

STATE OF SOUTH CAROLINA
 COUNTY OF BEAUFORT

DECLARATION OF COVENANTS,
 CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth, by Ewing-Hungiville, a general partnership, hereinafter referred to as "Declarant".

WITNESSETH THAT:

WHEREAS, the Declarant is the Owner of certain property in Beaufort County, South Carolina, more particularly described as follows in Article II hereof; and

WHEREAS, the Declarant intends to develop on the property hereinabove described a residential community to be known as Kingston Cove, providing a well-planned residential subdivision.

THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, affirmative obligations and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Kingston Cove Owners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to the existing property described in Article II hereof and additions thereto, as are subject to this Declaration or any subsequent Declaration provided for in the provisions of Article II hereof.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, together with the improvements thereon, with the exception of the Common Area.

Section 6. "Declarant" or "Company" shall mean and refer to Ewing-Hungville, a general partnership, or any person or entity who succeeds to the title of Declarant to any portion of the Properties by sale or assignment of all interest of the Declarant in the Properties, if the instrument of sale or assignment expressly so provides, or by the exercise of a right of foreclosure of a mortgage given by the Declarant and duly recorded subsequent to the recordation of this Declaration. Any such person shall be entitled to exercise all rights and powers conferred upon Declarant by this Declaration or By-Laws of the Association.

Section 7. "Plans Approval Board" shall mean and refer to the Plans Approval Board established by The Hilton Head Company, Inc. for the purpose of examining and passing upon all proposed plans for any structure or structures whatsoever and any additions thereto, and remodeling thereof intended to be placed upon the lands of Shipyard Plantation.

ARTICLE II

PROPERTY

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" attached hereto and by reference incorporated herein. All of the real property hereinabove described shall hereinafter be referred to as the "Properties".

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Additions. The Company, its successors and assigns shall have the right, without further consent of the Association, to bring within the plan and operation of this Declaration additional properties, as shown on a plat designated as "15.731 Acres, Block F & G Extension" prepared by Coastal Surveying Co., Inc. dated July 15, 1980 (a copy of said plat is attached hereto as Exhibit "B" and thereby made a part hereof), whether or not owned by the Company, its successors or assigns, in future stages of the development. The additions authorized under this and the succeeding subsection shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of THE COVENANTS AND RESTRICTIONS OF THE DECLARATION TO SUCH ADDITIONAL PROPERTY.

The Supplementary Declaration may contain such additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary or convenient, in the judgment of the Company, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration.

(b) Other Additions. Upon approval and request in writing of the Association pursuant to a vote of seventy-five (75%) percent of the Members of the Association, the Company may permit the construction, maintenance and operation of indoor and outdoor recreational facilities upon any Common Area or upon any open space area which lies immediately contiguous and adjacent to, or is located within, the Properties. The cost of such construction, maintenance and operation shall be at the sole costs of the Association, whose Members shall be entitled to the exclusive use and enjoyment thereof. Approval by the Company shall be subject to the specific written approval of the Plans Approval Board of The Hilton Head Company, Inc., its successors and assigns.

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, may, by operation of law, be added to the properties of the Association

as a surviving corporation pursuant to a merger. The surviving or unconsolidated association may administer the Covenants and Restrictions established by this Declaration within the Properties as herein provided.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and an undivided interest therein shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area, except recreational facilities, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by at least two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded;

(c) The limitation of use of parking spaces provided in these Covenants;

(d) The right of the Association, with the assent of two-thirds (2/3) of the Members, to mortgage, pledge, deed in trust or hypothecate any or all of its real and personal property as security for money borrowed or debts incurred; provided, however, that the rights of any such mortgagor shall be subordinate to the rights of the Owners; and

(e) The right of the Declarant, so long as it owns Lots, to place promotional signs and literature in the Common Area, which rights are subject to the specific written approval of the Plans Approval Board of The Hilton Head Company, Inc., its successors and assigns.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Association By-Laws, his rights or enjoyment of

the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Pool. The Declarant will construct a swimming pool in the Common Area. Said swimming pool will thereby become a part of the Common Area and each Owner shall have the same property rights in the pool as each Owner has in other Common Areas.

A special pool assessment shall be computed by dividing the total cost of pool maintenance by the total number of Owners as defined in Article I herein. The Board of Directors shall establish the terms and conditions for the payment of the special pool assessment. Likewise, rules and regulations relating to the use of the pool by the Owners shall be established by the Board of Directors of the Association and said rules and regulations shall be posted in the pool area.

Section 4. Quit-claim Deed. Upon the conveyance of the final lot within the property or upon the conveyance of the final Lot of property brought within the plan and operation of this Declaration as provided for in Article II, Section 2 (a) herein, whichever occurs last, the Company shall execute a quit-claim deed to the Association of the Common Area. Nothing contained herein, however, shall be construed as limiting the conveyance of the undivided interest in the common area to an Owner of a Lot as described in Article III, Section 1 herein.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. Each Member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The one vote for such Lot 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.

Section 3. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any regular or special meeting

shall be sent to all Members not less than ten (10) days nor more than forty-five (45) days in advance of the meeting. At any meeting, the presence and proxies of Owners owning fifty-one (51%) percent of the Lots shall constitute a quorum for the transaction of business.

ARTICLE V

DECLARANT

Section 1. Rights as Owner. Declarant is the initial Owner of each Lot and shall be entitled to exercise all rights appurtenant thereto until such time as Declarant has conveyed such Lot to another person.

Section 2. Rights and Powers. Until the Declarant no longer owns twenty (20%) percent or more of the Lots in any phase of the development of the Properties, including the initial phase or any phase added to the Properties as hereinafter provided, Declarant shall be entitled to exercise, without consent of the other Owners, all powers granted to the Owners or to the Board of Directors by this Declaration, or by the By-Laws. Action taken by the Owners or by the Board of Directors during such time shall be valid only if approved in writing by the Declarant. Declarant shall be entitled to withhold approval of any such action for any reason.

ARTICLE VI

ASSESSMENT FOR COMMON EXPENSES

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment charges, and (2) special assessments, such assessments to be established and collected as hereinafter provided. The annual and the special assessments, together with interest, costs and reasonable attorney fees, shall be a charge upon the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney

fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, and, in particular, for the administration, acquisition, improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to the cost of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance on the Common Area in accordance with the By-Laws, the payment of charges for garbage service, water furnished and water and sewer services rendered to the Common Area, and the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Annual Assessment. The Board of Directors may fix the annual assessment.

When the Board of Directors fixes annual assessment for each calendar year, the Board shall at the same time, and in connection therewith, prepare or cause to be prepared, an annual budget showing the services furnished by the Association, and the costs therefor per unit.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar 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 cast in person or by proxy at the meeting called for this purpose. All special assessments shall be fixed at a

uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Uniform Rate of Assessment. Except as hereinafter provided in Section 7, all annual assessments shall be fixed at a uniform rate for all Lots and shall be collected on a monthly basis, or any other basis approved by the Board of Directors.

Section 6. Lots Owned by Declarant. It is anticipated that Lots owned by Declarant will not be furnished all services available to Lots which have been acquired by Owners.

(a) Unoccupied Lots owned by Declarant shall, at the option of Declarant, be exempt from the payment of assessments. If the Declarant shall exercise its option to be so exempt, Declarant agrees to pay to the Association, at the end of the annual accounting period, a sum of money equal to the operating deficit experience by the Association during such year, including, however, no amount for reserves for the replacement of improvements. The existence and amount of any deficit shall be determined by subtracting the cash expenses of operation from the total amount received by the Association.

(b) When an unoccupied Lot becomes occupied or when the ownership thereof is transferred from the Declarant to any other person or entity, whichever occurs first, the said Lot shall become subject to payment of the prorated annual assessment, as provided in Section 7 herein.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual assessments provided for herein shall commence as to any Lot on the day of the conveyance of such Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year and the number of days remaining in the month of conveyance. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment and notify every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Non-Payment of Assessments; Remedies of the Association. Any monthly assessment not paid within thirty (30) days after the due date shall be increased to include a penalty of One (\$1.00) Dollar per day from the date due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual assessment due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessment. In the event of any such foreclosure, the Owner shall be required to pay a reasonable rental for the Lot after commencement of the foreclosure action, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien. The liens provided for herein shall be prior and superior to all other liens except (1) to the lien of any mortgage, and (2) the lien of any unpaid Beaufort County real property taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Upon the request of the holder of any mortgage, the Association will furnish an account of the assessments paid on the encumbered Lot.

Section 10. Additional Assessments. The assessments provided for in this Article shall be in addition to the provision for assessments as set forth in the Protective Covenants and Restrictions of Shipyard Plantation, Kingston Cove.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced,

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erected or maintained upon the Properties, nor shall any exterior additions to or changes or alterations therein be made until the plans and location of the same shall have been submitted to and approved in writing as to harmony of the external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board (hereinafter the "Architectural Committee"). No change shall be made in the color, stain or painting of any structure or door thereof, or balcony or deck thereunto attached unless approved by the Architectural Committee and the Plans Approval Board for The Hilton Head Company, Inc., its successors and assigns.

ARTICLE VIII

EXTERIOR MAINTENANCE

The Owner of each individual Lot shall have the responsibility for the exterior maintenance of each Lot and the improvements located thereon. If the Owner, in the sole discretion of the Architectural Committee fails to adequately maintain the exterior maintenance of each Lot and the improvements thereon, then the Association, through the Architectural Committee, may cause all necessary exterior maintenance will become a charge upon the Lot and shall be a continuing lien upon said Lot until paid. If the Owner fails to pay this charge within thirty (30) days of the receipt of written notice thereof, the Association shall have the identical remedies as those provided in Article VI, Section 8, herein, relative to the non-payment of assessments. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform the maintenance as provided in this Article. The Association shall provide for the maintenance upon the Common Area.

ARTICLE IX

USE RESTRICTIONS

Section 1. Land Use and Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family detached dwelling; provided, however, that nothing

herein shall prevent Declarant from using any dwelling as a model or sales office.

Section 2. Dwelling Specifications. No dwelling shall be erected on any Lot other than one detached dwelling consisting of no less than thirteen hundred fifty (1350) square feet of main living floor. No temporary or permanent structure shall be erected upon any Lot except such dwelling. No additional detached structures shall be constructed unless upon the specific approval of the Architectural Committee and the Plans Approval Board for The Hilton Head Company, Inc., or its successors and assigns.

Section 3. Nuisance. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except that no more than three (3) household pets [including no more than two (2) dogs] may be kept or maintained; provided that they are not kept for commercial purposes, and provided, further, that they shall not constitute a nuisance or cause any unsanitary conditions. Dogs, cats and other household pets shall be permitted on the Common Area, subject to the rules and regulations of the Association, only if control of such pets is maintained by leashes.

Section 5. Re-Subdivision. No Lot shall be subdivided or reduced in size.

Section 6. Outside Antennas. No outside radio or television antennas shall be erected on the Properties or dwelling units within the Properties unless and until permission of the same has been granted by the Board of Directors of the Association and by the Plans Approval Board of The Hilton Head Company, Inc., its successors or assigns.

Section 7. Clothes Drying. No drying or airing of any clothing or bedding, including beach towels, shall be permitted outdoors on the Properties or over the deck railings.

Section 8. Trucks and Similar Vehicles. Parking of trucks, boats, buses, trailers, camping trailers, motor homes and similar vehicles

is prohibited on the Properties except in such areas as may specifically be provided for the parking of such vehicles. Designated parking spaces must be used for the parking of boats, etc.

Section 9. Plants and Trees. Plants and trees now or hereafter located upon the Properties shall be maintained by the Association, and may not be removed except by permission of the Architectural Committee and the Plans Approval Board of The Hilton Head Company, Inc., its successors or assigns. No additional plants, trees or shrubs may be planted upon the Properties without first obtaining the written approval of the Architectural Committee and the Plans Approval Board of The Hilton Head Company, Inc., its successors or assigns.

Section 10. Outdoor Recreational Equipment. No gym sets, sand boxes, basketball goals or other outdoor recreational equipment shall be installed or used upon the Properties, except in areas specifically provided for recreational purposes by the Board of Directors, and with specific written approval of the Plans Approval Board of The Hilton Head Company, Inc., its successors or assigns.

Section 11. Prohibited Work. No Owner shall in any way jeopardize the soundness and safety of the Properties, reduce the value thereof or impair any easement without, in every such case, the unanimous consent of all other Owners affected being first obtained.

