

AFTER RECORDING RETURN TO:
Minor, Haight & Arundell, P.C.
P.O. Drawer 6067
Hilton Head Island, SC 29938

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR THE BLOODY POINT HOMESITES
[formerly known as Daufuskie Island Club Homesites]**

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR THE BLOODY POINT HOMESITES**

[FORMERLY DAUFUSKIE ISLAND CLUB HOMESITES]

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE BLOODY POINT HOMESITES (hereinafter “Amended and Restated Covenants”) is made this day ____ of _____, 2020; by BLOODY POINT PROPERTIES, LLC, a South Carolina Limited Partnership (hereinafter “Declarant”) and by the BLOODY POINT PROPERTY OWNERS’ ASSOCIATION, INC. (hereinafter “Association”) and their respective successors and assigns.

W I T N E S S E T H:

WHEREAS, THE BLOODY POINT LIMITED PARTNERSHIP, a South Carolina Limited Partnership (hereinafter “Initial Declarant”) subjected certain real property located on Daufuskie Island, Beaufort County, South Carolina, then known as THE DAUFUSKIE ISLAND CLUB and presently known as BLOODY POINT CLUB (hereinafter “Property”), to that certain Declaration of Covenants, Conditions, and Restrictions for Daufuskie Island Club Homesites, dated on or about the 26th day of October, 1989 and recorded on October 30, 1989 in the Office of the Register of Deeds for Beaufort County in Book 539 at Page 1350, as amended¹ (hereinafter “Covenants”), which Property is more particularly described in Exhibit A attached hereto;

WHEREAS, pursuant to the unanimous written resolution made by the Board of Directors of the Association (hereinafter “Board”) on September 16, 2004, the Board filed a Change of Corporate Name with the Secretary of State for the State of South Carolina changing the name of the Association from the Daufuskie Island Club Property Owners Association, Inc. to the Bloody Point Property Owners’ Association, Inc.;

WHEREAS, pursuant to a resolution authorized at a duly called and conducted meeting of the Board held on September 4, 2020, the Board determined that the Covenants should be amended and restated as set forth herein;

WHEREAS, Section 12.03 of the Covenants provided that all proposed amendments thereof shall be submitted to a vote of the Owners (hereinafter “Owners”) at a duly called meeting of the Association for which notice of the proposed amendment was given in the official notice of the meeting, at which meeting the quorum requirements of the Covenants are satisfied;

WHEREAS, pursuant to the Notice of Meeting provisions of Section 9.06 of the

¹ The Declaration of Covenants, Conditions and Restrictions for Daufuskie Island Club Homesites (now Bloody Point Homesites) has been amended on six prior occasions, a reference to such amendments is attached hereto as Appendix A.

Covenants, on _____, 2020, notice was mailed to the Owners informing them of the Annual Meeting to be held on November 14th, 2020 and further advising the Owners of the proposed Amended and Restated Covenants, a copy of which was attached and included in said Notice;

WHEREAS, at the Annual Meeting held on November 14th, 2020, with quorum requirements satisfied, the Amended and Restated Covenants, as set forth herein below, were approved by a vote of more than two-thirds (2/3rds) of the Owners;

NOW, THEREFORE, Declarant and the Association hereby amend and restate the Declaration of Covenants, Conditions, and Restrictions for the Daufuskie Island Club Homesites [now known as Bloody Point], and all subsequent amendments thereto previously recorded in the Office of the Register of Deeds for Beaufort County, and further direct that the Property, or any portion thereof, 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 title to, the real Property subjected to these Amended and Restated Covenants and which shall be binding on all parties having any right, title or interest in the described Property, or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

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

(a) “Additional Property” shall mean and refer to such additional land as may be made subject to these Amended and Restated Covenants, either by the Declarant with the assent of the Association, or by the Association acting of its own accord, as may be provided for herein.

(b) “Amended and Restated Bylaws” shall mean and refer to those Amended and Restated Bylaws of Bloody Point Property Owners' Association, Inc., which govern the administration and operation of the Association, as the same may be amended from time to time.

(c) “Amended and Restated Covenants” shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Bloody Point Homesites.

(d) “Architectural Review Board” shall mean and refer to the committee which shall be appointed by the Association’s Board of Directors to approve exterior and structural construction, improvements, additions, and changes within the Development as provided in Article X herein.

(e) “Articles of Incorporation” shall mean and refer to the Articles of Incorporation of The Daufuskie Island Club Property Owners’ Association, Inc. (now BLOODY POINT PROPERTY OWNERS’ ASSOCIATION, INC.), as amended from time to time.

(f) “Assessment” shall mean and refer to an Owner’s share of the Common Expenses, whether assessed as an annual or special assessment, together with all other charges, fines, fees and costs, from time to time assessed against an Owner by the Association in the manner herein provided.

(g) “Association” shall mean and refer to BLOODY POINT PROPERTY OWNERS’ ASSOCIATION, INC., a South Carolina nonprofit corporation.

(h) “Bloody Point Club” shall mean and refer to the members and facilities of the separate and distinct membership entity and complex adjacent to the Development, including but not limited to, golf courses, driving range, putting green, tennis courts, swimming pool, golf and/or tennis shops, locker room facilities, clubhouse, food and beverage facilities, and other Bloody Point Club improvements and lands currently incorporated as Bloody Point Golf Club, Inc. doing business as Bloody Point Club. Lot ownership does not entitle the Owner thereof access or the right to use the facilities or amenities of Bloody Point Club.

(i) “Bloody Point Homesites” shall mean and refer to the separate and distinct planned unit development which was formerly known as Daufuskie Island Club Homesites and over which these restrictive covenants run with the land and are binding upon all purchasers of the Property, or any portion thereof.

(j) “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.

(k) “Cluster Home” shall mean any residential dwelling which shares structural elements with another, which may include townhomes and condominium apartments, and which are constructed within a Cluster Home Area and governed by a Cluster Home Association pursuant to a Cluster Home Declaration.

(l) “Cluster Home Area” shall mean and refer to any portion of the Property in which Common Areas are owned by the members of a Cluster Home Association composed of such Owners, and within which it is intended that there will be constructed Cluster Homes.

(m) “Cluster Home Association” shall mean and refer to a corporation or an unincorporated association whose shareholders or members are comprised entirely of Owners of Dwellings within a Cluster Home Area.

(n) “Cluster Home Declaration” shall mean and refer to any instrument or document and any amendments thereto, which may be recorded in the Records of the Office of the Register of Deeds for Beaufort County, South Carolina, with respect to any Cluster Home Area and which creates a horizontal property regime or other owners association for such Cluster Home

Area or imposes covenants, conditions, easements, and restrictions with respect to such Cluster Home Area.

(o) “Common Areas” shall mean and refer to all real and personal property now or hereafter owned by the Association and designated by the Association for the common use and enjoyment of the Owners. The Common Areas are to be owned by the Association, less and except the individual Lots, Dwellings, Cluster Home Areas, and Additional Property. The designation of any land and/or improvement as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment therein.

(p) “Common Expenses” shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves or as special assessments, pursuant to the provisions of these Amended and Restated Covenants.

(q) “Declarant” shall mean and refer to Bloody Point Properties, LLC, which has executed these Amended and Restated Covenants, or any successor-in-title to the entire interest of Bloody Point Properties, LLC with respect to the Property and Additional Property if, commensurate with such transfer to said successor-in-title, an Assignment of Declarant Rights is recorded in the Office of the Register of Deeds for Beaufort County.

(r) “Development” or “Bloody Point” with initial capital letters, shall mean and refer to the Property and all improvements located or constructed thereon.

