

EXHIBIT "A"

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR BULL POINT PLANTATION**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR **BULL POINT PLANTATION** is made this 17th day of January, 2000, by **BULL POINT LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY**.

WITNESSETH:

WHEREAS, Bull Point LLC, "Declarant", is the Owner of certain real property located in Beaufort County, South Carolina, known as Bull Point Plantation described in Exhibit "A"; and

WHEREAS, as hereinafter provided in this Declaration, Declarant has retained and reserved the right, privilege and option at its sole discretion to submit to the provisions of this Declaration, now, and from time to time, as a part of the Bull Point Plantation all or a portion of the real property described in Exhibit "A", attached hereto and incorporated herein by reference;

NOW, THEREFORE, Declarant, hereby declares that all of the property described in Exhibit "B" 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 and which shall touch and concern and run with the title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the above described properties or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. Declarant hereby retains and reserves the right privilege, and option to subject to the provisions of this Declaration at a later time, and from time to time, all or any portion of the real property described in Exhibit "A" attached hereto.

ARTICLE 1 **DEFINITIONS**

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

(a) “Additional Property” shall mean and refer to the real property described in Exhibit “A”, SAVE AND EXCEPT THE REAL PROPERTY DESCRIBED IN EXHIBIT “B” (Phase I and Phase II).

(b) “Architectural Review Board of Bull Point” shall mean and refer to the committee who shall be appointed by the Association’s Board of Directors to approve exterior and structural construction, improvements, additions, and changes in all areas of the Development.

(c) “Articles of Incorporation” shall mean and refer to the Article of Bull Point Plantation Owners Association, Inc. as amended from time to time.

(d) “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 herein provided.

(e) “Association” shall mean and refer to Bull Point Plantation Owners Association, Inc. a South Carolina non-profit corporation.

(f) “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.

(g) “By-Laws of the Association” or the “By-Laws” shall mean and refer to those By-Laws of Bull Point Plantation Owners Association Inc. which govern the administration and operation of the Association, as the same may be amended from time to time.

(h) “Common Areas” shall mean and refer to all real and Personal Property now or hereinafter owned by the Association for the common use and enjoyment of the Owners. The Common Areas are to be owned by the Association at a time in the sole discretion of the Declarant, in the future set by Declarant. 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 or enjoyment therein.

(i) “Common Expenses” shall mean and refer to 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, pursuant to the provisions of this Declaration.

(j) “Declarant” shall mean and refer to Bull Point, LLC which has executed this Declaration with respect to the Property and the Additional Property at the time of such transfer to said successor-in-title, or any party which acquires said Declarant’s entire interest with respect to the Property and the Additional Property at the time of such acquisition pursuant to Foreclosure of a Mortgage encumbering said Declarant’s interest in the Property and the Additional Property.

(k) “Declaration” shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for a portion of Bull Point Plantation and all amendments thereof filed for record in the records of the RMC Office of Beaufort County, South Carolina.

(l) “Development” with an initial capital letter, shall mean and refer to the Property and all improvements located or constructed thereon.

(m) “Dwelling” with an initial capital letter, shall mean and refer to any improved Property intended for use as a single family detached Dwelling located within the Development.

(n) “Foreclosure” shall mean and refer to, without limitation, the judicial Foreclosure of a Mortgage or the conveyance of secured Property by a deed in lieu of a

judicial Foreclosure.

(o) “Institutional Mortgage” shall be deemed to mean a Mortgage held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental purchase of Mortgage loans in the secondary market, such as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(p) “Lease” shall mean and refer to any Lease, sub-Lease, or rental contract, whether oral or written.

(q) “Limited Common Element” shall mean and refer to all real and personal property now or hereinafter owned by the Association for the use and enjoyment of designated Owners of Lots.

(r) “Limited Common Expense Assessment” shall mean and refer to each designated share of expenses and other charges from time to time assessed against a designated owner for the maintenance and upkeep of a Limited Common Element.

(s) “Living Space” shall mean and refer to enclosed and covered areas that are heated and/or cooled within a Dwelling.

(t) “Lot” shall mean and refer to any unimproved portion of the Property upon which it is intended that a single-family residence shall be constructed. A Lot 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 thereof. Upon such completion, such Lot and the improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.

(u) “Mortgage” with an initial capital letter, shall mean and refer to a Mortgage, security deed of trust, installment land sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot.

(v) “Mortgagee” with an initial capital letter shall mean and refer to the holder of a Mortgage.

(w) “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, boat dock space or boat ramp within the Development.

(x) “Owner” with an initial capital letter shall mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Lot, Dwelling, or other Property in the Development, excluding, however, those Persons having such an interest under a Mortgage. In the event that there is recorded in the Register of Deeds Office for Beaufort County, South Carolina, any installment land sales contract covering any Lot, the Owner of such Lot shall be the purchaser under said contract and not the fee simple title holder. An installment land sales contract shall be an instrument whereby the purchaser is required to make payments for a Lot for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to such Lot until all such payments are made, although the purchaser is given use of such Lot.

(y) “Person” shall mean and refer to a natural Person, corporation, partnership, Association, trust, or other legal entity, or any combination thereof.

(z) “Property” with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit “B”, together with all improvements thereon, and upon submission to the provisions of this Declaration, the tracts or parcels of land described in Exhibit “A”, or any portion thereof, together with all improvements thereon.

(aa) “Recreational Amenities” shall include such recreational facilities and improvements as are from time to time located within the Common Areas and the easement areas established pursuant to Section 3.03 hereof.

(bb) "Site Plans" shall mean and refer to that certain plat showing Bull Point Subdivision Phase I, a Section of Tomotley Plantation, Sheldon Township, prepared by Gasque & Associates, Inc., dated September 21, 1995, and recorded in Register of Deeds Office for Beaufort County in Plat Book 54, Page 40 and plat showing Bull Point Subdivision Phase II, a section of Tomotley Plantation, Sheldon Township, prepared by Gasque & Associates, Inc., dated November 8, 1995, and recorded in the Register of Deeds Office for Beaufort County in Plat Book 55, Page 76. Additional plats shall be included for future phases under this definition.

ARTICLE II
PLAN OF DEVELOPMENT

2.01 Plan of Development of Property The property shall consist of Phase I and Phase II lots as shown in section 1.01 (bb). The dimensions of the Lots are shown on the Site Plan. All Lots within Phase I and Phase II of the Development and in future phases shall be and are hereby restricted exclusively to single-family residential use. Declarant shall have the right, but not the obligation for so long as Declarant owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, to make improvements and changes to all Common Areas to all Lots owned by the Declarant, including without limitation, (i) installation and/or maintenance of any improvements in and to the Common Areas, including Recreational Amenities, (ii) changes in the location of the boundaries of any Lots owned by the Declarant or of the Common Areas, (iii) installation and maintenance of any water, sewer, and other utility systems and facilities, and (iv) installation of security, refuse, and/or other Development support facilities. The Declarant retains the right to designate Limited Common Elements which shall be for the use and benefit of owners as designated by the Declarant in its sole discretion.

2.02 Plan of Development of Additional Property.

Declarant hereby reserves the option, to be exercised in its sole discretion, to submit from time to time the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property. Declarant intends that the Additional Property will be developed with a maximum of not to exceed 300 Lots in the Development, together with roads, drainage systems, and other improvements serving such Dwellings. However, Declarant reserves the right, but is not obligated to develop Property with more or fewer lots, provided that Declarant is in compliance with the applicable provisions of the Beaufort County Development Standards Ordinance and/or any other applicable government regulations, ordinances, etc. This option may be exercised by the Declarant in accordance with the following rights, conditions, and limitations, which are the only conditions and limitations of such option to add all or any portion of the Additional Property to the Development.

(a) The option may be exercised from time to time during a period of thirty (30) years from the date of this Declaration; provided, however, that the Declarant reserves the right to terminate such option at any time prior to the expiration of such thirty (30) year period by executing and filing an agreement evidencing such termination on the records of the Register of Deeds Office for Beaufort County, South Carolina, and, except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of the thirty (30) year period.

(b) The legal description of the Additional Property is set forth in as Exhibit "A" less and excepting Phase I and Phase II described in Exhibit "B". Portions of the Additional Property may be added to the Development at different times, and there are no limitations fixing the boundaries of those portions of regulating the order or sequence, in which such portions may be added to the Development.

