall inure to the benefit of and become subject to the control of the Association upon the expiration of the Developer Control Period and upon the transfer of ownership by the Developer of any Common Areas to the Association.

5.2 Easement for Landscaping, Storm Drainage Facilities, and Signage: Developer, for itself and its successors and assigns, reserves a perpetual and releasable right and easement upon, over, and across all portions of the Subdivision not sold as Lots, and all areas shown and noted on or described in any Supplemental Declaration, for the installation, maintenance, and use of landscaping, sidewalks, bike/ pedestrian paths, traffic directional signs, and related improvements. In addition, Developer also reserves a perpetual right and easement upon the five (5) foot easement reserved along the front and rear Lot lines under Section 5.1, and the five (5) foot easement along the side Lot lines to be used for landscaping, lighting and/or signage, by the Developer, which landscaping shall be maintained, at Developer's sole option, by the Owner or by the Association.

5.3 Easement for Slope Control, Drainage, and Waterway Maintenance: Developer, for itself and its successors and assigns, hereby establishes and reserves a perpetual and releasable non-exclusive easement appurtenant over, across, under, through and upon each Lot for the purpose of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Lot which may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Property;

(c) changing, modifying or alternating the natural flow of water, water courses or waterways on or adjacent to any Lot;

(d) dredging, enlarging, reducing or maintaining any water areas within the Property; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Property.

5.4 Fire Breaks: Developer reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on and over and under any Lot to cut fire breaks and other activities which in the opinion of the Developer are necessary or desirable to control fires on the Property, or any improvements thereon. Entrance upon property pursuant to the provisions of this section shall not be deemed a trespass.

5.5 Right of Entry: The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, the Articles, Bylaws, and any Use Restrictions and Rules adopted by the Developer or the Association. Such right may be exercised by any member of the Board, the Association's officers, agents, employees, and managers or the members of the

ARB, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any Dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

ARTICLE 6
BUILDING RESTRICTIONS

6.1 Number of Buildings on Lot: On a Lot, no structure shall be erected other than one detached single-family Dwelling and one small accessory building, which may be a detached private garage, provided the use of such accessory building does not overcrowd the site, and provided further that such building is not used for any activity normally conducted as a business. Such accessory buildings may not be constructed prior to the construction of the main building.

6.2 Minimum Square Footage: No residence or Dwelling shall be erected on any of the Lots unless the residence is constructed with a minimum of square feet of total Living Space (as defined in Section 1.13) as set forth hereafter. For a single story Dwelling on any interior or Lot or any Lot on Lake Dotterer, the total Living Space shall be not less than 1800 square feet. For any two story Dwelling on any interior Lot or any Lot on Lake Dotterer, the total Living Space shall be not less than 2000 square feet. For a single story Dwelling on any marshfront Lot, the total enclosed Living Space shall be not less than 2000 square feet. For any two story Dwelling on any marshfront Lot, the total enclosed Living Space shall be not less than 2200 square feet. For those lots bounded by two streets, the minimum square footage requirements may be reduced by ARB written approval. In order to gain ARB approval for construction of a Dwelling, such Dwelling shall include at least a double car garage with a door or doors.

6.3 Building Height: No residential Dwelling may exceed two and one-half stories in height, and in no instance shall any residence exceed the maximum height allowed under the applicable zoning and regulatory laws of the City of Charleston and/or such other political subdivision with jurisdiction thereof. No accessory building may exceed two stories in height.

6.4 Other Requirement of Residences: In addition to the other restrictions contained in Article 6 herein, all residential structures constructed on a Lot shall be designed and constructed in compliance with the requirements of all applicable building codes of the city of Charleston, and/or such other political subdivision with jurisdiction thereof, related to construction in flood hazard areas.

6.5 Restrictions for Lots Fronting Lake Dotterer and the Marsh: In addition to the requirements, limitations and restrictions as set forth in this Declaration, the following restrictions shall apply:

a. No dock, pier, or wharf shall be constructed on Lots 34, 37, 38, 50 and 51. Further, there shall be a riparian buffer of 25' from the OCRM Critical Line and a 35' setback from the OCRM Critical Line on Lots 50 and 51.

b. No dock, pier, or wharf shall be constructed on any Lot or over any intertidal marsh except the Community Dock and Community Common Area and those certain docks to be located within shared dock corridors as set forth on that certain dock corridor plan entitled, "Master Dock Plan Battery Gaillard, St. Andrews Parish, City of Charleston, Charleston County, South Carolina", prepared by G. Robert George and Associates, Inc., dated April 10, 2005 and filed with the South Carolina Ocean and

Coastal Resource Management.

The only Lot that may have a dock, pier or wharf constructed on it without having a shared dock corridor is Lot 39.

The Lots subject to the sharing of dock corridors are paired as follows:

1. Lot 35 and Lot 36.
2. Lot 40 and Lot 41.
3. Lot 42 and Lot 43.
4. Lot 44 and Lot 45.
5. Lot 46 and Lot 47.
6. Lot 48 and Lot 49.

It shall be the responsibility of the purchasers of Lots having a shared dock corridor to enter into a mutual agreement as they deem appropriate regarding the construction of said shared dock.

No dock shall be constructed without the approval of the ARB, SCDHEC, OCRM and US Army Corps of Engineers. In order to obtain such approval, it will be necessary to submit plans specifying the location, color, height, finish, and other details of such proposed facility. Developer reserves the right to require uniformity of design and to submit approved designs for said docks. The ARB has the right to disapprove such plans on any grounds including pure aesthetic consideration. All shared docks shall be maintained by the two respective property owners in accordance with applicable regulatory agency permit conditions.

ARTICLE 7
ARCHITECTURAL CONTROL; CONSTRUCTION ACTIVITIES

7.1 Architectural Review Board: During the Developer Control Period (as defined in Section 14.1) the Developer shall serve as the ARB. Upon or prior to the expiration of the Developer Control Period, the Developer shall establish the ARB, which shall consist of not more than five nor fewer than three members. Any member appointed by the Developer may be removed with or without cause by the Developer at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The members of the ARB shall elect a chairman, who shall preside at its meetings. A vice chairman shall also be elected, who shall preside in the absence of the chairman. The ARB shall meet at least once in each calendar quarter, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. Three members shall constitute a quorum for the transaction of business; and the affirmative vote of a majority of those present in person or by proxy at a meeting of the ARB shall constitute the action of the ARB on any matter before it.

Provided that a plan meets the requirements of the ARB and in the event the ARB fails to approve or disapprove any request, within thirty (30) days after complete written plans and specifications have been submitted to it, the same shall be deemed approved, and this Article shall be deemed to have been fully complied with, provided, however, that no such failure to act shall be deemed an approval of any matters specifically prohibited by any other provisions of this Declaration. Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the ARB may deem sufficient. Neither Developer nor any member of the ARB shall be liable for damages to anyone submitting plans or specifications for approval under this Section, or to any Owner of property affected by this Declaration by

reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the ARB for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against Developer, or any member of the ARB, to recover for any such damage.

7.2 Architectural Review of Improvements: All Dwellings constructed within the Subdivision shall be designed and built in accordance with the plans and specifications of a licensed architect or other qualified building designer. Other than work by or at the request of Developer, no construction, reconstruction, remodeling, alteration, or addition to the exterior of any structure, building, fence, wall, drive or improvements of any nature shall be commenced without first obtaining the written approval of the ARB as to the location of such improvements and the plans and specifications for the construction thereof. As a prerequisite to consideration for approval, and prior to the beginning of the contemplated work, two (2) complete sets of the building plans, specifications and construction drawings and one (1) site plan must be submitted to the ARB along with the required fees. The ARB shall be the sole arbiter of such plans and specifications and may withhold approval for any reason, including pure aesthetic consideration. Upon approval by the ARB, construction shall be started and prosecuted to completion in strict conformity with such plans and specifications. The ARB or any Owner shall be entitled to stop construction which is in violation of this Declaration. No previously approved structure shall be used for any purpose other than that for which it was originally approved.

7.3 Time of Construction Activities: No construction of improvements on any Lots or Dwellings may be conducted on any Sundays or holidays, as established by the ARB, except for (a) construction activities of Developer, (b) emergency situations involving the potential loss, injury, or damage to persons or property, or (c) as otherwise permitted by the ARB.

7.4 Temporary Structures: No structure of a temporary character shall be placed upon the Property at any time; provided, however, this prohibition shall not apply to Developer's sales and construction activities or to shelters or temporary structures used by a contractor during construction of permanent structures, it being clearly understood, however, that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the subject property after completion of construction. The design and color of structures temporarily placed by contractor shall be subject to reasonable aesthetic control by the ARB. The provisions of this section do not prohibit the erection of tents or other temporary structures for social functions as may be permitted by rules and regulations promulgated by the ARB.