(s) “Design Guidelines” or “Architectural Review Board Design Guidelines” shall mean and refer to such guidelines, design criteria, rules or procedural requirements as may be established by the Architectural Review Board as provided for in Article X hereof, and approved by the Board of Directors from time to time and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

(t) “Dwelling,” with an initial capital letter, shall mean and refer to any improved property intended for use as a single-family detached dwelling, a Cluster Home (either detached or attached), and the improvements currently located upon Lot B and shown on the Site Plan as the Founders Cottage (hereinafter “Founder’s Cottage”), located within the Development.

(u) “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.

(v) “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 Purchaser of mortgage loans in the secondary market, such as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(w) “Lease” shall mean and refer to any lease, sublease, or rental contract, whether oral or written.

(x) “Lot” shall mean and refer to any unimproved portion of the Property upon which it is intended that a Dwelling 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, and a Certificate of Occupancy has been obtained for occupancy thereof. Upon such completion, such Lot and the improvements thereon shall collectively be considered to be a Dwelling for purposes of these Amended and Restated Covenants.

(y) “Mortgage,” with an initial capital letter, shall mean and refer to a mortgage, security deed, 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, Dwelling, or Cluster Home.

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

(aa) “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 or Lot within the Development.

(bb) “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 Office of the Register of Deeds for Beaufort County, South Carolina, any installment land sales contract covering any Lot or Dwelling, the fee simple title holder shall be deemed the Owner of such Lot or Dwelling, provided that the purchaser under said contract shall be jointly and severally liable for any and all Common Expenses of the Association and shall further be entitled to receive any notices required to be given to the Owner by the Association. An installment land sales contract shall be an instrument whereby the purchaser is required to make payment for a Lot or Dwelling 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 or Dwelling until all such payments are made, although the purchaser is given use of such Lot or Dwelling.

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

(dd) “Property,” with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit A, together with all improvements thereon, if any, and upon submission to the provisions of these Amended and Restated Covenants, any Additional Property, or any portion thereof, together with all improvements thereon, if any.

(ee) “Rules and Regulations” shall mean any rules and regulations duly adopted by the Board of Directors pursuant to Article XI herein.

(ff) “Sandy Lane Horizontal Property Regime” shall mean and refer to that certain Horizontal Property Regime located on that portion of the Property designated as “Sandy Lane” on the Site Plan and being situated at the northeastern most terminus of Fuskie Lane.

(gg) “Site Plan” shall mean and refer to that certain Master Site Plan Exhibit of Bloody Point, South Carolina, prepared for Bloody Point Property Owners’ Association, Inc., dated July 6, 2020, consisting of one sheet and prepared by Thomas & Hutton Engineering Co., Inc., South Carolina Registered Land Surveyor No. 11079, which is attached hereto as Exhibit B, together with (i) any future revisions thereof, or (ii) any subdivision plat for any portion of Additional Property as may be submitted to the terms of these Amended and Restated Covenants, and recorded from time to time in the Plat Records of the Office of the Register of Deeds for Beaufort County, South Carolina.

ARTICLE II

PLAN OF DEVELOPMENT

2.01 Plan of Development of Property. The Property is presently comprised of 144 Lots or Dwellings currently representing five (5) categories as reflected on the Site Plan: (i) “Blue Lots” being ocean-front properties Lots 1-35, Lot A-1 and Lots 107 and 108; (ii) “Green Lots” being those Lots abutting the riverfront and designated as Lots 99 – 102 on River Road and Lots 103 – 106 at the southern end of Fuskie Lane; (iii) “Yellow Lots” being second row ocean-front Lots 36-50, Lots 52-75, and Lots 109 and 110, as well as all Sandy Lane Horizontal Property Regime Condominium Units; (iv) “Purple Lot” being Lot B (the Founder’s Cottage f.k.a. “Sea Oak Manor”) and (v) “Red Lots” being Lots 76-98 and Lot 112 located along River Road. Blue Lots have the right, but not the obligation to build one (1) primary residence and one (1) guest house on each Lot, and Green Lots, Yellow Lots and Red Lots each shall have the right, but not the obligation to construct one (1) primary residence on each such Lot. The dimensions of the Lots are shown on the Site Plan. All Blue, Green, Red and Yellow Lots in the Development shall be and are hereby restricted exclusively to single-family residential use and all Lots shall be subject to the standards and restrictions of the Architectural Review Board. As of the date of these Amended & Restated Covenants, a structure known as the Founder’s Cottage (f.k.a. Sea Oak Manor”) and shown on the Site Plan, as well as a small gazebo, are the only structures existing on the Purple Lot. In accordance with Section 10.5 and Article X hereof, no structures other than these two existing structures may be constructed on the Purple Lot without the approval of the Architectural Review Board and the consent of the Board of Directors, such consent being within the Board’s sole discretion. Notwithstanding any other provision of these Amended and Restated Covenants, the Founder’s Cottage may be rented in whole or in part from time to time for short term vacation rental, subject to any governmental laws, statutes, rules, regulations and zoning restrictions or provisions which may govern the use or rental thereof. No guest house, or other ancillary structure may be constructed on any Lot prior to the completion of a Dwelling thereon.

The Property shall also include portions of the Common Areas, including roads, lagoons, bike paths, walkways, designated bridle paths, utility easements, drainage systems and easements, and other improvements serving the Lots and Dwellings, to the extent the same are from time to time installed and existing.

Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the option to add Additional Property or any portion thereof to the Development, to make improvements and changes to all property owned by Declarant, including, without limitation, (i) installation and/or maintenance of any improvements thereon, (ii) changes in the location of the boundaries of any Lots or Dwellings owned by Declarant unless such change would alter the boundaries of any Lot or Dwelling owned by another Person, (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.

Notwithstanding any provisions or restrictions contained in these Amended and Restated Covenants 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/or Dwellings or the developing of Lots, Dwellings, Cluster Home Areas, Common Areas, and Additional Property, including without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, provided that the location of any sales and construction trailers of Declarant, its agents, employees, or any assignees of Declarant's rights under this Section 2.01 shall be subject to the Board of Director'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/or Dwellings and for related activities.

2.02 Plan of Development of Additional Property. The Association shall have the right to submit, from time to time, Additional Property or a portion or portions thereof to the provisions of these Amended and Restated Covenants. In addition, the Declarant hereby reserves the option to submit, from time to time, Additional Property or a portion or portions thereof to the provisions of these Amended and Restated Covenants and thereby to cause Additional Property or a portion or portions hereof to become part of the Property. This option may be exercised by Declarant in accordance with the following rights, conditions, and limitations, which are the only conditions and limitations on such option to add all or any portion of Additional Property to the Development.

(a) Prior to submitting Additional Property or a portion or portions thereof to the provisions of these Amended and Restated Covenants and thereby to cause Additional Property or a portion or portions hereof to become part of the Property, Declarant shall provide the Association with a plat of survey for such Additional Property designating the boundaries of the Lots and Cluster Home Areas, as well as the Common Areas, if any, to be added to the Development in connection therewith, together with such other information as the Association may reasonably require. No Additional Property may be added to the Development without the Association's express written consent.

(b) Subject to Subpart (a) above, Additional Property may be added to the Development at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence, or location in which any of such portions may be added to the Development. The exercise of the option to submit Additional Property to these Amended and Restated Covenants shall not bar the further exercise of this option as to other Additional Property.

(c) If Additional Property is added to the Development, the Lots and Cluster Home Areas developed therein and the Dwellings constructed thereon will be subject to the 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 designed construction to those Dwellings and improvements located elsewhere within the Development, subject to distinctions in design, character and in construction techniques between single-family detached residences and Cluster Homes, whether detached or attached.

