

**SECTION ONE
PROPERTY COVERED BY COVENANTS**

Property Description

Section 1.1: The Property. The real property ("the Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants, is described in **EXHIBIT "A"** to these Covenants, as may be amended from time to time.

SECTION TWO

Definitions

Section 2.1: Definitions. The following words and terms, when used in these Covenants, or any supplemental Declaration, unless the context clearly shall indicate otherwise, shall have the following meanings.

(a) "Association" shall mean and refer to Wild Horse Court Owner's Association, Inc., a South Carolina non-profit corporation which Declarant has formed or will form within one (1) year of the date of these Covenants.

(b) "Common Property" shall mean and refer to those areas of land depicted as open space or common area on any plat of record depicting the property. The term "Common Property" shall include any personal property acquired by the Association, if said property is designated as "Common Property." All Common Property is to be devoted to and intended for the common use and enjoyment of the Lot Owners of the Property.

(c) "Declarant" shall mean and refer to Thomas C. Barnwell, Jr., his successors and assigns, other than individual Lot Owners.

(d) "Lot" shall mean and refer to any parcel of land within the Property.

(e) "Lot Owner" shall mean and refer to the record owner whether one or more persons, associations, corporations, or other legal entities, of fee simple title to any Lots situated upon the Property, but shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure; nor shall the term "Lot Owner" mean or refer to any lessee or tenant of the Lot Owner.

(f) "Member" shall mean and refer to all Lot Owners who are Members of the Association as provided herein.

(g) "Property" shall mean and refer to the Property described in Section 1.1 hereof.

SECTION THREE LAND USE RESTRICTIONS

General Land Use Restrictions and Obligations

Section 3.1: Use of Property. Declarant does hereby declare that the Property which is the subject of these Covenants shall be utilized for residential purposes, and all commercial activities except model or existing home construction, marketing, or sales, upon or within said Property are hereby prohibited. This commercial activity prohibition shall not preclude individuals from conducting business activities from within a single family residence, so long as such business activity does not include any client or customer visitations or solicitations on the Property.

Section 3.2: Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures, Landscaping and Siting.

(a) Review and Approvals. No building, fence, or other structure or landscaping element shall be erected, placed or altered on said Property until the proposed building plans, specifications, exterior color or finish, landscape plan, site development plan (showing proposed location of such building or structure, setbacks, open space, drives, landscape elements, patios, decks and parking areas) and construction schedule shall have been approved in writing by Declarant, its successors or assigns and, when activated, the Association of any architectural review board the Association establishes. Refusal of approval of plans, location or specifications may be based by Declarant upon any reasonable grounds, including purely aesthetic considerations, in the sole discretion of Declarant. Also, no alterations in the exterior appearance of any building or structure shall be made without like approval by Declarant. Two (2) copies of all plans and related data shall be furnished to Declarant, or its agent, for its records and a reasonable fee may be required at the time of submittal to cover costs of plan review by professionals. The initial review fee for plans submitted shall be \$300.00. Declarant, its successors and assigns, shall have the unilateral right to change said fee from time to time in reasonable amounts. In the event the Declarant does not approve or disapprove of the plans within 15 days of their submission, they should be deemed approved. All Declarant's rights under this Section 3.2 may be assigned to the Association at any time by written assignment recorded in the Beaufort County Register of Deeds' Office referencing these Covenants. It is recognized that some homesites were designed in such a way as to accommodate detached garages and those garages require no further approval so long as the plans and design compliment existing construction.

(b) Siting. To assure that the building and other structures will be located so that reasonable view, privacy and breeze will be available to the largest practical number of each building or structures built within the Property, that structures will be located with regard to structures previously built, that the topography of each Lot is taken into consideration including the location of large trees and the stated goal of minimizing the number of trees to be removed, as well as other aesthetic and environmental considerations, Declarant, its successors and assigns, shall approve the precise site and location of any structure within the Property. Minimum setbacks shall be ten (10') feet from the front lot boundary line, fifteen feet (15') from the rear lot boundary line,

and five feet (5') from each side lot boundary line as to the building of any structure or as otherwise provided by the applicable zoning ordinances for Hilton Head Island.

