

STATE OF SOUTH CAROLINA)
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)
 COUNTY OF CHARLESTON) **THIRD AMENDMENT TO
 DECLARATION OF COVENANTS,
 CONDITIONS AND RESTRICTIONS
 (OCEAN NEIGHBORS)**

WHEREAS, JAMES ISLAND DEVELOPMENT COMPANY, LLC, as Declarant, filed a *Declaration Of Covenants, Conditions And Restrictions, Ocean Neighbors*, dated January 27, 1999, and recorded in Book D-319, Page 856, as amended by First Amendment recorded March 17, 1999, in Book R-322, Page 475, and as amended by Amendment recorded July 6, 1999 in Book Z-329 at page 025, in the RMC Office for Charleston County (collectively the "Declaration"); and

WHEREAS, James Island Development Company, LLC sold the remainder of its property encumbered by said Declaration to Charleston Land Group, LLC by deed dated March 1, 2000 and recorded in Deed Book M-343 at page 714.

Whereas, James Island Development, LLC assigned to Charleston Land Group all of its Declarant's Rights under said Declarations by Assignment dated 12/12, 2000 and recorded simultaneously herewith.

WHEREAS, Declarant, in Article III, Section 2, set up two classes of voting membership; and

WHEREAS, Declarant, in Article V, determined who would comprise the Architectural Control Committee; and

WHEREAS, the Declarant, in Article VII, Section 4, determined the amount of square footage required for the heated living area of any home constructed, as well as the minimum heated and air conditioned square footage required for the first floor of any home constructed; and

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WHEREAS, the Declarant, in the By-Laws, determined the number of Directors comprising the Board of Directors of the Association.

NOW, THEREFORE, in consideration of the premises contained herein, Declarant, as the sole Class B member, having votes exceeding the Class A votes, based upon the ninety-four (94) lots being developed in Phase 2, hereby amends the Declaration as recorded in Book D-319, Page 856, and as amended in the RMC Office for Charleston County, as follows:

A. Section 2 of ARTICLE III – MEMBERSHIP AND VOTING RIGHTS is hereby deleted in its entirety, amended and shall read as follows after such amendment:

Section 2. The Association shall have three classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of Class B owners and Class C owners, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine but in no event shall more than one vote be cast with respect to any one Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned (including any Lots subsequently developed by Declarant out of the Residual Areas or other land). The Class B membership shall cease and be converted to Class A membership upon the occurrence of either of the following events, whichever occurs first:

- (a) the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) January 1, 2008

Class C. The Class C member shall be Scott Hagan, d/b/a Scott Hagan Builders and shall be entitled to ten (10) votes for each Lot owned in Phase 2. The Class C membership shall only apply to those lots in Phase 2. Class C votes shall not be valid in any Phase except Phase 2. The Class C membership shall cease upon the sale of the last lot in Phase 2 to a third-party.

B. **ARTICLE V – ARCHITECTURAL CONTROL** is hereby amended to add a new second paragraph which shall read as follows after such amendment:

Notwithstanding the above paragraph, as to **Phase 2 only**, no building, fence, wall, landscaping or other structure shall be commenced, erected, or maintained upon a Lot in Phase 2, nor shall any exterior addition to or change or alteration herein be made until the plans and specification showing the nature, kind, shape, height, materials and location of the same have been submitted to and approved in writing by the Board of Directors or by an Architectural Control Committee (the "ACC") for Phase 2, comprised of the Declarant, Eddie Hagan, and Scott Hagan. In the event the ACC for Phase 2, fails to approve or disapprove said plans and specifications within thirty (30) days after said plans and specifications have been submitted, approval will be deemed to have been received and this Article will be deemed to have been fully complied with.

Upon the sale of the last lot in Phase II, the ACC for Phase 2 shall merge into the ACC for the entire neighborhood and shall cease to exist.

C. **Section 4 of ARTICLE VII – RESTRICTIONS AND EASEMENTS** is hereby deleted in its entirety, amended and shall read as follows after such amendment:

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4. Building Requirements and Landscaping. The heated living area of any home constructed in the community, with the exception of Phase 2, shall not be less than 1,350 square feet, and a two story dwelling must have at least 650 square feet of heated and air-conditioned space on the first floor.

The heated living area of any home constructed in Phase 2, of the community shall not be less than 1,450 square feet and a two story dwelling must have at least 650 square feet, whether heated or not, of space on the first floor.

Each lot, including those in Phase 2, must provide for landscaping of the front yard in accordance with landscaping plans to be approved by the Architectural Control Committee. The budget for landscaping, including sod, shall not be less than Two Thousand and 00/100 (\$2,000.00) Dollars per lot to be determined by the applicant submitting the proposed plans and contract for landscaping to the Architectural Control Committee. Each lot, with the exception of those lots in Phase 2, must have at least one live oak tree with a caliber of three (3") inches or greater and one (1) palm tree with a value equivalent to the live oak tree described above. In regards to lots in Phase 2, each lot must have at least one live oak tree with a caliber of one and a half (1 ½") inches or greater and one (1) palm tree with a value equivalent to the live oak tree described above.

D. Section 1 of ARTICLE IV OF THE BY-LAWS – BOARD OF DIRECTORS:

SELECTION; TERM OF OFFICE is hereby deleted in its entirety and amended and shall read as follows after such amendment:

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Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors who need not be Members of the Association. Notwithstanding any other provisions of this Article IV, until such time as the Class A membership votes exceed the Class B and Class C membership votes, the three (3) directors shall be comprised of individuals appointed exclusively by Declarant. At such time as there is no Class B or Class C membership, the Board shall be expanded to five (5) new members to be elected at the next annual meeting. Two of the new members shall be elected for a term of three (3) years, two for a term of two (2) years, and the other for a term of one (1) year.

E. Section 4 of ARTICLE VIII OF THE DECLARATION OF COVENANTS.

CONDITIONS AND RESTRICTIONS – Amendment is hereby deleted in its entirety and amended and shall read as follows after such amendment:

Section 4. Amendment. This declaration may be amended by an instrument signed by not less than eighty (80%) percent of the Lot Owners; provided, however, Declarant reserves the right, at any time, to amend this Declaration so long as the Class B votes exceed the Class A votes and Declarant has the written authorization of the Class C Member.

F. Except as provided herein, all of the terms and conditions of the Declarations shall remain the same.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this 12 day of December, 2000.

[Signature]
First Witness Signs Here

[Signature]
Second Witness Signs Here

CHARLESTON LAND GROUP, LLC
By: [Signature]
Donald L. Berg, II
Its: Attorney-in-Fact

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that CHARLESTON LAND GROUP, LLC, by DONALD L. BERG, II, its Attorney-in-Fact, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 12 day of December, 2000.

[Signature]
Name of Notary Public
Notary Public, State of South Carolina
My commission expires: 3/25/07

LISA WOLFF HERBERT
ATTORNEY AT LAW

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC