

The official copy of this document can be viewed on the Beaufort County Register of Deeds website at:

http://rodweb.bcgov.net/nvtest/details_popup.asp?doc_id=6150837&pg_count=58&pg_num=1

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR PORT ROYAL LANDING

DECLARANT

PORT ROYAL LANDING LIMITED PARTNERSHIP,
A South Carolina Limited Partnership

c/o MWB & Company, Inc.
2901 Poinsett Highway
Greenville, SC 29609

December 8, 1987

Recorded in the R.M.C. Office
for Beaufort County, South Carolina
on December 29, 1987
in Deed Book 493 at Page 963

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR PORT ROYAL LANDING

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR PORT ROYAL LANDING is made this 8th day of December, 1987, by PORT ROYAL LANDING LIMITED PARTNERSHIP (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the Town of Port Royal, Beaufort County, South Carolina; and

WHEREAS, Declarant intends to develop the property as a mixed use residential and commercial development known as "Port Royal Landing" in phases and to initially develop and submit to the provisions of this Declaration the first phase thereof (hereinafter the "Property"), which is more fully described in EXHIBIT "A" attached hereto and incorporated herein by this reference; and

WHEREAS, the remaining phases of Port Royal Landing (hereinafter the "Expansion Property"), being more fully described in EXHIBIT "B" attached hereto and incorporated herein by this reference, may be submitted to the provisions of this Declaration and incorporated within the Property upon future amendments of this Declaration in accordance with the provisions of Article XIII hereinbelow; and

WHEREAS, Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement as a de minimis planned unit development for the benefit of all owners of property in Port Royal Landing, and to provide a flexible and reasonable procedure for the development of the Property and the administration, maintenance, preservation, use and enjoyment of the Common Area within the Port Royal Landing development.

NOW, THEREFORE, Declarant hereby declares that the Property which is described in EXHIBIT "A" (and the portions of the Expansion Property and Adjoining Land which may be submitted to the provisions of this Declaration in accordance with the provisions of Article XIII below) shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall touch and concern and run with title to the Property. This Declaration and all provisions hereof shall be binding on all parties having any right, title or interest in the Property

or any portion thereof, and their respective heirs, successors, successors in title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
IMPOSITION OF COVENANTS AND
STATEMENT OF PURPOSE

Section 1.1 Imposition of Covenants. Declarant hereby makes, declares and establishes the following covenants, conditions, restrictions and easements (collectively referred to as the "Covenants") which shall affect all of the Property. From this day forward, the Property shall be held, sold and conveyed subject to the Covenants. The Covenants shall run with the land and shall be binding upon all persons or entities having any right, title or interest in all or any part of the Property, including Declarant, and their heirs, successors and assigns and their tenants, employees, guests and invitees, and the Covenants shall inure to the benefit of each owner of the Property.

Section 1.2 Statement of Purpose. These Covenants are imposed for the benefit of all owners of the parcels of land located within the Property. These Covenants create specific rights and privileges which shall be shared and enjoyed by all owners and occupants of any part of the Property.

Section 1.3 Declarant's Intent. Declarant desires to ensure the attractiveness of the individual lots and parcels and, facilities developed within the Property; to prevent any future impairment of the Property; and to preserve, protect and enhance the values and amenities of the Property. It is the intent of Declarant to guard against the construction on the Property of improvements or structures built of improper or unsuitable materials or with improper quality or methods of construction. Declarant intends to encourage the construction of attractive permanent improvements of advanced technological, architectural and engineering design, appropriately located to preserve the harmonious development of the Property. Declarant desires and intends to develop a quality residential and commercial project on the Property to consist of commercial facilities, residential facilities of various types, and recreational facilities and amenities.

Section 1.4 Expansion. Certain parcels of land have been planned for development in Port_Royal Landing in the future (the "Expansion Property"). However, the Expansion Property is not included in the description of the Property on EXHIBIT "A" to this Declaration. Declarant specifically reserves the right, but, shall be under no obligation to bring the Expansion Property within the scheme of these Covenants by recording a Declaration of Annexation (as defined in Section 13.2 below). Owners of land adjoining the Property, as it may be expanded from time to time ("Adjoining Land"), shall also have the right to annex such land to the Property and submit such land to these Covenants after obtaining the approval of Declarant, as provided in Article XIII below.

ARTICLE II
DEFINITIONS

The following terms as used in this Declaration, are defined as follows:

Section 2.1 "Adjoining Land" shall mean and refer to land contiguous with the Property, whether or not owned by Declarant, which is or may be made subject to this Declaration as provided in Section 13.4 below.

Section 2.2 "Annexation" shall mean and refer to the process by which portions of the Expansion Property or Adjoining Land are made subject to this Declaration as provided in Article XIII below.

Section 2.3 "Assessments" shall mean and refer to annual, special and default Assessments levied pursuant to Article IV below to meet the estimated cash requirements of the Association.

Section 2.4 "Articles" or "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association which have been filed with the Secretary of State to create the Association.

Section 2.5 "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

Section 2.6 "Building" shall mean and refer to a Building or Buildings constructed on a Lot or Tract.

Section 2.7 "Building Site" shall mean the Building envelope or area within a Lot where a Building or other Improvement, shall be located, always subject to the prior written approval of the Design Review Committee.

Section 2.8 "By-Laws" shall mean and refer to the By-Laws of the Association which establish the methods and procedures of its operation.

Section 2.9 "Commercial Common Area" shall mean and refer to that portion of the Property comprising the paved roadways, driveways, landscaped areas adjacent thereto, and any improvements thereto, which are designated as such in the deed whereby such properties are conveyed to the Association by the Declarant.

Section 2.10 "Commercial Members" shall mean and refer to those Owners who own commercial property within Port Royal Landing.

Section 2.11 "Common Area" shall collectively mean and refer to General Common Area, Commercial Common Area and Residential Common Area.

Section 2.12 "Condominium Unit" shall mean and refer to a condominium unit within a Project, as defined in the South Carolina Code of Laws, 1976, as amended.

Section 2.13 "Declarant" shall mean and refer to Port Royal Landing Limited Partnership and its successors and assigns. For the purpose of evidencing that Declarant's rights hereunder have been assigned and obligations assumed by any party, Declarant may

record an assignment or deed in the R.M.C. Office for Beaufort County, South

Carolina, and upon such recording. Declarant's rights and obligations hereunder shall cease, terminate and be transferred to the extent provided in such document.

Section 2.14 "Declaration of Annexation" shall mean and refer to a declaration prepared and recorded in accordance with Article XIII below to incorporate the Expansion Property or Adjoining Land within the Property governed by this Declaration.

Section 2.15 "Design Guidelines" shall mean and refer to the guidelines and rules established and supplemented from time to time by the Design Review Committee.

Section 2.16 "Design Review Committee" or "Committee" shall mean and refer to the committee formed pursuant to Article VI below to maintain the quality and architectural harmony of Improvements in Port Royal Landing.

Section 2.17 "Expansion Property" shall mean and refer to such additional real property owned by Declarant as Declarant shall make subject to the provisions of this Declaration, by duly recorded Declaration of Annexation, which property is more particularly described on EXHIBIT "B" attached to this Declaration.

Section 2.18 "General Common Area" shall mean and refer to the real property, if any, in which the Association owns an interest for the common use and enjoyment of all of the Members. Such interest may include without limitation estates in fee for terms of years or easements. Included within the General Common Area shall be properties designated as such upon conveyance thereof to the Association by Declarant and shall include the fence constructed by Declarant along S.C. Highway 802 and along Morrall Circle, the buffer area along S.C. Highway 802, the landscaped and paved entry into Port Royal Landing, all easements, utility installations, irrigation and drainage facilities within the Property, and may include a pool for use by the Members and other authorized users. Included within the meaning of this term, though not owned by the Association, shall be certain real property lying within the road right-of-way of S.C. Highway 802 which is adjacent to the Property, which the Association shall maintain for the benefit of its Members.

Section 2.19 "Improvement(s)" shall mean and refer to all Buildings and structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, Recreational Facilities, signs, changes in any exterior color or shape, excavation and all other site work including without limitation grading, road construction, utility improvements, removal of trees or plantings, vending machines or other dispensing devices and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub or tree repair or replacement of a magnitude which does not change exterior, colors or exterior appearance. "Improvement(s)" does include both original improvements and all later changes and improvements.

Section 2.20 "Lot" shall mean and refer to a parcel of land designated as a lot on any Plat of Port Royal landing and reserved for any purpose other than Recreational Facilities.

Section 2.21 "Maintenance Fund" shall mean and refer to the fund created by Assessments and fees levied pursuant to Article IV below to provide the Association with the funds required to carry out its duties under this Declaration.

Section 2.22 "Manager" shall mean and refer to such person or entity retained by the Board of Directors to perform certain functions of the Board pursuant to this Declaration and the By-laws.

Section 2.23 "Marina" shall mean and refer to the marina facility, including the floating dock system extending into Beaufort River.

Section 2.24 "Member" shall mean and refer to any person or entity holding membership in the Association.

Section 2.25 "Mortgage" shall mean and refer to any mortgage, deed of trust or other document pledging any portion of the Property or interest therein as security for the payment of a debt or obligation. "First Mortgage" shall mean and refer to any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.26 "Mortgagee" shall mean and refer to a beneficiary of a Mortgage as well as a named mortgagee. "First Mortgagee" shall mean and refer to any person named as a Mortgagee under a Mortgage or any success to the interest of any such person under a Mortgage, which Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.27 "Open Space" shall mean and refer to all real property designated as open space on any plat of Port Royal Landing and the real property owned by Declarant in Port Royal Landing which is to remain natural, open space after completion of the development by Declarant in accordance with the Master Plan of Port Royal Landing approved by the Beaufort County, South Carolina, Joint Planning Commission on June 11, 1986, as amended from time to time.

Section 2.28 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or Condominium Unit, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceeding.

Section 2.29 "Plat" shall mean and refer to any plat depicting the Property filed in the R.M.C. Office for Beaufort County, South Carolina, as such plat may be amended from time

to time.