(c) Tree and Bush Removal. No trees of any kind above eight (8) inches in diameter at a point four feet (4') above the ground level removed by any Lot Owners anywhere within the Property, including trees within Common Properties, without the written approval of Declarant or the Association.

Section 3.3: Exterior Antennas and Towers. The siting of all television antennas, satellite receivers or other device for the receiving or transmitting of television or video signals shall be subject to the prior written approval of the Declarant which may not be unreasonably withheld. Declarant shall have the right to regulate the location and other aesthetic features of any television antennas or satellite dishes, including the right to require appropriate natural or artificial screening. No satellite receiving dish greater than thirty-six inches in diameter shall be allowed upon the Property, nor shall any television antenna greater than six feet in height above the roof line shall be allowed.

Section 3.4: Mailboxes. Mandatory guidelines regulating the size, color or siting and construction of all mailboxes shall be adopted by Declarant or the Association.

Section 3.5: Temporary Structures and Outbuildings. No trailer, tent, barn, or other similar outbuilding or structure shall be placed on any lot at any time, either for a period greater than one week, or permanently, without the written permission and approval of Declarant or the Association. Storage buildings may be placed in rear yards behind fences so long as the are maintained.

Section 3.6: Animals. No animals, livestock or poultry of any kind shall be raised or kept on the Property other than a maximum of four (4) household pets kept in any one residence, excluding birds or fish. No exotic animals such as wolves, tigers, or snakes shall be kept on the Property. In order to preserve the aesthetic qualities of the Property, to maintain sanitary conditions on the Property, to prevent the spread of worms and infectious diseases on the Property, to maintain a proper respect for other Lot Owners and users of the Property, and to maximize the overall use and enjoyment of the Property, each person who keeps a pet within a Dwelling Unit shall abide by rules and regulations established by the Declarant or the Association from time to time, as well as all local ordinances. The breach of any of these rules and regulations shall be a noxious and offensive activity constituting a nuisance.

Section 3.7: Unsightly Conditions. It shall be the responsibility of the Lot Owner, his successors and assigns to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on said Property which shall tend to substantially decrease the beauty of the neighborhood. No clotheslines shall be allowed on the Property, and no laundry shall be hung out to dry on any Lot.

Section 3.8: Offensive Activity. No noxious or offensive activity shall be carried on upon said Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the other property in the neighborhood by the Lot Owners thereof.

Section 3.9: Signs. No "For Sale" signs shall be allowed on the property, and no other commercial signs, including "for rent" and other similar signs, shall be erected or maintained on said Property by anyone without prior written permission of the Declarant, or the Association after it is activated. This prohibition shall not include the Declarant, who expressly reserves the right to erect and maintain signage of any type throughout the Property. This prohibition shall include, but not be limited to, Lot Owners, realtors, contractors or subcontractors. Upon the assignment of Declarant's rights to the Association referenced in Part Five of these Covenants, Declarant may, in its discretion, permit signage by referencing such permission in the assignment of rights to the Association. If such permission is granted, Declarant reserves the right for the Association to restrict size, color and content of such signs.

Section 3.10: Restrictions of Use of Roadways. Subject to the rights of ingress and egress of Lot Owners and guests, Declarant and its successors shall have the powers to place any reasonable restrictions upon the use of the private roadways within the Property including, but not limited to, restrictions pertaining to the speeds of vehicles, traffic and parking regulations and noise levels of vehicles. The fact that such restrictions on the use of the roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable. Declarant reserves the right to convey the roadways within the Property to Beaufort County, or any other governmental body.

Section 3.11: Campers, Trailers, Boats; Parking. No boats, boat trailers, campers, utility trailers of any kind may be permitted on the Property unless garaged by the Lot Owner, parked in rear yards behind fences, or except as approved by the Declarant or the Association. Parking shall only be on the driveway portion of the Lot. No on street parking or parking on common areas will be allowed. All vehicles must be in running condition and be currently registered with the South Carolina Department of Motor Vehicles. Commercial tow trucks and tractors used to pull large commercial trailers, as well as the trailers, will not be permitted to be parked within the subdivision. Declarant, its successors or assigns, shall have the right to have any vehicle, trailer, or camper parked on the streets within the Property towed from the Property at the expense of the Lot Owner to whom the vehicle belongs or the Lot Owner who invited the owner of such improperly parked vehicle on the Property. All such towing expenses may be charged and collected against such Lot Owner as assessment obligation.