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

2.03 Cluster Home Associations. In the event that Declarant submits Additional Property or any portion or portions thereof to the terms of these Amended and Restated Covenants, there may be established by Declarant, its successors or assigns, Cluster Home Associations limited to the Owners of Dwellings within the Cluster Home Areas located within such portion or portions of Additional Properties so submitted in order to promote their health, safety, and social welfare, as well as to provide for the maintenance of Dwellings, other improvements, and/or Common Areas owned by such Owners and/or such Cluster Home Associations, provided that such Owners shall also be members of the Association and such Dwellings and other improvements shall continue to be subject to the terms of these Amended and Restated Covenants. Such Cluster Home Areas may be subject to Cluster Home Declarations which impose covenants and restrictions which are in addition to, but not in abrogation or substitution of, those imposed hereby, and such Cluster Home Associations may levy additional assessments and make and enforce supplementary covenants, restrictions, rules and regulations with respect to such Cluster Home Areas.

2.04 Water and Sewer Facilities. Water facilities serving the Development, including all lines, pipes, pumps, water towers or tanks, and other systems related thereto which are located within the Development are not deemed to be a portion of a Lot or Dwelling pursuant to Section 5.01 hereof.

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 lienholder 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 add Additional Property to the Development as hereinabove provided, and, with respect to each Lot or Dwelling located within Additional Property, to convey to the purchaser

thereof the title to the Lot or Dwelling and its appurtenant membership and voting rights in the Association. Any provision of these Amended and Restated Covenants 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 the written consent of Declarant.

ARTICLE III

PROPERTY RIGHTS

3.01 General. Each Lot and Dwelling shall for all purposes constitute real property which shall be owned in fee simple absolute, and which, subject to the provisions of these Amended and Restated Covenants, 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 said Owner's Lot or Dwelling, subject to the provisions of these Amended and Restated Covenants, including without limitation, the provisions of this Article III. The ownership of each Lot and Dwelling shall include, and there shall pass with each 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 said Owner's ownership ceases for any reason, at which time membership in the Association shall automatically pass to such Owner's successor-in-title, and upon such transfer, such former Owner shall simultaneously transfer and endorse to such successor-in-title any certificates or other evidences of membership in the Association. Except as provided for in these Amended and Restated Covenants, Lots shall not be subdivided or combined and the boundaries between Lots shall remain as established in accordance with the Site Plan, unless a plat of survey, prepared by a South Carolina Licensed Land Surveyor at the Owner's sole expense and showing the proposed subdivision, combination or boundary relocation is approved in writing by the Board of Directors of the Association. Any such approved plat shall be recorded in the Office of the Register of Deeds by the Association, and the costs thereof shall be assessed to the Owner. No combination of Lots shall reduce the Assessment obligations appurtenant to the original Lot(s) and the original Lot(s) shall continue to be treated as separate Lots for Assessment purposes. Following an approved subdivision of a Lot, the resulting parcels shall each be deemed separate and distinct Lots subject to these Amended and Restated Covenants.

3.02 Owner's Easement of Enjoyment. Subject to the provisions of these Amended and Restated Covenants, the Amended and Restated Bylaws, and any Rules and Regulations or Design Guidelines adopted in accordance therewith, all Owners, their family, tenants, and guests shall have a non-exclusive right, privilege, and easement of use and enjoyment in and to the Common Areas. Such easement shall be appurtenant to and 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, (iv) for providing the services authorized herein, or (v) to acquire water and sewer plants and facilities, and to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas, provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interests, options, licenses, easements, and privileges herein reserved or established for the benefit of 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 and Bloody Point Club herein.

(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.

(d) The rights and easements reserved in Section 3.03 hereof for the benefit of the Association, its directors, officers, agents, contractors, and employees.

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

3.03 Access. All Owners, by accepting title to Lots or Dwellings conveyed subject to these Amended and Restated Covenants, waive all rights 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, if approved by the Association as provided herein, to and from all Lots and Dwellings shall be provided at all times. The Association and its respective successors and assigns, shall have the right and privilege, but not the obligation, in its sole discretion, to maintain guarded or electronically-monitored gates or some other device(s), controlling vehicular access to and from the Development. With the express written consent of the Board of Directors, the Declarant may also maintain guarded or electronically-monitored gates or some other device(s), controlling vehicular access to and from the Development.

3.04 Easements for Utilities. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferrable, 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) a ten (10) foot wide utility easement parallel and adjacent to each boundary line of each Lot or Cluster Home Area², for the purpose of installing,

² Reference Fourth Amendment of Declaration of Covenants, Conditions and Restriction. See Appendix A for recording information.

replacing, repairing, maintaining, and using television, cable, internet, telephone, security and other similar distribution or service delivery 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. To the extent possible, all utility lines and facilities serving the Development and, located therein shall be located underground. By 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, (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems, (v) to maintain a ten foot (10') wide utility and drainage easement within the boundaries of all Lots, or (vi) to maintain a perpetual easement for maintenance of all such distribution or service delivery systems, utility lines and facilities. By virtue of the granting of any easement pursuant to this Section 3.04, any public authority or agency, public service district, public or private utility, or other Person to whom such easement is granted shall be required hereby to safely install, maintain, repair, replace, and use such utilities, facilities, and systems in a manner so as to provide safe, economical, and reliable provision of utility services to the Development, the Property, and the Owners; and the Association may enforce these requirements on behalf of the Owners.

3.05 Easements for Walks, Beach Access, Trails, Signs and Fishing. There is hereby reserved for the benefit of the Association, and their respective successors and assigns, the alienable, transferrable, and perpetual right and easement upon, over, and across (i) a ten (10) foot wide access easement parallel and adjacent to each boundary line of each Cluster Home Area³, (ii) those walkway easements across certain Lots as shown on the Site Plan, (iii) those lands located along and adjacent to those exterior boundaries located adjacent to streets and roads for all Lots and all Dwellings not located within Cluster Home Areas, and (iv) all Common Areas, for the installation, maintenance, and use of sidewalks, trails, traffic directional signs, designated fishing areas, bridle paths, and related improvements and beach access as may be designated on the Site Plan as same may be amended from time to time.

3.06 Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, contractors, and employees, including, but not limited to, any manager or agent employed by the Association and any employees of such manager or agent, to enter upon any Lot, Dwelling, or Cluster Home Area or any portion thereof in the performance of their respective duties.

3.07 Maintenance Easement. Subject to the terms of Section 5.02(b) hereof, there is hereby reserved for the benefit of the Association, and its respective agents, employees, contractors, successors, and assigns, an alienable, transferrable, and perpetual right and easement to enter upon any Lot and upon unimproved portions of any Dwelling or Cluster Home Area for

³ Id.

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 or obligation upon the Association to perform any such actions. Furthermore, there is hereby reserved for the benefit of Declarant, the Association, and their respective agents, contractors, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement, but not the obligation, to enter upon any Lots, Dwellings, or Cluster Home Areas which are located within a reasonable distance 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.

3.08 Environmental Easement. There is hereby reserved for the benefit of Declarant, Bloody Point Club, the Association, and their respective agents, contractors, employees, successors, and assigns, an alienable, transferrable, and perpetual right and easement on, over, and across all Lots and all unimproved portions of Dwellings and Cluster Home Areas 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.

3.09 Wells and Effluent. There is hereby reserved for the benefit of Declarant, Bloody Point Club, the Association, and their respective affiliates, agents, contractors, employees, successors, and assigns, an alienable, transferrable, and perpetual right and easement (i) to pump water in or from lagoons, ponds, lakes, and other bodies of water located within the Development for the purpose of irrigating any portions of the Development or Bloody Point Club (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, or (iii) to spray or locate any treated sewage effluent within the Common Areas or lagoons.