Section 2.30 "Port Royal Landing" shall mean and refer to the planned community created by this Declaration, consisting of the Property and all of the Improvements located on the Property.

Section 2.31 "Port Royal Landing Documents" shall mean and refer to the basic documents creating and governing Port Royal Landing, including but not limited to this Declaration, the Articles of Incorporation and By-laws of the Association, the Design Guidelines and any procedures, rules, regulations or policies adopted under such documents by the Association or the Design Review Committee.

Section 2.32 "Port Royal Landing Rules" shall mean and refer to the rules adopted by the Association as provided in Section 3.6 below.

Section 2.33 "Project" shall mean and refer to a separately designated and developed area constructed upon a-portion of the Property and comprised of discrete types of development or use, including without limitation the following types of uses:

2.33.1 A hotel, motel, inn or similar Building or group of Buildings;

2.33.2 A residential development of duplex or single family detached houses;

2.33.3 A residential development of townhomes or zero lot line homes for single family use;

2.33.4 A commercial structure of any kind, including retail, restaurant, lounge or recreational uses;

2.33.5 A marina facility; or

2.33.6 Any other separately developed area within Port Royal landing devoted to, discreet purpose.

Any such Project shall be designated as such in the Project Declaration.

Section 2.34 "Project Assessments" shall mean and refer to Assessments levied pursuant to a specific Project Declaration.

Section 2.35 "Project Association" shall mean and refer to any association established for a specific Project pursuant to a Project Declaration.

Section 2.36 "Project Common Areas" shall mean and refer to the area within a Project restricted in whole or in part to common use primarily by or for the benefit of the Owners within the Project and their families, tenants, employees, guests and invitees.

Section 2.37 "Project Declaration" shall mean and refer to a declaration of

covenants, conditions and restrictions establishing a plan of condominium ownership or townhome ownership or otherwise imposing a unified development scheme on a particular Project.

Section 2.38 "Project Documents" shall mean and refer to the basic documents creating and governing a particular Project, including the Project Declaration, the Articles of Incorporation and By-Laws of the Project Association, and any procedures, rules, regulations or policies adopted under the Project Documents by the Project Association.

Section 2.39 "Project Parcel" shall mean and refer to the portion of the Property upon which a Project is located, as indicated, if appropriate, on the Plat relating to the Project and as designated by Declarant in the Project Declaration.

Section 2.40 "Property" shall mean and refer to the Property initially subject to this Declaration and any additional real property from time to time made subject to these Covenants pursuant to the provisions of this Declaration.

Section 2.41 "Recreational Facilities" shall mean and refer to the recreational facilities or amenities located on the Property from time to time, if any, which shall be designated as such on a Plat.

Section 2.42 "Residential Common Area" shall mean and refer to that portion of the Property comprising the paved roadways, landscaped areas adjacent to such roadways, and any improvements located thereon, which are designated as such in the deed whereby such properties are conveyed to the Association by the Declarant.

Section 2.43 "Residential Member" shall mean and refer to those Owners who own residential property within Port Royal Landing and who are solely responsible for the maintenance of the Common Area within the residential areas as provided below.

Section 2.44 "Supplemental Covenants" shall mean and refer to additional or further restrictive covenants imposed on a portion or portions of the Property from time to time.

Section 2.45 "Tract" shall mean and refer to a parcel of land designated as a tract and reserved for use as a street or road on a Plat of Port Royal Landing.

Section 2.46 "Voting Unit" shall mean and refer to any one of the interests in the Property designated in Section 3.4 below to which a right to vote in Association matters is allocated.

ARTICLE III THE ASSOCIATION

Section 3.1 Description of Association. The Port Royal Landing Owners Association shall be responsible for the maintenance and repair of the Common Areas within the Property. There shall be two (2) categories of members within the Association: Residential Members and Commercial Members.

Section 3.2 Dedication of Common Area. Declarant may hereafter convey to the

Association certain parts of the Property as General Common Area, Residential Common Area, or Commercial Common Area.

Such designated areas shall, upon conveyance, be dedicated to the common use and enjoyment of Owners, and their families, guests, tenants, employees and invitees, and not to the use of the general public.

Section 3.3 Association's Responsibility for Common Area. Subject to the rights of the Owners set forth in this Declaration, the Association shall be responsible for the management and control of the Common Area dedicated to it under Section 3.2 above and all Improvements in the Common Area (including furnishings and equipment related thereto), and shall keep it (and any other property within the definitions of Common Area) in good, clean and attractive condition and repair consistent with the requirements of a first class residential and commercial community, pursuant to the terms and conditions of this Declaration. That portion of the Common Area designated as Residential Common Area shall be maintained through assessments to be levied against and collected from Residential Members, and that portion of the Common Area designated as Commercial Common Area shall be maintained through assessments to be levied against and collected from Commercial Members. However, the costs associated with maintenance and administration of General Common Area (and any other area maintained by the Association but not owned by it, such as the portion of the road right-of-way of S.C. Highway 802 adjacent to the Property) shall be segregated in the Association's annual budget and shall be assessed seventy-five (75%) percent against Commercial Members and twenty-five (25%) percent against Residential Members due to the impact on such expenses of use of the General Common Areas by commercial vehicles and patrons of commercial establishments.

Section 3.4 Membership and Categories of Membership. Every Owner, by virtue of being an Owner and for as long as he is an Owner, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Condominium Unit. No Owner, whether one or more persons, shall have more than one membership per Lot or Condominium Unit owned, but all of the persons owning each Lot or Condominium Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. The Articles of Incorporation and By-Laws of the Association may set forth additional classifications of membership, which Members may or may not be Owners. There shall be two (2) categories of membership, Residential and Commercial, and the category of membership shall be dependent upon the use of the property owned by the Member as determined by the Board of Directors of the Association. For example, Owners of residences shall be Residential Members and Owners of restaurants, the marina facility (or any portion thereof), and hotels shall be Commercial Members.

Section 3.5 Classes of Membership and Voting Rights. The Association shall have two (2) classes of membership:

Class A: Class A Members shall be all Owners, with the exception of Declarant. Each Class A Member shall be entitled to a specific number of votes based on the actual subdivision (as opposed to the permitted density) of the Lot owned, computed as follows:

- (i) Four (4) votes for each residential lot, according to the Plat;
- (ii) Four (4) votes for each residential Condominium Unit as shown on the floor plans of the Master Deed for the Horizontal Property Regime of which it is a part;
- (iii) In the case of commercial property, except with respect to hotels and the Marina, one vote for every unit of 100 square feet (or a portion thereof) of rentable floor space determined by standards consistent with the Design Guidelines as indicated by the final, as-built plans for the commercial property and noted in a statement of allocated votes signed by Declarant and filed with the Secretary of the Association; and
- (iv) In the case of a hotel, one vote for each hotel room designed for guest lodging as indicated by the final, as-built plans therefor and noted in a statement of allocated votes signed by Declarant and filed with the Secretary of the Association, but not in excess of one-hundred (100) votes.
- (v) In the case of the Marina, one-hundred sixty (160) votes.

The ownership interests enumerated in Paragraphs (i) through (v) above are sometimes referred herein to as "Voting Units." When more than one person holds an interest in any Voting Unit, all such persons shall be Members. The vote for such Voting Unit shall be exercised as the Owners among themselves determine, and the Secretary of the Association shall be notified of such designation prior to any meeting. In the absence of such notification, the vote allocated to the Voting Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote. A Voting Unit must be voted as a block if it consists of more than one vote, i.e., the Voting Unit allocated to a lot may not be divided and be voted other than all four votes being voted for or against a particular issue, except in the case of the Marina if a dock condominium or long term lease program is established, in which event each condominium unit owner or owner of a leasehold interest shall have such portion of the Voting Unit allocated to the Marina as set forth in the master deed or lease. Any Owner of a Voting Unit which is leased may assign his voting right to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Association prior to any meeting at which the tenant exercises the voting right.

Class B: The Class B Member(s) shall be Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale and who is designated as a successor declarant in a recorded instrument executed by Declarant. Class B Members shall be entitled to four (4) votes for each Voting Unit owned. The Class B membership shall

terminate on either of the following dates, whichever occurs earlier:

- (i) December 31, 1998; or
- (ii) The date on which Declarant voluntarily relinquishes its Class B membership as evidenced by a notice recorded in the R.M.C. Office for Beaufort County, South Carolina; or
- (iii) Five (5) years after the first sale of any Lot; or
- (iv) Four (4) months after seventy-five (75%) percent of the Lots have been conveyed to owners other than Declarant.

From and after the termination of the Class B membership, Declarant and any designated successor declarant shall be entitled to one vote for each Voting Unit owned. At such time, Declarant shall call a meeting of Owners, as provided by the By-Laws for special meetings, to inform the membership of the termination of the Class B status and to transfer control of the Association to the Owners.

Section 3.6 Compliance With Documents. Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained in the Project Documents and the Port Royal Landing Documents.

Section 3.7 Rules and Regulations. The Association, from time to time and subject to the provisions of the Port Royal Landing Documents, may adopt, amend and repeal rules and regulations, to be known as the "Association Rules," governing, among other things and without limitation:

3.7.1 The use of Open Space and Common Areas;

3.7.2 The use of private roads;

3.7.3 Collection and disposal of garbage and trash;

3.7.4 The burning of open fires;

3.7.5 The control of animals;

3.7.6 Parking restrictions and limitations;

3.7.7 The posting of maximum speeds for vehicular traffic and other traffic rules;

3.7.8 The types of vehicles (other than conventionally equipped passenger

automobiles) and the times when any vehicle or motorized vehicle or device may be permitted to use the roads within

Port Royal Landing or any other area of the Property, subject to the provision of Subparagraph 8.2 below: and

3.7.9 A schedule of fines for infractions of the Association Rules or the Project Documents.

A copy of the Association Rules in effect shall be distributed to each Member of the Association, and any change in the Association Rules shall be distributed to each Member within a reasonable time following the effective date of the change.

Section 3.8 Assistance to Design Review Committee. The Association shall in all respects cooperate with and assist the Design Review Committee in the complete attainment of the Committee's functions, and in the enforcement of its Design Guidelines, rules, regulations and decisions.