Section 3.12: Landscaping Maintenance. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. No elevation changes shall be permitted on any Lot which materially affects the drainage onto surrounding Lots or dwellings.

All Lots and all portions of the Property and any improvements placed thereon shall at all times be maintained in a neat and attractive condition. Landscaping shall be maintained in a neat, attractive and orderly manner, including maintenance of grass, plants, plant beds, trees, turf, proper irrigation and water/marsh edge maintenance. In order to implement effective control, Declarant and/or Association, its agents and assigns, shall have the right to enter upon any Lot for the purpose of mowing, pruning, removing, clearing or cutting underbrush, weeds or other unsightly growth and trash, which in the opinion of the Declarant or Association detracts from the overall beauty and safety of the Property, in accordance with the provisions of these Covenants, and, further, to conduct such landscaping and landscaping maintenance activities as may be authorized as a common expense under these Covenants and the Bylaws. In the event that Declarant or the Association deems it necessary to enter upon any Lot to correct any unsightly, unkempt or unsafe condition, as set forth above, all expenses incurred in such corrective action shall be the responsibility of the Lot Owner, and such expenses may be charged and collected against such Owner as an assessment obligation.

Section 3.13: Use of Common Areas; Liability of Association and Declarant. Neither the Association, its directors and officers nor Declarant shall be liable to any Lot Owner, their lessees and guests for any damage or injury which results from the use of the Property, any amenities which may be constructed by Declarant upon the Property, or any rule or regulation promulgated in good faith pursuant to these Covenants or the Bylaws. The Common Areas and any amenities which may be constructed upon the Common Areas are for the use of the members of the Association and their guests at their own risk. The Association, by its Board of Directors, may make such rules and regulations as may be deemed necessary in the future to regulate the use of the Common Areas, which rules and regulations shall be binding upon all members, their guests and invitees. Although the Association, and, initially, Declarant, will be responsible for the general upkeep and maintenance of the Common Areas as provided herein, neither the Association nor Declarant shall be liable for any accident or injury thereupon which may be caused by Acts of God, negligence of parties not employed by the Association or Declarant, or careless or negligent activities of members or their guests. All parties acquiring an interest in any portion of the Property hereby agree to hold the Association and Declarant harmless from any such accident or injury. Lot Owners and their guests agree and acknowledge that any use of the Common Areas and any amenities which may be constructed upon the Common Areas shall be at their own risk, without recourse to the Association or Declarant. Any damage to Common Areas caused by an Lot Owner or his family or guests, by negligent or willful conduct, shall be the responsibility of the Lot Owner, and Declarant and/or the Association shall have the right to collect for such damages.

Section 3.14: Right of Entry. Whenever Declarant or the Association is permitted by these Covenants to correct, repair, clear, preserve, clear out, or do any action on said Property, entering the Property and taking such action shall not be deemed a trespass.

Section 3.15: Subdivision of Property. Once a Lot has been conveyed by the Declarant to an Lot Owner, the Lot shall not be further subdivided, consolidated with other Lots, nor its boundary lines changed, except with the written consent of Declarant, its successors or assigns.

**SECTION FOUR
GENERAL RIGHTS RESERVED BY DECLARANT**

Section 4.1: Rights, Easements Retained by Declarant. Declarant reserves unto itself, its successors and assigns a perpetual, alienable, releasable easement and right on, over and under the ground to erect, install, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment, gas, sewer, water or other public conveniences or utilities, on, in, under or over portions of the Lots within the Property as may reasonably be required for utility line purposes, and such other areas as are shown on the recorded plat of the Property. Declarant further reserves the right to cut drain ways for surface water wherever and whenever such action may appear to Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. Specifically, Declarant reserves unto itself, its successors and assigns a perpetual, alienable releasable easement and right, for drainage purposes, in varying dimensions and locations, as may be reasonable and necessary. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any licensee of Declarant or may be delegated to the Association, but this reservation shall impose no responsibility upon Declarant to construct or maintain any such utility or service. Declarant expressly reserves the right to transfer said utilities and utility easements, in whole or in part, to another entity, whether public or private, which undertakes to provide such utility service.

