

BRADDOCK COVE CLUB OWNERS' ASSOCIATION, INC.

ARTICLE I

Definitions.

Section 1. Declaration of Covenants and Restrictions. In the course of these By-Laws, reference is made to the Declaration of Covenants and Restrictions recorded by Sea Pines Plantation Company in the Office of the Clerk of Court for Beaufort County, South Carolina, in Book 243 at Page 2043. A copy of these covenants is attached to these By-Laws and is incorporated herein by reference each and every time said covenants are referred to by these By-Laws. Said Declaration of Covenants and Restrictions are sometimes referred to herein as "Covenants" and "the Covenants".

Section 2. Association. "Association" shall mean and refer to the Braddock Cove Club Owners' Association, Inc., a non-profit corporation organized and existing under the laws of the State of South Carolina.

Section 3. The Properties. "The Properties" shall mean and refer to property described in Exhibit "A" to the Covenants and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article VI, Section 2, herein.

Section 4. Common Properties. "Common Properties" shall mean and refer to those areas of land with any improvements thereon which are deeded to the Association and designated in said deed as "Common Properties". The term "Common Properties" shall include any personal property acquired by the Association if said property is designated as "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of all the owners of the Properties.

Section 5. Limited Common Properties. "Limited Common Properties" shall mean and refer to those areas of land adjacent to each Townhouse Lot included in the Properties as shown on the Plat referred to in Exhibit "A" to the Covenants. All Limited Common Properties are devoted to and intended for the exclusive use and enjoyment of the owner of the lot adjacent to such Limited Common Properties.

ARTICLE II

Location.

Section 1. The principal office of the Association shall be located at Hilton Head Island, Beaufort County, South Carolina.

ARTICLE III

Membership.

Section 1. Membership in the Association shall be as set forth in Article III, Section 1, of the Covenants.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Covenants.

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Section 3. The membership rights of any person whose interest in the Properties is subject to assessments under Article III, Section 2, hereinabove, whether or not he be personally obligated to pay such assessment, may be suspended by action of the Directors during the period when the assessment remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted the published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period of not to exceed thirty (30) days.

ARTICLE IV

Voting Rights.

Section 1. Voting rights in the Association shall be set forth in Article 3, Section 2, of the Covenants.

ARTICLE V

Property Rights and Rights of Enjoyment of Common Property and Limited Common Properties.

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and Limited Common Properties as provided in Article IV of the Covenants applicable to the Properties.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon the Properties or to any of his tenants or renters who lease or rent a Dwelling Unit within the properties from him. Such member shall notify the Secretary in writing of the name of any such person or persons and of the relationship of the member to such person or persons. The rights and privileges of such person or persons are subject to suspension under Article III, to the same extent as those of the member.

ARTICLE VI

Association Purposes and Powers.

Section 1. The Association has been organized for the following purposes:

- (a) to own, acquire, build, operate, and maintain the common properties, as that term is defined in the Covenants;
- (b) fix assessments (or charges) to be levied against the property in the subdivision;
- (c) enforce any and all covenants, restrictions, and agreements applicable to the Properties;
- (d) pay taxes, if any, on the Common Properties and Facilities and on the Limited Common Properties; and
- (e) do such other acts intended to provide for the preservation of value of Properties which the Covenants are applicable to.

Section 2. Additions to Properties and Membership. Additions to The Properties described in Exhibit "A" attached to the Covenants, may be made as provided in the Covenants and three-fourths (3/4) of the total vote of the quorum must approve the addition. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties.

Section 3. Mergers and Consolidations. Subject to the provisions of the recorded covenants and restrictions applicable to The Properties, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of three-fourths (3/4) of the vote at a duly called meeting of the Association, written notice of which shall be mailed to all members of the Association at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. Mortgages: Other Indebtedness. The corporation shall have the power to mortgage its properties upon the approval of three-fourths (3/4) of the vote at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Quorum for the Action Governed by Sections 3 and 4 of this Article. The Quorum required for any action governed by these By-Laws shall be as follows, unless otherwise provided: At the first meeting duly called as provided therein, the presence of members or of proxies, entitled to cast sixty (60%) percent of the total vote of the Association shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth hereinafter.

Section 6. Dedication of Properties or Transfer of Function to Public Agency or Utility. The corporation shall have the power to dispose of its real properties only as authorized under the covenants.

ARTICLE VII

Board of Directors.