(c) If the Additional Property or any portion thereof is added to the Development, the Lots and the Dwellings constructed thereon will be restricted exclusively to the residential use and associated activities and amenities and will be subject to standards and restrictions set forth in Article X hereof. In addition, all Dwellings and other improvements

constructed thereon will be substantially consistent in terms of quality of design construction to those Dwellings and improvements located elsewhere within the Development.

(d) If the Additional Property or any portion thereof is added to the Development, Declarant reserves the right to designate the boundaries of the Lots as well as the Common Areas, if any, to be added to the Development in connection therewith.

(e) Should the option to add the Additional Property, or any portion thereof, not be exercised within the term specified herein or be terminated by Declarant, such option shall in all respects expire and be of no further force and effect. In the event that such option expires or is terminated, as aforesaid, Declarant shall not be obligated to impose on the Additional Property or any portion thereof any covenants, conditions, or restrictions the same as or similar to those contained herein, provided that the Additional Property shall be restricted to residential use and associated amenities.

(f) The option reserved by Declarant to cause all or any portion of the Additional Property to become part of the Development shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Development or to construct thereon any improvement.

The option reserved under this Section 2.02 may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed in the Register of Deeds office for Beaufort County, South Carolina, together with a revision of or an addition to the Site Plan showing the Additional Property or such portion or portions thereof as are being added to the Development by such amendment. At the discretion of Declarant, Declarant shall convey to the Association the Common Areas, if any, contained within the Additional Property, or such portion thereof so submitted, such conveyance to be subject to the lien of taxes not yet due and payable, all easements and restrictions of record, utility easements serving or otherwise encumbering the Property and/or the Additional Property, and any exceptions which would be disclosed by a survey or a physical inspection of such parcels. Any such amendment shall expressly submit the Additional Property or such portion thereof to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as embracing the real Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements located thereon. If the additional Property or any portion or portions thereof is added to the Development, then from and after the addition to the Development of the Additional Property or such portion or portions by such amendment to this Declaration, the number of votes in the Association shall be increased by the number of Lots to be located on the Additional Property or such portion or portions thereof as are added so that there shall continue to be one vote in the Association per Lot in the Development.

2.04 Water and Sewer Facilities. The submitted Property shall not have private or public utility water or sewer utility services and these services shall be provided at the present time by a well and septic tank which will be installed and maintained by each Lot Owner. Declarant shall have the right, at its sole option, to install public and/or community water or sewer utilities.

2.05 Interest Subject to Plan of Development. Every purchaser of a Lot or Dwelling shall purchase such Lot or Dwelling and every Mortgagee and lien-holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Declarant's plan of Development as herein set forth, and Declarant shall have and does hereby specifically reserve the right to amend the plan of Development and to add the Additional Property or any portion or portions thereof to the Development as hereinabove provided, and, with respect to each Lot located within the Additional Property, to convey to the purchaser thereof the title to the Lot and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of Development set

forth in this Article II may not be abrogated, modified, rescinded, supplemented, or amended in whole or in part without prior written consent of Declarant.

ARTICLE III PROPERTY RIGHTS

3.01 General. Each Lot and Dwelling and shall for all purposes constitute Real Property which shall be owned in fee simple absolute, 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 his Lot and Dwelling, subject to the provisions of this Declaration, including without limitation, the provisions of this Article III. The ownership of each Lot and Dwelling shall include and there shall pass with Lot and Dwelling as an appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, which shall include, but not be limited to, membership in the Association. Each Owner shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically pass to his successor-in-title to his Lot, and upon such transfer, such former Owner shall simultaneously transfer and endorse to this successor-in-title any certificates or other evidences of his membership in the Association. Lots shall not be subdivided, and except as provided in Sections 2.01 and 3.06 hereof, the boundaries between Lots shall remain as established in accordance with the Site Plan, unless the relocation thereof is made with the consent of at least a majority of the Owners of lots including the Declarant, so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

3.02 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the By-Laws and the terms hereof, every Owner, his family, tenants, and guests shall have a non-exclusive right, privilege, and easement of use and enjoyment in and to the Common Areas transferred to the Association, such easement to be appurtenant to and to pass and run with title to each Lot and Dwelling, subject to the following provisions.

(a) The right of the Association to borrow money (i) for the purpose of improving the Development or any portion thereof, (ii) for acquiring additional Common Areas, (iii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Development, or (iv) for providing the services authorized herein, and subject to the provisions of Section 8.02 hereof, to give as security for the payment of any such loan a Mortgage or other security instrument conveying all or a portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interests, options, license, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(b) The rights and easements reserved to Declarant in Sections 3.03(a), 3.04, 3.05, 3.06, 3.07, 3.10, 3.11, and 3.12 hereof.

(c) The right of the Association to grant and accept easements as provided in Section 3.07 hereof, and to dedicate or transfer fee simple title to all or any portion of the Common Areas to any public agency or authority, public service district, public or private

utility, or other Person, provided that any such transfer of the simple title must be approved by a majority of those present in Person or by proxy at a duly held meeting of the Association and by Declarant, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

(d) The rights and easements reserved in Section 3.04 hereof for the benefit of the Association, its directors, officers, agents, and employees.

(e) The rights and easements reserved in Section 3.10 hereof for the benefit of the Additional Property.

3.03 Recreational Amenities.

(a) Subject to the terms and provisions of the Declaration and the rules, fees and charges from time to time established by the Declarant or the Board of Directors, every Owner and his family, tenants, and guests shall have the non-exclusive right, privilege and easement of access to and the use and enjoyment of the Recreational Amenities.

(b) In the event of any multiple Ownership of a Lot or Dwelling which is permitted hereunder by Section 10.26 hereof, no more than four (4) Owners of such Lot or Dwelling, as well a his/her spouse and children under the age of twenty-one (21), shall be entitled to the use of the Recreational Amenities, and such Owner shall be designated in writing to the Board of Directors by all such co-Owners.

(c) The Declarant shall construct the below described Recreational Amenities, subject to the approval of all required regulatory agencies.

(d) Clubhouse, Tennis Court and Swimming Pool. Declarant shall construct a Clubhouse, two (2) Tennis Courts and a Swimming Pool in Phase III of the Development. Construction of these amenities, or a portion of these amenities, will be commenced within four (4) months from the date of closing on the seventieth (70th) Lot sale to individual purchases in Phase I and II.

3.04 Access. All Owners, by accepting title to Lots or Dwellings conveyed subject to this Declaration, waive all rights, except for limited Common Recreation Amenities as designated by the Declarant, of uncontrolled and unlimited access, ingress, and egress to and from such Lot or Dwelling and acknowledge and agree that such access, ingress and egress shall be limited to roads, sidewalks, walkways, trails, and waterways located within the Development from time to time, provided that pedestrian and vehicular access to and from all Lots shall be provided at all times. There is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, (i) to control access to and from Huspah Creek or other waterways from time to time located within or contiguous to the Development, and (ii) to maintain guarded or electronically-monitored gates or some other device, in the sole discretion of Declarant, controlling vehicular access to and from the Development.

3.05 Easements for Declarant. During the period that Declarant owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing Dwellings and other improvements in and to the Lots and the Additional Property and for installing, maintaining, repairing, and replacing such other improvements in and to the Lots and the Additional Property and for installing, maintaining, repairing, and replacing such other improvements to the Property (including the Recreational Amenities and other portions of the Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without

limitation, any improvements or changes permitted and described by Article II hereof, and for the purpose of doing all things reasonable necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing.

3.06 Changes in Boundaries; Additions to Common Areas.

Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any Lots owned by Declarant, including the realignment of boundaries between adjacent Lots owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the Site Plan which shall be recorded in the plat records of the RMC office of Beaufort County, South Carolina. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property, such real Property to be conveyed to the Association as an addition to the Common Areas and subject to the title exceptions set forth in Section 2.02 hereof.

3.07 Easements for Utilities.

There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility, or other Person, upon, over, under, and across (i) all of the Common Areas, (ii) all areas set forth by the Declarant for the purpose of installing, replacing, repairing, maintaining, and using master television antennas and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board of Directors, provided, however, that for so long as Declarant owns any Lot primarily for the purpose of the sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Board of Directors must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By the virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, and use of such utilities and systems.

3.08 Easements for Association.

There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, employees, including, but not limited to, any manager employed by the Association and any other employees of such manager, to enter upon any Lot, Dwelling, or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the area directly affected thereby.