7.5 Construction Debris; Damage and Construction Vehicles: During the continuance of construction by an Owner, such Owner shall require its contractors to maintain the property upon which such work is being done in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers, and removed as soon as reasonably possible. All Owners shall be required to install or cause their contractors to install any barriers necessary to keep dirt and construction debris on the Lot. Upon completion of construction, such Owner shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the property on which such construction has been completed and to repair any sidewalks or bike/pedestrian paths damaged during the course of construction. Neither Owners nor their contractors shall block traffic on any roads or bike/pedestrian paths nor shall they park any construction vehicles on the streets or bike/pedestrian paths.

7.6 Timely Construction Progress: Once construction of improvements on a residence is started on any Lot, the improvements must be substantially completed within 12 months from the later of the issuance of the Battery Gaillard Building Permit or the City of Charleston Building Permit unless

otherwise extended in writing by the ARB, where such completion is impossible or would result in great hardship to the Owner or Owner's contractor due to strikes, acts of God or national emergency. This requirement does not preclude a builder of speculative homes from leaving interior details unfinished until a Dwelling is sold. All landscaping shall be completed within three months of substantial completion of the Dwelling.

7.7 Occupancy. Dwellings may not be temporarily or permanently occupied until proper and suitable provision has been made for the disposal of sewage by connection with sewer mains, the construction of the Dwelling has been completed, and a certificate of occupancy has been issued by both the ARB and by the political subdivision with jurisdiction thereof.

7.8 Approval Not a Guarantee: No approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Developer, the Association nor the ARB shall be responsible or liable for any defects in any plans or specifications nor any defects in construction undertaken pursuant to such plans and specifications.

7.9 ARB's Approval Right: The ARB reserves unto itself, its successors and assigns, the right to approve the precise site and location of any building or other structure upon all Lots within the Subdivision. The ARB, for good cause shown, may in its sole discretion waive or modify any requirement set forth in these Declarations, but any such waiver shall be in writing. The ARB may, from time to time, publish and promulgate architectural standards and guidelines for the Subdivision which shall apply uniformly to all Lots and Owners.

7.10 Requirement of Construction Bond and ARB Review Fee. The ARB shall have the authority to require the payment of a Review Fee and a Construction Bond, on terms and conditions to be established from time to time by the ARB and disclosed in writing to a potential purchaser of a Lot prior to the closing of the sale of such Lot. Upon the submission of the construction plans and specifications for a Dwelling and/or any other Lot improvements to the ARB, the specified Review Fee and Construction Bond shall be required to be paid to the Association, which funds shall not be required to be deposited into an interest-bearing account. The Review Fee shall be non-refundable. The Construction Bond shall be returned to an Owner upon full and timely completion of the Dwelling and any other Lot improvements in accordance with the plans and specifications as approved by the ARB and upon compliance with all other requirements of the ARB. If an Owner or his or its contractor fails or refuses to comply with the requirements of the ARB, the Association shall be entitled, in addition to all other remedies available at law or in equity, to retain the Construction Bond.

ARTICLE 8
EXTERIORS

8.1 Color: The color scheme for the exterior of any Dwelling or accessory building shall be approved by the ARB before painting begins. The color scheme for the exterior of any Dwelling and any accessory building on the same Lot shall be the same. No repainting of the exterior of any Dwelling or accessory building shall be started without the prior written approval of the ARB unless the repainting is done with the originally approved color scheme.

8.2 Materials: No Dwelling or other structure shall be erected in the Subdivision having an exterior finish of asbestos shingles or vinyl siding. An exterior finish of concrete blocks is prohibited unless the blocks are designed and finished in a manner acceptable to the ARB. The same colors,

materials, and style utilized for the exterior and roof of the residence shall also be used for any garage, outbuilding, or any other structure erected on the Lot.

8.3 Exterior Appearance: No chainlink fences shall be permitted within the Subdivision. Further, no foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purpose, except as specifically permitted by the ARB, nor shall any window-mounted heating or air-conditioning units be permitted. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, or maintained, nor shall any clothing, rugs, or other item be hung on any railing, fence, hedge, or wall. In addition, no basketball goals, volleyball nets, badminton nets, or similar additions may be permanently installed between the front street line and the front building line of any Lot.

8.4 Driveways, Walkways and Garage Entrances: All driveways, walkways and entrances to garages shall be of a substance approved in writing by the ARB and of a uniform quality. The entrance to the garage shall not face the street unless specifically approved by the ARB where lot size and building setback requirements would necessitate a front entrance. All residential driveways shall be approved by the ARB and constructed pursuant to criteria established by the ARB and any other governmental authorities with jurisdiction over the roads in the Subdivision.

8.5 Fences and Swimming Pools: No fence whatsoever shall be erected or allowed to remain in the Subdivision, except with the prior written approval of the ARB in its sole discretion, except those erected by the Developer in Common Areas. All fences must by approved, in writing, by the ARB as to materials, size and location prior to commencement of construction. Swimming pools shall not be located nearer than 15 feet to any Lot line on interior lots or nearer than ten (10) feet to the OCRM critical line on Lake and Marsh lots. Swimming pools must be located in their entirety to the rear of the main Dwelling, shall not project with their coping more than two feet above the established grade of the Lot and shall be fully contained within a fence approved by the ARB. Subject to prior approval of the ARB, boundary fences or walls may be erected and hedges grown, but not higher than three feet from the street right of way on which the Dwelling fronts to the rear building line. Fences, boundary walls and hedges shall not exceed six feet in height from the rear building line to the rear property line.

8.6 Mining or Drilling Prohibited: No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, and no structure designed for the use of such activity shall be stored, erected, maintained or permitted in the Subdivision.

8.7 Service Yards: Each Owner of a Dwelling shall provide visually-screened areas to serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, and supplies and equipment that are stored outside on such Lot must be placed or stored, in order to conceal them from view from roads and adjacent Lots. Any such visual barrier shall be six feet high, unless a lesser height will result in full screening or is required by the City of Charleston and/or such other political subdivision with jurisdiction thereof, and may consist of either fencing or landscaping and planting which is approved by the ARB.

8.8 Signs: Except as may be required by legal proceedings, no signs or advertising posters of any kind, including "For Rent," "For Sale," and other similar signs erected by Owners, the Association, or any agent, broker, contractor or subcontractor thereof, shall be maintained or permitted on any Lot or on any Dwelling or accessory structure, without the express written permission of the ARB, which shall not be unreasonably withheld. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the ARB. In addition, the Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within easement areas and the City Residual Area, upon approval by the ARB.

Notwithstanding the foregoing, the restrictions of this section shall not apply to Developer during the Developer Control Period.

8.9 Lights: The design and location of all exterior lighting fixtures shall be subject to the approval of the ARB. Neither these lights nor any other illumination devices, including, but not limited to, Christmas lights and decorations, located anywhere on the structures or grounds of any Lot, shall be located, directed, or of such intensity to affect adversely, in the sole discretion of the ARB, the night-time environment of any adjoining property.

8.10 Antennas: Except as herein provided, no television antenna, radio receiver, or other similar device shall be attached to or installed on any portion of a Dwelling unless approved in writing by the ARB. Satellite dishes of less than 19 inches in diameter for reception of television signals shall be allowed, provided that the location and design of any such satellite dish and related equipment shall be subject to prior written approval by the ARB. No radio or television signals, or any other form of electromagnetic radiation, shall be permitted to originate from any property within the Subdivision which may unreasonably interfere with the reception generally of television or radio signals within the Subdivision; provided, however, the Developer and the Association, and their assigns, shall not be prohibited from installing equipment necessary for master antenna, security, cable television, or other similar systems within the Subdivision.

8.11 Water Wells and Septic Tanks: No private water wells or septic tanks may be drilled, installed or maintained on any Lot in the Subdivision, except that shallow well pumps may be authorized by the ARB for irrigation, swimming pools or other non-domestic use if tests (performed at Owner's expense) indicate water complies with DHEC standards. No visible well, pump or pump house may be located in front of the rear corner of any residence.

8.12 Mailboxes: No receptacle or container for the receipt of mail, newspapers or similar delivered materials shall be erected or permitted to remain between the front street line and the front building line of a Dwelling unless it shall have been approved prior to construction by the ARB. All mailboxes, mailbox posts, etc. shall be of uniform shape, size, height, color and design, the details of which shall be furnished to each Owner by the ARB. Mailboxes shall be at the expense of the Owner.