Section 3.9 Cooperation With Project Associations. The Boards shall assist the Project Associations in the performance of their duties and obligations under the respective Project Documents, and the Associations shall cooperate with each Project Association so that each of those entities can most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time either the Associations or a Project Association may use the services of the other in the furtherance of their respective obligations, and they may contract with each other to better provide for such cooperation. The payment for such contract services or a variance in services provided may be reflected in increased Assessment by the Associations for the particular Project or by an item in the Project Association's budget which shall be collected through Project Assessments and remitted to the Associations. If a Project Association fails, neglects or is unable to perform a duty or obligation required by its Project Documents, then the Associations may, after reasonable notice and an opportunity to cure given to the Project Association, perform such duties or obligations until such time as the Project Association is able to resume such functions, and the Association may charge the Project Association a reasonable fee for the performance of such functions.

Section 3.10 Manager. The Association may employ or contract for the services of a Manager, provided that no such employment shall be by a contract having a term of more than three (3) years, and each such contract shall be subject to cancellation by the Association upon ninety (90) days or less prior notice without cause and without payment of a termination fee. The Manager shall not have the authority to make expenditures for additions or improvements chargeable against the Maintenance Fund except upon specific prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any such duty, power or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.11 Ownership of Personal and Real Property for Common Use. The Association, through action of their Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, Acting on behalf of the

Association, shall accept any real or personal property, leasehold or other property interests within Port Royal Landing conveyed to the Association by Declarant.

Section 3.12 Roads and Streets. The Association shall own and be responsible for the maintenance of the private roads within Port Royal Landing conveyed to it by Declarant unless they are conveyed to a public body. Such maintenance will include periodic maintenance of the surface of the roads and regular snow, ice and trash removal. Private driveways located on the Property shall be maintained by the Owners of the Lots on which they are located. The Board shall cooperate with the applicable traffic and fire control officials to post public and private drives, roads and streets with traffic control, fire lanes and parking regulation signs.

Section 3.13 Financial Statements. Upon written request to the Association by any First Mortgagee identifying said First Mortgagee by name and address, the Association shall provide said First Mortgagee with a copy of the financial statement of the Association for the preceding fiscal year.

Section 3.14 Association Records. Upon written request to the Association by any Owner, Mortgagee, insurer or guarantor of a First Mortgage on any Unit, the Association shall make available for inspection current copies of the Association documents and other books, records and financial statements of the Association. The Association shall also make available to prospective purchasers current copies of the Association documents, other rules governing the project and the most recent annual audited financial statement, if such is prepared. "Available" as used herein shall mean available for inspection, upon written request, during normal business hours. The Association may require payment of a reasonable fee for copies of any of the records of the Association.

Section 3.15 Successor of Declarant. The Association shall succeed to all of the rights, duties and responsibilities of Declarant under this Declaration upon termination of the Class B membership in accordance with Section 3.5 above. The Association shall not succeed to any rights of Declarant regarding any portion of the Expansion Property which has not then been annexed to the Property. The Association may delegate any of such rights, duties or responsibilities to the Design Review Committee or to any other committee or entity which it may choose to form.

Section 3.16 Implied Rights and Obligations. The Association may exercise any other right or privilege given to it expressly by the Port Royal Landing Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege. The Association shall perform all of the duties and obligations imposed on it expressly by the Port Royal Landing Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Port Royal Landing Documents or reasonably necessary to satisfy any such duty or obligation.

Section 3.17 Access to Houses for Maintenance Repair and Emergencies. The Association or its delegated agents or representatives, or Declarant should the Board of Directors fail to act, shall have the irrevocable right to have access to each house or dwelling on any lot from time to time during reasonable hours as may be necessary for the maintenance of any lot or the maintenance, repair or replacement of any structure on the Lot, or any of the Common Area accessible from the Lot. Such right of access shall be immediate for the making of emergency repairs therein in order to prevent property damage or personal injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs or replacements pertaining to any Lot or any structure thereon shall be the expense of the Owner thereof. All maintenance, repairs and replacements of the Common Area shall be the common expense of all of the Owners; provided, however, if such damage is caused by a negligent or tortious act of any Owner, members of his family, his agent, employee, invitee, licensee, or tenant, then such Owner shall be responsible and liable for all such damage. This Declaration establishes no duty upon the Board of Directors or Declarant to maintain, repair or replace any Lot or any structure thereon, and this Section 3.17 vests no rights in Owners or any other person as against the Board of Directors, the Association or Declarant.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation for Assessments. Declarant, for each lot owned within the property, hereby covenants, and each Owner of any Lot or Condominium Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree to pay to the respective Association: (1) annual Assessments or charges as provided in this Declaration for the purpose of funding the Maintenance Fund; (2) special Assessments for capital improvements and other purposes as stated in this Declaration, such annual and, special Assessments to be fixed, established and collected from time to time as provided below; and (3) default Assessments which may be assessed against an Owner's Lot or Condominium Unit pursuant to the Port Royal Landing Documents for failure to perform an obligation under the Port Royal Landing Documents or because the Association has incurred an expense on behalf of the Owner under the Port Royal Landing Documents. The annual, special and default Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot or Condominium Unit against which each such Assessment is made until paid. Each such Assessment, together with interest, costs and reasonable attorneys' fees shall also be the personal obligation of the Owner of such Lot or Condominium Unit at the time when the Assessment fell due. Assessments on Condominium Units shall be levied against each Unit, but each condominium Project Association is hereby designated as the agent of each Owner of a Condominium Unit within such Project for receipt of notices of Assessments and the collection of Assessments and remittance to the Association.

Section 4.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation,

health, safety and welfare of the Owners and occupants of Port Royal Landing and for the improvement and maintenance of the Common Area, including but not limited to the payment of taxes and insurance on the Common Area and repair, replacement and additions to any Improvements on the Common Area, reserve accounts, the cost of labor, equipment, materials, management, and supervision, and for the salary or fee of the Manager.

Section 4.3 Calculation and Apportionment of Annual Assessments. The Board of Directors shall prepare a budget by October 1 of each year estimating its net cash flow requirements for the next year and an estimate of the Assessments to be charged each Owner, and the Board shall distribute the proposed budget to the Owners. On or before November 30 of each year, The Board shall approve the budget in final form and shall determine, levy and assess the Association's annual Assessments for the approaching year. Each budget shall include funds for establishing and maintaining reserves for periodic repairs, replacement and maintenance of any Improvements on the Open Space and Common Area which must be replaced on a periodic basis, and for taxes, capital improvements, deficiencies from the prior year's Maintenance Fund and for other purposes, and shall include any expected income and surpluses from the prior year's Maintenance Fund.

Section 4.4 Special Assessments for Capital Improvements. In addition to annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4.5 Uniform Rate of Assessment. Both annual and special Assessments must be fixed at a uniform rate for each type of Lot or Condominium Unit classified by use or by Project, but the basis and rate of Assessments for each Project or each type of use may be varied as provided below:

4.5.1 Residential Member. Residential Lots and Condominium Units shall be assessed equally in proportion to the number of votes allotted thereto in the Association. Each Lot or Condominium Unit which is certified for occupancy and which has been conveyed to an owner shall be assessed at the uniform rate. Irregular assessments levied against Lots and Condominium Units may be varied based upon the Board's sole and exclusive determination.

4.5.2 Commercial Member. Commercial Lots or Condominium Units, including without limitation Lots or Condominium Units with Improvements consisting of the Marina and its attendant operations, retail shops and establishments, personal services, and repair shop establishments, eating and drinking establishments, professional and business offices and studios,

banks and financial institutions, lodges and other commercial establishments as

defined by the zoning regulations of Beaufort County, South Carolina, as amended from time to time (but excluding the Recreational facilities, if any unless approved by the Declarant), shall be assessed equally in proportion to the number of votes allocated thereto in the Association.

The rates of Assessment for each Project and type of use shall be established from time to time by resolution of the Board. The classification of a Lot or Condominium Unit as to use and Assessment type shall be made by the Board in its sole discretion, and its decision shall be final. Any Recreational Facilities developed by Declarant are perceived to enhance the Port Royal Landing community in general and, accordingly, will not be assessed under this Declaration unless Declarant in its sole discretion subjects such facilities to an obligation for Assessments.

Section 4.6 Date of Commencement of Annual Assessment; Due Dates. The annual Assessments shall commence as to all lots and Condominium Units on the first day of the month following the conveyance of the first Lot or Condominium Unit to an Owner. The first annual Assessment shall be prorated according to the number of months remaining in the calendar year. The annual Assessment shall commence for Lots or Condominium Units contained in each phase of Expansion Property or Adjoining land annexed to the Property on the first day of the month following the recording of the Declaration of Annexation incorporating them into the Property, and shall be prorated according to the number of months remaining in the calendar year. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, Assessments shall be payable monthly in advance on the first day of each month. Any Project Association may agree with the Association to collect regular or special Assessments of the Association as part of its Project Assessments and remit them to the Association on a timely basis. Collection of the Association's Assessments in this manner shall not prevent the creation of the Association's lien against any lot or Condominium Unit or the Association's ability to enforce or collect its Assessments provided under this Declaration if they are not remitted to the Association in a timely manner.

Section 4.7 Default Assessments. All monetary fines assessed against an Owner pursuant to the Port Royal Landing Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Port Royal Landing Documents, shall be a default Assessment and shall become a lien against such Owner's Lot or Condominium Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 4.8 Effect of Nonpayment of Assessment; Lien; Remedies of Association. Any Assessment installment, whether pertaining to annual, special or default Assessments, which is not paid within thirty (30) days of its due date, shall be delinquent. In the event that

an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following action:

4.8.1 Assess a late charge of at least fifteen (15%) percent per delinquency;

4.8.2 Assess an interest charge from the date of delinquency at the rate per annum of two points above the prime rate charged by the Association's bank, or such other rate as shall have been established by the Board of Directors;

4.8.3 Suspend the voting rights of the Owner during any period of delinquency;

4.8.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

4.8.5 Bring an action at law against any Owner personally obligated to pay the delinquent installments; or

4.8.6 File statement of lien with respect of the Lot or Condominium Unit, and foreclose as set forth in more detail below.

