

COOSAW FUTURES KNOWLEDGE SERIES — SESSION 2

Understanding the Declarant Control Period

What it means, what it controls, and how it ends.



Presented by Kurt Wachholz, Coosaw Futures Corp

August 26, 2026

Before We Begin

This presentation is provided by Coosaw Futures, Corp. for informational and educational purposes only. Coosaw Futures is an independent, owner-formed nonprofit. We are not affiliated with, and this recording is not authorized or endorsed by, the Coosaw Point Property Owners Association, its Board, the Declarant, or any community management company.

The information presented reflects our understanding of public records as of the date of this session, and we have done our best to cite the specific recorded documents behind each figure. This session is not legal, financial, or tax advice — for guidance on your specific situation, please consult a licensed attorney or other qualified professional.

Questions and comments from attendees reflect the views of those individuals, not official positions of Coosaw Futures, the POA, or the Declarant. Please treat this recording as a starting point, not a complete or final word on any subject discussed.



Our Four Stated Purposes

Coosaw Futures exists to help owners understand Coosaw Point — independent of the Declarant or the POA.



INFORM



DOCUMENT



ADVOCATE



PREPARE

We believe that informed property owners, working together, are the strongest foundation for a thriving community.

An investment without understanding is speculation. An investment with understanding is stewardship

The Knowledge Series

A 12 session series to provide a foundation for community stewardship.

Session 1 Community History & Development Structure - July

Session 2 Understanding Declarant Control Period - August

Session 3 POA Governance Basics - September

Session 4 Governing Documents Workshop - October

Session 5 Financial Fundamentals

Session 6 Infrastructure & Maintenance

Session 7 Amenities & Community Assets

Session 8 Grounds, Landscaping & Environmental Stewardship

Session 9 Builder's Guild & Architectural Processes

Session 10 Communication & Transparency

Session 11 Long-Term Planning & Transition Readiness

Session 12 Community Vision & Next Steps

Topics and session dates are subject to change.

Coosaw Futures Corp — Knowledge Series, Session 2



Session 1 Community History & Development Structure

Slides, video, and associated blogs are available at coosawfutures.org/information/knowledge-series

Community Knowledge Series · Session 1

Community History & Development Structure

The story of this land — and how the community came to be governed the way it is today.

July 2026 · Coosaw Point Clubhouse · 6:00 PM

coosawfutures.org · secretary@coosawfutures.org

A 12-session series — tonight is the foundation.



Session 2 Understanding the Declarant Control Period

Slides, video, and associated blogs are available at coosawfutures.org/information/knowledge-series



COOSAW FUTURES KNOWLEDGE SERIES — SESSION 2

Understanding the Declarant Control Period

What it means, what it controls, and how it ends.



Presented by Kurt Wachholz, Coosaw Futures Corp

August 26, 2026

What Is a Declarant— and What Does Declarant Control Mean?

Understanding an important stage in the life of a planned community—and why it matters to us.

TWO CLOCKS ARE RUNNING

THE LEGAL CLOCK
Set by the governing documents in place when the Declarant Control Period begins or ends.

THE READINESS CLOCK
Are we prepared to govern responsibly when that time comes?

When both clocks line up, our community is ready for the future.

SIX AREAS OF READINESS

KNOWLEDGE
Understand the community's history, mission, and goals.

LEADERSHIP
Develop people ready to serve.

FINANCES
Plan for today's needs and tomorrow's growth.

ASSETS
Take full advantage of what we have.

RECORDS
Maintain accurate and accessible records.

RELATIONSHIPS
Build trust and understanding with neighbors.

Stewardship today. Responsibility tomorrow.

COOSAW FUTURES C.O.R.P. | Inform. Document. Advocate. Prepare. Building knowledge today for a stronger tomorrow. | **JOIN US FOR KNOWLEDGE SERIES 2: Understanding the Declarant Control Period** | WEDNESDAY, AUGUST 26 | 6:00 PM | COOSAW POINT RIVER CLUB

What Does Declarant Control Actually Control?

Understanding the different kinds of authority that can exist during the Declarant Control Period.

TWO CLOCKS ARE RUNNING

THE LEGAL CLOCK
Determines when the Declarant's authority begins or ends.

THE READINESS CLOCK
Asks whether property owners will be ready to govern responsibly when that time comes.

THREE AREAS OF AUTHORITY

CONTROL OVER DECISIONS
Authority to make decisions on behalf of the association.