3.09 Sales Construction Offices and Temporary Residential and Maintenance

Buildings. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and its successors and assigns the alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, construction

offices, business offices, and model Dwellings, together with such other facilities as in the sole opinion of the Declarant may be reasonably required, or incidental to the completion, improvement, and/or sale of Lots, Dwellings, Common Areas, or the Additional Property, for so long as Declarant owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

3.10 Easements for Additional Property. There is hereby reserved for Declarant, and its successors, assigns, and successors-in-title to the additional Property, for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for (i) pedestrian, vehicular, and boating access, ingress, egress, parking, and docking over, across, within on all roads, sidewalks, trails, parking facilities, lagoons, lakes, and docks from time to time located within the Common Areas or within easements serving the Common Areas, (ii) the installation, maintenance, repair, replacement and use within the Common Areas and those portions of Lots and Dwellings encumbered pursuant to Section 3.05 hereof of security systems and utility and drainage facilities and distribution lines, including, without limitation, drainage systems, storm sewers, and electrical, gas, telephone, water, sewer, and master television antennas and/or cable system lines, and (iii) drainage and discharge of surface water onto and across the Property provided that such drainage and discharge shall not materially damage or affect the Development or any improvements from time to time located thereon. Furthermore, in the event that the Additional Property or any portion or portions thereof are not added to the Development, the Owners of residential lots located herein shall have, and there is hereby reserved for their benefit and as an appurtenance to their respective residential lots, the perpetual, non-exclusive right and easement of access to the use and enjoyment of all Recreational Amenities, except for limited common Recreational Amenities, on a basis which is equal and equivalent to that enjoyed by Owners, provided, however, that as a condition precedent to the use of the Recreational Amenities by any such other of a residential unit within any portion of the Additional Property not so added to the Development, such Owner shall pay the Association annual Assessment for the use of the Recreational Amenities and shall be subject to all covenants rules and regulations pertaining to said use.

3.11 Maintenance Easement. Subject to the terms of Section 5.02 (b) hereof, there is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement to enter upon any Lot and upon unimproved portions of any Dwelling for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety, and appearance within the Development, provided that such easements shall not impose any duty of obligation upon Declarant or the Association to perform such actions. Furthermore, there is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors and assigns, an alienable, transferable, and perpetual right and easement, but not the obligation, to enter upon any Lots which are located within seventy-five (75) feet from the water's edge of any lagoon, marina, pond, or other body of water within the Development, for the purpose of mowing such area and keeping the same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such bodies of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards.

3.12 Environmental Easement. There is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement on, over, and across all Lots and all

unimproved portions of Dwellings for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides.

3.13 Wells and Effluent. There is hereby reserved for the benefit of Declarant, the Association and their respective affiliates, agents, employees, successors and assigns, an alienable, transferable, and perpetual right and easement (i) to pump water from lagoons, ponds, lakes, and other bodies of water located within the Development, (ii) to drill, install, locate, maintain, and use wells, pumping stations, water towers, siltation basins and tanks, and related water and sewer treatment facilities and systems within the Common Areas, including any within any portion of the Recreational Amenities.

3.14 Encroachments. There shall exist valid and perpetual easements, appurtenant to any Lot located adjacent to any lagoons, ponds, lakes and other bodies of water from time to time located within the Common Areas, for the encroachment of docks, bulkheads, boat slips, and for the maintenance, repair and replacement thereof for so long as such encroachment exists, provided that the location of such docks, bulkheads, boat slips, and boathouses shall be subject to the prior approval of the Architectural Review Board pursuant to Article X hereof.

3.15 No Partition: There shall be no judicial partition of the Property or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the provisions of this Declaration.

3.16 Easements for Walks, Trails and Signs. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement upon, over and across Lots and Common Areas within thirty five feet (35') of the street or road right of way for the installation, maintenance, and use of sidewalks, jogging trails, traffic directional signs, and related improvements.

ARTICLE IV MEMBERSHIP

4.01 Membership. Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot, and Ownership of a Lot shall be the sole qualification for such membership. In the event that fee title to a Lot is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgages or any other Persons who hold an interest merely as security for the performance of any obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more Persons, shall have more than one membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges and membership, including the right to vote and to hold an office in the Association, may be exercised by a member or a member's spouse, but in no event shall more than one vote be cast or more than one office held for each Lot. When more than one Person holds an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and advise the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot shall be suspended in the event more than one Person seeks to exercise it. The voting weight appurtenant to each Lot is equal and each Lot shall have one (1) vote. Such voting weight shall continue to be equal upon the addition of all or a portion of the Additional Property to the Development, and each Lot or therein shall have one (1) vote. Each Owner, by acceptance of a deed or other conveyance for a Lot, consents and agrees to the dilution of his voting interest in the Association by virtue of the submission from time to time of the Additional Property or any portion thereof to the terms of this Declaration as provided herein.

ARTICLE V MAINTENTANCE

5.01 Responsibility of Owners and Associations. Unless specifically identified herein or in another Declaration as being the responsibility of the Association or any other designated Association, all maintenance and repair of Dwellings and the areas within a Dwelling area not considered a common element or Common Area, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Lot or shall be the responsibility of the Owner of such Lot. As provided for in Section 5.02 (b) hereof, each shall also be obligated to pay for the cost incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility of such Owner fails or refuses to discharge. No Owner shall (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling unless such decoration, change or alteration is first approved, in writing by the Architectural Review Board as provided in Article X hereof, or (ii) do any work which, in the reasonable opinion of the Architectural Review Board, would jeopardize the soundness and safety of the Development, reduce the value thereof, or impair any easement or heretament thereto, without in every such case obtaining the written approval of the Architectural Review Board and the Owners and Mortgagees of Lots directly affected thereby or benefiting from such easement or hereditament.

5.02 Association's Responsibility.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the operation, maintenance, repair, and replacement of the following, including but not limited to: (i) all roads, walks, trails, lagoons, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas or within easements encumbering Lots pursuant to Section 3.13 hereof, (ii) such security program and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility, or other Person, and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon the Common Areas. The Association shall not be liable for injury or damage to any Person or Property (a) caused by the elements or by any Owner or any other Person, (b) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (c) caused by any pipe, plumbing, drain, conduit, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, breaking down or as a result of the repair of the same. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any Property of such Owner which may be stored in or upon any portion of the areas or any other portion of the Property. No diminution or abatement of Assessments or recreational charges shall be claimed or allowed by reason of any alleged failure of the

Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments and recreational charges being a separate and independent covenant on the part of each Owner.

(b) In the event that Declarant or the Board of Directors determines that:(i) any Owner has failed or refused to discharge properly Owner's obligation with regard to the maintenance, cleaning, repair or replacement of items for which Owner 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 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, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such owner and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner as the case may be, and said cost shall be added to and become a part of the Assessment to which such Owner and his Lot or areas within the lot area not considered a common element or Common Area, are subject, and shall become a lien against such Lot and improvements, on areas of the Lot not considered a common element or Common Area. In the event that Declarant undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

**ARTICLE VI
INSURANCE AND CASUALTY LOSSES**

6.01 Insurance.

(a) 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, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverage as is determined to be necessary by the Board of Directors.

(c) The Board or its authorized agents shall have the authority and may obtain (i) Worker's Compensation Insurance to the extent necessary to comply with any applicable laws, (ii) errors and omission insurance, and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for each of the Owners and costs of all such coverage shall be a common expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors; provided, however, that no Mortgagees or other security holder of the Common Areas having an interest in such losses may be prohibited from participating in the settlement negotiation, if any, related thereto. Insofar as permitted by law, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth.

(i) All policies shall be written with a company licensed to do business in the State of South Carolina and holding a rating of A+ or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.

(ii) All Property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interested may appear.

- (iii) All Policies shall contain a waiver of the insurer's right to cancel without first giving thirty (30) days prior written notice of such cancellation to the Association and to any Mortgagee to which a Mortgagee endorsement has been issued.
- (iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.
- (iv) All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the Owners, and their respective families, servants, agents, tenants, guests, and invitees, including, without limitation, the Association's manager.
- (v) All policies shall contain a provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Owners or their respective families, servants, agents, employees, tenants, guests, and invitees, or other account of the acts of any director, officer, employee, or agent of the Association or of its manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within the defect may be cured.

(e) It shall be the individual responsibility of each Owner at his own expense to provide, as Owner sees fit, public liability, Property damage, title, and other insurance with respect to his own lot and Dwelling. The Board of Directors may require all Owners and/or other Associations to carry public liability and Property damage insurance with respect to their respective Lots and Dwellings and to furnish copies or certificates thereof to the Association.