Section 1. Board of Directors: Selection, Terms of Office. The affairs of the corporation shall be managed by a Board of Directors. The Initial Board of Directors shall consist of three (3) directors who shall hold office until the election of their successors for the terms stated in this section. Beginning with the first annual meeting, the members shall elect three (3) directors each for a term of one (1) year.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by the majority of the remaining directors and any such appointed director to hold office until his successor is elected by the Members, who may take such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

✓ (1) to fix the amount of the assessment against each Lot or Dwelling Unit for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

(2) to prepare a roster of the Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member;

(3) to send written notice of each assessment to every owner subject thereto.

(d) to issue upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

Director's Meetings.

Section 1. The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors with ample notice given to each member.

Section 2. Ten (10) days written notice of such annual meeting shall be given each Director.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

✓ Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

Officers.

Section 1. The officers shall be president, a vice-president, a secretary, a treasurer. Any or all officers may be but shall not be required to be members of the Board of Directors.

Section 2. The officers shall be chosen by a majority of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

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Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice-President shall perform all the duties in the absence of the president.

Section 6. The secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the record of the Association. He shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members.

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or vice-president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made at the completion of each fiscal year.

ARTICLE XII

Meetings of Members.

Section 1. Special meetings of the members for any purpose may be called at any time by the President, Vice-President, the Secretary, or Treasurer, or by any two (2) or more members of the Board of Directors, or upon written request of one-fourth (1/4) of the total vote of the Association.

Section 2. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each member shall register his address with the Secretary and notices of meetings shall be mailed to his such address. Notice of any meeting, regular or special, shall be mailed at least ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve and be governed by the Articles of Incorporation or by the Covenants applicable to the Properties, or any action for which other provision is made in these By-Laws, notice of such meeting shall be given or sent as therein or herein provided.

Section 3. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast sixty (60%) percent of the total votes of the Association shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties shall require a quorum as therein provided.

C.H. CARPENTIER
267 SOUTH SEA PINES DRIVE
HILTON HEAD IS., S. C. 29928

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DECLARATION OF COVENANTS AND RESTRICTIONS FOR
BRADDOCK COVE CLUB, HILTON HEAD ISLAND, SOUTH CAROLINA
AND PROVISIONS FOR
THE SEA PINES, BRADDOCK COVE CLUB OWNERS' ASSOCIATION, INC.

THIS DECLARATION, made this 12th day of January, 1977,
by SEA PINES PLANTATION COMPANY, a South Carolina corporation with
its principal place of business at Hilton Head Island, South Carolina,
hereinafter called "Company".

W I T N E S S E T H:

WHEREAS, Company is the owner of the real property described
in Article II of this Declaration and desires to create thereon a
planned community known as Braddock Cove Club with open spaces, road-
ways, shoreline edges, landscaped areas, and similar Common Properties
and Limited Common Properties for the benefit of the said Community;
and

WHEREAS, Company desires to provide the preservation of the
values and amenities in said Community and for the maintenance of
open spaces, landscaped areas, roadways, shoreline edges, and for the
planting of trees and groundcovers on the Common Properties; and, to
this end desires to subject the real property described in Article II,
together with such additions as may hereafter be made, as provided
in Article II to the covenants, restrictions, easements, affirmative
obligations, charges and liens hereinafter set forth, each and all
of which is and are hereby declared to be for the benefit of said
property and each and every owner of any and all parts thereof; and

WHEREAS, Company has deemed it desirable, for the efficient pre-
servation of the values and amenities in said Community, to create an
agency to which should be delegated and assigned the power and authority
of maintaining and administering and enforcing the covenants and restric-
tions governing the same and collecting and disbursing all assessments
and charges necessary for such maintenance, administration and enforce-
ment, as hereinafter created; and

WHEREAS, Company has caused to be incorporated under the laws
of the State of South Carolina, as a non-profit corporation, SEA PINES,
BRADDOCK COVE CLUB OWNERS' ASSOCIATION, INC., for the purpose of exer-
cising the functions aforesaid, and which are hereinafter more fully
set forth.

NOW, THEREFORE, the Company declares that the real property
described in Article II, and such additions thereto as may hereafter
be made pursuant to Article II hereof, is and shall be held, trans-
ferred, sold, conveyed, leased, occupied, and used subject to the
covenants, restrictions, conditions, easements, charges, assessments,
affirmative obligations, and liens (sometimes referred to as "the
covenants") hereinafter set forth.

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ARTICLE I

DEFINITIONS

Section 1. The following words and terms, when used in this Declaration, or any Supplemental Declaration (unless the context clearly shall indicate otherwise) shall have the following meanings:

(a) "Association" shall mean and refer to the Sea Pines Braddock Cove Club Owners' Association, Inc., a South Carolina non-profit corporation.