3.10 Golf Course Maintenance. There is hereby reserved unto Declarant, the Association and Bloody Point Club and their respective agents, contractors, employees, successors, and assigns, the perpetual, non-exclusive right and easement over and across each Lot, all roadways, Common Areas, and all unimproved portions of each Dwelling and Cluster Home Area which are adjacent to the fairways and greens of the golf course or courses located within the Common Areas. This reserved right and easement shall permit, but shall not obligate, Declarant, the Association, and their respective agents, employees, successors, and assigns, to go upon any such Lot, Dwelling, or Cluster Home Area to maintain or landscape the area encumbered by such easement. Such maintenance and landscaping shall include planting of grass, watering, application of fertilizer, mowing, and the removal of underbrush, stumps, trash or debris, and small trees. The area encumbered by this easement shall be limited to the portion of such Lots, Dwellings, or Cluster Home Areas which are adjacent to such fairways or greens, provided, however, the entire

Lot and all unimproved portions of such Dwelling or Cluster Home Area shall be subject to such easement until the landscaping plan for such Lot, Dwelling, or Cluster Home Area has been approved and implemented pursuant to Section 10.06 hereof.

3.11 Entry by Golfers. Each Lot, Dwelling, and Cluster Home Area adjacent to a golf fairway or green shall be subject to the right and easement on the part of registered golf course players and their caddies to enter upon such Lot and upon the unimproved portions of such Dwelling or Cluster Home Area to remove a ball, subject to the official rules of the golf course, with such entering and playing not being deemed to be a trespass. Golf course players or their caddies shall not be entitled to enter on any such Lots, Dwellings, or Cluster Home Areas with a golf cart or other vehicle, nor to spend an unreasonable amount of time on any such Lot, Dwelling, or Cluster Home Area, or in any way commit a nuisance while on any such Lot, Dwelling, or Cluster Home Area.

3.12 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any Person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of these Amended and Restated Covenants.

3.13 Right of First Refusal. Declarant grants to the Association the irrevocable right to purchase all or any portion of the following described Declarant owned properties, all as shown on the Site Plan, to wit: (i) the Golf Course, the Osprey Cottage f.k.a "Oakridge Cottage," Club House, and tennis courts, being approximately 176.30 acres more or less; (ii) Lot III being approximately 2.56 acres more or less; (iii) Lot A-2; (iv) that certain parcel containing approximately 5.63 acres more or less and shown as Future Development along River Road on the Site Plan; and (v) any Additional Property [collectively, subparts (i) through (v) being the "Option Property"]. The right of first refusal described herein shall apply if and when Declarant has decided to sell all or any portion of the Option Property, and Declarant has received a bona fide written offer for its purchase from any other Person or entity. This right shall continue for a period of thirty (30) years from the date of the execution of these Amended and Restated Covenants. The cost of the Option Property, or part thereof, to the Association shall be the price contained in the bona fide offer received from the third party. Declarant agrees that on receipt of such an offer, Declarant will notify the Association by certified mail, return receipt requested. The notice will include a copy of the offer. The Association shall then have thirty (30) days after receipt of the notice, not counting the day of receipt, within which to notify Declarant of the exercise of this option. The parties shall enter into an agreement in writing as soon as is reasonably possible after the exercise of this option but in any event within thirty (30) days, and time shall be of the essence. Should the Association fail to timely exercise its option, it shall be deemed to have waived same.

3.14 Repurchase Option. Subject to the provisions of Section 12.05 hereof, the Association hereby reserves unto itself and its successors and assigns the right and option to purchase any Lot or Dwelling 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 or Dwelling, which is acceptable to such Owner 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 the President of the Association, and the Association shall have a period of fifteen (15) days from and after the presentation of such offer to the President of the Association in which to exercise its purchase option ("First Option") by giving such Owner written notice of such exercise. If the Association fails to respond or to exercise such purchase option within said fifteen (15) day period, Owner shall, thereafter, notify Declarant, in the same manner. The Declarant shall likewise have fifteen (15) days from receipt of said notice within which to notify Owner of its intention to exercise its option ("Second Option"). Should the Association first fail or refuse to exercise its First Option set forth herein, and second, should the Declarant fail or refuse to exercise its Second Option as set forth herein, then Owner shall have the right to sell the Property subject to all covenants, restrictions, limitations, and affirmative obligations of record. Upon the exercise of either the First or Second Option to repurchase hereunder, the closing of the sale of the Property shall take place within forty-five (45) days following the date of the notice to Owner that either option is being exercised. If the Association and the Declarant decline to exercise such options, the Association and the Declarant shall each execute an instrument evidencing their respective waiver, which instrument shall be in recordable form. In the event that the Association and the Declarant do not exercise their purchase options and such sale to a third party is not consummated on such terms within six (6) months of the date in which the offer is transmitted to the Association and the Declarant, the terms and limitations of this Section 10.09 shall again be imposed upon any sale by such Owner.

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 or Dwelling, and ownership of a Lot or Dwelling shall be the sole qualification for such membership. In the event that fee title to a Lot or Dwelling 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 such transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagees or any other Persons who hold an interest merely as security for the performance of an 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 or Dwelling. In the event of multiple Owners of a Lot or Dwelling, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of 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 or Dwelling, and further provided that a member casting a vote or holding an office with respect to any Dwelling shall not be entitled to cast an additional vote or to hold an additional office for the Lot upon which said Dwelling is located. When more than one Person holds an interest in any Lot or Dwelling, the vote for such Lot or Dwelling shall be exercised as those Owners of such Lot

or Dwelling 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 or Dwelling shall be suspended in the event more than one Person seeks to exercise it. The voting weight appurtenant to each Lot or Dwelling is equal and each Lot and each Dwelling shall have one (1) vote. Such voting weight shall continue to be equal upon the addition of all or a portion of Additional Property to the Development, and each Lot or Dwelling therein shall have one vote. Each Owner, by acceptance of a deed or other conveyance for a Lot or Dwelling consents and agrees to any dilution of voting interest in the Association by virtue of the submission from time to time of Additional Property to the terms of these Amended and Restated Covenants as provided herein.

Membership in the Association will not in and of itself entitle a Lot Owner to have access to or use the facilities and amenities of Bloody Point Club.

ARTICLE V

MAINTENANCE

5.01 Responsibilities of Owners and Cluster Home Associations. Unless specifically identified herein or in a Cluster Home Declaration as being the responsibility of the Association or a Cluster Home Association, all maintenance and repair of Dwellings and the areas within a Dwelling area not considered a Common Area, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Lot or Dwelling shall be the responsibility of the Owner of such Dwelling. Unless otherwise provided in the appropriate Cluster Home Declaration, the maintenance and repair of all common areas or Common Areas located within Cluster Home Areas (including all landscaping and grounds and all recreational facilities and other improvements, if any, located within such Cluster Home Area) shall be the responsibility of the Cluster Home Association for such Cluster Home Area. Owners or Cluster Home Associations shall be responsible for maintaining their respective Dwelling (areas within a Dwelling Area not considered a Common Area), or Cluster Home Area, as the case may be, in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. As provided in Section 5.02(b) hereof, each Owner or Cluster Home Association shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner or Cluster Home Association, but which responsibility such Owner or Cluster Home Association fails or refuses to discharge. No Owner or Cluster Home Association shall (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling or the landscaping, grounds or other improvements within a Lot or Cluster Home Area 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 hereditament thereto, without in every such case obtaining the written approval of the Architectural Review Board. In addition to any other

rights the Association may have at law or in equity, including but not limited to the right to enjoin an Owner from violating the provisions of these Amended and Restated Covenants, the Association shall have the absolute right to remove any unauthorized decoration, change or alternation, at the Owner's expense.