6.02 Damage or Destruction to Common Areas. Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this Article VI, means repairing or restoring the damaged Property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns Dwelling areas within a Dwelling area not considered a common element or Common Area, primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special Assessment against all Owners, without the necessity of a vote pursuant to Section 9.04 hereof, such special Assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such a special Assessment shall be levied against the Owners equally in the same manner as annual Assessments are levied and additional special Assessments and may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association

under by virtue of such Assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and Assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Common Areas damaged or destroyed by fire or other casualty shall be cleared and the Common Areas left in a clean, orderly, safe, and sightly condition.

6.03 Damage or Destruction to Lots. In the event of damage or destruction by fire or other casualty to any Dwelling and in the further event that either the Owner of such Dwelling responsible for the repair and replacement of such Dwelling elects not to repair or rebuild the damaged or destroyed Dwelling, such Owner making such election shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Dwelling in a clean, orderly, safe and sightly condition. Should such Owner elect to repair or rebuild such Lot, Dwelling or other improvements, such Owner shall repair or rebuild such Dwelling, or other improvements to substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provisions of this Declaration (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

ARTICLE VII CONDEMNATION

7.01 Condemnation of Common Areas. Whenever all or any part of the Common Areas of the Development shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the agreement of at least seventy-five percent (75%) of the total vote of the Association and of Declarant, for so long as Declarant owns a Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

(a) If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75% of the total membership of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefor, in accordance with the plans approved by the Board of Directors, the Architectural Review Board, and by Declarant, for so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special Assessment against all Owner, without the necessity of a vote pursuant to Section 9.04 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such a special Assessment shall be levied against the Owners equally in the same manner as annual Assessments are levied, and additional special Assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

(b) If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or is there are net funds remaining after any such restoration or replacement

of such improvements is completed, then such award proceeds, or net funds shall be retained by and for the benefit of the Association.

(c) If the taking or sale in lieu thereof includes all or any part of a Lot and also includes any part of the Common Areas, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners so affected so as to give just compensation to the Owners of any Dwelling taken for their interest in such Dwelling; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board of Directors, (ii) the Owners of all Dwellings wholly or partially taken or sold, together with the Mortgagees for each such Dwelling, and (iii) Declarant, for so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

7.02 Condemnation of Dwellings.

(a) In the event that all or any part of a Dwelling is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such Dwelling responsible for the maintenance and repair of such Dwelling elects not to restore the remainder of the Dwelling, then such Owner making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such Dwelling in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such Dwelling remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building and other governmental regulations, then such Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the Lot as a part of the Common Areas, and thereafter any such Owner shall not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further Assessments imposed by the Association and payable after the date of such deeding.

(b) In the event that any part of a Lot is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner of such Dwelling responsible for the maintenance and repair of such Dwelling elects to restore the remainder of the Dwelling such Owner making such election shall restore such remainder of such Dwelling as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

ARTICLE VIII ADMINISTRATION

8.01 Common Areas. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration and the By-Laws of the Association, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the South Carolina Code relating to non-profit corporations all matters pertaining to this Declaration, the By-Laws, or the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 12.01 hereof and notwithstanding another provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (i) the expiration of twenty-five (25) years after the date of the recording of this Declaration; or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and recorded by Declarant. Each Owner, by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 8.01 and by Section 12.01 hereof.

8.02 Duties and Powers. The duties and powers of the Association shall be those set forth in the provisions of the South Carolina Code relating to non-profit corporations, this Declaration, the By-Laws, and the Articles, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies among the South Carolina Code, this Declaration, the By-Laws, or the Articles, the provisions of the South Carolina Code, this Declaration, the By-Laws and the Articles, in that order, shall prevail, and each Owner of a Lot or Dwelling by acceptance of a deed or other conveyance thereof, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may

exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence or any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the association shall include, but shall not be limited to, the power to purchase one or more Lots and to hold, Lease, Mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a common expense or by billing directly to Lots to furnish trash collections, water, sewer, and/or security service for the Common Areas and/or the Lots and Dwellings. Notwithstanding the foregoing provisions of this Sections 8.02 or any other provision of this Declaration to the contrary, for so long as Declarant shall own any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Association shall not, without the consent of Declarant, borrow money or pledge, Mortgage, or hypothecate all or any portion of the Common Areas.

8.03 Agreements. Subject to the prior approval of Declarant for so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development; and in performing its responsibilities hereunder, the Association, through its Board of Directors, shall have the authority to delegate to Persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any Person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other Personnel as the Association shall deem necessary or desirable for the proper operation of the Development, whether such Personnel are furnished or employed directly by the Association or by any Person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a common expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties specifically and exclusively reserved to the directors, officers or members of the Association by this Declaration or the By-Laws. Such manager may be an individual, corporation, or other legal entity, as the Board of Directors shall determine, and may be bounded in such a manner as the Board of Directors may require, with the cost of acquiring any such bond to be a common expense. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

8.04 Management Agreement. Bull Point Plantation, LLC or an affiliate shall be employed as the manager of the Association and the Development for such period of time as Declarant has the right to appoint and remove officers and directors of the Association, with the option on the part of Bull Point Plantation LLC or its affiliates to renew such employment for three (3) successive one year terms from and after the termination of such appointment and removal right. Every grantee of any interest in the Development by acceptance of a deed or other conveyance of such interest, shall be deemed to ratify such management agreement.

8.05 Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire and hold tangible and intangible Personal Property and real Property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom

the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner, except to the extent that a transfer of the Ownership of a Lot also transfers the membership in the Association which is an appurtenance to such Lot.

8.06 Rules and Regulations. As provided in Article XII hereof, the Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, and Common Areas, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

ARTICLE IX ASSESSMENTS

9.01 Purpose of Assessments. The Assessments for Common Expenses and Limited Common Expenses provided for herein shall be used for purposes including, but not limited to: repairing private streets (except those located within a privately owned Lot), walkways and like community areas, private lighting systems, storm drainage and other non-publicly owned or political bodies' grounds, maintenance building(s) and related Property, security and cable television lines, maintaining the common waterfront, lagoons and other bodies of water in a clean and orderly condition, repairing damage caused by Common Area erosion, replacing any existing landscaping; providing for pest control when needed; and for the general purposes of prompting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of the Development, and maintaining the Development and preservation of an attractive community appearance, and, maintaining the privacy, security and general safety of the Owners and Occupants of the Development; all as may be more specifically authorized from time to time by the Board of Directors. The limited common Assessments for Common Expenses shall be used for upkeep and maintenance of the Limited Common Elements as designated by the Declarant.

9.02 Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot or Dwelling, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed such deed or conveyance, is deemed to covenants and agree to pay to the Association: (a) annual Assessments, such Assessments to be established and collected as provided in Section 9.03 hereof, (b) special Assessments, such Assessments to be established and collected as provided in Section 9.04 hereof, (c) individual or specific Assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, fines as may be imposed against such Lot or Dwelling in accordance with Article XII hereof. Any such Assessments or recreational charges, together with late charges, simple interest at the rate of eighteen percent (18%) per annum, or at such other maximum interest rate as established by South Carolina law, and court costs and attorneys' fees incurred to enforce or collect such Assessments or recreational

charges, shall be an equitable charge and a continuing lien upon the Lot and Dwelling, the Owner of which is responsible for payment. Each Owner shall be Personally liable for Assessments or recreational charges coming due while he is the Owner of a Lot or Dwelling, and his grantee shall take title to such Lot or Dwelling 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 or recreational charges shall not apply to the holder of any first priority Institutional Mortgage or to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns, and who takes title to a Lot or Dwelling through Foreclosure sale after the effective date of the Assessment. In the event of co-Ownership of any Lot or Dwelling, all of such co-Owners shall be jointly and severally liable for the entire amount of such Assessments and recreational charges. Assessments and recreational charges shall be paid in such manner and on such dates as may be fixed by the Board of Directors, provided that unless otherwise provided by the Board, the annual Assessments shall be paid in equal monthly installments.