(b) The "Properties" shall mean and refer to the Existing Property described in Article II hereof, and additions thereto, as are subjected to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.

(c) "Common Properties" shall mean and refer to those areas of land with any improvements thereon which are deeded to the Association and designated in said deed as "Common Properties". The term "Common Properties" shall include any personal property acquired by the Association if said property is designated as "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the owners of the Properties, (subject to any fee schedules and operating rules adopted by the Association).

(d) "Limited Common Properties" shall mean and refer to those areas of land adjacent to each Townhouse Lot included in the Properties as shown in the Plat referred to in Article II hereof. All Limited Common Properties are devoted to and intended for the exclusive use and enjoyment of the Owner of the Lot adjacent to such Limited Common Properties.

(e) "Lot" shall mean and refer to any improved or unimproved parcel of land shown upon any recorded final subdivision map of any part of the Properties with the exception of Common Properties as heretofore defined.

(f) "Dwelling Unit" shall mean and refer to any building situated upon the Properties intended for use and occupancy by a single family.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporation, or other legal entities, of the fee simple title to any Lot or Dwelling Unit situated upon the Properties but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure; nor shall the term "owner" mean or refer to any lessee or tenant of an Owner.

(h) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Section 1 of Article III hereof.

(i) "Company" shall mean the Sea Pines Plantation Company, and its successors and assigns.

ARTICLE II

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Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants, is located on Hilton Head Island, Beaufort County, South Carolina, and is more particularly described in Exhibit "A" hereto attached and by reference incorporated herein. All of the real property hereinabove described shall hereinafter be referred to as "Existing Property." The Company intends to develop the Existing Property in accordance with a Plat of the Existing Property dated January 5, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 25 at Page 98.

Section 2. Mergers. Upon a merger or consolidation of the Association with another association as provided for in the By-Laws of the Association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property, as herein provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN
THE ASSOCIATION

Section 1. Membership. The Company and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Lot or Dwelling Unit which is subject by the Covenants to Assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a member of the Association.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

CLASS "A". Class "A" Members shall be all those owners as defined in Section One (1) with the exception of the Company. Class "A" Members shall be entitled to one vote for each Lot and Dwelling Unit in which they hold the interest required for membership by Section One. When more than one person holds such interest or interests in any Lot or Dwelling Unit all such persons shall be members, and the vote for such Lot or Dwelling Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Dwelling Unit. A Member casting a vote representing a Dwelling Unit owned by such Member shall not be entitled to cast an additional vote for the Lot upon which said Dwelling Unit is situated. In the event a single Dwelling Unit is sold in fee with a Lot, the vote with respect thereto shall thereafter be cast on the basis of the Dwelling Unit only. When one or more co-owners sign a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the voting is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

CLASS "B". The Class "B" Member shall be the Company. Until 6 or more of the 15 lots within the Braddock Cove Club area shall have been sold by the Company, the Class "B" Member shall be entitled to one vote plus one vote for each vote held by a Class "A" Member. One vote of the Class "A" Membership shall be equivalent to one vote of Class "B" Membership. The total vote of the Association shall consist of the sum of the votes of Class "A" Members and of the votes of Class "B" Members.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES AND LIMITED COMMON PROPERTIES.

Section 1. Member's Easements of Enjoyment. (a) Subject to the provisions of these covenants and the rules and regulations of the Association, every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot or Dwelling Unit.

(b) Each Member shall have an exclusive right and easement of enjoyment in and to only the Limited Common Properties immediately adjacent to the Lot said Member owns and such easement shall be appurtenant to and shall pass with the title of every Lot or Dwelling Unit.

Section 2. Title to Common Properties. The Company shall convey legal title to the Common Properties and to the Limited Common Properties to the Association not later than completion of five (5) dwelling units or September 1, 1977.

Section 3. Extent of Member's Easements. (a) The rights and easements of enjoyment with Common Properties created hereby shall be subject to the following:

(1) The right of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said Properties; and

(2) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosures; and

✓ (3) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment; and ✓

(4) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties and/or facilities therein; and

(5) The right of the Company or the Association to dedicate or transfer to any public or private utility, utility easements on any part of the Common Properties; and

(6) The right of the Association to give or sell all or any part of the Common Properties including leasehold interest to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedications, transfer and determination as to purpose and conditions shall be authorized by the vote of three-fourths (3/4) of the vote at a duly called meeting and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken. A true copy of such resolution together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Properties, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the membership.