8.13 Landscaping Controls: Without the written consent of the ARB, no hedge or shrubbery planting which obstructs sight-lines at elevations between two and six feet above streets and roadways within the Subdivision shall be placed or permitted to remain on any property within the triangular area formed by the street property lines and a line connecting such lines at points 15 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the extended street property lines. The same sight-line limitations shall apply to any property subject to this Declaration within 10 feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight-lines or unless otherwise consented to by the ARB.

8.14 Tree and Shrub Removal: Unless located within 10 feet of a building, no Owner, other than Developer, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation (exclusive of vegetation within riparian buffers) having a trunk diameter of six inches or more at a point of 4½' above the ground level, or other significant vegetation as designated, from time to time, by the ARB, without obtaining the prior approval of the ARB; provided, however, dead or diseased trees which are inspected and certified as dead or diseased by the ARB or its representatives, as well as other dead or diseased shrubs, bushes, or vegetation, shall be cut and removed promptly from any Lot by the Owner. Any Owner removing or permitting the removal of a tree or shrub in violation of this clause will be required to replace it at such Owner's cost. The liability for such removal shall be imparted to the Owner

if removed by a contractor, employee, or agent of the Owner.

8.15 Applicable Tree Ordinances: Anything contained herein to the contrary notwithstanding, the limitations herein provided are in addition to, and not substitutions for, the ordinances, rules, regulations, and conditions of the City of Charleston and any other political subdivision of the State of South Carolina having jurisdiction thereof with respect to the cutting and removal of trees.

ARTICLE 9
ADDITIONAL USE RESTRICTIONS

9.1 Use of Lots and Dwellings; Leasing of Dwellings: Each Lot and Dwelling shall be used for residential purposes only, and no trade or business of any kind shall be permitted. The use of a portion of a Dwelling as an office by an Owner or his Tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic; provided, however, that in no event shall any Lot or Dwelling be used as the office of or storage area for any building contractor, real estate developer or real estate broker, except as may be on a temporary basis, with the express written consent of the ARB, and in accordance with rules and regulations promulgated by the ARB. Lease or rental of a Dwelling for residential purposes shall also not be considered to be a violation of this covenant so long as the lease is (a) for not less than the entire Dwelling and all the improvements thereon, (b) for a period of not less than six months and (c) otherwise in compliance with rules and regulations as may be promulgated and published from time to time by the Developer or the Association. All leases or rental agreements shall be required to be in writing, and upon request, the Owner shall provide the Developer and the Association with copies of such lease or rental agreement. Any renter, lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

9.2 Vehicles, Recreational Vehicles and Motor Homes: A maximum of three cars shall be parked upon the driveway, driveway permitting. There shall be no parking on the sidewalks or on the lawns. No trailer, tractor, recreational vehicle, motor home, boat or boat trailer, school bus, commercial vehicle or truck may be parked, stored or allowed to remain on any street or street right-of-way. No such vehicle as described above may be kept, parked or stored on any Lot in front of the rear corners of the residence, enclosed garages excepted. In the event that an Owner shall have out of town guests visiting, however, a trailer, recreational vehicle, motor home or boat or boat trailer may be parked in the driveway in front of the rear corners of a Dwelling for a period not to exceed three consecutive days.

9.3 Air And Water Pollution: No use of any Lot (other than normal use of residential fireplaces and residential chimneys) shall be permitted which emits pollutants into the atmosphere, or discharges liquid or solid wastes or other harmful matter into any waterway in excess of environmental standards applicable thereto, which standards shall at a minimum meet requirements of Federal and State Law and any regulations thereunder applicable to the property. No waste or any substance or materials of any kind shall be discharged into marshes within the Subdivision or adjacent thereto or into Lake Dotterer. No person shall dump any garbage, trash or other refuse on the Property.

9.4 Disposition of Trash Debris And Prohibition Against Burning: Trash, garbage or other waste shall be kept only in sanitary, covered containers. Such closed, sanitary trash containers shall always be stored in such a manner that they cannot be seen from the street or adjacent property. All such closed trash containers shall regularly be delivered by Owners to street side on the appropriate mornings for garbage and trash removal and said empty containers shall be retrieved from the street no later than 7:00 p.m. of each such day. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction. No burning of any trash, leaves, grass, wood or other debris or litter shall be permitted on any Lot during construction or at any time before or after.

9.5 Obstruction To View Intersection: The lower branches of trees or other vegetation in sight line approaches to any street or street intersections shall not be permitted to obstruct the view of same. No Owner may plant or allow to remain on the street right-of-way between the front street line and the Owner's Lot line, any vegetation which impedes normal view and progress in the street right-of -way and/or vegetation which in any way overhangs any portion of the street itself.

9.6 Aesthetics, Screening and Underground Utilities Service: All residential utility service and lines to residences and outbuildings shall be underground. The only fuel tanks that are allowed are propane fuel tanks and only if natural gas is not available to the Subdivision. Such fuel tanks must at all times be shielded from street view. Air conditioning units must be shielded from street view by planting not less in height at installation than the top of such unit.

9.7 Junked, Wrecked, Disabled or Inoperable Vehicles: No wrecked, partially wrecked, stripped, disabled or inoperable vehicle shall be kept, parked or stored upon the Common Areas, any street or street right-of-way, or upon any Lot. Developer or the Association may post "no parking" signs along the streets and roadways within the Subdivision where it, in its sole discretion, determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing vehicles shall not be deemed a trespass or a violation of an Owners' property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the roads and streets within the Subdivision. In addition to the restrictions contained in this Paragraph 9.7, the ordinances of the City of Charleston and/or such other political subdivision with jurisdiction thereof, shall apply to parking, towing, speed limits and other matters generally under the jurisdiction of such ordinances as they apply to public streets.

9.8 Minor Agricultural Pursuits: Minor agricultural pursuits incidental to residential use shall be permitted, provided such pursuits do not include the raising of crops intended for marketing of sale to others. Additionally, no garden for consumption by the Owner and his immediate family may exceed 750 square feet in size, and no garden or portion thereof shall be planted or allowed to remain in front of the rear corners of any Dwelling on any Lot.

9.9 Changing Elevations: No elevation changes shall be permitted on a Lot which materially affect the surface grade of surrounding Lots.

9.10 Maintenance Required By Owner: Each Owner shall keep each Lot owned by such Owner, and all improvements therein or thereon, in good order and repair, including but not by way of limitation, the seeding, watering and mowing of all lawns and grounds, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with safety and good property management. Additionally, no lawns, grass, weeds or underbrush shall be allowed to grow to a height exceeding six inches on any Lot at any time. Lots shall specifically include all easements located on each Lot.

9.11 Prohibition on Yard Sales: No yard sale, garage sale, or patio sale shall occur or be held on any property or Lot of the Subdivision at any time.

9.12 Discharge of Firearms and Use of Other Weapons Prohibited: The use of firearms, air guns, "B-B" guns, pellet guns and any other firearm, bows and arrows, traps, cross bows, spears, snares anywhere within the Subdivision is forbidden. Hunting or killing of animals or birds is strictly prohibited within the Subdivision.

ARTICLE 10
PETS

No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Subdivision, provided that a reasonable number of generally recognized house pets may be kept in a Dwelling, subject to rules and regulations adopted by the Association, and further provided that such pet(s) are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas. Pets shall be under leash at all times when walked or exercised in any portion of the Subdivision, except when they are securely fenced within the Owner's Lot or otherwise under the pet owner's control and within the Lot occupied by such pet owner. The owner of a pet shall immediately remove such pet's feces from any Common Areas, public streets, rights-of-way, sidewalks and bike/pedestrian paths. Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section, a particular pet is a generally recognized house pet or if such pet is a nuisance, and the Board shall have the right to require the owner of a particular pet to remove such pet from the Subdivision if such pet is found to be a nuisance or the pet or its owner is found to be in violation of these restrictions. The Board of Directors shall have the further right to fine any pet owner (in an amount not to exceed $50.00 per violation) for the violation of these pet restrictions by such Owner or an occupant of a Dwelling, and an Owner shall be liable to the Association for the cost of repair of any damage to any areas outside the Owner's Lot caused by the pet of such Owner or of an occupant of such Owner's Dwelling. Any such fine or cost of repair shall be added to and become a part of that portion of any assessment next coming due to which such Dwelling and its Owner are subject.

ARTICLE 11
MISCELLANEOUS

11.1 Sales and Construction Activities of Developer: Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Developer and its agents, employees, successors, and assigns and builders to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of the whole or any portion of the Property, including, without limitation, the installation and operation of sales and construction trailers and offices, and signs. The right of Developer and builders to maintain and carry on such facilities and activities shall include specifically the right to use a Dwelling as a model residence, and to use any Dwelling as an office for the sale of Lots and/or Dwellings and for related activities.