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, beach access ways, trails, bike paths, lagoons, ponds, parking lots, landscaped areas, erosion control programs, and other improvements situated within the Common Areas or within easements encumbering Lots, Dwellings, or Cluster Home Areas pursuant to Section 3.07 hereof, and (ii) such security equipment (if any) 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 caused by, or resulting from, any of the following: (i) injury or damage caused by or resulting from the elements or by any Owner or any other Person, (ii) injury or damage caused by or resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (iii) injury or damage caused by or resulting from any pipe, plumbing, drain, conduit, equipment, security system, or utility line or facility breaking down or as a result of the repair of the same, regardless of whether or not the Association is responsible for the maintenance or repair thereof. 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 Common Areas or any other portion of the Property. No diminution or abatement of Assessments 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 these Amended and Restated Covenants, 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, and the obligation to pay such Assessments shall be and remain a separate and independent covenant on the part of each Owner.

(b) In the event that the Board of Directors determines that: (i) any Owner or Cluster Home Association has failed or refused to discharge properly their respective obligations with regard to the maintenance, cleaning, repair or replacement of items for which that Owner or Cluster Home Association is responsible hereunder, or (ii) that the need for maintenance, including landscaping, cleaning, repair, or replacement which is the responsibility of the Association hereunder, is caused through the willful or negligent act of a Cluster Home Association or an Owner, that Owner's family, tenants, guests, or invitees, and is not covered or paid for by insurance

in whole or in part, then, in either event, the Association, except in the event of an emergency situation, may give such Owner or Cluster Home Association written notice of the Association's intent to provide such necessary maintenance cleaning, repair, or replacement, at the sole cost and expense of such Owner or Cluster Home Association, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner or Cluster Home Association, as the case may be, shall have fifteen (15) days from receipt of written notice from the Association 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 or Cluster Home Association to comply with the provisions hereof after such notice, 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 or Cluster Home Association, as the case may be, and said cost shall be added to and become a part of the Assessment to which such Owner and that Owner's Lot or Dwelling is subject, and shall become a lien against such Lot or Dwelling, or, in the case of a Cluster Home Association, shall be added to and become a part of the Assessments for all Owners within such Cluster Home Association and shall become a lien against such Owners Dwellings, or areas within a Dwelling area not considered a common element or Common Area.

ARTICLE VI

INSURANCE AND CASUALTY LOSSES

6.01 Insurance.

(a) The Board of Directors or its duly authorized agents shall have the authority, but not the obligation, to 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 coverages as are determined to be necessary by the Board of Directors.

(c) The Board or its duly authorized agents shall have the authority to obtain such types and amounts of insurance as may be required to comply with any applicable laws and may, but shall not be obligated to, obtain such other types and amounts of insurance, including but

not limited to Directors and Officers Liability 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. Insofar as permitted by law, the Association shall be required to make every effort to secure insurance policies, if available at a reasonable cost, 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 interests 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.

(v) 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 or agent.

(vi) 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 on account of the acts of any director, officer, employee, or agent of the Association or of its manager or agent, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(vii) All liability insurance shall contain cross liability endorsements to cover liability of the Association to an individual Owner.

(e) It shall be the individual responsibility of each Owner, at each Owner's own expense, to provide, as each Owner sees fit, public liability, property damage, title, and other insurance with respect to each Owner's own Lot(s) and Dwelling(s).

6.02 Damage or Destruction to Common Areas. Immediately after the damage or destruction 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. 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 damage or destruction. 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 special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, and additional Assessments 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 and 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.

6.03 Damage or Destruction to Lots, Dwellings, or Cluster Home Areas. In the event of damage or destruction to any Dwellings, or Cluster Home Areas, and in the further event that either the Owner of such Dwelling or the Cluster Home Association responsible for the repair and replacement of such Cluster Home Area, as the case may be, elects not to repair or rebuild the damaged or destroyed Dwelling, or Cluster Home Area, such Owner or Cluster Home Association making such election shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Dwelling, or Cluster Home Area in a clean, orderly, safe and sightly condition. Should such Lot, Dwelling or Cluster Home Area not be cleaned or cleared within sixty (60) days from the date of such damage or destruction, the Association may, in the reasonable discretion of the Board of Directors, have such work done at the cost and expense of such Owner(s) or Cluster Home Association. In the event an individual Owner, or Cluster Home Association, does not reimburse the Association within forty-five (45) days from receipt of an invoice for the work performed by or on behalf of the Association, such unpaid charge shall become a lien against such Owner's property or Cluster Home Area. Should such Owner or Cluster Home Association elect to repair or rebuild such Lot or Dwelling, or other improvements, such Owner or Cluster Home Association shall repair or rebuild such Dwelling, or other improvements, to substantially the same condition as existed prior to the damage or destruction thereof and in accordance with all applicable standards, restrictions, and provisions of these Amended and Restated Covenants (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building

and other governmental actions. All such work of repair or construction shall be commenced within ninety (90) days following such damage or destruction and shall be carried through diligently to conclusion. All reconstruction or repair shall require the review and approval by the Architectural Review Board, and shall be subject to any set-back lines or other requirements that may be established by any governmental or quasi-governmental authority.

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, 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 the Association may, as determined by the Board of Directors, restore or replace such improvements so taken to the extent practicable on the remaining lands included in the Common Areas which are available therefor. 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 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 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 if 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 Dwelling or Cluster Home Area 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 Association and to the Owners of any Dwelling, or Cluster Home Area taken for their interest in such Dwelling, or Cluster Home Area, provided, however, such apportionment may instead be resolved by the agreement of (i) the Board of Directors, and (ii) the Owners of the Dwellings, or Cluster Home Areas wholly or partially taken or sold, together with the Mortgagees for each such Dwelling, or Cluster Home Area.

7.02 Condemnation of Dwellings, or Cluster Home Areas.

(a) In the event that all or any part of a Dwelling, or Cluster Home Area 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 or the Cluster Home Association responsible for the maintenance and repair of such Dwelling, or Cluster Home Area, as the case may be, elects not to restore the remainder of the Dwelling, or Cluster Home Area, then such Owner or Cluster Home Association making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such Dwelling, or Cluster Home Area and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such Dwelling, or Cluster Home Area 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 these Amended and Restated Covenants and all applicable zoning, subdivision, building and other governmental regulations, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, then such Owner or Cluster Home Association shall have the option, subject to acceptance by the Association, of deeding the remaining portion of the Lot to the Association 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 Dwelling, or Cluster Home Area 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 or the Cluster Home Association responsible for the maintenance and repair of such Dwelling or Cluster Home Area, as the case may be, elects to restore the remainder of the Dwelling or Cluster Home Area, such Owner or Cluster Home Association making such election shall restore such remainder of such Dwelling or Cluster Home Area 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 these Amended and Restated Covenants and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be reviewed and approved by the Architectural Review Board and commenced within ninety (90) days 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 these Amended and Restated Covenants and the Amended and Restated Bylaws of the Association, shall be responsible for the exclusive management and

control of the Common Areas and all improvements thereon 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 nonprofit corporations, these Amended and Restated Covenants, or the Amended and Restated Bylaws, the powers of 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.

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 nonprofit corporations, these Amended and Restated Covenants, the Amended and Restated Bylaws, the Articles of Incorporation, and such Rules and Regulations as the Board may adopt, together with those reasonably implied to effect the purposes of the Association. If there are conflicts or inconsistencies among the foregoing, the South Carolina Code, these Amended and Restated Covenants, the Amended and Restated Bylaws, the Articles of Incorporation, and the duly adopted Rules and Regulations, in that order, shall prevail. Each Owner of a Lot, Dwelling, or Cluster Home area, by acceptance of a deed or other conveyance therefor, 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 these Amended and Restated Covenants or by law, together with every other right or privilege reasonably to be implied from the existence of 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/or Dwellings and/or Cluster Home areas and to hold, lease, mortgage, sell, and convey the same, or undertake any action for the common good with Bloody Point Club or Declarant. Such duties, rights, responsibilities, and powers may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, Bloody Point Club, or others, as a Common Expense or by billing, directly to Dwellings, and Cluster Home areas, to furnish trash collections, renourish beach areas as needed, insect control, water, sewer, and/or security service for the Common Areas and/or the Lots, Dwellings, and Cluster Home Areas.