- Board composition and appointments
- Voting structure and allocation
- How authority changes as the community develops

CONTROL OVER PROPERTY
Authority related to the development of the community.

- Architectural review and standards
- Development of phases and additions
- How property becomes part of the association
- Rights that remain with Declarant

CONTROL OVER MONEY & DOCUMENTS
Authority regarding finances and governing documents.

- Assessments and financial obligations
- Funding the association
- Amendments to the Declaration and governing documents
- Key records and institutional knowledge

COOSAW FUTURES C.O.R.P. | Inform. Document. Advocate. Prepare. Building knowledge today for a stronger tomorrow. | **JOIN US FOR KNOWLEDGE SERIES 2: Understanding the Declarant Control Period** | WEDNESDAY, AUGUST 26 | 6:00 PM | COOSAW POINT RIVER CLUB

How Does Declarant Control End?

Understanding how control changes—and why preparing for that change begins long before turnover.

COOSAW FUTURES C.O.R.P. | Inform. Document. Advocate. Prepare. Building knowledge today for a stronger tomorrow. | **JOIN US FOR KNOWLEDGE SERIES 2: Understanding the Declarant Control Period** | WEDNESDAY, AUGUST 26 | 6:00 PM | COOSAW POINT RIVER CLUB



Why Session 2 Matters

Understanding Declarant Control is important to understanding how our community is currently governed.



This session: what Declarant Control is, what South Carolina law does and doesn't say about it, and what Coosaw Point's own Declaration says about how it ends.

More Than Just “The Developer”

Declarant status carries a specific bundle of rights — this session walks through what each one means for Coosaw Point.



**Board
Appointment**



**ARB
Control**



**Annexation
Rights**



**Voting
Rights**



**Assessment
Exemption**

**Amendment
Consent**

A Declarant either subdivides and sells property or holds a “special declarant right” reserved in the Declaration.

S.C. Code Ann. § 27-30-120(2)

Not Defined By State Law

We reviewed all of South Carolina's HOA law and found no rule for this — Coosaw Point's Declaration fills the gap.



“Declarant Control Period”

Not defined or regulated anywhere in South Carolina statute
Set entirely by Coosaw Point's own recorded Declaration

Three Tiers of Authority

State law, governing documents, and community rules each play a different role — Declarant Control sits in the middle tier.

Declarant Control is set by Coosaw Point's own Declaration — Tier 2, not Tier 1.

Tier 3 — Rules / CC&Rs

Tier 2 — Governing Documents

Tier 1 — State Law



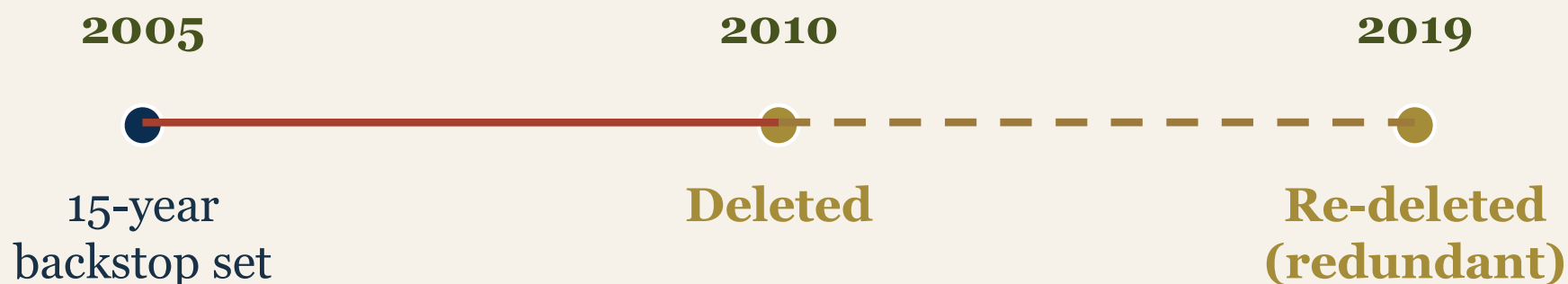
Three Ways Control Can End

Coosaw Point's own Declaration — not state law — spells out exactly how this period ends.



One Trigger Removed

One of those three original paths was removed by amendment in 2010.



The 2019 amendment looks like a redundant restatement, not a reversal.