11.2 Owner Recording Additional Restrictions on Property: No Owner may impose additional restrictive covenants on any lands within the Property beyond those contained in this Declaration without the consent of the Developer during the Developer Control Period, and thereafter without consent of the Association. The Developer may impose additional restrictive covenants on property then owned by the Developer without the consent of any other Owner or the Association.

11.3 Trespass: Whenever the Developer or the Association is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

11.4 Right to Assign Functions to the Association and Transfer Ownership of Common Areas: The Developer reserves the right to assign to the Association, at its sole discretion, all rights reserved in this Declaration which are exercisable by the Developer and to transfer to the Association title to all Common Areas, which shall be accepted by the Association.

11.5 Other Rights and Reservations: THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE SHALL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY THE DEVELOPER OR THE ASSOCIATION WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

ARTICLE 12
PROPERTY RIGHTS

12.1 General Rights of Owners: Each Lot and Dwelling shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of such Owner's property, subject to the provisions of this Declaration. Each Owner shall automatically become a Member of the Association in accordance with the provisions of the Articles of Incorporation and Bylaws of the Association, and shall remain a Member until such time as such Owner's ownership ceases for any reason, at which time such Owner's membership in the Association shall automatically pass to the successor-in-title to such Owner's property.

12.2 Roadways: All Owners, by accepting title to property conveyed subject to this Declaration, acknowledge and agree that such access, ingress, and egress shall be limited to public roads, sidewalks, walkways and bike/pedestrian paths located within the Subdivision from time to time, provided that pedestrian and vehicular access to and from all such property shall be provided at all times.

12.3 Traffic: The traffic regulations of the State of South Carolina, the City of Charleston and/or such other political subdivision with jurisdiction thereof shall govern and control the use of all roads within the Subdivision which roads shall be public rights of way. In addition, the Association may promulgate from time to time additional parking and traffic regulations, which shall supplement the above-mentioned regulations as it relates to conduct on, over and about any streets, roadways and bike/pedestrian paths in the Subdivision. In any event, no golf carts may be operated on the roads and streets in the Subdivision. Further, no all terrain vehicles, regardless of whether or not the same shall have three, four, six or more wheels, or "dirt bikes" shall operate on any of the Lots, Common Areas, bike/pedestrian paths or streets within the Subdivision. Mopeds, as defined by the State of South Carolina, bicycles and scooters shall be allowed. Gasoline powered go-carts and skateboards are prohibited. No motorcycle may operate within the subdivision unless the same be fully street licensed including, but not limited to, muffler, brakes, lights, license plates, insurance, registration and/or other requirements of the State of South Carolina. Complaints by two or more Owners as to engine noise of any motorcycles will also require a review and opinion from the Association as to the ability of such motorcycle to further operate within the Subdivision unless it is equipped for appropriate noise reduction.

12.4 Violation: If any person, firm or corporation shall violate or attempt to violate any provision of this Declaration, it shall be lawful for any Owner, Developer or the Association to prosecute any proceeding at law or in equity against the person, firm or corporation violating or attempting to violate the same, either to prevent it or them from so doing or to recover damages or other dues for such violation. The party enforcing the covenants shall be entitled to recover attorney fees, court costs and out of pocket expenses if such person prevails. In addition to the rights and remedies hereinabove enumerated, and not by way of limitation, if the Association determines that any provision of this Declaration has been violated, the Association may seek appropriate relief at law or in equity to assure

that the purposes of this Declaration are fulfilled, in which event the Association shall be entitled to attorney fees and costs if it prevails.

12.5 Documents: All papers and instruments required to be filed with or submitted to the Developer, the Association or the ARB, shall by sent by certified mail to the address shown hereon, unless each such entity shall subsequently give notice in writing of another address.

12.6 Conveyance of Common Areas: The Developer hereby covenants with the purchasers of Lots in the Subdivision that any Common Areas as shown on the above described Subdivision Plat shall be conveyed to the Association for nominal consideration at such time as the Developer, in its sole discretion, determines it appropriate to make such transfer. Upon making such transfer, the Developer will assign all its rights to the Association.

ARTICLE 13
BATTERY GAILLARD PROPERTY OWNERS ASSOCIATION, INC. MEMBERSHIP AND VOTING RIGHTS

Developer will cause the Association to be incorporated under the laws of the State of South Carolina as a non-profit corporation for the purpose of providing a mechanism for the orderly development and preservation of values of the Subdivision and for the collection of compulsory annual and special assessments to assure that the Subdivision shall be maintained in an attractive and sightly condition. Each Owner of a Lot within the Subdivision (including but not limited to Developer) covenants and, by acceptance of a deed for such Lot (whether or not expressed in the deed or other conveyance), shall be deemed to covenant and agree to all terms, conditions, and provisions of the Declaration of Covenants, Conditions, and Restrictions for Battery Gaillard and the Articles of Incorporation and Bylaws for the Association.

a. Compulsory Membership In Association: Upon acquiring a Lot, every Owner shall automatically become and is required to be and remain a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot. The Association shall be governed by its Board of Directors, pursuant to its Articles and Bylaws, which may be amended from time to time as provided therein, copies of which shall be provided to each Owner upon request. In the event of conflict between the Articles or Bylaws of the Association and this Declaration, this Declaration shall control.

b. Voting Rights: There shall be two classes of Lots with respect to voting rights-Class A Lots and Class B Lots, all as more particularly set forth in the Bylaws attached hereto as Exhibit "B" and incorporated herein by reference.

ARTICLE 14
COVENANT FOR MAINTENANCE ASSESSMENTS

14.1 Creation of the Lien and Personal Obligation of Assessments: Developer, for each Lot owned by Developer within the Subdivision and subject to Article 14, Section 14.11 herein, hereby covenants and agrees to pay, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements, repairs and maintenance and other purposes. Any such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal or corporate obligation of the person(s) or entity(ies)

owning such Lot 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 the successor in title, but such unpaid assessment charges shall continue to be a lien upon the Lot against which the assessment has been made.

14.2 Purposes of Assessments and Duties of Association: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and City Residual Area, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against any such property, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, payments of principal and interest on funds borrowed for Association purposes and such other needs as may arise.

Without limiting the generality of the above described purposes, the Association shall be responsible for performing the following in a diligent and reasonable manner and the assessments levied by the Association may be used for the following purposes:

a. To maintain all Common Areas in a clean and orderly condition, free from refuse and debris, to maintain the amenities in good order and repair and to maintain the signs and landscaping therein and in the City Residual Area in good condition and appearance, including any necessary removal and replacement of landscaping.

b. To pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association.

c. To procure, keep in force and pay the premiums on all hazard insurance, public liability insurance and officers' and directors' liability insurance carried by the Association.

d. To pay legal, management, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws.

e. To provide such maintenance in addition to that provided by the applicable governmental authorities with respect to public streets located within the Subdivision as the Association shall deem appropriate, including the clearance of storm drainage inlets to remove debris.

d. To pay for the cost of street light utility charges, if any, for street lights located within the public rights-of-ways within the Subdivision.

e. To collect annual and special assessments from Members

f. To enact reasonable rules and regulations governing the operation and use of the Common Areas and City Residual Area. It shall not be necessary to record the regulations newly adopted or the amendment or repeal of existing regulations, but no Member shall be bound by any newly adopted regulation or any amendment or repeal of an existing regulation until a copy of the regulation has been delivered to him.

g. To enforce the terms of this Declaration, the Bylaws and any regulations promulgated pursuant thereto.

14.3 Annual Assessments: Until January 1, 2007, the projected annual assessment for each Lot shall be Eight Hundred Fifty and 00/100 ($850.00) Dollars.

a. From and after January 1, 2007, the annual assessment for each Lot shall be determined by the Board of Directors based on a budget for the upcoming year. Notice of the amount of the annual assessment and a copy of the projected budget will be provided to Lot Owners no later than November 30, 2006 and thereafter no later than November 30th of each year. The new annual assessment shall become effective on January 1 of each year.