9.03 Computation of Annual Assessments. Each Owner of a Lot and each Owner of a Dwelling shall pay the Association the sum of SEVEN HUNDRED FIFTY AND NO./100 (\$750.00) DOLLARS per year per Lot. From and after January 1, 2000, it shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The annual Assessment for each Lot is equal to the annual budget divided by the total number of Lots. The Board shall cause the budget and the proposed total of the annual Assessments to be levied against Lots as may be required for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. Upon the addition of the Additional Property or any portion thereof to the Development, Assessments shall continue to be equal and the Lots sold to Owners being added to the Development shall thenceforth pay Assessments which are equal to those imposed upon Lots previously in the Development. In such event, the Association's budget shall be accordingly revised by the Board, without the necessity of approval by the Owners, to include Common Expenses and Assessments related to such additional Lots. The budget and the annual Assessments shall become effective unless disapproved at the annual meeting by either (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association, or (ii) a vote of a majority of the votes of the Owners who are voting in Person or by proxy at such meeting. Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual Assessments in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1957-59-100), or its successor index, or at the option of the Board may be increased up to fifteen percent (15%) of the maximum authorized payment for the previous year, and such increased budget shall have been approved as provided above. If any budget at any time proves inadequate for any reasons, then the Board may call a meeting of the Association for the approval of a special Assessment as provided in Section 9.04 hereof. The Common Expenses to be funded by the annual Assessments may include, but shall not necessarily be limited to, the following:

- (i) management fees and expenses of administration, including legal and accounting fees;
- (ii) utility charges for utilities serving the Common Areas and charges for other common services for the Development, including trash collection and security services, if any such services or charges are provided or paid by the Association;
- (iii) the cost of any policies of insurance purchased for the benefit of all the Owners

and the Association as required or permitted by this Declaration, including fire, flood, and other hazard coverage, public liability coverage, and such other insurance coverage as the Board of Directors determines to be in the interest of the Association and the Owners;

(iv) the expenses of maintenance, operation, and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of this Declaration;

(v) the expenses of the Architectural Review Board which are not defrayed by plan review charges;

(vi) ad valorem real and personal property taxes assessed and levied against the Common Areas;

(vii) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Owners and their families, tenants, guest, and invitees;

(viii) such other expenses 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 Dwellings;

(ix) the establishment and maintenance of a reasonable reserve fund or funds (a) for maintenance, repair, and replacement of those portions of the Common Areas 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, 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;

(x) the establishment of a mosquito and tick control program and;

(xi) for such further items that the Board may, in its discretion, deem necessary.

9.04 Special Assessments. In addition to the annual Assessments authorized above, the Association, acting through its Board of Directors, may levy, in any Assessment year, special Assessments for Common Expenses, applicable to that year only, provided that except as otherwise permitted in Sections 6.02 and 7.01 hereof, any such Assessment shall be approved by (i) Declarant, for so long as Declarant owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, and (ii) by a majority of the votes of the Owners who are voting in Person or by proxy at a meeting duly called for this purpose in accordance with the provisions of Section 9.06 hereof. The Board of Directors may make such Special Assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special Assessments are to be pro-rated among the Lots equally as provided with respect to annual Assessments.

9.05 Individual Assessments. Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests, or invitees of any Owner shall be specially assessed against such Owners and their respective Lots and/or Dwellings. The individual Assessments provided for in this Section 9.05 shall be levied by the Board of Directors and the amount and due date of such Assessments so levied by the Board shall be as specified by the Board.

9.06 Limited Common Element Assessments. Any expenses of the Association for the maintenance and upkeep of Limited Common Elements which shall be assessed against the Owners designated to have the right and use of the Limited Common Element.

9.07 Notice of Meetings and Quorum. Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized

under Section 9.03 and 9.04 hereof, shall be sent to all members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meetings. With respect to annual meetings, the presence of members or proxies entitled to cast over fifty percent (50) of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of members having one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.08 Liens. All sums assessed against any Lot pursuant to this Declaration, together with court costs, reasonable attorney's fees, late charges, and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association. Furthermore, all recreational charges which are charged by an Owner, his family, tenants, or guests with respect to his use or the use by his family, tenants, or guests of the Recreational Amenities shall be the Personal obligation of such Owner and shall be an equitable charge and continuing lien against the Lot of such Owner. 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 a first priority Institutional Mortgage or on any Mortgage to Declarant, or its affiliates, successors, or assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument. Notwithstanding the foregoing to the contrary, the subordination of Assessments and recreational charges to the lien of such Mortgages shall only apply to such Assessments and recreational charges which have become due and payable prior to a Foreclosure. All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for Assessments and recreational charges as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

9.09 Effect of Non-payment; Remedies of the Association.

Any Assessments or recreational charges of any Owner or any portions thereof which are not paid when due shall be delinquent. Any Assessments or recreational charges delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate of eighteen percent (18%) per annum. A lien and equitable charge as herein provided for each Assessment or recreational charge shall attach simultaneously as the same shall become due and payable, and if an Assessment or recreational charge has not been paid within thirty (30) days, the entire unpaid balance of the Assessment or recreational charge may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment or recreational charge shall include the late charge established by the Board of Directors, interest on the principal amount due at the rate of eighteen percent (18%) per annum, all costs of collection (including reasonable attorney's fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment or recreational charge remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Lot, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments and recreational charges as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real Property. 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. No Owner may waive or otherwise escape liability for the Assessments and recreational charges provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of

his Lot, and an Owner shall remain Personally liable for Assessments, recreational charges, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot which is recorded in the Register of Deeds Office for Beaufort County.

9.10 Certificate. The Treasurer, any Assistant Treasurer, or the manager of the Association shall, within ten (10) 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 Mortgage which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer, or Manager setting forth whether the Assessments and recreational charges for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such Certificates shall be conclusive evidence of payment of any Assessments and recreational charges stated therein.

9.11 Date of Commencement of Annual Assessments. The annual Assessments provided for herein shall commence as to each Lot on the day on which such Lot is conveyed to a Person other than Declarant and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual Assessments and any outstanding special Assessments shall be adjusted for such Lot according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such Lot is first conveyed. Annual and special Assessments for Lots in portions of the Additional Property hereafter submitted to the terms of this Declaration shall commence with respect to each such Lot on the later of (i) the day on which such Lot is conveyed to a Person other than Declarant or (ii) the day of the recording of the amendment to the Declaration so submitting such parcels, and annual and special Assessments for each such Lot shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such Assessments commence. Anything contained herein to the contrary notwithstanding, Declarant shall not be responsible for the payment of annual or special Assessments on Lots which it or its affiliates own and which do not contain occupied residences, provided that Declarant covenants and agrees to pay annual and special Assessments for each Lot owned by Declarant or an affiliate and containing occupied residences. Furthermore, Declarant has the authority hereunder to appoint and remove directors of the Association, provided, however, that the budget, Assessments, and deficiencies, if any, shall be annually reviewed by Declarant, and the Board of Directors and during such period Declarant's obligation for funding deficits shall only be up to the amount of the Association's budget.

ARTICLE X
ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

10.01 Purpose. In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Lots and Dwellings and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article X. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article X.

10.02 Architectural Review Board. The Board of Directors shall establish the Architectural Review Board which shall consist of up to seven (7) (but not less than three (3)) members, all of whom shall be Owners and who may or may not be members of the Board of Directors, provided that prior to the termination of Declarant's right to appoint and remove officers and directors of the Association, such members do not have to be Owners. The regular term of office for each member shall be one year, coinciding with the fiscal year of the Association. Any member appointed to the Board may be removed with or without cause by the Board at any time by written notice of such appointee, and successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Notwithstanding the foregoing to the contrary, any member appointed to the Architectural Review Board by the Board shall be subject to the prior approval of Declarant until the date which is three (3) years from and after the date of which Declarant's right to appoint and remove officers and directors of the Association is terminated. The Architectural Review Board shall elect a chairman and he, or in his absence, the vice chairman, shall be the presiding officer at its meetings. The Architectural Review Board shall meet at least once in each calendar month, as well as upon call of the chairman, and all meetings

shall be held at such place as may be designated by the chairman. Three (3) members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in Person or a proxy at a meeting of the Architectural Review Board shall constitute the action of the Architectural Review Board is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Architectural Review Board in performing its functions set forth herein. Each member of the Architectural Review Board may be paid a stipend or honorarium as from time to time determined by the Board.

10.03 Permitted Improvements. No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon any part of the Development, except (i) for Dwellings and other improvements which are constructed by Declarant, (ii) such improvements which are approved by the Architectural Review Board in accordance with this Article X, or (iii) improvements which pursuant to this Article X do not require the consent of the Architectural Review Board.