ARTICLE X

EASEMENTS

Section 1. Reservation. In addition to those easements reserved in Article VIII herein, easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat for use by Declarant, utility companies and public agencies in connection with this development, including any portion of the Properties described in Exhibit "A" attached hereto. Within these easements no structures, plantings or other materials shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water

through draining channels in the easements. In addition, the Properties shall be subject to non-exclusive easement in favor of Declarant for ingress and egress over and across all roads and road rights-of-way existing within the Properties for construction of improvements on the Properties including any added by annexation, and for exhibition and sales of such improvements.

Section 2. Mutual Easements. There shall be appurtenant to each Lot a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other Lot. Each Lot shall be subject to an easement in favor of other Lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on or across such Lot and serving other Lots.

Section 3. Encroachments. If any portion of the Common Area or any improvements erected thereon now encroaches upon any Lot, or if any improvements on any Lot now encroach on any portion of the Common Area, or if any such encroachment shall occur hereafter as a result of (a) settling of any improvements; (b) repair, reconstruction or alteration by the Association of any improvements located within the Common Area; (c) repair or reconstruction of any dwelling unit following damage by fire or other casualty; or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same.

ARTICLE XI

REPAIR, RESTORATION AND REBUILDING, INSURANCE

Section 1. Repair, Restoration and Rebuilding. In the event any part of the Properties or any of the residential units thereon shall be damaged or destroyed by fire, other casualty or any other cause or event whatsoever, the Board of Directors of the Association shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, the same building built to original specifications, subject only to the right of the Association (which

right is hereby granted to the Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by the affirmative vote of not less than two-thirds (2/3) of the Members, which majority must, in order to be effective, include the affirmative vote of all the Owners whose homes shall have been damaged or destroyed.

Section 2. Board of Directors to Supervise. All repair, restoration or rebuilding pursuant to the provisions of Article X shall be carried out under such supervision and direction as the Board of Directors of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each home which shall have been damaged or destroyed shall fully cooperate with, and abide by, all instructions and directions of the Association in connection therewith.

Section 3. Rights of Association. The Association is hereby given and shall have the right reasonably to approve the architects, contractors and subcontractors to be employed in connection with such repair, restoration and rebuilding; to select a contractor or contractors to perform all or various parts of the work to be done upon the various homes which shall have been damaged or destroyed by such casualty or other happening; to coordinate the progress of the work among such various homes; and to hold the proceeds of any insurance which may be payable on account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

Section 4. Lien Rights of Association. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding, then the Board of Directors shall levy a special assessment against all Owners of the damaged dwelling units in such proportions as the Board of Directors deems fair and equitable in light of the damage sustained by such dwelling units to make up any deficiency.

The Association shall have and is hereby given a continuing lien on the Lot for which any such repairs or rebuilding are furnished

by the Association in the aggregate amount of (a) the cost thereof; (b) interest at the highest rate permitted by law, but not exceeding fifteen (15%) percent per annum nor less than eight (8%) percent per annum from the date of the Association's payment of such costs; and (c) reasonable attorney fees and any court or other costs incurred by the Association in connection therewith, which lien shall encumber such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the Lot by the Association, in the same manner as heretofore provided in connection with unpaid assessments. The Association's lien in this Section 4 provided shall be subordinate to the lien of any mortgage, now or hereafter placed upon the Lot.

Section 5. Insurance Required. The Owner shall insure the Properties against all risks with the Association's interest noted in all insurance policies.

Section 6. Association Not Liable. The Association and its officers, directors, employees, agents and representatives shall have no liability to any Owner for damage to or loss of either the real property or any personal property of said Owner. Each insurer of any of said Owner's interest in said real or personal property shall be bound by the provisions in each policy of insurance concerned, and shall waive its rights of subrogation against the Association and its officers, directors, employees, agents or representatives.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Application. All Owners, employees of Owners and tenants, or any other persons who may in any manner use the Properties or any portion thereof, shall be subject to the provisions hereof and to the provisions of the By-Laws.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now