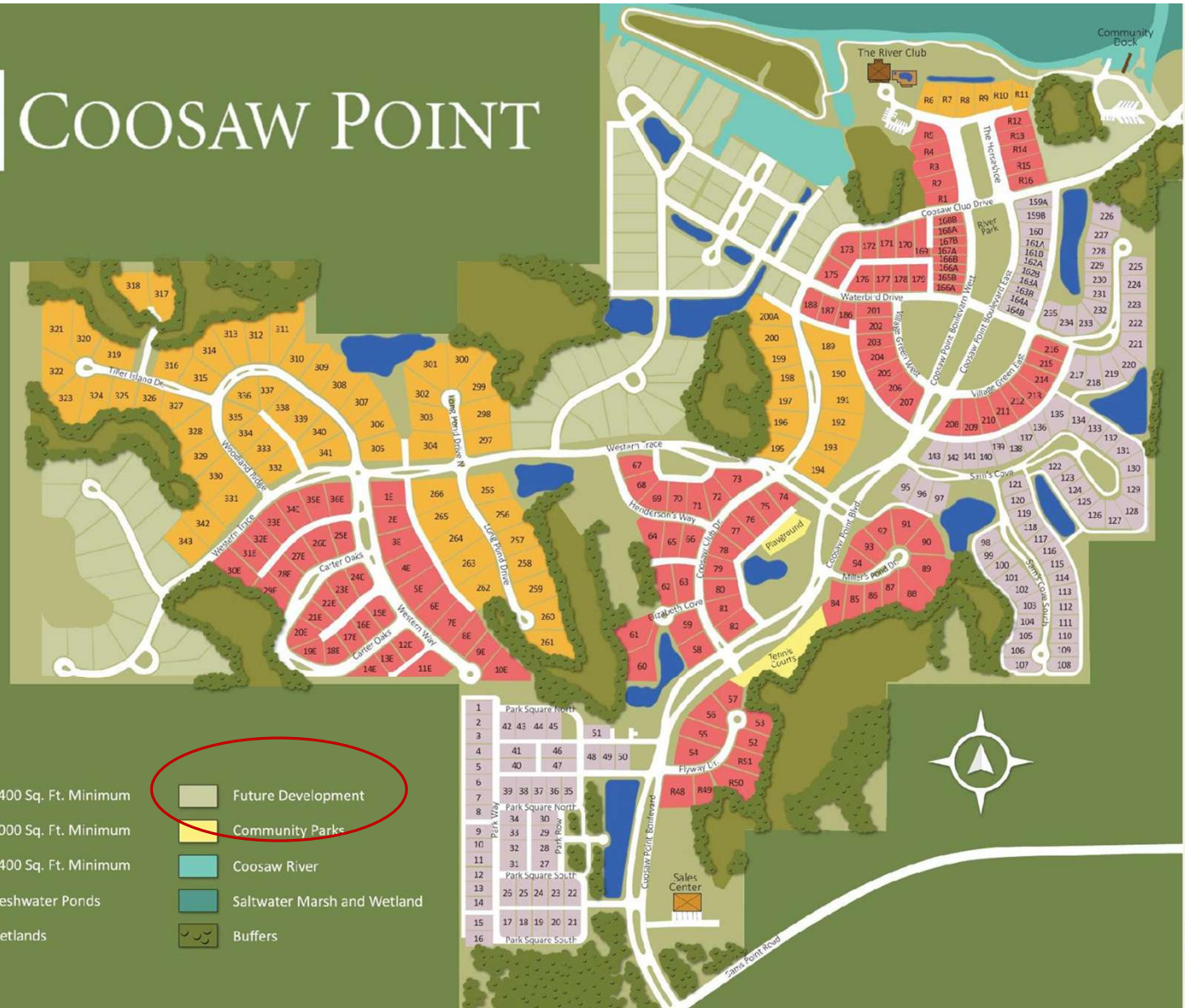
Amendment Bk 2962/Pg 1073 (2010) · Amendment Bk 3788/Pg 799 (2019)



Community Map



COOSAW POINT



Six Phases Built, More Coming

Coosaw Point grows in phases as the Declarant annexes land into the community — six are built, two more areas are anticipated.

EXHIBIT A — Your Community

EXHIBIT B — Future Land



Phase VII (debris yard) and Phase VIII (storage area): not yet platted.