10.04 Construction of Improvements.

(a) All building, structures, or other improvements (excepting sidewalks and driveways) on or with respect to any Lot shall be located only within the setback lines specified by guidelines established by the Architectural Review Board, provided that the Architectural Review Board shall be empowered to grant variances with respect to such setback lines. To assure that Dwellings and other structures will be located so that the maximum view, privacy, and breeze will be available to each Dwelling or structure, Dwellings and structures will be located with regard to the location of trees and vegetation and other aesthetic and environmental considerations, as well as the precise site and location of any other Dwellings or structures within the Development.

(b) No construction of improvements on Lot shall be undertaken or conducted on any Sundays, or holidays as established by the Architectural Review Board except for (i) construction activities of Declarant, (ii) emergency situations involving the potential loss, injury, or damage to Person or Property, and (iii) as otherwise permitted by the Architectural Review Board.

(c) The Architectural Review Board, in its sole discretion, may require that any contractor and/or subcontractor, exclusive of those of Declarant, for any planned improvements on Lots within the Development post payment and/or performance bonds with the Architectural Review Board to assure that such contractor or subcontractor shall satisfactorily complete such improvements, such bonds to be in the name of the Association and to be in form and amount satisfactory to the Architectural Review Board.

Furthermore, the Architectural Review Board, in its sole discretion, may require that an Owner place in escrow with the Architectural Review Board a sum of no more than FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) in order to assure the completion of all improvements, including landscaping, in accordance with approved plans and specifications, within the time periods provided in this Section 10.04 and in Section 10.06 hereof. The exterior of any improvements permitted by this Declaration shall be completed within one year after the construction of same shall have been commenced, except where the Architectural Review Board allows for an extension of time because such completion within such time is impossible or would result in great hardship to the Owner or builder thereof due to strikes, national emergencies, fires, floods, lightning, earthquakes, or other casualties. In the event that such improvements or landscaping are not completed in accordance with approved plans and specifications within the provided periods, the Architectural Review Board shall be entitled to collect on or enforce any payment or performance bonds required

hereunder so as to ensure the proper completion of any such improvements. Furthermore, the Architectural Review Board shall be entitled to retain any sums so held in escrow as a penalty for such failure to complete, and such sums shall be remitted to and shall be the Property of the Association. Any such sums so held in such escrow shall, at the discretion of the Architectural Review Board, be invested so as to earn interest, and any interest earned thereon shall be paid to the Owner making such escrow deposit, if his escrow deposit is refunded, or, if remitted to the Association, shall be the Property of the Association.

(d) Dwellings may not be temporarily or permanently occupied until the exteriors thereof have been completed. No temporary house, shack, tent, barn, or other outbuilding shall be permitted on any Lot at any time, except as provided in Section 10.19 hereof and except for temporary structures for social functions as may be permitted by rules and regulations promulgated by the Board. During the continuance of construction by an Owner such Owner shall require its contractors to maintain the Lot in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction, such Owners shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the Lot on which such construction has been completed.

10.05 Architectural Approval. To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner, other than Declarant, with respect to the construction or exterior of any Dwelling or with respect of any other portion of the Development, including, but not limited to, the construction or installation of sidewalks, driveways, parking Lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, docks, wharves, bulkheads, boat slips, boathouses, exterior lights, garages, guest or servants' quarters, stables or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data, including if required by the Architectural Review Board, a survey showing the location of trees of six inches (6") in diameter at a height of six feet (6'), Live Oaks and other significant vegetation on such Lot showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design, location, and appearance in relation to surrounding structures, vegetation and topography by the Architectural Review Board. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Architectural Review Board, and the other copy shall be returned to the Owner marked "approved" or "disapproved". The Architectural Review Board shall establish a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys retained in accordance with the terms hereof. The fee initially established for such review shall be ONE HUNDRED AND NO/100 DOLLARS (\$100.00) for submission, and the Architectural Review Board shall have the right to increase this amount from time to time. Notwithstanding the foregoing, an Owner may make interior improvements and alterations within his Dwelling without the necessity of approval or review by the Architectural Review Board. The Architectural Review Board shall have the sole discretion to determine whether plans and specification submitted for approval are accepted to the Association. In connection with approval rights and to prevent excessive drainage or surface water run-off, the Architectural Review Board shall have the right to establish a maximum percentage of a Lot which may be covered by Dwellings, building structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil types and conditions, vegetation cover, and other environmental factors. Following approval of any plans and specifications by the Architectural Review Board, representatives or agents of the Architectural Review Board, representatives or agents of the Architectural Review Board shall have the right

during reasonable hours to enter upon and inspect any Lots, or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. In the event the Architectural Review Board shall determine that such plans and specifications have not been approved or are not being complied with, the Architectural Review Board shall be entitled to enjoin further constructions and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the Architectural Review Board fails to approve or disapprove in writing any proposed plans and specifications within forty-five (45) days after such plans and specifications shall have been submitted, such plans and specifications will be deemed to have been expressly approved. Upon approval of plans and specifications, no further approval under this Article X shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.j. clearing and grading, pouring of footings, etc.) or unless such plans specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the Architectural Review Board upon any grounds which is consistent with the objects and purposes of this Declaration, including purely aesthetic consideration, so long as such grounds are not arbitrary or capricious.

10.06 Landscaping Approval. To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner other than Declarant, unless and until the plans therefor have been submitted to and approved in writing by the Architectural Review Board. The provisions of Section 10.05 hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Such plans shall include a calculation of the area to be covered by grass lawns versus the area to be left in a natural state, and the Architectural Review Board shall be entitled to promulgate standards with respect to such coverages. Furthermore, no hedge or shrubbery planting or newly planted tree(s) which obstructs sight-lines at elevations as established by the Architectural Review Board shall be placed or permitted to remain on any Lot within the Development.

No Owner other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six inches (6") or more at a point of six feet (6') above ground level, without obtaining the prior approval of the Architectural Review Board, provided that dead or diseased trees which are inspected and certified as dead or diseased by the Architectural Review Board or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any Lot by the Owner of such Lot. All of the landscaping of Lots must be completed within ninety (90) days of issue of certificate of occupancy.

All landscaping shall be maintained by the Owner to the level equal to or greater than the landscape plan originally approved by the Architectural Review Board. Such maintenance shall include watering, weeding, using herbicides, removing dead branches, mowing grass and replenishing mulches (pine straw, bark, etc.) so as to maintain a neat appearance.

10.07 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 designed and/or built in a good and workmanlike manner. Neither Declarant, the Association, nor the Architectural Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article X, nor any defects in construction undertaken pursuant to such plans and specifications.

10.08 Use of Lots and Dwellings. Except as permitted by Section 3.09 and 10.20 hereof, each Lot shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. 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 that in no event shall any Lot be used as the office of or storage area for any building contractor or real estate developer. Furthermore, the operation of the Recreational Amenities, food and beverage facilities, if any, without limitation the charging and collecting of membership fees, garden plot or mini-farm rentals, dock and boat slip fees, tennis court fees, Health Club fees, and the operation in Common Areas for which a fee may be charged, shall be expressly permitted within the Development exclusive of Lots or Dwelling and shall not be deemed to be a violation of the terms of this Section 10.08. Lease or rental of a single family Dwelling shall not be considered to be a violation of this covenant so long as the Lease is in compliance with rules and regulations as may be promulgated and published from time to time by the Board of Directors. All Leases shall be required to be in writing, and, prior to the commencement of any such Lease, the Owner shall provide the Secretary of the Association and the managing agent of the Association, if any, with copies of such Lease. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

10.09 Boats and Watercrafts. a). No Persons shall be entitled to live or reside on any yacht, boat, or other watercraft from time to time docked, moored, or otherwise located within the Development, provided that the Board of Directors may establish rules and regulations permitting the temporary occupancy of any such yachts, boats, or other watercraft. In addition, no sewage effluent, treated or otherwise, shall be discharged from any yacht, boat, or other watercraft into any lagoon, pond, or other body of water within or adjacent to the Development. Owners and their tenants shall not be entitled to Lease or rent any boat slips, boathouses, wharf, dock, or bulkhead space adjacent to Lots to Persons other than other Owners or their tenants. b). The Board of Directors shall establish rules and regulations for the use of community docks and other facilities by the Owners and their guests.

10.10 Signs. Except as may be required by legal proceedings, no signs or advertising posters of any kind shall be maintained or permitted within any windows or on the exterior of any improvements, trees, or utility structures located within the Development, without the express written permission of the Architectural Review Board. 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 Architectural Review Board and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 10.10 shall not apply to Declarant or its assigns. In addition, the Board of Directors, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within those easement areas established in Section 3.15 hereof.