Section 4.2: Utility Easement. In addition to the easement rights retained in Section 4.1 above, Declarant reserves unto itself, its successors and assigns, a perpetual, alienable, releasable utility easement and right on, over and under that portion of all Lots extending inward five feet (5') from the front lot boundary line.

Section 4.3: Additional Restrictions. Declarant expressly reserves the right to impose additional restrictive covenants upon the said Property provided that the same are not inconsistent with and do not lower the standards of the restrictions as herein provided. Said additional Covenants, if any, shall be effective only upon Property transferred by Declarant simultaneously with or subsequent to the imposition of said Covenants and shall be made effective upon said Property by reference to said additional or amended provisions in the deed transferring said Property. It shall be the responsibility of each Lot Owner within the Property to comply with any restrictions contained herein or any additional restrictions which may be imposed by governmental authorities.

Section 4.4: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of Declarant for a period of forty (40) years from the execution of this Declaration, subject to the right reserved unto Declarant, its successors and assigns, to add additional restrictive covenants in respect to the Property subject to this Declaration and the further right to limit or amend the application of the

Covenants herein contained. After the initial forty (40) year period of duration, all said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Lot Owners of Lots substantially affected by such change of Covenants, has been recorded, agreeing to change said Covenants in whole or part.

Section 4.5: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of these Covenants by any Lot Owners, its agents, successors or assigns, Declarant shall have the right to proceed at law or in equity to compel compliance to the terms hereof or to prevent the violation or breach in any event, and Declarant shall have the right to recover all costs and expenses of suit in such action, including court costs and reasonable attorneys' fees from the Lot Owner violating these Covenants. In addition to the foregoing, Declarant, its successors and assigns shall have the right, whenever there shall have been built on said Property any structure which is in violation of these restrictions, to enter upon said Property where such violation exists and summarily abate or remove the same at the expense of the Lot Owner if after thirty (30) days' written notice of such violation, it shall not have been corrected by the Lot Owner. Any such entry or abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions or conditions contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. Upon the creation and activation of the Association pursuant to Part Five hereof, the rights and powers of Declarant under this Section shall automatically be assigned to and vest concurrently in the Association, and Declarant and the Association shall henceforth have concurrent and independent rights of enforcement as provided herein.

Section 4.6: Modifications and Additions. Declarant may include in any contract or deed hereafter made, modifications and/or additions to the restrictive covenants as contained herein, with such modified covenants being made applicable by reference to conveyances of land made subsequent to such modifications.

SECTION FIVE

Membership and Voting Rights in the Association

Section 5.1: Membership. Declarant, and every person and entity who is a record Lot Owner of a fee simple or undivided fee simple interest in any Lot shall be a Member of Wild Horse Court Owner's Association, Inc., provided that any mortgagee holding title or interest merely as a security for performance of an obligation shall not be a Member of the Association.

Section 5.2: Voting Rights. In recognition of the fact that Declarant finds it essential to maintain effective control of the Association during the initial development stages, Declarant hereby establishes two (2) classes of voting membership in the Association.

CLASS "A" The Class "A" Membership shall include all those Lot Owners as described in Section 2.5 above, including Declarant, of any Lot or parcel within the Property. Each Class "A" Member shall have one (1) vote for each Lot owned.

CLASS "B" The Class "B" Member shall be Declarant, its successors or assigns. In addition to any Class "A" voting rights of Declarant hereunder, Declarant shall have one (1) vote for each outstanding Class "A" vote held by any other person or entity including the Declarant within the Property. The Class "B" Membership and voting privileges shall cease and terminate for Declarant whenever Declarant shall cease to own at least two (2) lots of all Lots within the Property.