14.4 Special Assessments for Capital Improvements and Other Matters: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessment(s) for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon any Common Areas or the City Residual Area, including but not limited to, fixtures and personal property related thereto, water and sewer lines, sanitary sewer and storm drainage facilities (including without limitation bio-retention swales, stormwater detention/retention facilities and stormwater quality control structures) owned by Developer or the Association, repayment of indebtedness and interest thereon, providing funds to pay for unforeseen or unbudgeted expenditures, borrowing the funds to make the Subdivision comply with zoning ordinance, and borrowing of money for capital improvements; provided, however, that (i) any such assessment shall have the same assent of the Members as provided in Section 14.3.c of this Article, (ii) the Association shall in no event convey or subject to a security interest any portion of the Common Areas, and (iii) in no event shall the Association levy special assessments for the initial construction of amenities. So long as the total amount of special assessments allocable to each Lot does not exceed Five Hundred and no/100 ($500.00) Dollars in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if such assessment shall have the assent of the Members as provided in 14.3.c of this Article. Special assessments shall be paid as determined by the Board of Directors, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

14.5 Individual Assessments. Any expenses of the Association occasioned by the conduct of the Owners or any of them, if such Lot is owned by multiple owners, or by the family, tenants, agents, guests, invitees or Occupants of any Owner shall be specially assessed against such Owners and their respective Lots. The individual assessments may also be levied by the Association as a fine for violation by an Owner, or by the family, tenants, agents, guests, invitees or Occupants of an Owner of any rules or regulations promulgated by the Association through the Board of Directors. The individual assessments provided for in this paragraph shall be levied by the Board of Directors and the amount and due date of such assessment so levied by the Board shall be as specified by the Board.

14.6. Working Capital Assessment. At the time of a sale of any Lot, there shall be assessed by the Association and collected from each purchaser a working capital improvement assessment in the amount of three-twelfths (3/12) of the annual assessment for such Lot to establish and maintain a working capital fund for the use and benefit of the Association. The purpose of such working capital fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire equipment for services deemed necessary by the Association. Such working capital assessments shall not be considered as advanced payment of regular assessments. Said working capital assessments shall be charged on every transfer of Lots in Battery Gaillard. No Owner may waive or escape liability for the assessments provided for herein by non-use of the Common Areas or other property of the Association or by abandoning his Lot.

14.7 Collection: Annual and special assessments shall be collected annually or in more

frequent installments as may be determined by the Board of Directors from time to time. Delinquent assessments shall be collected as set forth in Paragraph 14.9 below.

14.8 Date of Commencement of Annual Assessments; Due Date: The annual assessment provided for herein shall commence as to all Lots on the earlier of June 1, 2006 or the date the first Lot is conveyed by Developer and thereafter shall be assessed as of January 1 of each year and due and payable, either in full or in monthly, or quarterly installments, as determined by the Board, within ten (10) days after receipt of an invoice from the Association.

14.9 Effect of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within ten (10) days after the due date shall incur a one-time late charge in the amount of $10.00 and if not paid within thirty (30) days after the due date shall bear interest from the due date at a maximum rate of eighteen (18%) percent per annum or at the rate established by the Board of Directors at the beginning of the fiscal year of the Association, whichever is less. The Association may file a lien against the Lot and the Owner thereof, and the Owner shall be responsible for the payment of reasonable attorneys' fees and costs in connection with the preparation and filing of such lien which shall be added to the amount of the assessment together with interest and other costs of the Association in connection with such delinquent payment. In addition and not by way of limitation, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's property, and interest, costs and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessment. Any foreclosure of the lien may be in such manner as is prescribed by the laws of the State of South Carolina for foreclosure of mortgages or may be in any other manner permitted by applicable law.

14.10 Exempt Property: All portions of the Subdivision dedicated to, and accepted by, a local public authority and all Common Areas and the City Residual Area shall be exempt from the assessments created herein.

14.11 Developer's Obligation to Pay Annual and Special Assessments: Notwithstanding anything to the contrary set forth herein, Developer shall be obligated to pay annual assessments and special assessments, if any, with respect to any and all Lots owned by Developer, except, at Developer's option, Developer shall not be required to pay any portion of the annual assessment designated for the creation of reserves.

ARTICLE 15
DURATION AND AMENDMENT OF DECLARATION

15.1 Amendment: Developer reserves the right to amend this Declaration during the Developer Control Period, as defined in Section 1.12. After the expiration of the Developer Control Period, amendment of this Declaration shall be by affirmative vote of 67% of the Owners (multiple owners of a single Lot shall have one vote among them and the Developer shall have one vote for each Lot it owns); provided, however, the proposed Amendment shall also be approved by a majority of the Directors of the Association. Upon proper execution, the instrument amending this Declaration shall be filed in the appropriate real estate records office of Charleston County, which instrument shall be accompanied by a resolution certified by the Secretary of the Association as having been duly adopted by a majority of the Directors of the Association and by 67% of the Owners.

15.2 Addition of Property: The Developer may at any time subject Additional Property to this Declaration by filing in the real property records office for Charleston County, South Carolina, an amendment hereto describing the Additional Property to be subjected to this Declaration.

15.3 Duration: This Declaration shall bind all persons claiming any interest in the Property

and shall run with the land for a period of 30 years from the date of recording, after which time this Declaration shall automatically be extended for successive periods of 10 years unless an instrument signed by 75% of the Owners (multiple owners of a single Lot shall have one vote among them) of Lots has been recorded terminating or modifying this instrument.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

This Declaration of Covenants, Conditions, and Restrictions for Battery Gaillard executed as of the date set forth at the beginning hereof.

Witnesses:

Pettus Properties, Inc. f/k/a Eastern Enterprises, Corp

By: _____
Jerry H. Pettus
Its: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

On July 11, 2006, before me personally came Pettus Properties, Inc. f/k/a Eastern Enterprises, Corp, by Jerry H. Pettus, its President, to me known to be the person described in, and who executed the foregoing document and acknowledged that he executed the same and that he was duly authorized to do so.

_____ (L.S.)
Notary Public for South Carolina
My Commission Expires: 3/20/12

EXHIBIT "A"

PROPERTY SUBJECT TO THIS DECLARATION

ALL those certain pieces, parcels or lots of land, situate, lying and being in St. Andrews Parish, City of Charleston, State of South Carolina shown and described as Lots 1 through 54, inclusive, on that certain plat entitled "FINAL PLAT OF BATTERY GAILLARD TMS 355-13-00-001 & 355-14-00-181 ST. ANDREWS PARISH CITY OF CHARLESTON, SOUTH CAROLINA OWNED BY PETTUS PROPERTIES, INC. " made by G. Robert George, South Carolina P.L.S. and P.E. dated October 12, 2005, revised February 6, 2006 and recorded in Plat Book EJ, Pages 902-905 in the RMC Office for Charleston County, South Carolina; said lots having such size, shape, location, dimensions, buttings and boundings as will by reference to said plats more fully appear.

EXHIBIT "B"

BYLAWS OF

BATTERY GAILLARD PROPERTY OWNERS ASSOCIATION, INC.

1. INTRODUCTION

These are the Bylaws of Battery Gaillard Property Owners Association, Inc., which is organized for the purpose of administering Battery Gaillard Subdivision (the "Subdivision"). The subdivision is identified by the name Battery Gaillard and is located in the City of Charleston, County of Charleston, State of South Carolina, as more particularly described in the Declaration of Covenants and Restrictions for the Subdivision, to which these Bylaws are attached as Exhibit "B" (hereinafter referred to as the "Declaration"). Upon submission of any Additional Property, or any portion of Additional Property, to the Declaration, these Bylaws become equally applicable to such Additional Property. The Developer of the Subdivision is Pettus Properties, Inc., its successors and/or assigns (the "Developer"). The principal office of the corporation shall be located at 1 Sunrise Point Lane, Lake Wylie, South Carolina, but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

The fiscal year of the Association shall begin on January 1 and end on December 31 of each year, unless changed by the Board of Directors of the Association as herein provided.

2. MEMBERSHIP AND VOTING RIGHTS

(a) Members. All persons who are Owners as defined in the Declaration shall be members of this Association; provided, however, that no non-owner, tenant, sub-lessee, or assignee shall be a member, nor have voting rights in the Association.

(b) Voting Rights. There shall be two classes of Lots with respect to voting rights:

1. Class A Lots. Class A Lots shall be all Lots except Class B Lots. Each Class A Lot shall entitle the Owner(s) thereof to one (1) vote. The rights of an Owner of a Class A Lot may be exercised by a Member or a Member's spouse, but in no event shall more than one (1) vote be cast for each Lot.

2. Class B Lots. Class B Lots shall be all Lots owned by Developer that have not been converted to Class A Lots as provided in paragraphs (i) and (ii) below. Developer shall be entitled to three (3) votes for each Class B Lot owned by Developer.

The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the first to occur of the following:

(i) The date on which the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots; or

(ii) January 1, 2012

When the Class B Lots cease to exist and are converted to Class A Lots, Developer shall have the same voting rights as other owners of Class A Lots.