or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

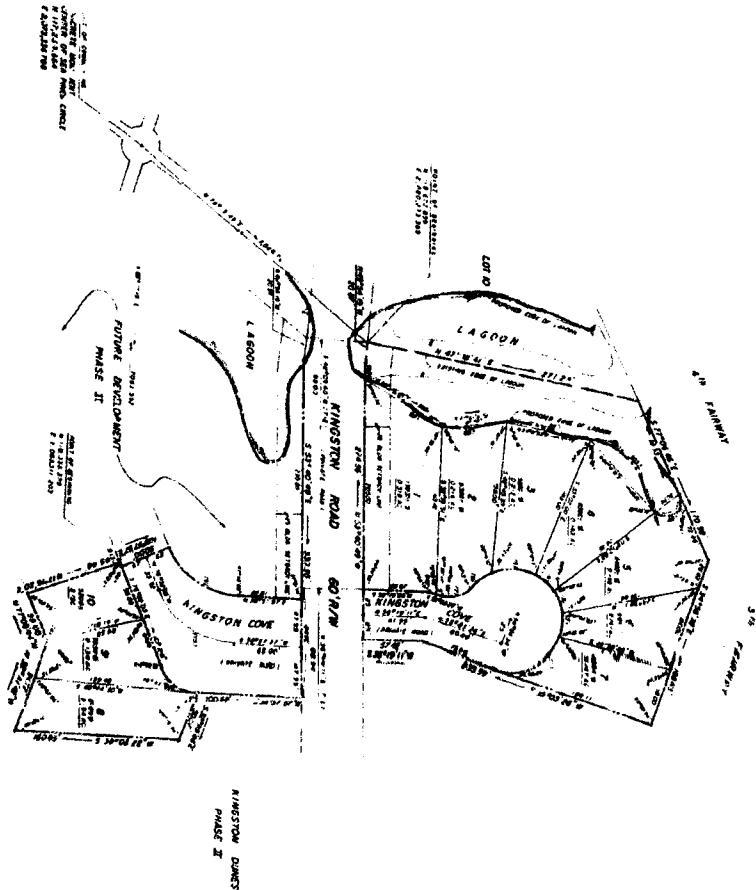
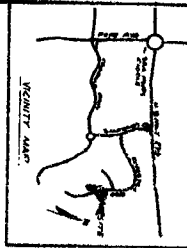
Section 3. Severability. Invalidation of any one of these Covenants or Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The Covenants and Restrictions of this Declaration shall run with the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots; provided, however, the Declarant may act for the Owners during the period described in Article ., Section 2, hereof.

Section 5. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations of said provisions.

Section 6. Protective Covenants and Restrictions of Shipyard Plantation. The within and foregoing Declaration of Covenants, Conditions and Restrictions is in addition to and subject to the Protective Covenants and Restrictions of Shipyard Plantation, Kingston Cove, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Book 312, Page 801; and in the event any provisions of this Declaration of Covenants, Conditions and Restrictions should be inconsistent with the said Protective Covenants and Restrictions of Shipyard Plantation, Kingston Cove, then said Protective Covenants shall control.

IN WITNESS WHEREOF, EWING-HUNGIVILLE, a general partnership, hereby makes this Declaration of Covenants, Conditions and Restrictions



EXTRACTED FROM THE RECORDS OF THE BEAUFORT COUNTY ENGINEER'S OFFICE, BEAUFORT COUNTY, NORTH CAROLINA.