10.11 Mail Boxes. All mailboxes shall be constructed in compliance with guidelines established by the Architectural Review Board which may be amended from time to time by the Architectural Review Board.

10.12 Antennas. Antennas guidelines shall be established by the Architectural Review Board and may be amended from time to time by the Architectural Review Board. No radio or television signal nor any electro-magnetic radiation is permitted to originate from any Lot which may interfere with the receipt of any television or radio signal within the Development.

10.13 Security Systems. Inasmuch as Declarant or the Association shall install a central security system within the Development, with the capability of providing security services to each Dwelling and other buildings within the Development, each Owner shall install and maintain such security system to and within each Dwelling and other buildings. Declarant assumes no liability for any installed security systems.

10.14 Water Wells and Septic Tanks. Water wells and ATU Septic Systems shall be installed in compliance with the South Carolina Department of Health and Environmental Control regulations and other applicable governmental regulations. The location of the water well and septic tanks shall be submitted to the Architectural Review Board at the time of submission of plans for construction of a Dwelling and shall be subject to the approval of the Architectural Review Board.

10.15 Pets.

a) With the exception of Declarant and as provided in Section 10.15 (b), no animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner, his family, tenants, or guests, upon any portion of the Development, provided that a reasonable number of generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets 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 Common Areas or on Property not owned by a pet Owner, and no pet shall be permitted to leave its excrement on any portion of the Common Areas, and the Owner of such pet shall immediately remove the same. 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 10.15(a), a particular pet is a generally recognized house pet or 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 Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have the further right, subject to Section 12.03 hereof, to fine any Owner (in an amount not to exceed FIFTY AND NO/100 DOLLARS (\$50.00) per violation for the violation of these pet restrictions by such Owner, his family, tenants or guest, and an Owner shall be liable to the Association for the cost or repair of any damage to the Common Areas caused by the pet of such Owner, his family, tenants or guests, or of an Occupant of such Owner's Lot. Any such fine or cost of repair shall be added to and become a part of the portion of any Assessment next coming due to which such Lot and its Owner are subject.

(b) Owners shall have the right to own and stall horses on portions of the subject Property subject to rules and regulations as established by the Board of Directors.

10.16 Hunting and Fishing. No hunting will be allowed on Property dedicated to the within Declaration. Fishing will be allowed in the Development in areas from time to time designated by Declarant or the Board of Directors subject to rules and regulations established by the Board of Directors.

10.17 Limitations as to Use of Bodies of Water. The lagoons, lakes, ponds and other bodies of water within the Development are intended for the use and enjoyment of the Declarant and the Association, their guest and invitees and for the enhancement of the Development. To provide for the full enjoyment of the aforesaid water courses and bodies of water and to preserve water quality and to minimize erosion due to water turbulence, no boats and no combustion type engines shall be operated in said water courses or bodies of water within the Development without

the written consent of Declarant, so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property or any portion thereof to the Development, and after the Declarant has sold all its Lots and has no further Additional Property for Development, the Association, which permission may be arbitrarily withheld.

Declarant retains Ownership of all bodies of water referred to above and expressly reserves unto itself, its successors and assigns, every reasonable use and enjoyment of said lagoons, water courses and other bodies of water in a manner not inconsistent with this Declaration. It is further expressly recognized that said lagoon and bodies of water perform valuable drainage functions requiring water levels to be raised and lowered from time to time in connection with the Development. Declarant expressly retains all rights to adjust water levels as requirements dictate. Declarant shall have the right at its sole discretion, to deed any lagoon, lake or pond to the Association. The use and enjoyment by Owner of the thirteen (13) acre lake and any other lakes or ponds constructed on the property shall be subject to the rules and regulations as established by the Declarant and the Association. Owners of Lots fronting on the thirteen (13) acre lake and any other future lake or pond as designated by the Declarant, shall be deeded to ownership of a Lot to the high water mark. No docks, boardwalks or other structures may be constructed by individual Lot Owners on fresh water lakes/ponds located in Phase I or Phase II or on additional property.

10.18 Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Development, nor shall any nuisances or odors be permitted to exist or operate upon or arise from the Development, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to Persons using or occupying any other portions of the Development. Noxious or offensive activities shall not be carried on in any Lot or Dwelling or in any part of the Common Areas, and each Owner, his family, tenants, guests, invitees, servants, and agents shall refrain from any act or use of a Lot or of the Common Areas which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisances to the Occupants of other portions of the Development, or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except fire alarm devices used exclusively for such purposes, shall be located, used or placed within the Development. Nor shall any materials such as peat bags, hose reels, left over lumber, etc. be allowed to be stored in outside areas within public view. Also, without limiting the generality of the foregoing, except within, screened service yard, air drying of clothes is prohibited, nor shall any clothing, rugs or other items be hung over any railing, fence, hedge or wall.

10.19 Motor Vehicles, Trailers, Boats, Etc. Each Owner shall provide for parking of their automobiles off streets and roads within the Development after the issuance of a certificate of occupancy of the Dwellings. Subject to the terms of this Section 10.19 there shall be no outside storage or parking upon any Lot within any portion of the Common Areas (other than areas provided therefor within the Common Areas, if any) of any mobile home, trailer (either with or without wheels), motor home, tractor, boats, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorcycle, boats, motorized bicycle, motorized go-cart, or any other related forms of combustion driven or towed transportation devices. Furthermore, the Board of Directors may at any time prohibit mobile homes, motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts, and other vehicles, or any of them, from entering and/or being kept, placed, stored, maintained, or operated upon any portion of the Development if in the opinion of the Board of Directors such prohibition shall be in the best interests of the Development. No Owners or other Occupants of any portion of the Development shall repair or restore any vehicle of any kind upon or within any Lot within any portion of the Common Areas, except (i) within enclosed garages

or workshops or (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility. In Declarant's discretion, rental storage space for the above mentioned vehicles, boats, etc. may be provided in Declarant's maintenance area.

10.20 Sale and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots and Dwellings or the developing of Lots, Dwellings, Common Areas, and Additional Property, including, without limitation, the installation and operation of sales, construction trailers, and temporary and permanent residential trailers and offices, signs, and model Dwellings, provided that the location of any construction trailers of any assignees of Declarant's rights under this Section 10.20 shall be subject to Declarant's approval. The right to maintain and carry on such facilities and activities shall include specifically the right to use Dwellings as model residences, and to use any Dwelling as an office for the sale of Lots and Dwellings and for related activities.

10.21 Multiple Ownership. No Lot or Dwelling may be owned by more than four (4) Owners at any one time. For purposes of this restriction, a married couple constitutes a single Owner. Furthermore, no Lots or Dwellings may be sold under any time-sharing, time-interval, or similar right-to-use programs. Notwithstanding the foregoing to the contrary, a Lot may be owned by a corporation or partnership so long as such corporation or partnership does not have more than four (4) designated users; provided, however, that the foregoing prohibition shall not apply to Declarant, its affiliates, or their respective successors or assigns. Designated user(s) shall be filed with the Board of Directors upon closing of said Lot and shall be updated annually.

10.22 Repurchase Option. Subject to the provisions of Section 13.06 hereof, Declarant hereby reserves unto itself and its successors and assigns the right and option to purchase any Lot within the Development which is offered for sale by the Owner thereof, such option to be at the price and on the terms and conditions of any bona fide offer for such Lot which is acceptable to such Owner and which is made in writing to such Owner by a third party. Upon the receipt of any such offer by an Owner, such Owner shall promptly submit a copy of the same to Declarant, and Declarant shall have a period of thirty (30) days from and after the presentation of such offer to Declarant in which to exercise its purchase option by giving such Owner written notice of such exercise. If Declarant fails to respond or to exercise such purchase option within said thirty (30) day period, Declarant shall be deemed to have waived such purchase option. If Declarant declines to exercise such option, Declarant shall execute an instrument evidencing its waiver of its repurchase option, which instrument shall be in recordable form. In the event that Declarant does not exercise its purchase option and such sale to a third party is not consummated on such terms within three (3) months of the date in which the offer is transmitted to Declarant, the terms and limitations of this Section 10.22 shall again be imposed upon any sale by such Owner. If Declarant shall elect to purchase such Lot, the transaction shall be consummated with sixty (60) days following delivery of written notice by Declarant to such Owner of Declarant's decision to so purchase such Lot.

10.23 Garage. All detached Dwellings are required to have a covered carport or garage in accordance with guidelines as are established by the Architectural Review Board and as may be amended from time to time by the Architectural Review Board.