Votes can be cast only at meetings of the Association convened in accordance with the Bylaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer, a partnership shall act by any general partner, a trust shall act by any trustee, and any other legal entity shall act by any managing agent. The failure of any absent Member to execute and return the proxy form sent to him shall constitute a proxy to and for the majority present and voting. When a Member consists of two (2) or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Member unless another owner objects and, in case of disagreement among co-owners as to the vote, the vote which such co-owners may be entitled to cast may not be voted.

(c) Quorum. The presence at the meeting of Members, or of proxies, entitled to cast fifty-one (51) percent of the total vote of the Membership shall constitute a quorum for the transaction of business at meetings of the Association. Unless otherwise provided herein, a majority of the votes cast at such meeting shall be the vote required to adopt decisions. Any absent Member who does not execute and return the proxy form sent to him shall be deemed to be present for the proposes of determining the presence of a quorum.

(d) Proxies. Any Member may, by written proxy, designate any agent to cast his vote. Unless a proxy states otherwise, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless it states otherwise. No proxy shall be honored until delivered to the Secretary of the Association. If at least thirty (30) days prior to a duly called meeting, a Member is informed by mail of (1) the time and place of the meeting, (2) the agenda for the meeting, and (3) such data as is then available relative to issues on which there will be a vote and a proxy form is included in such mailing, and the Member neither attends the meeting nor returns his executed proxy, then such Member shall be deemed to have given his proxy to and for the majority present and voting.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

The initial meeting of the Association shall be held upon call by the Developer as soon as the Developer deems practicable and convenient, but no later than June 30, 2007.

The annual meeting of the Association shall be held on a date determined by the Association. Any business which is appropriate for action of the Members may be transacted at an annual meeting. The annual meeting shall be held at the office of the Association or such other place as may be designated by the Board of Directors.

Special Meetings of the Association may be called at any time by the President of the Association or by a majority of the Board of Directors and shall be called upon the written request of a majority of the Members. Only such business as is stated in the notice of meeting shall be transacted at a special meeting.

Any actions which may be taken by a vote of the Members may also be taken by written consent to such action signed by all members.

The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner and becomes a lien upon the property against which such assessments are made.

The membership rights of any person whose interest in the Properties is subject to assessments, whether or not he be personally obligated to pay such assessments, will be suspended by action of the

Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored.

4. NOTICE

Written notice of every annual or special meeting of the Association stating the time, date and place of the meeting and in the case of a special meeting, the business proposed to be transacted shall be given to every Member not less than ten (10) nor more than forty-five (45) days in advance of the meeting. Failure to give proper notice of a meeting of the Members shall not invalidate any action taken at the meeting unless (1) a Member who was present but was not given proper notice objects at the meeting, in which case the matter objected to shall not be taken up or (2) a Member who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following presentation of the minutes of such meeting to all Members, in which case the action objected to shall be void.

Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting either before or after the meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by the Member of notice of the time, date and place of meeting unless the Member objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

5. ORDER OF BUSINESS. At meetings, the President shall preside or, in the absence of the President, the Vice President shall preside.

The order of business at all meetings of the Association shall be as follows:

1. calling of the roll and clarifying proxies;
2. proof of proper notice of the meeting or waiver of notice;
3. reading of the minutes of the preceding meeting (unless waived by majority of those present);
4. report of the Board of Directors;
5. report of Officers;
6. reports of committees (if applicable)
7. election of Directors (when required);
8. unfinished business;
9. new business; and
10. adjournment.

The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. The minutes shall be made available for examination and copying by any Member at any reasonable time. (Minutes of each meeting shall be distributed to all Members by the Board of Directors following completion thereof.)

Any meeting of the Association may be adjourned from time to time for a period not exceeding forty-eight (48) hours by vote of Members holding a majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could properly be transacted at a meeting may be transacted at any adjourned session and no additional notice of adjourned sessions shall be required.

6. ASSOCIATION PURPOSES AND POWERS

The Association has been organized to provide a vehicle to assure, through assessments, that the Subdivision known as Battery Gaillard shall be maintained in an attractive, sightly condition and to provide certain other benefits for its Members as set forth in the Declaration. Specific obligations of the Association are to collect assessments for the maintenance of all Association or common properties and to provide benefits to the Owners of all Lots therein.

Additions to the Properties shown on the Plat may be made as provided in the Covenants. Such additions, when properly made under the Declaration, shall extend the jurisdiction, functions, duties and membership of the corporation to such Properties.

7. BOARD OF DIRECTORS OF THE ASSOCIATION

(a) The Association shall act by and through its Board of Directors.

(b) Qualification. Only an individual who is a Member or who together with another person or persons is a Member, or who is an officer of a corporation, a general partner of a partnership, a trustee of a trust, or a managing agent of any other legal entity which is a Member or which together with another person or persons is a Member, may be elected and serve or continue to serve as a Director of the Association.

(c) Election and Term of office. The initial Board of Directors shall consist of three (3) people who shall be elected at the initial meeting of the Association and shall serve until the first annual meeting of the Association. At the first annual meeting, the Members shall elect five (5) Directors, two for a term of one year and three (3) for a term of two (2) years, and the Board shall thereafter consist of three (5) Directors. At each subsequent annual meeting, Directors shall be elected for two-year (2) terms to succeed the Directors whose terms expire at the meeting. A plurality of the votes cast shall be sufficient to elect a Director in any election. A Director may be elected to succeed himself, and a Director shall be deemed to continue in office until his successor has been elected and has assumed office. Newly elected Directors shall commence to serve at the first Board meeting following the election. Notwithstanding anything contained herein, the rights of the Developer to appoint and thus elect no less than a majority of the membership of the Board shall continue so long as the Developer owns a majority of Lots bound by the Declaration.

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses reasonably incurred in the performance of his duties.

(d) Developer's Right to Appoint or Remove Directors. Notwithstanding anything set forth herein to the contrary, Developer shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors until such time as the first of the following events occurs:

1. Class B Lots cease to exist and are converted to Class A Lots;

2. Developer surrenders the authority to appoint and remove members of the Board of Directors by an express amendment to these Bylaws executed and recorded by Developer; or

3. January 1, 2012.

(e) Removal. Any Director not appointed by Developer may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board who shall serve for the unexpired term of his predecessor. This Section shall not apply to Directors appointed by the Developer which Directors may only be removed from the Board by the Developer.

(f) Vacancies. Any vacancy on the Board of Directors shall be filled by appointment by the majority of the remaining Directors, and the new Director shall serve for the unexpired term of his predecessor. In the event a majority is unable to agree as to the appointment of a new Director, the Developer shall be empowered to fill such vacancy for so long as it is entitled to elect no less than a majority of the Board. Any vacancy that remains unfilled at the time of an annual meeting shall be filled by a vote of the Members.

(g) Voting. Each Director shall have one vote on all matters acted upon by the Board of Directors. The affirmative vote of two (2) Directors on the initial Board and of three Directors on subsequent. Boards shall be sufficient for any action unless otherwise specified in these Bylaws.

(h), Quorum. Two (2) Directors shall constitute a quorum for the transaction of business of the initial Board and three (3) Directors shall constitute a quorum of all subsequently elected Boards.

(i) Consents. Any action which may be taken by a vote of the Board of Directors may also be taken by written consent to such action signed by all Directors.

(j) Annual Meetings. An annual meeting of the Board of Directors shall be held during each fiscal year within thirty (30) days preceding the annual meeting of the Association. Any business which is appropriate for action of the Board of Directors may be transacted at an annual meeting.

(k) Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, dates and places as the Board of Directors may determine from time to time. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting. Regular meetings shall not be held less frequently than quarterly.

(l) Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) of the Directors, after not less than three (3) days notice to each Director mailed and or presented personally to such Director within such time.

(m) Notice of Meetings. Written notice of every meeting of the Board of Directors stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be given to every Director not fewer than three (3) days, nor more than ten (10) days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at the meeting unless (1) a Director who was present but was not given proper notice objects at the meeting, in which case the matter objected to shall not be taken up, or (2) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following the minutes being presented to said Member of such meeting, in which case the action objected to shall be void.

(n) Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any meeting of the Board of Directors either before or after the meeting. Attendance at a meeting by a Director shall be deemed a waiver by the Director of notice of the time, date and place of the meeting unless such Director objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also

be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

(o) Minutes of Meetings. The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of the minutes shall be distributed to each Director within thirty (30) days following each meeting, and all minutes shall be made available for examination and copying by any Member at any reasonable time.

8. OFFICERS OF THE ASSOCIATION

Officers. The Association shall have a President, a Vice President, a Secretary and a Treasurer. The offices of Secretary and Treasurer may be filled by the same individual and the combined office referred to as Secretary-Treasurer. The officers shall have the authority, powers, duties, and responsibilities provided by these Bylaws, or to the extent not so provided, by the Board of Directors.