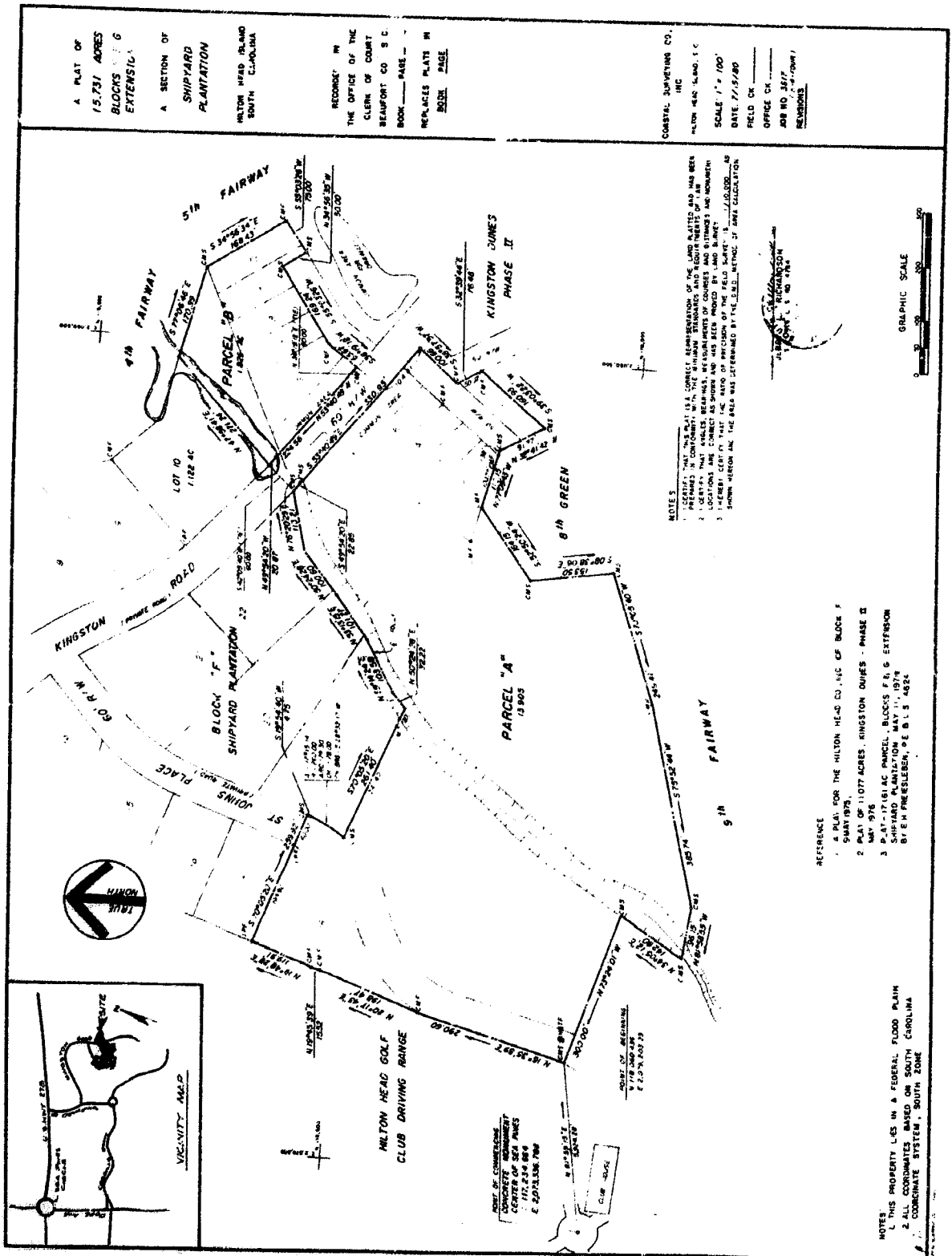
DATE: 09/30/16
SCALE: AS SHOWN
BY: [Signature]



NOTICE: This plan was prepared by the undersigned on the basis of information furnished by the applicant and is not to be construed as a warranty of accuracy or as a representation of the actual conditions on the ground. The undersigned is not responsible for any errors or omissions in this plan.

Table with 4 columns: Station, Distance, Elevation, and Notes. It contains a series of numerical data points along a line.

1. A.I. OF KINGSTON COVE PHASE I A SECTION OF SWIFTLAND PLANNING SOUTH CAROLINA



BY-LAWS
OF
KINGSTON COVE OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Kingston Cove Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Corporation shall be located 5 Office Park Road, Suite 102, Hilton Head Island, South Carolina, but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The following words and terms, when used in these By-Laws or any supplemental set of by-laws (unless the context shall clearly indicate otherwise), shall have the following meanings:

- (a) "Association" shall mean and refer to Kingston Cove Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.
- (b) "Kingston Cove" shall mean and refer to certain lands on Hilton Head Island in Beaufort County, South Carolina.
- (c) "Company" or "Declarant" shall mean and refer to Ewing-Hungville, a general partnership, its successors and assigns.
- (d) The "Properties" shall mean and refer to the existing Property described in Article II of the Declaration of Covenants and Restrictions and such additions thereto as are subjected to the Declaration or any supplemental declaration under the provisions of Article II thereof.
- (e) "Common Properties" shall mean and refer to those areas of land with any improvements thereon which may be deeded to the Association and designated in said deed as "Common Properties". The terms "Common Properties" shall include any personal property acquired by the Association if said property is designated as "Common Property". All Common Properties shall be devoted to and intended for the common use and enjoyment of owners of the Properties (subject to any fee schedules and operating rules adopted by the Association).
- (f) "Lot" shall mean and refer to any improved or unimproved parcel of land intended for the construction of a dwelling unit shown upon any recorded final subdivision map of any part of the Properties with the exception of Common Properties as heretofore defined.
- (g) "Dwelling Unit" shall mean and refer to any building or unit within a building situated upon a lot intended for use and occupancy by a single family.
- (h) "Covenants" or "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions applicable to the Properties recorded in the real estate records in the Office of the Clerk of Court

for Beaufort County, South Carolina, in Deed Book 325, at Page 258.