8.03 Agreements. 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 or agent shall be a Common Expense. During the term of such management agreement, such manager or agent may, if authorized by the

Board of Directors, exercise all of the powers and shall be responsible for the performance of all of the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the Board, or the directors, officers or members of the Association by these Amended and Restated Covenants or the Amended and Restated Bylaws. Such manager or agent may be an individual, corporation, or other legal entity, as the Board of Directors shall determine, and may be bonded 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 these Amended and Restated Covenants, the Amended and Restated Bylaws, or the Rules and Regulations of the Association and the prosecution or defense of any claims by or against the Association, its officers, directors, employees, and agents.

8.04 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, Dwelling or Cluster Home Area also transfers the membership in the Association which is an appurtenance to such Lot, Dwelling, or Cluster Home Area.

8.05 Rules and Regulations. As provided in Article XI hereof, the Association, through its Board of Directors, may make and enforce reasonable Rules and Regulations governing the use of the Lots, Dwellings, Cluster Home Areas, and Common Areas, which Rules and Regulations shall be consistent with the rights and duties established by these Amended and Restated Covenants.

ARTICLE IX

ASSESSMENTS

9.01 Purpose of Assessments. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of the Development and maintaining the Development and improvements therein, providing those services important to the enrichment 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.

9.02 Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot or Dwelling, by acceptance or a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association:

(a) annual assessments to be established and collected as provided in Section 9.03 hereof, (b) special assessments to be established and collected as provided in Section 9.04 hereof, (c) individual or specific Assessments against any particular Lot or Dwelling which are established pursuant to the terms of these Amended and Restated Covenants, and (d) late fees, simple interest at the rate of eighteen (18%) percent, and reasonable attorneys' fees, costs and other charges incurred in the enforcement of these Amended and Restated Covenants or any Rules and Regulations adopted pursuant thereto together with such fines as may be imposed against such Lot or Dwelling in accordance with Article XI hereof (the charges described in subparts (a), (b), (c) and (d) above being herein referred to in the collective as "Assessments"). Any such Assessments shall be an equitable charge and a continuing lien upon the Lot or Dwelling, the Owner of which is responsible for payment. Owners shall be personally liable for Assessments coming due during the course of their ownership of a Lot or Dwelling, and their grantees shall take title to such Lots or Dwellings subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantees to recover from their respective grantors any amounts paid by such grantees therefor, provided, however, the lien for unpaid Assessments shall not apply to the holder of any first priority institutional Mortgage who takes title to a Lot or Dwelling through foreclosure, or to any purchaser of such Lot or Dwelling at such foreclosure sale. 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. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors.

9.03 Annual Assessments. It shall be the duty of the Board to prepare a budget covering the estimated Common Expenses for each calendar year, such budget to include a capital contribution or reserve account if necessary, for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual assessments to be levied against Lots, Dwellings, or other commercial or business buildings as may be required for the following year to be delivered to each Owner at least fifteen (15) days prior to the date on which such annual assessment shall become due. Upon the addition of Additional Property or any portion thereof to the Development, any Lots and Dwellings being added therefrom to the Development shall thenceforth pay annual assessments which are equal to those imposed upon Lots and Dwellings 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 and Dwellings. The budget and the annual assessments shall become effective unless disapproved at the annual meeting of the Association by 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 be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time

proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment or a greater increase than fifteen percent (15%) in the percentage increase over the previous year's budget 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) expenses of administration and management fees, 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 these Amended and Restated Covenants;

(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 these Amended and Restated Covenants;

(v) the expenses of the Architectural Review Board;

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

(vii) 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, Dwellings, or Cluster Home Areas;

(viii) the establishment and maintenance of a reasonable reserve fund or funds (i) 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, (ii) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (iii) 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;

(ix) the establishment of a pest control program;

(x) common water transportation systems, facilities and equipment;

(xi) to cause the adjoining beaches to be renourished should the Board of Directors determine such need; and

(xii) for such further items that the Board may, in its sole 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 special assessment shall be approved 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 or by written ballot in lieu of a meeting as provided for in the Amended and Restated Bylaws of the Association. 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 allocated among the Lots and Dwellings in accordance with the Lot categories as reflected on the Site Plan. In levying special assessments, the Board may apportion such amounts between Lot categories and may further distinguish between undeveloped Lots and Dwellings and, in such event, the Board shall include such apportionment schedule in the notice of the meeting to approve same. In addition, the Declarant shall contribute to any special assessment in an amount equal to the special assessment imposed on "Blue Lots" as shown on the Site Plan. To the extent Additional Property is added, the Board may assign Lots therein to one of the existing categories or may assign such Lots to a new category based on the Lots location and character.

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 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 Notice of Meeting 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 Sections 9.03 and 9.04 hereof, shall be sent to all members as required in the Amended and Restated Bylaws. Any vote provided for under Sections 9.03 or 9.04 shall be subject to the quorum provisions as established in the Amended and Restated Bylaws.

9.07 Liens. All Assessments charged against any Lot or Dwelling pursuant to these Amended and Restated Covenants, shall be secured by an equitable charge and continuing lien on such Lot or Dwelling in favor of the Association. Such liens shall be superior to all other liens and encumbrances on such Lot or Dwelling except only for (i) liens of ad valorem taxes, and (ii) liens for all sums unpaid on a first priority institutional Mortgage. Notwithstanding the foregoing, the subordination of Assessments to the lien of such Mortgages shall only apply to such Assessments which have become due and payable prior to a foreclosure. All other Persons acquiring liens or encumbrances on any Lot or Dwelling shall be deemed to consent that such liens

or encumbrances shall be inferior to such future liens for Assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

9.08 Effect of Nonpayment; Remedies of the Association. Any Assessments charged to an Owner or any portions thereon which are not paid when due shall be delinquent. Any Assessment 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 shall attach simultaneously as the same shall become due and payable, and if an Assessment has not been paid within thirty (30) days after the date when due, the entire unpaid balance of the Assessment may be accelerated at the option of the Board and be declared due and payable in full. In the event that the Assessment 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 acceptance of a deed or other conveyance to a Lot or Dwelling, vests in the Association and its agents the right and power to bring all actions against such Owner personally for the collection of such Assessments 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 or Dwelling 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 provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of Owner's Lot or Dwelling, and an Owner shall remain personally liable for Assessments, including interest, and late charges which accrue prior to a sale, transfer or other conveyance of Owner's Lot or Dwelling. Nothing contained herein shall be construed as preventing the Association from seeking such other relief to which it is entitled, including but not limited to, its right to seek injunctive relief or pursue a monetary judgment against an Owner for the collection of Assessments in lieu of foreclosing its lien, and to collect its reasonable attorneys' fees, court costs and any other amounts permitted hereunder or by law.