The Association may file a statement of lien by recording with the R.M.C. Office for Beaufort County, South Carolina a written statement with respect to the Lot or Condominium Unit, setting forth the name of the Owner, the legal description of the Lot or Condominium Unit, the name of the Association and the amount of delinquent Assessments then owing, which statement shall be duly signed and acknowledged by the President or Vice President of the Association or by the Manager, and which shall be served upon the Owner of the Lot or Condominium Unit by mail to the address of the Lot or Condominium Unit or at such other address as the Association may have in its records for the Owner. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the statement of lien in the same manner as provided for foreclosure of mortgages under the statutes of the State of South Carolina. Such lien shall be in favor of the Association and shall be for the benefit of all other Owners. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action the interest, costs and reasonable attorneys' fees with respect to the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Lot or Condominium Unit. The remedies herein provided shall not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Section 4.9 Successor's Liability for Assessments. Each owner shall be personally liable for assessments coming due while he is the Owner of a Lot or Dwelling, and his grantee shall take title to such Lot or Dwelling subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefor provided,

however, the lien for unpaid assessments shall not apply to the holder of any first priority institutional Mortgage or to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns, and who takes title to a Lot or Dwelling through foreclosure, 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.

Section 4.10 Subordination of the Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to the lien of any First Mortgage. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by laws of the State of South Carolina. No sale or transfer shall relieve a Lot or Condominium Unit from liability for any Assessments or from the lien thereof. However, sale or transfer of any Lot or Condominium Unit pursuant to a decree of foreclosure or by a public trustee's foreclosure or any other proceeding or deed in lieu of foreclosure for the purpose of enforcing a First Mortgage shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer, and the amount of such extinguished lien may be re-allocated and assessed to all Lots and Condominium Units as a common expense at the direction of the Board of Directors. No sale or transfer shall relieve the purchaser or transferee of a Lot or Condominium Unit from liability for, nor the Lot or Condominium Unit from liability for, nor the Lot or Condominium Unit from the lien of, any Assessments made after the sale or transfer.

Section 4.11 Notice of Action. Any First Mortgagee which makes a prior written request to the Secretary of the Association and furnishes its name and address and the legal description of the lot or Condominium Unit in which it has an interest to the Secretary shall be entitled to timely written notice of any delinquency in payment of an annual, special or default Assessment levied against the Lot or Condominium Unit encumbered by its First Mortgage, or of any other default by the Owner under the Project Documents, which has continued for a period of sixty (60) days or more. In addition, any such First Mortgagee shall be entitled to cure such delinquency and obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 4.12 Exempt Property. The following portions of the Property shall be exempt from the assessments, charges and liens created under this Declaration:

- 4.12.1 All properties to the extent of any easement or other interest therein dedicated and accepted by Beaufort County, South Carolina and devoted to public use;
- 4.12.2 All utility lines and easements;
- 4.12.3 The Open Space, Common Area and all Project Common Areas; and
- 4.12.4 The Recreational Facilities.

4.12.5 Property owned by Declarant which is not occupied by Declarant or its designee; provided, however, for the time which Declarant, is in control of the Association, Declarant shall pay any deficit between the total budget and the amount collected from Owners other than Declarant or twenty-five (25%) percent of the annual assessment for each lot it owns within a Project, whichever is greater.

Section 4.13 Statement of Status of Assessments. Upon ten (10) days' written notice to the Treasurer of the Association or to the Manager and payment of a reasonable fee set by the Association from time to time, any Owner, prospective purchaser or Mortgagee of a lot or Condominium Unit shall be furnished a statement of the account for such lot or Condominium Unit setting forth:

4.13.1 The amount of any unpaid Assessments (whether annual, special or default Assessments), interest, late charges, costs, expenses and attorneys' fees then existing against a particular lot or Condominium Unit;

4.13.2 The amount of the current periodic installments of the annual Assessments and the date through which they are paid; and,

4.13.3 Any other information deemed proper by the Association.

The information contained in such statement, when signed by the Treasurer or Manager, shall be conclusive upon the Association as to the person or persons to whom such statement is issued and who rely upon it in good faith.

Section 4.14 Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice shall not be deemed a waiver, modification or release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 4.15 Reserves and Working Capital. The Association shall establish and maintain an adequate reserve fund as determined by the Board for the periodic maintenance, repair and replacements of improvements to the Common Areas which the Association may be obligated to maintain. The fund shall be maintained out of regular assessments for Common Expenses.

A working capital fund shall be established for the initial months of the Project operation equal to at least a two (2) months' estimated Common Area charge for each Lot. Each Lot's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Lot and maintained in a segregated account for the use and benefit of the Association. The purpose of the funds is to insure that the Association

Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the fund are not to be considered as advance payment of regular payments. .

Section 4.16 FHA/VA Approval. As long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration, if any Lots or Condominiums are subject to mortgages insured by either of them: annexation of additional property, dedication of Common Area, and amendment of this Declaration other than to correct scrivener's errors.

Section 4.17 Maximum Annual Assessments. Until December 31, 1987, the maximum annual assessment per Lot shall be as follows:

The maximum annual assessment for a residential lot shall be \$500.00 per year.

(a) From and after January 1, 1989, the maximum annual assessment may be increased each year by not more than five (5%) percent above the maximum assessment for the previous year without a vote of the applicable class for Membership.

(b) From and after January 1, 1989, the maximum annual assessment to be levied against all Members may be increased above five (5%) percent by a vote of two-thirds (2/3) of all classes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

ARTICLE V PROPERTY RIGHTS OF OWNERS; EASEMENTS

Section 5.1 Owners; Easements of Enjoyment. Every Owner shall have a non-exclusive easement for the use and enjoyment of the Open Space and the Common Area which shall be appurtenant to and shall pass with the title to every Lot and Condominium Unit, subject to the easements set forth in this Article.

Section 5.2 Delegation of Use. In accordance with the Port Royal Landing Documents, any Owner may delegate his right of enjoyment in the Common Area, Open Space and facilities to his tenants, employees, family, guests or invitees.

Section 5.3 Recorded Easements. The Property and all portions thereof shall be subject to easements shown on any recorded Plat affecting the Property or any portion thereof and to any other easements of record as of the date of recordation of this Declaration.

Section 5.4 Easements for Encroachments. The Property and all portions thereof shall be subject to an easement of up to three (3) feet from the lot lines or Common Area boundaries or Open Space boundaries for the actual extent of encroachments created by construction as designed or constructed by Declarant or any Owner and for settling, shifting and movement of any portion of the Property, except that no such easement is created for an encroachment which is the result of willful conduct on the part of Declarant, an Owner, a tenant, the Association or any other person or entity. A valid easement for any encroachments and for their maintenance shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Project. Encroachments referred to herein shall include but are not limited to encroachments caused by error in the original construction of Improvements on any lot, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.

Section 5.5 Utility Easements. There is hereby created a general easement upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, cable television and master communication system. By virtue of this easement it shall be expressly permissible and proper for the companies providing electricity, telephone, cable television and other communication services to install and maintain necessary equipment on the Property and to affix and maintain electricity, communications, cable television and telephone wires, conduits and circuits under the Property. No water, sewer, gas, telephone, electricity, cable television or communications lines, systems or facilities may be installed or relocated on the surface of the Property unless approved by Declarant prior to termination of the Class B members, or after such termination by the Design Review Committee. Such utilities temporarily may be installed above ground during construction, if approved by Declarant or the Design Review Committee as stated above. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given, the right and authority to grant such easement upon, across, over or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

Section 5.6 Reservation for Expansion. Declarant hereby reserves to itself and for Owners of Lots and Tracts in all future phases of Port Royal Landing (and their heirs, successors and assigns) a perpetual easement, and right-of-way for access over, upon and across the Property for construction, utilities, drainage, ingress and egress and for use of the Open Space and Common Area. The location of these easements and rights-of-way must be approved and may be documented by Declarant or the Association by recorded instruments.

Section 5.7 Reservation of Easements, Exceptions and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by

declaration or otherwise, utility and other easements, permits or licenses over the Common Area for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues and conduit installation areas, and to create other reservations, exceptions and exclusions for the best interest of all the Owners and the Association in order to serve all the Owners within Port Royal Landing as initially built and expanded. Declarant further reserves the right to establish from time to time, by declaration or otherwise, utility and other easements and to create other reservations, exceptions and exclusions convenient or necessary for the use and operation of any other property of Declarant, as long as such action does not hamper the enjoyment of Port Royal landing, as built or expanded, by the Owners.

Section 5.8 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 5.9 Maintenance Easement. An easement is hereby reserved to Declarant and granted to the Association and any member of the Board of Directors or the Manager and their respective officers, agents, employees and assigns, upon, across, over, in and under the Lots, Condominium Units, Tracts and Project Parcels and a right to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Port Royal Landing Documents or the Project Documents, including the right (but not the obligation) to enter upon any Lot, Condominium Unit, Building Site or Project Parcel for the purpose of performing maintenance to the landscaping or the exterior of Improvements on such Lot or Project Parcel as required by the Port Royal Landing Documents or the Project Documents.

Section 5.10 Drainage Easement. An easement is hereby reserved to Declarant and granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels on the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and Declarant, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work. Declarant, its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval shall not be unreasonably withheld.

Section 5.11 Marina. Declarant reserves the right to establish a long-term lease program or a dock condominium in accordance with the laws of the State of South Carolina and to transfer ownership of the Marina as a Project or as individual dock condominiums or leaseholds. Purchase or lease of a Lot or Condominium Unit in Port Royal Landing does not include the right to use the Marina facilities other than on the same basis that such use is made available to the

public, except as expressly provided by the lease, master deed or the by-laws or other organizational documents of the dock condominium association as the same may be amended from time to time.

Section 5.12 Irrigation. If irrigation ditches are constructed by the Association throughout the Property for the maintenance of the Open Space and such other spaces and areas as Declarant or the Association may from time to time decide. The Association is hereby granted the right to maintain these ditches and to enter upon Lots and Project Parcels as necessary to perform such maintenance.