Section 5.3: Quorum for any Action Authorized. The presence at the meeting of any Members, or of proxies, entitled to cast fifty-one percent (51%) of the total vote of the Members (Class A and Class B combined) shall constitute a quorum. If the required quorum is not forthcoming at a meeting, the meeting shall be adjourned and another meeting shall be scheduled for a date not less than ten (10) days nor more than thirty (30) days subsequent to the initial meeting. Written notice of the time and place of the adjourned meeting shall be provided to all Members. The quorum requirement for the adjourned meeting shall be the presence of Members, or of proxies, entitled to cast twenty-five percent (25%) of the total vote of the Membership.

Section 5.4: Bylaws. The Bylaws of the Association have been drawn and approved by Declarant to govern meetings, duties, and operations of the Association. Declarant shall cause them to be recorded in the Register of Deeds Office for Beaufort County, South Carolina as **EXHIBIT "B"** to this Declaration. Recordation shall be deemed to be notice to the Association and all Members thereof.

Section 5.5: Powers and Duties Prior to Turnover to the Association; Time of Turnover. Prior to turnover to the Association by Declarant, Declarant shall possess all powers and rights described herein as belonging to the Association. Declarant may turnover its rights to the Association at any time after the date of recording of these Covenants, at the sole discretion of Declarant; provided, however, that turnover to the Association shall automatically occur when Declarant shall cease to own at least two (2) Lots within the Property. In the event of such an automatic turnover to the Association, the first organizational meeting of the Association may be called by any five (5) Lot Owners acting in concert, upon due notice to all Lot Owners as provided in the Bylaws of the Association.

Prior to the turnover to the Association, Declarant shall attempt to maintain the Common Property and landscaped areas of the Property, but the extent of said maintenance and landscaping shall be entirely at the discretion of Declarant. Declarant may levy reasonable assessments upon Lots within the Property in order that each Lot shall bear its share of the cost of said maintenance and landscaping and such assessments shall be paid to Declarant. Declarant shall possess all rights and powers of collection and enforcement of such assessments as are provided herein to the Association. In general, at turnover Declarant shall assign in whole, all of its reserved rights set forth in these Covenants to the Association, by a specific document which shall be recorded in the Register of Deeds Office for Beaufort County.

**SECTION SIX
PROPERTY RIGHTS AND COMMON PROPERTY**

Section 6.1: Members' Easements of Enjoyment. Subject to the provisions of these Covenants and the rules and regulations of the Association, every Member shall have a right and easement of enjoyment in and to the Common Property and such easement shall be appurtenant to and shall pass with title to every Lot or development parcel within the Property.

Section 6.2: Title to Common Property. Declarant shall transfer title to the Common Property unto the Association concurrently with the recording of these Covenants. The Common Property to be conveyed to the Association shall be by limited warranty deed and may include all roadways within the Property, all wetlands within the Property not situated on any platted Lot, and any other real property within the Property not situated within a platted Lot. The Declarant expressly reserves the right prior to turnover to convey the roadways, any wetlands within the Property not situated within a platted Lot, and any other real property within the Property not situated within a platted Lot to the County of Beaufort, a federal or state governmental agency, a conservation trust; alternatively, the Declarant reserves the right to encumber the same with a conservation easement. Upon transfer of title of the Common Property to the Association, the Association shall have the sole responsibility of maintenance, repair, and governing of the Common Property.

Section 6.3: Extent of Members' Easements. The right and easements of enjoyment created hereby shall be subject to the following:

(a) The right of Declarant and of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving the Common Property and in aid thereof to mortgage their Properties;

(b) The right of the Association to take such steps as are reasonably necessary to protect the above-described Properties against foreclosure;

(c) The right of the Association, as provided in its Bylaws, to suspend the enjoyment of rights of any Member for any period for 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 a 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 Members' obligation to pay the Assessments;

(d) The right of Declarant to dedicate or transfer to any public or private utility, fee title to or utility easements on or to any part of the Common Property; and

SECTION SEVEN COVENANT FOR MAINTENANCE ASSESSMENTS

Section 7.1: Creation of the Lien and Personal Obligation of Assessments. The Lot Owner of each Lot within the Property, hereby covenants and by acceptance of a deed thereof shall be deemed to covenant and agree to all of the terms and conditions of these Covenants and to pay the Association: (1) annual assessments or charges; and (2) special assessments for the purposes set forth herein; such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments together with such interests thereon and cost of collection therefor as hereinafter provided shall be a charge and continuing lien on the land and all the improvements thereon against which each assessment is made until such assessments are paid in full. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Lot Owner of such Property at the time when the assessment fell due. In the case of co-ownership of a Lot, all such co-Lot Owners of the Lot shall be jointly and severally liable for the entire amount of the assessment.