Gallant Family Retained Property

Opposite side of the community — unrelated to Phases VII/VIII
(see next slide)



Annexation Rights: What Full Build-Out Requires

Reaching 450 involves several ordinary administrative steps — here's where each one stands.



Routine Permitting & Infrastructure

Phase 6 example: sewer permit approval (BJSWA → DHEC), then final county sign-off — standard process, currently underway



Future-Phase Annexation

Ordinary Exhibit B land — annexable at the Declarant's discretion, as with every phase so far



Gallant Parcel

One specific piece of Exhibit B — annexation requires the private owners' request; none since 2021

EXHIBIT B



None of this is unusual for a community still under Declarant control — it's the same kind of process every phase has gone through.



How Close Is 90%?

Here's how today's lot count compares to the Declarant's public statement and to our own review.

- Declarant has stated: 90% of 450 = 405
- Our review: ceiling may be 431 (90% $\approx$ 388)
- Full annexation of Exhibit A + B is a separate condition



431 = Adjusted ceiling (Gallant carve-out)

450 = As publicly stated



Appointed Seats Are Legal

State law allows a nonprofit's governing documents to structure board seats this way.



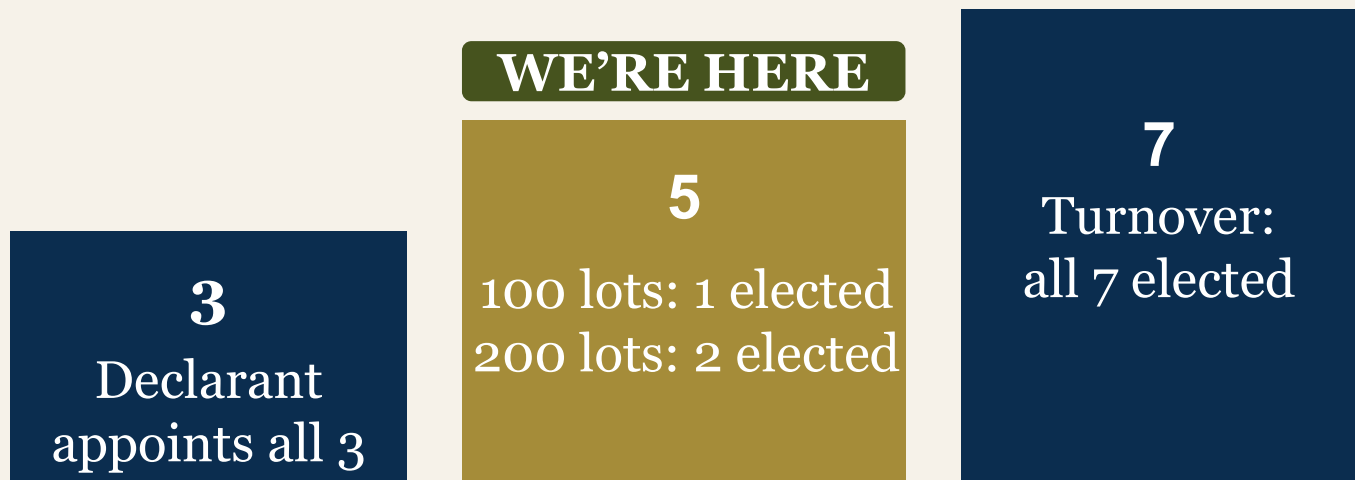
Standard under SC nonprofit corporate law
Not unique to Coosaw Point

S.C. Code Ann. § 33-31-801(c); § 33-31-804(b)



Board Appointment: 3 → 5 → 7 Directors

As more lots sell, owners gain more elected seats on the Board — in three defined steps.



Bylaws Art. III § 3.2, § 3.3(a)(i)–(iv), Bk 2275/Pg 2147–2148



ARB Control - No Gradual Handover

Unlike the Board, ARB control shifts all at once — here's what it oversees until then.

**Declarant
Control**



**Member
Control**

**ONE JUMP — NO STEPS
BETWEEN**

WHAT THE ARB REVIEWS



**Construction
Approval**



**Design
Guidelines**



**Community
Standards**

The Declarant Assessment Exemption

While the Declarant still owns lots here, it doesn't pay assessments on them — a standard provision in many developing communities.



Owners Pay

Base + Special + Specific
Assessments



Declarant Pays

\$0 on lots it still owns

Declaration § 9.9



How the Declaration Can Be Amended

Our Declaration provides three distinct paths to amend the governing documents — two of them don't require a Member vote at all.