(i) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations 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.

(j) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 1, of the Covenants.

ARTICLE III

MEMBERSHIP

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

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

ARTICLE IV

VOTING RIGHTS

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

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Properties provided in Article III 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 VIASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the following purposes and shall have the authority to perform the same.

(a) to own, acquire, build, operate and maintain the Common Properties, including but not limited to parking areas, swimming pools, buildings, structures and personal properties incident thereto;

(b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for the Properties;

(c) to fix assessments (or charges) to be levied against the property in the subdivision;

(d) to enforce any and all covenants and restrictions and agreements applicable to the Properties; and

(e) to pay taxes and insurance, if any, on the Common Properties and facilities.

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. 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 a majority vote at a duly called meeting of the Association.

Section 4. Mortgages; Other Indebtedness. The Corporation shall have the power to mortgage its Properties upon the approval of a majority vote at a meeting duly called for this purpose.

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: Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than ten (10) days nor more than forty-five (45) days in advance of the meeting. At any such meeting called, the presence or proxies of Owners owning fifty-one (51%) percent of the Lots shall constitute a quorum for the transaction of business.

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 VIIBOARD 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 five (5) 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.

ARTICLE VIII

ELECTION OF DIRECTORS

Election to the Board of Directors shall be as hereinafter provided. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded Covenants applicable to the Properties. The names receiving the largest number of votes shall be elected.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

- (a) to call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon request as provided in Article XII;
- (b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bonds as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;
- (c) to establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2;
- (d) to adopt and publish rules and regulations governing the use of the Common Properties and Private Open Space Areas and facilities and the personal conduct of the Members and their guests thereon;
- (e) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members in the Charter of the Corporation, these By-Laws or the Covenants;
- (f) in the event that any Member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said Director to be vacant; and
- (g) to appoint an Executive Committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee.

Section 2. It shall be the duty of the Board of Directors:

- (a) to cause to be kept a complete record of all its acts and corporate affairs;
- (b) to supervise all Officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) 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:

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

(e) to send written notice of each assessment to each Owner subject thereto; and

(f) to issue upon demand by any Owner or mortgage lender 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

DIRECTORS' 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 to 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 ten (10) 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 a 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 a president, a vice president, a secretary and a treasurer. The president shall be a member of the Board of Directors; all other 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.

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 shall 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 notes and checks shall also be signed by the president or vice president.

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, 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 each 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 meeting, regular or special, shall be mailed not more than forty-five (45) days, and not less than 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 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 fifty-one(51%) 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 Covenants applicable to the Properties shall require a quorum as therein provided.

ARTICLE XIII

CORPORATE SEAL

The secretary may have a seal in circular form having within its circumference the name of the Corporation, the year of its organization and the words "Corporate Seal, South Carolina".

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended or repealed and new By-Laws adopted at a regular or special meeting of the Members by a majority of the vote present at a duly called meeting being cast in favor of such amendment or by the Company within two (2) years from the date of recordation of the Covenants, and provided that any matter stated herein to be or which is in fact governed by the Covenants, may not be amended except as provided in the Covenants.

Section 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control; and in the case of any conflict between the deeds from the Company to the Owners and these By-Laws, the deeds shall control.

ARTICLE XV

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FISCAL YEAR

The fiscal year of the Association shall be determined by the board of Directors.

ARTICLE XVI

GENERAL

All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Order Revised.

KINGSTON COVE OWNERS ASSOCIATION, INC.

By: *Duglas*

Attest: *Edward M. Kyle*

This 12 day of June, 1981.

FILED	BEAUFORT	RECORDED
AT	COUNTY	IN
<u>7:50</u>	S. C.	BOOK
O'CLOCK	JUN 15 1981	<u>325</u>
<u>P. M.</u>		PAGE
		<u>258</u>
<i>Hughes</i>		
<i>Dep. William H. Forder</i>		
CLERK OF COURT OF COMMON PLEAS		