Section 7.2: Purpose of Assessments. The assessments levied by the Association, shall be used for the improvement, maintenance, and operation of roads, drainage ways, lighting, signage, and other Common Property, including but not limited to, the payment of taxes (if any) and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof and as well as for contributions, if any, to an overall security plan for neighboring areas if such plan is ever adopted. Special assessments shall be used for the purposes set forth in Section 7.4 hereof.

Section 7.3: Basis and Maximum of Annual Assessments. The total annual assessment amounts shall be determined by Declarant, at its sole discretion, through the 2000 assessment (calendar) year. Thereafter, the Board of Directors of the Association shall establish the budget and total annual assessment amounts, as further provided in these Covenants and in the Association Bylaws. In all cases, the total annual assessment amount shall be prorated among all Class "A" Members, in the same proportion as each Member's votes shall bear to the total outstanding Class "A" votes within the Property. Following turnover as defined in Section 5.5 above, the total annual assessment shall not be increased by more than fifteen (15%) percent above the previous year's annual assessment, unless such increase shall be approved by a two-thirds (2/3) vote of the Association's Class "A Membership.

Section 7.4: Special Assessments for Improvements and Additions. In addition to the annual assessments authorized herein, the Association, may levy special assessments for the purpose of adjusting for any budget shortfall not otherwise addressed in this Section or due to delinquencies, defraying, in whole or in part, the cost of any construction or reconstruction, expected repair or replacement of a capital improvement of the Common Property, including the necessary fixtures and personal property related thereto or additions to the Common Property, provided that any such assessments shall have the assent of two-thirds (2/3) of the vote at a duly called meeting of Members. Written notice of such meeting shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Any such duly approved special assessment

shall be prorated among Members on the same basis as annual assessments, as described in Section 7.3 above.

Section 7.5: Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Declarant, such date to be the Date of Commencement. The first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the Date of Commencement. The assessments for any year, after the first year, shall become due and payable the first day of January for said year. The due date of any special assessments shall be fixed in the resolution authorizing such assessments.

Section 7.6: Duties of the Board of Directors. When the Association assumes the assessment powers as provided above, the Board of Directors of the Association shall fix the amount of the assessment for each Lot for each assessment period and shall, at that time, prepare a roster of the Lot Owners applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Lot Owner. Written notice of the assessment shall be sent to every Lot Owner subject thereto. Prior to the Association assuming such responsibility, Declarant shall perform the above functions.

Section 7.7: Effect of Non-Payment of Assessment; Personal Obligation of Lot Owner; Lien Remedies of the Association. If the assessments are not paid on the date when due, then such assessments shall become delinquent and shall become a charge and continuing lien on the land and on improvements thereon, against which each such assessment is made, together with interest thereon at a rate of eighteen percent (18%) per annum from the due date, and the cost of collection as hereinafter provided. The obligation of the Lot Owner at the time of the assessment to pay such assessments, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors-in-title unless expressly assumed by them. This provision shall not be construed to limit the application of Section 7.1 above.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Lot Owner personally obligated to pay the same or to foreclose the lien against his Lot, or both, and there shall be added to the amount of said assessment the cost of preparing and filing a complaint in such action as well as any other costs and expenses incurred, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees and costs of the action.

Section 7.8: Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed on any Lot 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. Such sale or transfer shall not relieve such property from liability for any assessments after becoming due, nor from the lien of subsequent assessments.