(b) The rights and easements of enjoyment in the Limited Common Properties created hereby shall be subject to the following:

(1) The Member shall have an easement only in that Limited Common Property immediately adjacent and contiguous to the Lot owned by said Member as shown on the Plat referred to in Article II above; and

(2) Each Member's Easement in the adjacent Limited Common Properties shall be for said Member's exclusive use and enjoyment subject to the provisions herein, unless otherwise provided in the Deed of Conveyance; and

(3) Each Member shall develop, landscape, and maintain the Limited Common Properties subject to his exclusive easement at his own expense; and

(4) Development and landscaping of Limited Common Properties shall be accomplished only according to plans submitted and approved in writing by the Company; and

(5) No building, structure or fence of any kind shall be constructed on Limited Common Properties; and

(6) The Association retains the right to enter upon the Limited Common Properties for the purpose of providing landscape maintenance in the event that Member fails to conform to standards of appearance established by the Association. Any expense incurred by the Association thereby shall be charged to the deficient Member and shall be collectible in the same manner as provided herein for annual and special assessments including the lien provision outlined in Article V, Section 9; and

(7) Each Member shall be solely responsible for the payment of all taxes assessed by public authorities on the Limited Common Properties over which said Member has an exclusive easement. In the event that the Association is required to pay said tax on behalf of the Member, that amount paid by the Association shall be collectible in the same manner as provided herein for annual and special assessments including the lien provision outlined in Article V, Section 9 herein.

ARTICLE V

Section 1. Docks. The Association or Lot Owners, with approval of the Association, may erect docks upon the Common Properties fronting on Braddock Cove, upon complying with the following terms and conditions:

- (a) Complete plans and specifications including site, color or finish must be submitted to the Company in writing;
- (b) Written approval of the Company to such plans and specifications must be secured, the Company reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons.

Any alterations of the plans and specification or of the completed structure must also be submitted to the Company in writing and the Company's approval in writing must be similarly secured prior to construction, the Company reserving the same rights to disapprove alterations as it retains for disapproving the original structures. The Association and/or the Lot Owner shall have sole responsibility for obtaining approval of appropriate governmental authorities for construction of said dock and for compliance with applicable regulations thereafter.

Section 2. Maintenance. The Association and/or all Lot Owners who construct or cause to be constructed said docks, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings, and to maintain such paint or preservatives in an attractive manner. The Company shall be the judge as to whether the docks are safe, clean, orderly in appearance, and properly painted or preserved in accordance with reasonable standards, and where the Company notifies the Association or the particular Lot Owner in writing that said dock fails to meet acceptable standards, the Association or the said Lot Owner shall thereupon remedy such conditions within thirty (30) days to the satisfaction of the Company, and that failing to so remedy such conditions, the Lot Owners hereby covenant and agree that the Company may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock and/or boat house up to acceptable standards, all such repairs and actions to be at the expense, solely, of the Lot Owner in question, or all Lot Owners pro-ratably if the docks are constructed by the Association.

Section 3. No Trespass. Whenever the Company is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Lot Owner, or on the easement areas adjacent thereto entering the property and taking such action shall not be deemed a trespass.

Section 4. Dredging. Sea Pines Plantation Company expressly assumes no responsibility for silt or obstruction removal by dredging or any other means, in any natural or dredged channel providing access to any lot conveyed by Sea Pines Plantation Company.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Company for each Lot and Dwelling Unit owned by it within the Properties hereby covenants and each Owner of any Lot or Dwelling Unit shall be acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of

these covenants and to pay to the Association: (1) Annual Assessments or charges; (2) Special Assessments for the purposes set forth in Section 4 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the land and all the improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof including reasonable attorney's fees as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. In the case of co-ownership of a Lot or Dwelling Unit, all of such co-owners of the Lot or Dwelling Unit shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the following purposes:

(a) Improvement, maintenance, and operation of the Common Properties, including, but not limited to, payment of taxes and insurance thereon and repair, planting of trees and groundcovers, replacements and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

(b) Refuse collection for each Dwelling Unit and Lot.

(c) Inside Pest Control for each Dwelling Unit.

(d) Management fees to Sea Pines Plantation Company, its successors or assigns or any other manager selected by the Association.

(e) General administrative expenses of the Association.