9.09 Account Summary. The Treasurer of the Association or the President 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 Mortgagee which requests the same, an account summary in writing signed by said Treasurer, President, or a duly authorized manager or agent of the Association, setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such account summary shall be conclusive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

9.10 Commencement and Manner of Payment of Assessments. The Assessments provided for herein shall be due and payable in such manner and on such schedule as the Board of Directors may provide. With respect to Additional Property hereafter submitted to the terms of

these Amended and Restated Covenants by Declarant as permitted herein, Assessments shall commence with respect to each such Lot or Dwelling on the earlier of (i) the day on which such Lot or Dwelling is conveyed by the Declarant to a Person other than Declarant; or (ii) upon the full or part time occupancy of a Dwelling. In the case of Additional Property not owned by Declarant at the time submitted to the terms of these Amended and Restated Covenants, Assessments shall commence on the day of the recording of any instrument submitting such parcels, or such other commencement date as the Board of Directors may so designate in writing. Assessments for each such Lot and Dwelling 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. It is understood and agreed that Declarant shall not be responsible for the payment of annual or special assessments on Lots, Dwellings, or Cluster Home Areas which it, or its affiliates, own and which do not contain full or part time occupied residences; however, Declarant hereby covenants and agrees to pay annual and special assessments for each Lot and Dwelling owned by Declarant, or an affiliate, which are occupied on a full or part-time basis. Notwithstanding the foregoing, the Declarant shall contribute to those special assessments described in Section 9.04.

9.11 Application of Delinquent Payments. The Association may, in its sole discretion, apply payments on delinquent accounts first to individual assessments for attorneys' fees and costs, late fees, interest, and fines and then to any annual or special assessments due.

ARTICLE X

ARCHITECTURAL STANDARDS AND 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 Development's value, all Lots, Dwellings, Cluster Home Areas, and all improvements located therein or thereon shall be subject to such Architectural Review Board Design Guidelines as may be established by the Architectural Review Board and approved by the Board of Directors from time to time and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina. 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 five (5), but not less than three (3) members. The regular term of office for each member shall be three (3) years, coinciding with the fiscal year of the Association. Any member appointed to the Architectural Review Board may be removed with or without cause by the Board of Directors at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The Architectural Review Board shall elect a chairman who shall be the presiding officer at its meetings. In the chairman's absence, a vice chairman shall preside. The Architectural Review Board may, in its sole discretion, charge a processing fee for

the review and approval of all plans submitted to the Architectural Review Board. Such fee shall be due and payable upon submission of plans for approval. The Architectural Review Board shall meet as necessary, upon call of the chairman, and all meetings shall be held at such places, or by such means, 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 proxy at a meeting of the Architectural Review Board shall constitute the action of the Architectural Review Board on any matter before it. Subject to the approval by the Board of Directors, the Architectural Review Board is authorized to adopt Design Guidelines and to retain the services of consulting architects, landscape architects, urban designers, engineer, 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. All plans must be submitted to the Architectural Review Board for review and approval prior to commencement of construction. The Architectural Review Board may refuse to approve plans and specifications on any grounds consistent with these Amended and Restated Covenants, the Association's Amended and Restated Bylaws, Rules and Regulations, and the Design Guidelines, including, but not limited to, purely aesthetic considerations, as long as such grounds are not arbitrary or capricious.

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) such improvements as are approved by the Architectural Review Board in accordance with this Article X, or, (ii) improvements which pursuant to this Article X do not require the consent of the Architectural Review Board.

10.04 Construction of Improvements.

(a) All buildings, structures, or other improvements on or with respect to any Lot, Dwelling, or Cluster Home Area shall be located only within the set-back lines specified in the Design Guidelines, provided that the Architectural Review Board shall be empowered to grant variances with respect to such set-back 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 topography of each Lot, Dwelling, and Cluster Home Area taking into consideration 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) For any planned improvements within the Development, the Architectural Review Board, in its sole discretion, may require that any contractor and/or subcontractor post payment and/or performance bonds with the Architectural Review Board to assure that such contractor or sub-contractor shall satisfactorily complete such improvements, such bonds to be in the name of the Association and to be in a 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 TEN

THOUSAND AND NO /100) DOLLARS (\$10,000.00) in order to assure the completion of all improvement, including landscaping, in accordance with the Design Guidelines and 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 these Amended and Restated Covenants shall be completed within one (1) year after the construction of same shall have been commenced except where the Architectural Review Board allows for an extension of time because 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 the Design Guidelines and 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 such Owner's escrow deposit is refunded, or, if remitted to the Association, shall be the property of the Association.

(c) Dwellings may not be temporarily or permanently occupied until the exteriors thereof have been completed and a Certificate of Occupancy has been obtained. No temporary house, shack, tent, barn, or other temporary outbuilding shall be permitted on any Lot, Dwelling, or within any Cluster Home Area at any time, except as provided herein 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 or a Cluster Home Association, such Owner or Cluster Home Association shall require its contractors to maintain the Lot, Dwelling, or Cluster Home Area in a reasonably clean and uncluttered condition and all construction trash and debris shall be kept within refuse containers. Upon completion of construction, such Owner or Cluster Home Association, as the case may be, shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the Lot, Dwelling, or Cluster Home Area 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 or Cluster Home Association with respect to the construction or exterior of any Dwelling or with respect to 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, exterior lights, garages, guest or servants' quarters, 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 four (4) inches in diameter at a height of four (4) feet and other significant vegetation on such Lot, Dwelling, or Cluster Home

Area) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved by the Architectural Review Board in writing as to the harmony of external design, location, and appearance in relation to surrounding structures, vegetation and topography. 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 or Cluster Home Association marked “approved” or “disapproved.” The Architectural Review Board shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association. Notwithstanding the foregoing, an Owner may make interior improvements and alterations within the Owner’s Dwelling and a Cluster Home Association may make interior improvements or alterations within any building or structures which it owns or maintain, without the necessity of approval or review by the Architectural Review Board

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 for such review shall be set by the Architectural Review Board, and the Architectural Review Board shall have the right to increase the fee amount from time to time with the approval of the Board of Directors.

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, Dwelling, or Cluster Home Area which may be covered by Dwellings, buildings, structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil, 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 shall have the right during reasonable hours to enter upon and inspect any Lot, Dwelling, Cluster Home Area, 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 construction 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 denied. 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.g., clearing and grading, pouring of footings, etc.) or unless such plans and 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 are consistent with the objects and purposes of these Amended and Restated Covenants, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

10.06 Landscaping Approval and Lien for Maintenance Services. 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 or Cluster Home Association 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. In addition, the landscaping plan for any Lots, Dwellings, or Cluster Home Areas adjacent to golf courses within the Common Areas shall be in general conformity with the overall landscaping plan of such golf course. The Owner of each fairway Lot or Dwelling shall maintain the landscaping in the Common Area between such Owner's property and the fairway, if any.

No Owner or Cluster Home Association shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of four (4) inches or more at a point of four (4) feet 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, Dwelling, or Cluster Home Area by the Owner of such Lot or Dwelling or the Cluster Home Association for such Cluster Home Area, as the case may be. All of the landscaping of Lots and Dwellings must be completed within ninety (90) days of issue of certificate of occupancy. In the event such landscaping is not completed at the expiration of such ninety (90) day period, the Association may contract with a landscape firm to have the Owner's landscape plan, as approved by the Architectural Review Board, completed and invoice the Owner for such work. In the event the Owner does not pay said invoice within forty-five (45) days from Owner's receipt thereof, the Association shall have a lien against the Owner's Property, which may be foreclosed to ensure payment for the work performed.

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.) 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, the Board of Directors, 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 otherwise permitted in these Amended and Restated Covenants, each Lot and Dwelling subject to these Amended and Restated Covenants shall be used for single-family 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 that Owner's 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 or Dwelling be used as the office of or storage area for any building contractor.

ARTICLE XI

RULE MAKING

11.01 Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable Rules and Regulations concerning the use of Lots, Dwellings, Cluster Home Areas, and the Common Areas, including roads and facilities located thereon. Copies of such Rules and Regulations and amendments thereto shall be recorded in the Office of the Register of Deeds in accordance with the South Carolina Homeowners Association Act. 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 two-thirds of the total votes in the Association.