Qualifications. Only Directors may be elected and serve as Officers.

Election and Term. Officers of the Association shall be elected at the first regular meeting of the Board of Directors following the annual meeting of the members of the Association and at such other times as may be required to fill vacancies in any office. All Officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An Officer may be re-elected to any number of terms.

Removal. Any Officer may be removed from office at any time with or without cause by a majority vote of the Board of Directors.

President. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in a corporate president, including by not limited to, the power to appoint committees from among Members from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Vice President. The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Secretary. The Secretary shall prepare and keep, or cause to be prepared and kept, the minutes of all meetings of the Members and of the Board of Directors, and shall have charge of such books and papers as the Board of Directors may direct.

Treasurer. The Treasurer shall have custody of and responsibility for Association funds and securities and shall keep the financial records and books of account belonging to the Association.

Compensation. No Officers may receive compensation but shall be entitled to reimbursement by the Association for expenses reasonably incurred in the conduct of their duties.

9. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth both in these Bylaws and in the Declaration shall be supplemented and complemented by the following provisions:

(a) The assessment roll shall by maintained in a set of accounting books in which there shall be an account for each Lot and for those Developer-owned entities. Such an account shall designate the name and address of the Owner(s) or, if multiple Owners, the Owner designated in writing to vote for the Owners (which designation shall not be valid until the same is received by the Secretary of the Association), the amount of each assessment against each category set forth immediately hereinabove, the dates and amount of which assessments come due, the amounts paid upon the account and the balance due upon assessments.

(b) The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to, Common expense budget and proposed Assessments against each Member.

(c) The Board of Directors shall determine the method of payment of such Assessments and the due dates thereof and shall notify the members thereof. The Assessments will initially be on an annual basis unless changed by a vote of the majority of the Board of Directors.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(e) An audit of the accounts of the Association may be made annually and a copy of the report shall be furnished to each member no later than ninety (90) days after the last day of the fiscal year for which the report is made. An audit of the accounts of the Association shall be made by a Certified Public Account no less than every three (3) years and the results submitted to the Association.

10. MAINTENANCE AND IMPROVEMENTS

Except as herein otherwise specifically provided, the Association shall maintain and keep in good repair and have jurisdiction over the standards of exterior maintenance over all portions of the Common Areas, City Residual Area and all Lots.

In the event that the Developer or the Board of Directors determines that: (i) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repairing or replacement of items for which he or it is responsible hereunder; or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Occupant, Owner, his family, tenants, guests or invitees, and is not covered or paid for by insurance in whole or in part, then in either event, the Developer or the Association, except in the event of any emergency situation, may give such Owner written notice of Developer's or the Association's intent to provide such necessary maintenance, cleaning, repairs, or replacement, at the sole cost and expense of such Owner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Developer or the Association may, but shall not be obligated, to provide any such maintenance, cleaning, repairs, or replacement, as the case may be, at the sole cost and expense of such Owner.

11. INSURANCE

The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association and insuring all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, such coverage to be in an amount sufficient to cover the full

replacement cost.

Insureds. Insurance policies upon the Common Areas covering the items described below, shall be purchased by the Board of the Association for the benefit of the Association, and the Members and any mortgagees, as their interests may appear. Provision shall be made for the issuance of certificates of insurance. Such policies and endorsements shall be deposited with and held by the Secretary of the Board.

Coverage. Insurance shall cover the following when available:

a. public or general liability in the minimum of Five Hundred Thousand ($500,000.00) Dollars;

b. workmen's compensation (if required); and

c. Officer's and Director's liability insurance covering the Board of Directors and the Officers;

d. such other insurance as the Board of Directors may from time to time determine to be necessary or desirable.

Premiums and Deductibles. Premiums upon insurance policies and that portion of any covered loss not compensated for because of the loss deductible clause of the policy shall be paid by the Association as a common expense, but charged to Members as a portion of annual assessments.

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

12. ASSESSMENTS

Purpose of Assessments. The assessments for Common Expenses provided for in the Declaration shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of the Subdivision, and maintaining the Subdivision and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors.

Creation of Lien and Personal Obligation of Assessments. Each owner of a Lot by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) annual Assessments, such Assessments to be established and collected as provided in the Declaration and in the following paragraphs; (b) special assessments, such assessments to be established and collected as provided in the Declaration and in the following paragraphs; and (c) individual or specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including by not limited to, fines as may be imposed against such Lot in accordance with the provisions of these Bylaws, the Declaration and any rules and regulations promulgated by the Association. Any such Assessments, together with late charges as provided in the Declaration, court costs and reasonable attorney's fees incurred to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon the Lot, the Owner of which is responsible for payment. Each Owner shall be personally liable for assessments coming due while he is the Owner of a Lot, and his grantee shall take title to such Lot subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his grantor

any amounts paid by such grantee therefor; provided, however, the lien for unpaid assessments shall not apply to the holder of any first priority institutional Mortgage or to the holder of any Mortgage securing a loan made by the Developer, its affiliates, successors or assigns, and who take title to a Lot through foreclosure, or to any purchaser of such Lot at such foreclosure sale until title vests at which time charges for assessments apply as to any other Owner. In the event of co-ownership of any Lot, all of such co-Owners shall be jointly and severally liable for the entire amount of such assessments. Assessments shall be paid in one annual payment unless such manner of payment is amended by the Board.

Computation of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the commencement of the Association's fiscal year to prepare and adopt a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution of reserve account to cover the present and future capital needs of the Association. The total annual assessments shall be divided among the Lots equally, except as provided in the Declaration, so that each Lot except Developer owned Lots, shall be subject to equal annual assessments. Upon the inclusion of any additional property in Battery Gaillard Subdivision, owners of such lots shall thenceforth pay assessments which are equal to those imposed upon the original Lots in the Subdivision, except as provided in the Declaration. The Association's budget shall be revisable by the Board, without the necessity of approval by the Owners, to include Common Expenses and Assessments related to such additional Lots. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided herein. The Common Expenses to be funded by the annual assessments may include, but shall not necessarily be limited to, the following:

a. Management fees and expenses of administration including legal and accounting fees;

b. Utility charges for utilities serving the Common Areas and charges for other common services for the Subdivision, including trash collection and security services, if any such services or charges are provided or paid by the Association;

c. The cost of any policies of insurance purchased for the benefit of all Owners and the Association as required or permitted by the Declaration or these By Laws, including fire, flood and other hazard coverage, public liability coverage, officer's and director's liability and such other insurance coverage as the Board of Directors determines to be in the best interest of the Association and the Owners;

d. The expenses of maintenance, operation, repair and replacement of those portions of the Common Areas and City Residual Area which are the responsibility of the Association under the provisions of the Declaration;

e. The expenses of the Architectural Review Board which are not defrayed by ARB Review Fee and Construction Bond;

f. The expenses for conducting recreational, cultural or other related programs for the benefit of the Owners and their families, tenants, guests and invitees;

g. Ad valorem real and personal property taxes assessed and levied against the Common Areas and the City Residual Area;

h. Such other expenses as may be determined as set forth in the Declaration or as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including without limitation taxes and governmental charges not separately assessed against Lots; and

i. The establishment and maintenance of a reasonable reserve fund or funds (a) for maintenance, repair and replacement of those portions of the Common Areas and City Residual Area which are the responsibility of the Association and which must be maintained, repaired or replaced on a periodic basis, (b) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds or which consist of the deductible amounts under any insurance policies, and (c) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

j. Special Assessments. In additional to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or City Residual Area, including fixtures and personal property related thereto, or for any other purpose set forth in the Declaration or these Bylaws.

k. Individual Assessments. Any expenses of the Association occasioned by the conduct of the Owners or any of them, if such Lot is owned by multiple owners, or by the family, tenants, agents, guests or invitees of any Owner or Occupants shall be specially assessed against such Owners and their respective Lots. The individual assessments provided for in this paragraph shall be levied by the Board of Directors and the amount and due date of such assessment so levied by the Board shall be as specified by the Board.

l. Working Capital Assessment. At the time of a sale of any Lot, there shall be assessed by the Association and collected from each purchaser a working capital improvement assessment in the amount of three-twelfths (3/12) of the annual assessment for such Lot to establish and maintain a working capital fund for the use and benefit of the Association. The purpose of such working capital fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire equipment for services deemed necessary by the Association. Such working capital assessments shall not be considered as advanced payment of regular assessments. Said working capital assessments shall be a charge on every transfer of Lots in Battery Gaillard.

m. Liens. All sums assessed against any Lot pursuant to the Declaration and/or these By Laws, together with court costs, reasonable attorney's fees, and late charges as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association. Such liens shall be superior to all other liens and encumbrances on such Lot except only for: (i) liens of ad valorem taxes; and (ii) liens for all sums unpaid on bona fide recorded institutional Mortgages or on any Mortgage to the Developer, or its affiliates, successors or assigns, and all amounts advanced pursuant to any such Mortgage secured thereby in accordance with the terms of such instrument. Notwithstanding the foregoing to the contrary, the subordination of assessments to the lien of such Mortgages shall only apply to such assessments which have become due and payable prior to a foreclosure. All other person(s) acquiring liens or encumbrances on a Lot after the Declaration shall have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens and encumbrances.

n. Effect of Nonpayment; Remedies of the Association. Any Assessments of an Owner or any portions thereof which are not paid when due shall be delinquent and collectible in accordance with the Declaration. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

In the event that any Lot is to be sold at the time when payment of any Assessment against the Owner of such Lot to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such purchase shall, after payment of those sums given priority by S.C. Code Ann. Section 27-31-200 (1976) be applied by the purchaser first to payment of any then delinquent Assessment or installment thereof due to the Association before the payment of any proceeds of purchase to the Owner who is responsible for payment of such delinquent Assessment.