Section 5.13 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Open Space, Common Area and the Project Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment and access to an Owner's lot or Condominium Unit by that Owner or his family, tenants, employees, guests or invitees.

Section 5.14 Easements Deemed Created. All conveyances of lots and Condominium Units made after the date of recordation of this Declaration, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article V, even though no specific reference to such easements or to this Article V appears in the instrument for such conveyance.

Section 5.15 Partition or Combination of Lots. No part of a Lot may be partitioned or separated from any other part thereof, and no Lots may be combined, except as provided in this Section. A Lot may not be subdivided; however, two (2) or more lots may be combined into one, with the written consent of Declarant (or of the Association after termination of the Class B membership) and full compliance with all applicable state and county zoning and subdivision regulations and all applicable Project Documents. Declarant's consent shall be conditioned upon payment by the Owner or Owners concerned of all expenses incident to giving the consent, including legal and accounting fees. Every agreement and recorded instrument for combination of Lots shall make adequate provisions for the adjustment of voting rights and liability for payment of Assessments appurtenant to or imposed on such Lots. Condominium Units may be subdivided or combined only in accordance with the provisions of the Master Deed creating such Condominium Units. Whether combined or unchanged, each Lot and Condominium Unit shall be conveyed, transferred, gifted, devised, bequeathed, encumbered or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or this Declaration, including the Owner's membership in the Association and the right to use the Open Space, and with the appropriate adjustments in the voting rights, as provided in

Section 3.5 above, and liability for Assessments as established for such type of Lot or Condominium Unit by the Board of Directors being made as applicable.

Section 5.16 No Partition of Common Area. The Common Area shall be owned by the Association and no Owner shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Association, and hereby agrees to reimburse the Association for its costs, expenses and reasonable attorneys' fees in defending any such action.

Section 5.17 View Easement. There shall be reserved for the use and benefit of riverfront lot owners an easement of view running along the boundary lines of riverfront lots adjacent to Beaufort River of such size and location as shown on the Plat. It is herein specified that the purpose of this easement is to enable riverfront lot owners to maintain permanently an open area sufficiently unobstructed to afford a direct view of the river and direct circulation of river breezes. Owners of riverfront lots may not erect any fence, wall, gazebo, or other structure interfering with such easements. Agents of the Association, acting at the request of the owners of riverfront lots claiming that the view is obstructed, may enter onto the lots subject to such easement to remove any structural obstructions located within such easement areas and interfering with the view, but such agents shall not have the right to cut or trim any trees, limbs, bushes or shrubs as it is the intent of this Declaration to retain as much natural foliage as possible. The costs thereof shall be at the expense of the lot owner requesting such work, except when the easement of view was willfully obstructed by the owner of a lot or his agent, in which event removal of such obstruction shall be at the expense of the lot owner who obstructed or authorized the obstruction of the easement of view.

ARTICLE VI DESIGN REVIEW COMMITTEE

Section 6.1 Membership. There is hereby established a Design Review Committee which shall be responsible for the establishment and administration of the Design Guidelines to carry out the purposes and intent of this Declaration. The Committee shall be composed of three (3) persons, who need not be Members of the Association. All of the members of the Committee shall be appointed, removed and replaced by Declarant in its sole discretion until such time as the Class B membership is terminated, and at that time the Board of Directors shall succeed to Declarant's right to appoint, remove or replace the members of the Committee.

Section 6.2 Purpose. The Committee shall review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the rules and regulations of the Committee and the Design Guidelines adopted and established from time to time by the Committee.

6.2.1 The Committee shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, materials, color, location on the Building Site, height, grade and finished ground elevation, and all aesthetic considerations set forth in this Declaration or in the Design Guidelines.

6.2.2 No Improvements on the Property shall be erected, placed or altered on any Lot, Building Site or Project Parcel, nor shall any construction be commenced until plans for such Improvement shall have been approved by the Committee; provided, however, that Improvements and alterations which are completely within a Building may be undertaken without such approval.

6.2.3 The actions of the Committee in the exercise of its discretion by its approval or disapproval of plans or other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties subject to appeal as provided in the By-Laws.

Section 6.3 Organization and Operation of the Committee.

6.3.1 Term. The term of office of each member of the Committee, subject to Section 6.1, shall be one (1) year, commencing on January 1 of each year and continuing until his successor shall have been appointed. Should a Committee member die, retire or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 6.1.

6.3.2 Chairman. So long as Declarant appoints the Committee, Declarant shall appoint the chairman. At such time as the Committee is appointed by the Board of Directors, the chairman shall be elected annually from among the members of the Committee by a majority vote of said members.

6.3.3 Operations. The chairman shall preside over and conduct all meetings and shall provide for reasonable notice to each member of the Committee prior to any meeting. The notice shall set forth the time and place of the meeting and notice may be

waived by any member. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, a temporary successor.

6.3.4 Voting. The affirmative vote of a majority of the members of the Committee shall govern its actions and be the act of the Committee. A quorum shall consist of a majority of the members.

6.3.5 Expert Consultation. The Committee may avail itself of technical and professional advice and consultants as it deems appropriate.

Section 6.4 Expenses. Except as provided below, all expenses of the Committee shall be paid by the Association. The Committee shall have the right to charge a fee for each application submitted to it for review in an amount which may be established by the Committee from time to time, and such fees shall be collected by the Committee and remitted to the Association to help defray the expenses of the Committee's operation. Until December 31, 1990, the filing fee shall not exceed TWO HUNDRED FIFTY (\$250.00) DOLLARS per dwelling unit but may be subject to reasonable increase after that, date, as determined by the Board on recommendation from the Committee.

Section 6.5 Design Guidelines and Rules. The Committee shall adopt, establish and publish from time to time Design Guidelines, which shall be a Port Royal Landing Document. The Design Guidelines shall not be inconsistent with this Declaration, but shall more specifically define and described the design standards for Port Royal Landing and the various uses within Port Royal Landing. The Design Guidelines may be modified or amended from time to time by the Committee. Further, the Committee, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Compliance with the Port Royal Landing design review process is not a substitute for compliance with the Beaufort County building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction.

Section 6.6 Procedures. As part of the Design Guidelines and rules, the Committee shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings. Appeals shall be conducted as provided in the By-Laws.

Section 6.7 Limitation of Liability. The Committee shall use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Committee nor any individual Committee member shall be liable to any person for any official act of the Committee in connection with submitted plans and specifications, except to the extent the Committee or any individual Committee member acted with malice or wrongful intent. Approval by the Committee does not necessarily assure approval by the appropriate governmental board or commission for the Town of Port Royal or Beaufort County, South Carolina. Notwithstanding that the Committee has approved plans and specifications, neither the Committee nor any of its members shall be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the Improvements. Neither the Board, the Committee nor any agent thereof, nor Declarant or any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Port Royal Landing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events, the Committee shall be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the Committee's decision. The Association, however, shall not be obligated to indemnify each member of the Committee to the extent any such member of the Committee shall be adjudged to be liable for negligence or misconduct in the performance of his duty as a member of the Committee, unless and then only to the extent that the court in such action or suite may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonable entitled to indemnification for such expenses as such court shall deem proper.

Section 6.8 Certificate of Compliance. Upon payment of a reasonable fee established from time to time by the Board, and upon written request of any Owner or his agent, an existing or prospective Mortgagee or a prospective grantee, the Committee shall issue an acknowledged certificate, in recordable form, setting forth generally whether, to the best of the Committee's knowledge, the Owner is in violation of any of the terms and conditions of the Port Royal landing Documents. Unless such request shall be complied with within thirty (30) days after receipt of the request, it shall be conclusively presumed that the Owner and the Owner's Improvements are in conformance with all the terms and conditions subject to the control of the Committee.

ARTICLE VII CONSTRUCTION AND ALTERATION OF IMPROVEMENTS

Section 7.1 General. The Design Guidelines and the general instructions set forth in these Covenants shall govern the right of an Owner, developer or other entity to construct, reconstruct, refinish,

alter or maintain any Improvement upon, under or above any of the Property (except as provided in Section 6.2.2 above), and to make or create any excavation or fill on the Property, or make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on or over the Property.

Section 7.2 Approval Required. Except to the extent permitted in Section 6.2.2 above, any construction, reconstruction, refinishing or alteration of any part of the exterior of any Building or other Improvement on the Property is absolutely prohibited until and unless the Owner or developer first obtains approval from the Design Review Committee and otherwise complies with the provisions of these Covenants. All Improvements shall be constructed only in accordance with approved plans.

Section 7.3 Deemed Nuisances. Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against a Member shall be applicable. These Covenants may be enforced as provided below.

Section 7.4 Removal of Nonconforming Improvements. The Association, upon request of the Committee and after reasonable notice to the offender and to the Owner, may remove any Improvement constructed, reconstructed, refinished, altered or maintained in violation of these Covenants, and the Owner of the Improvement shall immediately reimburse the Association for all expenses incurred in connection with such removal.

Section 7.5 Construction Methods. Specific rules regarding construction methods, including but not limited to excavation, drainage, utility lines, loading areas, waste storage, trash removal, materials storage and transformers and meters shall be set forth in the Design Guidelines and all Owners shall comply with those rules.

ARTICLE VIII PROPERTY USE RESTRICTIONS

Section 8.1 General Restrictions. The Property shall be used only for the purposes set forth in these Covenants, as permitted by the applicable ordinances of Beaufort County, South Carolina, and the laws of the State of South Carolina and the United States, and as set forth in the Port Royal Landing Documents, amendments or specific recorded covenants affecting all or any part of the Property.

Section 8.2 Motorized Vehicles. No trucks, trail bikes, recreational vehicles, motor homes, motor coaches, campers, trailers, boats or boat trailers, or similar vehicles other than passenger automobiles or pickup trucks with a capacity of one-half ton or less or any other motorized vehicles shall be parked, stored or in any manner

kept or placed on any portion of the Property, except in those areas designated by the Board of Directors. This restriction, however, shall not be deemed to prohibit commercial and construction vehicles in the ordinary course of business, from making deliveries or otherwise providing service to the Property or for the initial construction by Declarant or the other Owners.