11.02 Authority and Enforcement. Subject to the provisions of Section 11.03 hereof, upon the violation of these Amended and Restated Covenants, the Amended and Restated Bylaws, or any Rules and Regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, 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 or Dwelling of Occupants guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, and (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 the Common Areas, except the right to utilize the private roadways within the Development, 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, or that Owner's family, guests, or tenants or by any co-Owners or the family, guests, or tenants of such co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, such additional period not to exceed thirty (30) days.

11.03 Procedure. Except with respect to the failure to pay Assessments, 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 these Amended and Restated Covenants, the Amended and Restated Bylaws, 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 sent by an authorized representative of the Board to 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 these Amended and Restated Covenants, the Amended and Restated Bylaws, or of the Rules and Regulations of the Association may result in the imposition of further sanctions.

(b) Unless an Owner makes a written request for reconsideration of the imposition of such fine or sanction within ten (10) days of the foregoing notice, the violation shall be deemed admitted. A request for reconsideration shall be emailed to the attention of the President of the Board of Directors and must:

(i) set forth the reasons for contesting same;

(ii) identify evidence the Owner seeks to have considered; and

(iii) state the relief requested.

(c) Upon receipt of a timely request for reconsideration by an Owner, a hearing shall be scheduled before the Board of Directors for the Association to be held in executive session. The Board shall provide the Owner with notice of the hearing, which notice shall contain:

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

(ii) an invitation to attend the hearing and produce any statement, evidence and witnesses on the Owner's behalf.

(d) Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to 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 minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

ARTICLE XII

GENERAL PROVISIONS

12.01 Amendments for Governmental, Legal, and Contractual Requirements. Each Owner, by acceptance of a deed or other conveyance to a Lot or Dwelling, agrees to be bound by such amendments as are permitted by these Amended and Restated Covenants and further agrees that, if requested to do so by the Board of Directors, such Owner will consent to the amendment of these Amended and Restated Covenants 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, Dwellings, or Cluster Home Areas subject to these Amended and Restated Covenants, (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 purchaser to make or purchase mortgage loans on any Dwelling, or other improvements subject to these Amended and Restated Covenants, or (d) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots, Dwellings, or other improvements subject to these Amended and Restated Covenants.

12.02 Other Amendments. Amendments to these Amended and Restated Covenants other than those authorized by Section 12.01 hereof, shall be proposed and adopted in the following manner:

(a) The Board of Directors shall, upon determining that an amendment is necessary or advisable, adopt a resolution setting forth:

(i) the substance of the proposed amendment;

(ii) that the proposed amendment has been reviewed and approved by counsel for the Association; and

(iii) directing that the proposed amendment be put to a vote of the members at a meeting called for such purpose.

(b) Notice of the language 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.

(c) At such meeting, a resolution adopting a proposed amendment must be approved by Owners holding at least fifty (50%) of the total votes in the Association, provided, however, that any amendment which materially and adversely affects the security, title and interest of any Mortgage or Mortgagee must be approved by such Mortgagee.

(d) Any such amendment of these Amended and Restated Covenants shall become effective only when recorded or at such later date as may be specified in the amendment itself.

12.03 Enforcement. Each Owner shall comply strictly with the Amended and Restated Bylaws and the published Rules and Regulations of the Association adopted pursuant to these Amended and Restated Covenants, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in these Amended and Restated Covenants and in the deed or other instrument of conveyance to the Owner's Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines; for suspending voting rights, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association. Should 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 violative Owner. Inasmuch as the enforcement of the provisions of these Amended and Restated Covenants, the Amended and Restated Bylaws, 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 the Association, 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 the Association in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or 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, the Association, or the Board of Directors or any of its Directors or Officers, for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any Person of the provisions of these Amended and Restated Covenants, the Amended and Restated Bylaws, or any Rules and Regulations of the Association, however long continued.

12.04 Duration. The provisions of these Amended and Restated Covenants shall run with and bind title to the Property, shall be binding upon 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 ten (10) years from and after the date of the recording of these Amended and Restated Covenants, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the, expiration of said ten (10) year period, these Amended and Restated Covenants shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with these Amended and Restated Covenants 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 these Amended and Restated Covenants, if, during the last year of an initial ten (10) 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 these Amended and Restated Covenants at the end of the then current term. In the event that the Association votes to terminate these Amended and Restated Covenants, an instrument evidencing such termination shall be filed of record in the records of the Office of the Register of Deeds 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 these Amended and Restated Covenants shall run with and bind title to the Property hereby.

12.05 Perpetuities. In interpreting these Amended and Restated Covenants the court shall liberally apply the reformation provisions found in the South Carolina Uniform Statutory Rule Against Perpetuities to cure any violation that might otherwise exist, within the time allotted for therein.

12.06 Interpretation. In all cases, the provisions set forth or provided for in these Amended and Restated Covenants shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors will best effectuate the intent of the general plan of development and protect the interest of the Association. The provisions hereof shall be liberally interpreted as necessary, and they shall be so extended or enlarged by implication as to make them fully effective. The provisions of these Amended and Restated Covenants 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 these Amended and Restated Covenants shall be the date of its filing for record with the Office of the Register of Deeds for Beaufort County, South Carolina. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be used as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. These Amended and Restated Covenants shall be construed under and in accordance with the laws of the State of South Carolina.

12.07 Gender 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 or to individuals, men or women shall in all cases be assumed as though in each case fully expressed.

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

12.09 Rights of Third Parties. These Amended and Restated Covenants shall be recorded for the benefit of Declarant, the Association, 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 Mortgagees as herein provided, the Owners shall have the right to extend, modify, amend, or otherwise change the provisions of these Amended and Restated Covenants without the consent, permission, or approval of any adjoining Owner or third party.

12.10 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot or Dwelling, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

12.11 No Trespass. Whenever the Association, Declarant, the Architectural Review Board, or their respective successors, assigns, Officers, Directors, agents, or employees, are permitted by these Amended and Restated Covenants to enter upon a Lot for any authorized purpose, such entry shall not be deemed a trespass.

12.12 Notices. All notices required hereunder to be given to the Association shall be in writing and shall be delivered by United States Mail, certified, return receipt requested, to such physical mailing address as the Association may, from time to time, designate for the purpose of receiving notice. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association for such purpose, or if no address has been so designated, at the address shown in the official real property tax records for Beaufort County, South Carolina, for such Lot or Dwelling. If the Owner shall provide an email address to the Association, emailed notice to the Owner shall also be deemed sufficient notice to the Owner. All notices to Declarant shall be delivered or sent to such address as Declarant may from time to time notify the Association in writing. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. Notices sent via email as provided for herein shall be deemed received within twenty-four (24) hours of transmittal. Notices mailed to Declarant or an Owner at a physical address shall be deemed received on the third (3rd) business day following the placing of such notice in the U.S. Mail with proper postage affixed thereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized officers, of the undersigned Declarant and the Association, have executed these Amended and Restated Covenants under seal, this ____ day of _____, 2020.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DECLARANT
Bloody Point Properties, LLC

Witness

By: _____
Brian McCarthy, its Managing Member

Witness

THE ASSOCIATION:

BLOODY POINT PROPERTY OWNERS
ASSOCIATION, INC.

Witness

By: Its President

Witness

Rich Silver

I, _____, do hereby certify that Brian McCarthy, as Managing Member of Bloody Point Properties, LLC and Rich Silver, as President of Bloody Point Property Owners' Association, Inc., appeared before me this ____ day of _____, 2020, and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this ____ day of _____, 2020.

Notary Public of South Carolina
My Commission Expires: _____