The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January 1, 1978, the annual assessments shall not be more than THIRTY-FIVE AND NO/100 (\$35.00) DOLLARS per month per Lot or Dwelling Unit unless a higher annual assessment is approved by three-fourths (3/4) of the vote of the Class "A" Members at the annual meeting. The owner of one or more Dwelling Units who also owns the Lot upon which said one or more Dwelling Units are located shall pay one assessment for each Dwelling Unit but shall not be assessed for the Lot upon which the Dwelling Units are located. From and after January 1, 1978, the annual assessment may be increased each year by five (5%) percent of the maximum authorized assessment for the preceeding year unless three-fourths (3/4) of the vote of the Class "A" Members at the annual meeting votes against said increase or votes to increase said annual assessment by a greater amount or to decrease the annual assessment.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year at a lesser amount, but such action shall not constitute a Waiver by the Association of its right to revert to the full assessment for the remaining year or years of the then current period fixed as provided in the preceeding paragraph.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, or replacement of a described capital improvement of the Common Properties, including the necessary fixtures and personal property related thereto or additions to the Common Properties, provided that any such assessment shall have the assent of three-fourths (3/4) of the vote at a duly called meeting of Members, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

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Section 5. Change in Basis and Maximum of Annual Assessments Upon Merger or Consolidation. The limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under Article II, Section 2, hereof, and under the By-Laws of the Association.

Section 6. Quorum for any Action Authorized. The presence at the meeting of Members, or of proxies, entitled to cast sixty (60%) percent of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at a meeting, another meeting may be called subject to the notice requirement set forth in Section 4.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence the sooner of (i) completion of five (5) dwelling units, or (ii) September 1, 1977, unless an earlier date is fixed by the Board of Directors of the Association.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable the first day of January of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof, as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof, shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against such Lot or Dwelling Unit for each assessment period and shall, at that time, prepare a roster of the Properties and assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

✓ Section 9. Effect of Non-Payment of Assessments: The Personal Obligation of the Owner; The Lien; Remedies of the Association.

If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall (together with interest thereon at the rate of eight (8%) percent per annum from the due date and cost of collection as hereinafter provided) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made. The personal obligation of the Owner at the time of the assessment to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass as a personal obligation to his successors in title unless expressly assumed by them.

✓ If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, not from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantee in conveyances made for the purpose of granting utility easements;
- (b) All properties to the extent of any easement therein other than a utility easement dedicated and accepted by the local public authority and devoted to public use which does not adversely affect the owner's use of the property;
- (c) All Common Properties as defined in Article I, Section 2, hereof;
- (d) All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of such legal exemptions;
- (e) Properties owned by the Company used for recreation facilities; home maintenance and service facilities; and meeting room and conference facilities. Only land within the Existing Property which has been subdivided into Lots, and the plats thereof filed for public record in the Beaufort County Courthouse shall constitute a Lot for purposes of these assessments. Projected locations for future platted lots shown on the Master Plan will not be subject to assessment;
- (f) All properties owned by mortgagee as a result of foreclosure or a proceeding in lieu of foreclosure.

ARTICLE VII
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon The Properties and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

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Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereon in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall be an obligation running with the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of the majority of all the arbitrators shall be final and conclusive of the question involved.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Duration and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless three-fourths (3/4) of the vote at the annual meeting approves a change in the covenants and restrictions. The covenants may be amended at any time if three-fourths (3/4) of the vote at a duly called meeting of the Association approves the change. Provided, however, that no such agreement to change shall be effective unless made and recorded sixty (60) days in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner of a Lot and the Company at least thirty (30) days in advance of any action taken. During the period ending one (1) year from the date these covenants are recorded the Company may amend or add to these covenants, without the consent of the membership, to clarify or make provision for any items which the Company in its sole discretion considers necessary or desirable. The Company shall not, by reason of the power herein reserved, have the right to alter the amount, or method of making, annual or special assessments.

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) PROBATE

PERSONALLY appeared before me Marie C. Brannen, who,
on oath, says that (s)he saw the within named SEA PINES PLANTATION
COMPANY, by James W. Light, its President,
and by Charles A. Scarminach, its Secretary,
sign, seal, and as its act and deed, deliver the within written
instrument and that (s)he with Susan M. Beaman witnessed
the execution thereof.

Marie C. Brannen
Marie C. Brannen

SWORN to before me this 12th
day of January, 1977.

Susan M. Beaman
Notary Public for South Carolina
My Commission Expires: 8/23/84

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) PROBATE

PERSONALLY appeared before me Marie C. Brannen, who,
on oath, says that (s)he saw the within named SEA PINES, BRADDOCK COVE
CLUB OWNERS' ASSOCIATION, INC., by James W. Light,
its President and by Charles A. Scarminach,
its Secretary, sign, seal, and as its act and deed,
deliver the within written instrument, and that (s)he with Susan
M. Beaman witnessed the execution thereof.

Marie C. Brannen
Marie C. Brannen

SWORN to before me this 12th
day of January, 1977.

Susan M. Beaman
Notary Public for South Carolina
My Commission Expires: 8/23/84