Section 8.3 Excavation. No excavation shall be made except in connection with Improvements approved as provided in these Covenants. For purposes of this Section, "excavation" shall mean and refer to any disturbance of the surface of the land (except to the extent reasonably necessary for approved landscaping planting) which results in a removal of earth, rock or other substance to a depth of more than eighteen (18") inches below the natural surface of the land.

Section 8.4 Water and Sanitation. Each structure designed for occupancy or use by humans shall connect with water and sanitation facilities as shall be made available from time to time by the Town of Port Royal, South Carolina, or any other approved person or entity.

Section 8.5 Wells. No well from which water, oil or gas is produced shall be dug, nor shall storage tanks, reservoirs or any installation of electricity, water or other utility lines, wires, pipes or conduits be made or operated anywhere on the Property except in connection with water wells and works operated by public agencies or duly certified public utility companies; provided, however, that the foregoing shall not prevent the drilling or installation of additional water wells by Declarant or its assigns.

Section 8.6 Signs. No signs of any kind shall be displayed to the public view on or from any portion of the Property except signs of Declarant or its affiliates or assigns, signs designating The Village at Port Royal Landing, The Cottages at Port Royal Landing, The Marina at Port Royal Landing, signs designating the commercial uses and operations within the Property, and any signs required by law, and "For Rent" or "For Sale" signs which have been approved by the Committee.

Section 8.7 Animals and Pets. No animals, livestock or poultry of any kind shall be kept, raised or bred on any portion of the Property, except that dogs, cats and other household pets (the kind and number of which may be regulated, permitted or prohibited from time to time by the Port Royal Landing rules or applicable Project Documents).

8.7.1 Household pets, such as dogs and cats, must be contained upon the Owner's Lot or within the Owner's Condominium Unit, and such pets may not be permitted to run at large at any time. Approved fencing is required to assure that domestic pets do not stray from the Owner's property. In lieu of fencing the Lot and as the Committee may approve, Owners may construct a fenced run on the Lot.

8.7.2 Pedestrians within the Property who are accompanied by dogs must have the dogs under the pedestrians' direct control by use of a leash not to exceed ten (10) feet in

length.

Section 8.8 Drainage. No Owner shall do or permit any work, construct any Improvements, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern of the Property, except to the extent such alteration and drainage pattern is approved in writing by the Committee or Board of Directors, and except for rights reserved to Declarant to alter or change the drainage patterns.

Section 8.9 Trash. No trash, ashes, garbage or other refuse shall be thrown or dumped on any land or area within the Property. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse, and all such receptacles shall be kept from public view and from the wind and protected from animal and other disturbance.

Section 8.10 Construction Regulations of the Design Guidelines. All Owners and contractors shall comply with the construction regulations portion of the Design Guidelines. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 8.11 Temporary Structures. No temporary structures shall be permitted except as may be determined to be necessary during construction and as specifically authorized by the Committee.

Section 8.12 Compliance With Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances and other governmental or quasi-governmental regulations with respect to all or any portion of the Property.

Section 8.13 No Outside Clotheslines. No clothing, towels, rugs, laundry or wash shall be dried or hung outside any Building.

Section 8.14 Parking and Automobile Repair. No automobiles or other vehicles shall be parked in any street or upon any portion of the Property except within garages, carports, driveways or designated parking areas. No work on automobiles or other vehicle repair shall be performed in any visible or exposed portion of Port Royal Landing except in emergencies.

Section 8.15 Abandoned Inoperable or Oversized Vehicles. Abandoned or inoperable automobiles or vehicles of any kind, except as provided below, shall not be stored or parked on any portion of the Property. "Abandoned or inoperable vehicle" shall mean and refer to any vehicle which has not been driven under its own propulsion for a period of three (3) weeks or longer; provided, however, that this shall not include vehicles parked by Owners while on vacation. A written notice describing the "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the Owner or posted on the unused vehicle. If such

vehicle has not been removed within seventy-two (72)

hours after notice has been given, the Association shall have the right to remove the Vehicle without liability, and the expense of removal shall be charged against the Owner. "Oversized vehicles" shall mean and refer to vehicles which are too high to clear the entrance to a residential garage. All unsightly or oversized vehicles, garden maintenance equipment and all other unsightly equipment and machinery may be required by Declarant or the Board of Directors to be stored at a designated location or locations within or outside of the Property.

Section 8.16 Antennae. No exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device shall be permitted, without the prior written consent of the Committee and with appropriate screening.

Section 8.17 Outside Burning. There shall be no exterior fires, except barbecues, which must be approved by the Committee. No Owner shall permit any condition upon his portion of the Property which creates a fire hazard or is in violation of fire prevention regulations.

Section 8.18 Noise. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Property or Improvements and except for bells or chimes on chapels, shall be placed or used on any portion of the Property.

Section 8.19 Obstructions. There shall be no obstruction of any pedestrian walkways or interference with the free use of those walkways except as may be reasonably required in connection with repairs. The Owners, their families, tenants, guests and invitees are granted non-exclusive easements to use the pedestrian walkways within the Property. That use shall be subject to the Port Royal Landing rules adopted by the Board from time to time. The Association shall promptly take such action as may be necessary to abate or enjoin any interference with or obstruction of pedestrian walkways, and the Association shall have a right of entry on any part of the Property for the purposes of enforcing this Section, and any costs incurred by the Association in connection with such enforcement shall be specially assessed to the Owners or other persons responsible for the interference.

Section 8.20 Picnicking. No picnicking shall be allowed within the Property except in those areas designated for those purposes by the Board of Directors, if any.

Section 8.21 House Numbers. Each dwelling shall have a house number with a design and location established by the Committee.

Section 8.22 Continuity of Construction. All Improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within twelve (12) months of commencement, unless an exception is granted in writing by the Committee. If an Improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required 12-month period, then after notice and hearing as provided in the By-Laws, the Association may impose a fine of not less than ONE HUNDRED (\$100.00) DOLLARS per day on the Owner of the Lot until construction is

resumed or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board of Directors that such abandonment is for circumstances beyond the Owner's control. Such charges shall be a default Assessment and a lien as provided in Section 4.7 above.

Section 8.23 Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants.

Section 8.24 General Practices Prohibited. The following practices are prohibited in Port Royal Landing:

8.24.1 Allowing concrete suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Committee;

8.24.2 Removing any rock, plant, material, top soil or similar items from any property of others;

8.24.3 Carrying or discharging firearms on the Property;

8.24.4 Use of surface water for construction; and

8.24.5 Careless disposition of cigarettes and other flammable materials.

Section 8.25 Use. It shall be expressly permissible and proper for Declarant and any other Owner and their employees, agents, independent contractors, successors and assigns involved in the construction of Improvements on, or the providing of utility service to, the Property or other real property owned by Declarant, to perform such activities and to maintain upon portions of the Property as they deem necessary, and facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes without limiting the generality of the foregoing maintaining business offices, storage areas, construction yards and equipment, signs and sales offices.

Section 8.26 Leasing. The Owner of a Lot or Condominium Unit shall have the right to enter into Rental Agreements for such Lot or Condominium Unit, subject to the following conditions:

8.26.1 All Rental Agreements shall be in writing.

8.26.2 The Rental Agreement shall be specifically subject to the Port Royal Landing Documents, and any failure of tenant to comply with the Port Royal Landing Documents shall be a default under the Agreement.

8.26.3 The Owner shall be liable for any violation of the Port Royal Landing Documents committed by the Owner's tenant,

without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the Tenant.

Section 8.27 Timeshare Prohibition. There shall be no timesharing or interval ownership of a Lot. Timeshare or interval ownership shall mean and refer to the definitions of such ownership under the South Carolina Vacation Time Sharing Plan Act and any amendments thereto.

Section 8.28 Right to Repurchase. In the event an Owner desires to sell a Lot together with its improvements, if any, then said property shall be offered for sale to Declarant at the same price at which the highest bona fide offer has been made for the Lot, and Declarant shall have thirty (30) days [from the latter of (a) the date of such offer or (b) the date upon which all assessments owed to the Association by the Owner are paid] within which to exercise its option to purchase the Lot at such price; and should Declarant fail or refuse, within thirty (30) days after receipt of written notice of the price and terms, to exercise its option to purchase said Lot at the offered price, then the Owner of such Lot shall have the right to sell such Lot subject, however, to all covenants and limitations herein contained, at a price not lower than that at which it was offered to Declarant. Should, however, such sale not be consummated within six (6) months after the date the offer was transmitted to Declarant, the terms and limitations of this Section shall again be imposed upon any subsequent sale by the Owner. If Declarant shall elect to purchase such Lot, the transaction shall be consummated within thirty (30) days following delivery of notice by Declarant to the Owner of its decision to purchase.

Section 8.29 Storage of Personal Property. All property of Owners shall be stored only within buildings or in areas under or next to Buildings which are screened from view in a manner approved by the Design Review Committee.

ARTICLE IX MAINTENANCE

Section 9.1 Association's Responsibility. The Association shall maintain and keep the Common Area and Open Space in good repair, such maintenance to be funded as provided below. This maintenance shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and Improvements situated with the Open Space. The Association has the right of reasonable entry upon any Unit to make emergency repairs and to do other work necessary for the maintenance of the Project. The Association may, in the discretion of the Board, assume the maintenance responsibilities set out in any Project Declaration for any Project located on the Property, after giving the responsible Project Association reasonable notice and an opportunity to correct its deficient maintenance. In such event, all, costs of such maintenance shall be assessed only against those Owners residing in the Project to which the services are provided. The assumption of this responsibility may take place either by contract or because, in the option of the Board, the level and quality of service then being

provided is not consistent with the community-wide standards of Port Royal Landing. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Section 9.2 Owner's Responsibility. Except as provided otherwise in the Port Royal Landing Documents, applicable Project Documents or by written agreement with the Association, all maintenance of the Lots and Condominium Units and all structures, landscaping, parking areas and other Improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain said Lot or Condominium Unit in accordance with the community-wide standards of Port Royal Landing. The Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such standard, and the Project Association for the Project in which the Lot or Condominium Unit is located has failed to adequately provide such maintenance. Before assuming the maintenance responsibilities, the Board shall notify the Owner and the applicable Project Association in writing of its intention to do so, and if such Owner or the Project Association has not commenced and diligently pursued remedial action within thirty (30) days after mailing of such written notice, then the Association shall proceed. The expenses of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest at five percent above the prime rate charged by the Association's bank, or such other rate set by the Board, from the date of expenditure. Such charges shall be a default Assessment and a lien on the Lot or Condominium Unit or the Owner as provided in Section 4.7 above.