Section 7.9: Exempt Property. The following property, individuals, partnerships or corporations, subject to these Covenants, shall be exempted from assessments, charges and liens created herein:

- (a) All Lots or other property within the Property owned by Declarant;
- (b) The grantee in conveyances made for the purpose of granting utility easements; and
- (c) All properties to the extent of any easement therein other than a utility easement dedicated and accepted by local public authority and devoted to public use which does not adversely affect a Lot Owner's use of his Lot or Property; and
- (d) All Association Common Property within the Property, whether or not title to such Common Property has been transferred to the Association.

SECTION EIGHT AMENDMENTS

Section 8.1: Amendments: Declarant specifically reserves to itself, its successors and assigns, the unilateral right to amend this Declaration or any portion thereof, on its own motion, for a period of five (5) years from the date hereof to bring additional property under the provisions and encumbrances of these Covenants. Additionally, Declarant may unilaterally amend this Declaration to correct unclear or conflicting provisions, typographical errors or to eliminate scrivener's errors, so long as the voting power of existing Members is not diluted thereby, nor the amounts of assessments of such existing Members raised or changed in any manner which would adversely affect such Members. Afterwards, the procedure for amendment shall be as follows: all proposed amendments shall be submitted to the vote of the Members at a duly called meeting of the Association, subject to the quorum requirements set forth above, and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the votes cast at such meeting at which such proposed amendment is to be considered are in favor of the amendment. If any proposed amendment to these Covenants is approved by the Members as set forth above, the President and Secretary of the Association shall execute an addendum to these Covenants which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, and the total number of votes cast against the amendment. Lot Owners shall vote on any proposed amendment with the Association executing the addendum as set forth herein.

Section 8.2: Severability and Rule Against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of these Covenants would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed

by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George Bush and the original Lot Owners of Lots in the Property.

Section 8.3: Interpretation. In all cases, the provisions of these Covenants shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants, and which will preserve the Property as a situs for an attractive, well maintained, privately-governed residential community. Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Lot Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped from denying, that any reserved right or function of the Declarant and/or Association, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 8.4: Enforcement by the Association. In addition to the foregoing, the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. The Association may engage a person or persons to respond to complaints received as to violations of the Covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Declarant or Association may engage legal counsel to bring an appropriate injunctive action, including any appeals, to enforce these Covenants. Violators shall be obligated to reimburse the Association in full for all its direct and indirect costs, including but not limited to attorney's fees and court costs incurred by the Association in maintaining compliance with these Covenants in the event the Association prevails in such proceedings.

Section 8.5: Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to attorney's fees and court costs incurred by the Declarant in maintaining compliance with these Covenants in the event the Declarant prevails in such proceedings.

Section 8.6: Against Whom May the Covenants be Enforced. The obligations and benefits prescribed by the Covenants shall run with the Property and shall be enforceable against the Declarant, its successors or assigns, the Association and against any Lot Owner or other person whose activities bear a relation to the Property when the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations or attempts to violate or circumvent the covenants and restrictions set forth in this Declaration.

Section 8.7: Litigation. Notwithstanding the provisions of Section 8.4, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of two-thirds (2/3) of the Class "A" Lot Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. In the event any claim is made against Declarant or any litigation is instituted against Declarant, then the Association shall assess all Lot Owners, other than the Declarant, for the costs of claim or litigation, including, without limitation, attorneys' fees incurred, and funds from regular assessments shall not be used for any such claim or litigation.

Section 8.8: Gender, Tense and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 8.9: No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 8.10: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

Section 8.11: No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT OR ASSOCIATION PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY OWNER.

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[SIGNATURES ON FOLLOWING PAGES]

EXHIBIT A

ALL that certain piece, parcel or tract of land as shown and depicted on a plat prepared by Matthew M. Crawford, S.C.R.L.S. # 9756, dated October 6, 1992, revised October 27, 1993, and recorded in the Office of the Register of Deeds for Beaufort County, SC on December 3, 1993 in Plat Book 48 at Page 17; together with the additional lots as shown on a Plat entitled Wild Horse Court Phase Two, prepared by Matthew Crawford, S.C.R.L.S. # 9756 dated December 12, 1995 and last revised October 4, 1996 and recorded on October 7, 1996 in the Office of the Register of Deeds for Beaufort County, SC in Plat Book 57 at Page 200.