ARTICLE XI
SPECIAL RESTRICTIONS AFFECTING ALL WATERFRONT,
LAGOON AND MARSHLAND AREAS

11.01 Conditions for Erection of Docks and Decks. Owners of Lots fronting on the navigable water ways may erect docks which are approved by Declarant upon the Property located between the outer boundary of their Lots or parcels and contiguous to same and the low water mark upon complying with the following terms and conditions:

(a) Complete plans and specifications, including site, color or finish must be submitted to the Architectural Review Board, with the written consent of Declarant, so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property or any portion thereof to the Development.

(b) Written approval of the Architectural Review Board, with the written consent of Declarant, so long as Declarant owns a Lot, Dwelling primarily for the purpose of sale or has the unexpired option to add Additional Property or any portion thereof to the Development is obtained.

(c) Written approval of any local, state or federal governmental departments or agencies which have jurisdiction over construction in or near salt marshlands must be secured.

Any alteration of the plans and specifications or of the Completed structure must also be submitted to the Architectural Review Board in writing and the Architectural Review Board's approval in writing must be similarly secured prior to construction, the Architectural Review Board reserving the same rights to disapprove alterations as it retains for disapproving the original structure.

11.02 Maintenance of Docks and Decks. All Lot Owners who construct or cause to be constructed said docks, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings and to maintain such paint or preservatives in an attractive manner. The Architectural Review Board shall be the judge as to whether the docks are safe, clean, and orderly in appearance, and properly painted or preserved in accordance with reasonable standards. Upon notification by the ARB to an Owner, in writing, that said dock fails to meet acceptable standards, said Lot Owner shall thereupon remedy such conditions within thirty (30) days to the satisfaction of the Architectural Review Board, and that failing to so remedy such conditions, the Lot or parcel Owners hereby covenant and agree that the Architectural Review Board, with the written consent of Declarant, so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property or any portion thereof to the Development, may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock up to acceptable standards, all such repairs and actions to be at the expense, solely of the Lot Owner in question. The Architectural Review Board, with the written consent of Declarant, so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property or any portion thereof to the Development, shall be entitled to reimbursement for such expenditures in the same manner and under the same terms as is provided in Section 9.09.

11.03 Entry by Board of Directors, Architectural Review Board or Declarant.

Whenever the Board of Directors, Architectural Review or Declarant is permitted by these covenant's to correct, repair, clean, preserve, clear out or do any action on the Property of any Lot, or on the easement areas adjacent thereto, entering the Property and taking such action shall not be deemed a trespass.

**ARTICLE XII
RULE MAKING**

12.01 Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings and the Common Areas and facilities located thereon. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants and agents, until and unless any such rule or regulation be specifically overruled, cancelled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in Person or by proxy, holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

12.02 Authority and Enforcement. Subject to the provisions of Section 12.03 hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly

adopted hereunder, including, without limitation, the failure to timely pay any Assessments or recreational charges, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot, the Owners, Occupants, or guests of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guests, and tenants and of the co-Owners of such Owner and their respective families, guests, and tenants) to use any of Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-Owners or the family, guest, or tenants of his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

12.03 Procedure. Except with respect to the failure to pay Assessments or recreational charges, the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other Occupant of the Development for violations of the Declaration, the By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(a) Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:

(i) The alleged violation;

(ii) The action required to abate the violation; and;

(iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(b) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(i) The nature of the alleged violation;

(ii) The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and

(iv) The proposed sanction to be imposed.

(c) The hearing shall be held in an executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation of be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

ARTICLE XIII
GENERAL PROVISIONS

13.01 Control by Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant hereby retains to right to appoint and remove any member of members of the Board of Directors of the Association by and for the term set forth in Section 8.01 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 13.01 and the provisions of Section 8.01. Upon the expiration of the period of Declaration's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 8.01 and this Section 13.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has

kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

13.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Records of the Office of the Clerk of Court for Beaufort County, South Carolina, without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Dwelling, or the Common Areas as set forth in this Declaration or adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Notwithstanding the foregoing to the contract, the expiration or termination of the right of Declarant to appoint and remove an directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration as provided in Section 2.02 hereof. Any amendment made pursuant to this Section 13.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 13.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (a) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots to this Declaration, (c) if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchase to maker or purchaser to make or purchase Mortgage loans on any Lot, Dwelling, or other improvements subject to this Declaration.

13.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 13.02 hereof, shall be proposed and adopted in the following manner.

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association. Such amendment must be approved by Owners holding at least three-fourths (3/4) of the total votes in the Association; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgage must be approved by such Mortgagee, and (ii) during any period in which Declarant owns a Lot primarily for the purpose of sale or has the unexpired option under this Declaration to add the Additional Property or any portion thereof to the Development, such amendment must be approved by Declarant.

13.04 Enforcement. Each Owner shall comply strictly with the By-laws and the

published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of Development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto nor shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on any violation or breach, or threatened violation or breach, by any Person of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association, however long continued.

13.05 Duration. The provisions of this Declaration shall run with and bind title to the Property, shall be binding up and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of thirty (30) years from and after the date of the recording of this Declaration, provided that right and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (10) year period. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of an initial thirty (30) year period or the last year of any ten (10) year renewal period, seventy-five percent (75%) of the total votes of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be files of record in the Records of the Clerk of Court for Beaufort County, South Carolina, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefore, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby.

13.06 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rules against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Mrs. Barbara Bush, wife of U. S. President George Herbert Walker Bush.

13.07 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implications as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record on the Records of the Register of Deeds for Beaufort County, South Carolina. The captions of each Article are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

13.08 General and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities as thought in each case fully expressed.

13.09 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any Property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provisions or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

13.10 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Owners, and their Mortgagees as herein provided, and by such recording, no adjoining Property Owner or third party shall have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the rights of Declarant and Mortgagees as herein provided, the Owners shall have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent permission, or approval of any adjoining Owner or third party.

13.11 Notice of Sale, Lease, or Mortgagee. In the event an Owner sells, Leases, Mortgages, or otherwise disposes of any Lot, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, Mortgagee, or transferee.

13.12 No Trespass. Whenever the Association, Declarant, the Architectural Review Board, and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the talking of such action shall not deem to be trespass.

13.13 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States mail, postage pre-paid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owner's respective Lots. All notices of the Association shall be delivered or sent in care of Declarant to Declarant's main office in Beaufort, South Carolina, or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant's office in Beaufort, South Carolina, or to such

AND ALSO: All of Seller's right, title and interest in and to all marshlands, tidelands and freshwater and saltwater wetlands as shown on the above referred to plat of Tomotley Plantation.

LESS AND EXCEPTING THEREFROM, all that certain piece, parcel or tract of land, with improvements thereon, containing 15.08 acres and being more particularly described in the Title of Real Estate from Norman H. Volk, as Trustee, (Seller), to the South Carolina Department of Highways and Public Transportation, (Purchaser), dated the 19th day of October, 1992, and recorded in the RMC Office for Beaufort County, South Carolina on March 10, 1993, in Book 620 of Deeds, at Page 1240.

The plat of Tomotley Plantation is incorporated herein and made a part hereof by reference for a more complete description of the 694.1 acre tract, the 18.5 acre tract, the 5.0 acre tract and all marshlands, tidelands and freshwater and saltwater wetlands as shown on the above referred to plat.

EXHIBIT "B"

PHASE I, BULL POINT PLANTATION

All those certain pieces, parcels, Lots of land located in the Sheldon Township, Beaufort County, South Carolina, containing 53 Lots as shown on a plat showing the Bull Point subdivision, Phase I, a section of Tomotley Plantation, Garden's Corner, prepared by David Gasque, R.L.S., dated September 21, 1995 and recorded in the Office of the RMC for Beaufort County on September 26,

1995, in Plat Book 54 at Page 40. Said plat being incorporated herein and made a part hereof by reference for a more complete description.

PHASE II, BULL POINT PLANTATION

All those certain pieces parcels and Lots of land, with improvements thereon, being in Sheldon Township, Garden's Corner, Beaufort County, South Carolina, containing 92.91 acres as shown on a plat of the Bull Point subdivision, Phase II, a section of Tomotley Plantation, prepared by David Gasque, R.L.S., dated November 8, 1995 and recorded in the Office of the RMC for Beaufort County on February 5, 1995, in Plat Book 55 at page 76. Said plat being incorporated herein and made a part hereof by reference for a more complete description.