Section 9.3 Maintenance of Hedges and Plants. Each Owner shall be responsible for and shall maintain all landscaping, grass, driveways, parking areas, structures and grounds located on each Lot in good condition and repair and in a neat and attractive manner. The Association shall have the right to enter upon any part of a Lot in order to cut, trim, prune or replace, at the expense of the Owner, any grassed area, hedge or other planting which in the opinion of the Association or the ARB, by reason of its location upon the Lot or the height to which it is permitted to grow, is unreasonably detrimental to the adjoining property or obscures the view of street traffic or is unattractive in appearance; provided, however, that the Owner shall be given fifteen (15) days' prior written notice of such action, except in an emergency.

ARTICLE X INSURANCE AND FIDELITY BONDS

Section 10.1 Hazard Insurance. The Association shall obtain insurance for all insurable Improvements, if any, on the Common Area in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation of personal property and other items normally excluded from coverage), which shall include all Building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Common Area. Such policy shall include, if applicable, a standard form Mortgagee clause, a "demolition cost

endorsement" or the equivalent, an "increased cost of construction endorsement" or the equivalent, and a "contingent Liability from operation of building laws endorsement" or the equivalent. In addition, such policy shall afford protection against at least the following:

10.1.1 Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement, and by sprinkler leakage, debris removal and water damage;

10.1.2 In the event the Common Area contains a steam boiler, a broad form policy of repair and replacement boiler and machinery insurance in the amount of at least \$100,000 per accident per location; and

10.1.3 Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to Port Royal Landing.

Section 10.2 Liability Insurance. The Association shall obtain a comprehensive policy of public liability insurance insuring the Association and its Members for all liability for property damage, bodily injury or death in connection with the operation, maintenance, use of the Common Area, Open Space or streets and roads within Port Royal Landing, and legal liability arising out of lawsuits related to employment contracts of the Association. Such comprehensive policy of public liability insurance shall include a "severability of interest endorsement" or equivalent coverage which would preclude the insurance company from denying the claim of any Owner because of the negligent acts of the Association or any other Owner, with a limit of not less than \$1,000,000 covering all claims for personal injury, including death, or property damage arising out of a single occurrence. Such comprehensive policy of public liability insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and, if applicable, elevator collision, garage keeper's liability, host liquor liability, contractual and all-written contract insurance, employers' liability insurance, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use as Port Royal Landing.

Section 10.3 Fidelity Insurance. The Association shall obtain a fidelity bond to protect against dishonest acts on the part of its officers, directors, trustees and employees, and on the part of all others who handle or are responsible for handling the funds of or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees and agents. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount equal to at least 150% of the estimated annual operating expenses of Port Royal Landing, including reserves, if coverage in such amount can be obtained. Such bonds shall contain waivers by the issuers without compensation from the definition of "employees" or similar terms or expressions.

Section 10.4 Provisions Common to Hazard Insurance Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of Sections 10.1, 10.2 and 10.3 above shall be subject to the following provisions and limitations:

10.4.1 The named insured under any such policies shall be the Association as attorney in-fact for the Owners, or its authorized representative, including any trustee with which the Association may enter into any insurance trust agreement, or any successor trustee (each of which is sometimes referred to in this Section 10.4 as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under such policies.

10.4.2 In no event shall the insurance coverage obtained and maintained pursuant to such Sections be brought into contribution with insurance purchased by the Owners, occupants or their Mortgagees.

10.4.3 The policies shall provide that coverage shall not be prejudiced by: (a) any act or neglect of the Owners when such act or neglect is not within the control of the Association; or (b) by failure of the Association to comply with any warranty or condition with regard to any portion of Port Royal Landings over which the Association has no control.

10.4.4 The policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to any and all First Mortgagees and insureds named in the policies.

10.4.5 The policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association and any Owner and their respective agents, employees or tenants, and of any defenses based on co-insurance or upon invalidity arising from the acts of the insured.

10.4.6 All policies of property insurance shall provide that, notwithstanding any provisions of the policies which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of the insurance trust agreement, to which the Association may be a party or any requirement of law.

10.4.7 All policies shall be written with a company licensed to do business in the State of South Carolina and holding a rating of B/VI, or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

10.4.8 All casualty insurance policies shall have an inflation guard endorsement, if

reasonably available, and an agreed amount endorsement with an annual review by one or more qualified

persons, at least one of whom must be in the real estate industry and familiar with construction in the Beaufort County, South Carolina area.

10.4.9 No policy may be cancelled, invalidated or suspended on account of the conduct of any member of the Board of Directors, officer or employee of the Association or its duly authorized Manager 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 by the Association, its Management, any Owner or Mortgagee.

Section 10.5 Officers' and Directors' Personal Liability Insurance. To the extent obtainable at reasonable cost, appropriate officers'and directors' personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

Section 10.6 Worker's Compensation Insurance. The Association shall obtain worker's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 10.7 Other Insurance. The Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 10.8 Insurance Obtained by Owners. It shall be the responsibility of the individual Owners and at their expense to make arrangements in regard to title insurance on their Lots or Condominium Units upon any resale, for hazard insurance on the Improvements, personal property and furnishings located on their Lots or within their Condominium Units, and for public liability insurance covering their lots and Condominium Units. In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his Lot or Condominium Unit as such Owner concludes to be desirable; provided, however, that none of such insurance coverages obtained by an Owner shall affect any insurance coverages obtained by the Association or cause the diminution or termination of the coverage obtained by the Association. Any such insurance obtained by an Owner shall include a waiver of the particular insurance company's right of subrogation against the Association and other Owners.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.1 Association as Attorney-in-Fact. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place and stead for the purpose of dealing with the Improvements on the Common Area upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article XII below.

Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

Section 11.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Area in Port Royal Landing, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Common Area so damaged or destroyed. "Repair and reconstruction" shall mean and refer to restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 11.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 11.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 4.4 above, levy, assess and collect in advance from all Owners, without the necessity of a special vote of the Owners except as provided in Section 4.4, a special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 11.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the special Assessments provided for in Section 4.4 above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a special Assessment to the Association under Section 11.4 above, or, if no special Assessments were made, then in equal shares per lot or Condominium Unit, first to the Mortgagees and then to the Owners as their interests appear.

Section 11.6 Decision Not to Rebuild. If Owners representing at least sixty-six (66%) percent of the total allocated votes in the Association (other than Declarant) and sixty-six (66%) percent of the First Mortgagees (based upon one vote for each Mortgage owned) of the lots and Condominium Units agree in writing not to repair and reconstruct and no alternative Improvements are authorized, then and in that event the Property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Lot or Condominium Unit first to the Mortgagees and then to the Owners as their interests may appear.

Section 11.7 Damage or Destruction Affecting Lots or Condominium Units. In the event of damage or destruction to the Improvements located on any Lot or constituting a Condominium Unit, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one hundred eighty (180) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the Association may, after notice and hearing as provided in the By-Laws, impose a fine of not less than ONE HUNDRED (\$100.00) DOLLARS per day on the Owner of the Lot or Condominium Unit until repair and reconstruction is commenced, unless the Owner can prove to the satisfaction of the Association that such failure is due to circumstances beyond the Owner's control. Such fine shall be a default Assessment and a lien against the Lot or Condominium Unit as provided in Section 4.7 above.

ARTICLE XII CONDEMNATION

Section 12.1 Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by the Board of Directors acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking, but the Association shall act as attorney-in-fact for all Owners in the proceeds incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 12.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners representing at least sixty-six (66%) percent of the Class A votes in the Association shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with the plans approved by the Board of Directors and the Design Review Committee. If such Improvements are to be repaired or restored, the provisions in Article XI

above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot or Condominium Unit, first to the Mortgagees and then to the Owners as their interests appear.

Section 12.3 Complete Condemnation. If all of Port Royal Landing is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance of condemnation, then the Association created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Section 12.2 above.

ARTICLE XIII EXPANSION

Section 13.1 Reservation of Right to Expand. Declarant reserves the right, but shall not be obligated, to expand the effect of this Declaration to include all or part of the Expansion Property. Declarant shall have the unilateral right to transfer to any other person this right to expand by an instrument duly recorded.

Section 13.2 Declaration of Annexation. Such expansion may be accomplished by recording a Declaration of Annexation in the R.M.C. Office for Beaufort County, South Carolina before December 31, 1998, describing the real property to be annexed to the Property, submitting it to the covenants, conditions and restrictions contained in this Declaration, designating it as a Project, if the Expansion Property parcel in that instance does in fact constitute a Project, and providing for voting rights and Assessment allocations as provided in this Declaration. Such Declaration of Annexation shall not require the consent of the Owners or the Association. Any such expansion shall be effective upon the filing for record of such Declaration of Annexation, unless otherwise provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Upon the recordation of any such Declaration of Annexation, the definitions used in this Declaration shall be expanded automatically to encompass and refer to Port Royal Landing as expanded. Such Declaration of Annexation may add, delete or modify provisions of this Declaration as it applies to the Expansion Property added. However, this Declaration may not be modified with respect to that portion of the Property already subject to this Declaration, except as provided below for amendment.

Section 13.3 Incorporation of Additional Expansion Property. Real property which is not part of the Expansion Property or Adjoining Lands may be incorporated into the Property with the consent of two-thirds (2/3) of each class of membership in the Association.

Section 13.4 Incorporation of Adjoining Lands. Any owner or owners of Adjoining Land (other than Declarant) may apply to Declarant (or to the Board of Directors after the termination of the Class B membership) to have the Adjoining Land made subject to this

Declaration.