TECHNICAL COMPLIANCE



Declarant, Unilaterally

Limited to five specific purposes: conflicts with law, title insurance, institutional lender requirements, mortgage insurance, or condo/townhouse-style development within annexed land.

COMMUNITY INTEREST



Declarant, Unilaterally

During the Declarant Control Period, for any purpose the Declarant considers in the Community's best interest — can't affect a Unit's title without that owner's consent.

MEMBER VOTE



Vote + Consent

Two-thirds Member vote, plus the Declarant's consent for as long as it owns property or holds annexation rights — no calendar limit.

How Voting Works

Two membership classes – one determines the outcome during Declarant Control.

Class “A”

Property Owners

All owners other than the Declarant

1 Vote per Unit owned

General Rule: During Declarant Control, Class A votes are advisory and not counted toward most official member determination. In other words, these votes do not inform the result unless the Declarant’s own votes agree with them.

Important: Specific exceptions exists where owner votes are counted.

Class “B” Declarant

3 Votes per owned Unit + 1

General Rule: For most Member decisions during Declarant Control, Class B votes are the votes counted for the official result.

Limits: Declarant rights remain subject to the governing documents and stated exceptions.

This changes automatically once the Declarant Control Period ends.

Having a voice in the process is not always the same as having the controlling vote. The first question to ask is what decision is being made? Examples: Owners vote for Member-elected Board seats; budget review requires owner notice and a Member meeting to consider it. Members may disapprove an annual budget by a 75% vote; special assessments require a majority vote of Members plus Declarant’s consent.

Declaration § 7.3(b), Bk 2275/Pg 2091 · § 9.1(e) & § 9.2, Bk 2275/Pg 2103–2104 · Bylaws Art. II § 2.1(a)-(b), Bk 2275/Pg 2143

Three Owners, One Set of Rights

Declarant rights have transferred twice since 1997 — the Declaration itself outlasts any single owner.



Gallant Family

through 2009



Coosaw Point, LLC

2009–2021



**Forino Properties
SC 2 LLC**

2021–present

Rights transfer between owners — the Declaration itself doesn't.

Declaration § 11.6 · Assignment and Assumption of Declarant's Rights, Bk 3975/Pg 2704 (2021)

What To Remember

Five things worth carrying out of tonight's session.



**Board
Appointment**



**ARB
Control**



**Annexation
Rights**



**Voting
Rights**



**Assessment
Exemption**

**Amendment
Consent**

No state floor or ceiling — the Declaration controls



The 15-year backstop is removed



Build-out to 450 involves several steps — one is the Gallant parcel



Board seats, ARB, assessments, & amendments follow nonprofit law



Most Class A votes are advisory — specific exceptions apply

Where To Learn More

Where to go next — in this series, and on your own.

Community Website: www.coosawpoint.com
Sentry Management Website: www.sentrymgt.com



**SCDCA HOA
Education**
[consumer.sc.gov
/HOA-Ed](http://consumer.sc.gov/HOA-Ed)



**SC Code of
Laws**
Titles 27 & 33



**Beaufort
County ROD**
Recorded
documents



**Coosaw
Futures**
Coosawfutures.org
info@coosawfutures.org

NEXT SESSION

POA Governance Basics — Session 3



About This Presentation

ABOUT THIS

Published by Coosaw Futures, Corp., an independent nonprofit organized by Coosaw Point property owners. Not affiliated with, and not authorized, reviewed, or endorsed by, the POA, its Board, the Declarant, or any management company.

ACCURACY

Based on our review of all publicly and community available documents and other public sources. No warranty as to completeness or ongoing accuracy. You should verify anything material to your own decisions.

VIEWS EXPRESSED

Presenter and attendee statements are personal views, not official positions of Coosaw Futures, the POA, or the Declarant.

PURPOSE

Part of Coosaw Futures' Knowledge Series — an educational program for general information purposes only.

NOT ADVICE

Nothing here constitutes legal, financial, or tax advice. Consult a licensed professional for your specific circumstances.

SCOPE

Knowledge Series is a structured, monthly informational program open to all Coosaw Point property owners, free of charge. Each session focuses on one topic related to how the community is governed, financed, maintained, or structured. Sessions are not debates, grievance forums, or confrontations. They are informational events — grounded in documents, supported by professionals where needed, and designed to leave every attendee more informed than when they arrived.