In any voluntary conveyance of any Lot (other than deed in lieu of foreclosure), the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sums then remaining owing to it.

o. Certificate. The Treasurer or the manager of the Association shall, within three (3) business days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate in writing signed by the said Treasurer or manager of the Association setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, late charges and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

p. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot as set forth in the Declaration.

13. LIABILITY AND INDEMNIFICATION

Liability of the Association. No Member shall be liable for a greater fraction of a debt or liability of the Association than represented by the assessments payable by such Member. All business correspondence of the Association and all contracts executed by the Association shall contain the following statement;

> Battery Gaillard Property Owners Association, Inc. is a non-profit Corporation established pursuant to the laws of the State of South Carolina. No Member thereof shall be liable for a greater fraction of a debt or liability of the Association than represented by the assessments due and payable by the Member.

Liability of Directors and Officers. No Director or Officer of the Association shall be liable to any Member for any decision, action, or omission made or performed by such Director or Officer in the course of his duties unless such Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws.

Indemnification of Directors and Officers. The Association shall indemnify and defend each Director and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Director or an Officer of the Association if all of the following conditions are satisfied:

A. Such Director or Officer is not required to bear such liability by the terms of the Declaration, the laws of the State of South Carolina or these Bylaws;

B. Such Director or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and

C. Such Director or Officer cooperates with the Association in defending against the claim.

The expense of indemnifying a Director or an Officer shall be a Common Expense and shall be borne by all the Members, including such Director or Officer, equally.

14. RESOLUTIONS AND CERTIFICATIONS

Corporate Resolution. In connection with any contract, conveyance, or any other document executed on behalf of the Association by an Officer of the Association, there shall be a written Corporate Resolution duly signed by Secretary of the Association stating the following:

1. that the Officer of the Association executing the document does in fact occupy the official position indicated, and that one in such position is duly authorized to execute the document on behalf of the Association, and

2. that the execution of the document on behalf of the Association has been duly authorized.

Certification of Documents. When any document relating to the Properties or the Association is certified as authentic by the Secretary of the Association, a third party without knowledge or reason to know to the contrary may rely on such document as being what it purports to be.

Certification of Actions and Facts. When there is executed by the Secretary a written statement setting forth (i) actions taken by the Association or by the Board of Directors, or (ii) facts relating to the Properties or the Association as determined by the Board of Directors, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

15. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

(a) Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by members of the Association holding twenty-five (25%) percent of the votes in the Association, either by meeting as Members or by instrument in writing signed by them.

(b) Upon any amendment to these Bylaws being proposed by said Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, who shall thereupon call a special meeting of the members of the Board of Directors and the membership for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by such Officer of the proposed amendment. Notice shall be given to each Member in the same form as notice for a special meeting is given.

(c) In order for such amendment or amendments to become effective, the same must be approved by a vote of the members holding at least 67% of the total votes at a meeting at which a quorum

is present. Thereupon, such amendment or amendments shall be transcribed, certified by the President or Secretary of the Association, and a copy thereof shall be recorded in the Register of Mesne Conveyances of Charleston County, South Carolina.

(d) At any meeting held to consider such amendment or amendments to the Bylaws, the written vote of any Member of the Association shall be recognized if such Member is not in attendance at such meeting or represented by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

(e) Notwithstanding the foregoing provisions of this Article, no amendment to these Bylaws which shall abridge, amend or alter the right of the Developer to designate and select members of the Board of Directors of the Association, as provided in paragraph seven hereof, shall be adopted or become effective without the prior written consent of the Developer during the Developer Control Period.

(f) In the alternative, the Developer may amend these Bylaws in the manner provided in the Declaration for amendments to the Declaration by the Developer.

16. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the statutes of the State of South Carolina.

17. MISCELLANEOUS

Record of Ownership. Any person or entity who acquires title to a Lot (unless merely as security for a debt) shall promptly inform the Board of Directors of his or its identity and the date upon and the manner in which title was acquired. The Board of Directors shall maintain a record of the names and addresses of all Members and of the dates upon which they acquired title to their Lots.

Notices. Any notices or documents placed in the mail receptacle or affixed to the front door of the Dwelling on any Lot by or at the direction of the Board of Directors shall be deemed delivered to the Member of such Lot unless he or it has previously specified to the Board of Directors, in writing, another address for delivery of notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a Member shall be deemed delivered to the Board of Directors.

Waiver. No provision of the Bylaws or the regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Conflicts. In the event of any conflict between the Bylaws and the Declaration, the Declaration shall control. In the event of any conflict between the provisions of the Articles of Incorporation of Battery Gaillard Homeowners Association, Inc. and these Bylaws, the Articles shall control.

Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Gender and Number. All pronouns shall be deemed to include the masculine, the feminine and the neuter, and the singular shall include the plural, and vice versa, whenever the context requires or permits.

18. DEFINITIONS. All terms defined in the Declaration shall have the same meaning in these Bylaws as in the Declaration.

The above Bylaws have been duly adopted by the initial Directors of Battery Gaillard Property Owners Association, Inc. this 11th day of July 2006.

Battery Gaillard Property Owners Association, Inc.

By: _____
Jerry H. Pettus, Incorporator

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me this 11th day of July, 2006 by Battery Gaillard Property Owners Association, Inc. by Jerry H. Pettus its incorporator.

_____ (L.S.)
Notary Public for South Carolina
My Commission expires: 3/20/12

EXHIBIT "C" BK B 592PG237

CONSENT OF LENDER

Branch Banking and Trust Company ("Lender"), owner and holder of a note secured by that certain Mortgage and Security Agreement ("Mortgage") dated April 20, 2005 and recorded April 21, 2005 in Book V533, Page 512 in the RMC Office for Charleston County, South Carolina, hereby agrees that is has consented to the terms and provisions of this Declaration of Covenants, Conditions and Restrictions For Battery Gaillard ("Declaration"); that any subsequent foreclosure of the Mortgage on the property described therein shall not extinguish this Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Mortgage, any liability Lender shall have for the duties set forth in the Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; and that upon payment of the loan secured by the Mortgage, the rights of Lender set forth in the Declaration shall terminate.

IN WITNESS WHEREOF, the undersigned has duly executed these presents as of the 4th day of May, 2006.

Signed, sealed and delivered
in the presence of:

Witness #1

Julie G. Presner
Witness #2

LENDER
BRANCH BANKING AND TRUST COMPANY

By: Gary Finch
Name: GARY FINCH
Title: SVP

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

The foregoing instrument was acknowledged before me by Branch Banking and Trust Company by GARY FINCH its SENIOR VICE PRESIDENT this 4TH day of MAY, 2006.

Sallie R. Gaddy (L.S.)
Notary Public for MECKLENBURG COUNTY, NC
My commission expires: JUNE 23, 2006

SALLIE R. GADDY
NOTARY
PUBLIC
MECKLENBURG COUNTY, NC

CHAS 188342v5

BKB 592PG238

RECORDER'S PAGE

***NOTE*: This page MUST remain with the original document**

FILED

July 21, 2006

1:20:06 PM

BKB 592PG199

Charlie Lybrand, Register
Charleston County, SC

Filed By:

Turner Padget Graham & Laney

PO Box 22129
Charleston SC 29413
env

DESCRIPTION	AMOUNT
DECL/COV/REST	$ 45.00
Postage	
TOTAL	$ 45.00

DRAWER:

	B - ECP

DO NOT STAMP BELOW THIS LINE