Alternatively, Declarant may purchase Adjoining Land and either subject such Adjoining Land to the Port Royal Landing Documents as provided in this Section or seek the approval of a majority of the Board to do so after the termination of the Class B membership. Upon the written approval of Declarant or a majority of the Board after termination of the Class B membership, of the inclusion of such Adjoining Land within Port Royal Landing, the owner or owners of the Adjoining Land may make it subject to this Declaration by executing an instrument in writing which shall satisfy the requirements above for a Declaration of Annexation. That instrument shall also be executed by Declarant or the Board of Directors, as applicable, as evidence of their approval, and shall be recorded in the R.M.C. Office for Beaufort County, South Carolina. Thereafter, such Adjoining Land shall be subject to this Declaration, and this Declaration shall be expanded as provided above in the case of Expansion Property incorporated into the Property.

ARTICLE XIV FHLMC REQUIREMENTS

Section 14.1 FHLMC Approval and Requirements. Unless at least sixty-six (66%) percent of the First Mortgagees (based on one vote for each First Mortgage owned) and Owners representing sixty-six (66%) percent of the total allocated votes in the Association have given their prior written approval, the Association shall not be entitled to:

14.1.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or a part of the Common Area (provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause);

14.1.2 Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;

14.1.3 Fail to maintain fire and extended coverage on insurable common property in an amount not less than 100% of the current replacement cost; or

14.1.4 Use hazard insurance proceeds for losses to common property for other than the repair, replacement or reconstruction of such common property.

Section 14.2 Lender's Notices. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer or guarantor will be entitled to timely written notice of:

A. Any condemnation or casualty loss that affects either a material portion of the Project or the Lot securing its mortgage.

B. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any lot on which it holds the mortgage.

C. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

D. Any proposed action that requires the consent of a specified percentage of Mortgagees.

ARTICLE XV ENFORCEMENT OF COVENANTS

Section 15.1 Violations Deemed a Nuisance. Every violation of this Declaration or any other of the Port Royal Landing Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed at law or in equity against anyone in violation of these Covenants shall be available.

Section 15.2 Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Port Royal Landing Documents as the same may be amended from time to time.

Section 15.3 Failure to Comply. Failure to comply with the Port Royal Landing Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the By-Laws shall be given to the delinquent party prior to commencing any legal proceedings.

Section 15.4 Who May Enforce. Any action to enforce the Port Royal Landing Documents may be brought by Declarant, the Board or the Manager in the name of the Association on behalf of the Owners. If, after a written request from an aggrieved Owner, none of the foregoing persons or entities commences an action to enforce the Port Royal Landing Documents, then the aggrieved Owner may bring such action.

Section 15.5 Remedies. In addition to the remedies set forth above in this Article XV, any violation of the Port Royal landing Documents shall give the Board, the Manager or Declarant, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Port Royal Landing Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 15.6 Non-Exclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 15.7 No Waiver. The failure of the Board of Directors, Declarant, the Manager, the Design Review Committee or any aggrieved Owner to enforce the Port Royal

landing Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Port Royal Landing Documents at any future time.

Section 15.8 No Liability. No member of the Board of Directors, Declarant, the Manager, the Design Review Committee or any Owner shall be liable to any other Owner for the failure to enforce any of the Port Royal Landing Documents.

Section 15.9 Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Port Royal Landing Documents, or in any legal proceeding (whether or not suite is brought) for damages or for the enforcement of the Port Royal Landing Documents or the restraint of violations of the Port Royal Landing Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court.

ARTICLE XVI RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association or the Design Review Committee relating to the interpretation, performance or non-performance, violation or enforcement of the Port Royal Landing Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the By-Laws.

ARTICLE XVII DURATION OF THESE COVENANTS AND AMENDMENT

Section 17.1 Term. This Declaration and any amendments or supplements hereto shall remain in effect from the date of recordation until December 31, 2111. Thereafter, these Covenants shall be automatically extended for successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

Section 17.2 Amendment. This Declaration, or any provision of it, may be terminated, extended, modified or amended as to the whole or any portion of the Property upon the written consent of Declarant and Owners representing more than sixty-six (66%) percent of the Lots and Condominium Units in the Property. Amendments made pursuant to this Section shall inure to the benefit of and be binding upon all Owners of any part of the Property, their families, tenants, guests, invitees and employees and their respective heirs, successors and assigns. A certificate of a licensed abstract or title company showing record ownership of the Lot or Condominium Unit shall be evidence of such ownership for the purposes of any such amendment. Any amendment that affects the proportionate responsibilities of the Residential and Commercial Members for maintenance of the Entryway shall require consent of seventy-five (75%) percent of the Residential Owners.

Section 17.3 When Modifications Permitted. Notwithstanding the provisions of Section 17.2, no termination, extension, modification or amendment of this Declaration shall be

effective in any event prior to December 31, 1998, unless the written approval of Declarant is first obtained.

Section 17.4 Amendment by Declarant. Notwithstanding Section 17.2 or any other provisions of this Declaration, Declarant, acting alone, reserves to itself the sole right and power to modify this Declaration by executing and recording an instrument setting forth the amendment. This right and power of Declarant, acting alone, to amend this Declaration in whole or in part, at any time and from time to time, shall be effective only with respect to any amendments recorded on or before December 31, 1998.

Section 17.5 Notice of Amendment. Except in the case of amendments made by Declarant pursuant to Section 17.4 above, no amendment of this Declaration shall be effective unless a written notice of the proposed amendment is sent to every Owner at least sixty (60) days in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

Section 17.6 Effective on Recording. Any modification or amendment shall be immediately effective upon recording in the R.M.C. Office for Beaufort County, South Carolina a copy of such amendment or modification, executed and acknowledged by the necessary number of Owners (and by Declarant, as required), together with a duly authenticated Certificate of the Secretary of the Board stating that the required number of consents of Owners were obtained and are on file in the office of the Association.

Section 17.7 Revocation. This Declaration shall not be revoked except as provided in Article XII regarding total condemnation without the consent of all of the Owners in a written instrument duly recorded.

ARTICLE XVIII PRINCIPLES OF INTERPRETATION

Section 18.1 Severability. This Declaration, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 18.2 Construction. In interpreting words in this Declaration, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 18.3 Headings. The headings are included for purposes of convenient reference, and they shall not affect the meaning or interpretation of this Declaration.

Section 18.4 Registration of Mailing Address. Each Member shall register his mailing address with the Secretary of the Association from time to time, and notices or demands intended to be served upon or given to a Member shall be personally delivered or sent by mail,

postage prepaid, addressed in the name of the Member at such registered mailing address.

Section 18.5 Notice. All notices or requests required shall be in writing. Notice to any Member shall be considered delivered and effective upon personal delivery or three (3) days after posting, when sent by certified mail, return receipt requested, to the address of such Member on file in the records of the Association at the time of such mailing. Notice to the Board, the Association, the Design Review Committee or the Manager shall be considered delivered and effective upon personal delivery or three (3) days after posting, when sent by certified mail, return receipt requested, to the Association, the Board, the Committee or the Manager at such address as shall be established by the Association from time to time by notice to the Members. General notices to all Members or any classification thereof need not be certified, but may be sent by regular first class mail.

Section 18.6 Waiver. No failure on the part of the Association, the Board or the Committee to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver, except as specifically provided above in the event of the Board or the Committee fails to respond to certain requests. No waiver shall be effective unless it is in writing, signed by the President or Vice President of the Board on behalf of the Association, or by the Chairman of the Committee on behalf of the Committee.

Section 18.7 Limitation of Liability. Neither the Association, the Design Review Committee nor any officer or member of the Board shall be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Port Royal Landing Documents if the action or failure to act was made in good faith. The Association shall indemnify all the Committee members and officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration, the By-Laws and the Articles of Incorporation.

Section 18.8 Conflicts Between Documents. In the case of conflict between this Declaration and the Articles of Incorporation or the By-Laws, this Declaration shall control. In case of conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control. In case of conflict between this Declaration and the Design Guidelines, the Design Guidelines shall control.

Section 18.9 Assignment. Declarant may assign all or any part of its rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in written instrument duly recorded in the R.M.C. Office for Beaufort County, South Carolina.

EXHIBIT "A"

DESCRIPTION OF THE PROPERTY

ALL those certain pieces, parcels or tracts of land lying and being in the Town of Port Royal, Beaufort County, South Carolina, being designated as "Parcel I(A), 0.58 AC. , " "Parcel II, 2.69 AC." and "Parcel III, 8.05 AC." on that certain plat of survey entitled "A Plat of 15.16 Acres Parcels I(A), I(B), I(C), I(D), II and III, A Section of the Town of Port Royal," dated March 20, 1987, last revised 11/04/87, 1987, prepared by Coastal Surveying & Engineering Co., Inc., Jerry L. Richardson, South Carolina Registered Land Surveyor No. 4784, which plat is recorded in the R.M.C. Office for Beaufort County in Plat Book 35 at Page 77 .

Together with the real property lying between the mean low water mark of Beaufort River and the eastern boundary of Parcels II and II as shown on the above referenced plat.

EXHIBIT "B"

DESCRIPTION OF THE EXPANSION PROPERTY

ALL those certain pieces, parcels or tracts of land lying and being in the Town of Port Royal, Beaufort County, South Carolina, being designated as "Parcel I(B), 1.46 AC. , " "Parcel I(C), 1.03 AC." and "Parcel I(D), 1.35 AC." on that certain plat of survey entitled "A Plat of 15.16 Acres Parcels I(A) , I(B), I(C), I(D) , II and III, A Section of the Town of Port Royal," dated March 20, 1987, last revised 10/30/87, 1987 prepared by Coastal Surveying & Engineering Co., Inc., Jerry L. Richardson, South Carolina Registered Land Surveyor No. 4784, which plat is recorded in the R.M.C. Office for Beaufort County in Plat Book 35 Page 76 .

Together with the real property lying between the mean low water mark of Beaufort River and the eastern boundary of Parcel I(D) as shown on the above referenced plat.