DECLARATION OF COVENANTS AND RESTRICTIONS FOR LANDS END SUBDIVISION, HILTON HEAD ISLAND, SOUTH CAROLINA, AND PROVISIONS FOR THE LANDS END HOMEOWNERS ASSOCIATION OF HILTON HEAD

THIS DECLARATION, made the 5th day of May , 1978, by LAND'S END CORPORATION, a South Carolina corporation with its principal place of business at Hilton Head Island, South Carolina, hereinafter called "Company".

WITNESSETH:

WHEREAS, Company is the owner of the real property described in Article II of this Declaration and desires to create thereon a planned neighborhood known as Lands End Subdivision with open spaces, certain roadways, pedestrian walkways and Common Properties for the benefit of the said neighborhood; and

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

WHEREAS, Company has deemed it desirable, for the efficient preservation of the values and amenities in said neighborhood, to create an agency to which shall be delegated and assigned the power and authority of maintaining and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WHEREAS, Company has caused to be incorporated under the laws of the State of South Carolina, as a non-profit corporation, Lands End Homeowners Association of Hilton Head for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth,

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

ARTICLE I

DEFINITIONS

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

- (a) "Association" shall mean and refer to the Lands End Homeowners Association of Hilton Head a South Carolina non-profit corporation.
- (b) The "Properties" shall mean and refer to the Existing Property described in Article II hereof, and additions thereto, as per the provisions of Article II hereof.
- (c) "Common Properties" shall mean and refer to those areas of land identified in Article IV, Section 2, below, with any improvements thereon which are to be deeded to the Association in accordance with Article IV, and designated in said deed as "Common Properties". The term "Common Properties" shall include any personal property acquired by the Association if said property is designated as "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the owners of the Properties, (subject to any fee schedules and operating rules adopted by the Association).
- (d) "Lot" shall mean and refer to any improved or unimproved parcel of land intended for the construction of one of two attached single-family dwellings shown upon any recorded final subdivision map of any part of the Properties, with the exception of Common Properties as heretofore defined.
- (e) "Dwelling Unit" shall mean and refer to any building situated upon the Properties intended for use and occupancy by a single family.
- (f) "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 mortgagee, 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.
- (g) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Section 1 of Article III hereof.
- (h) "Company" shall mean the Land's End Corporation and its successors and assigns.

ARTICLE II

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

The Company shall convey the common Properties shown on the Plat referred to in Exhibit "A" to the Association as provided in Article IV, Section 2. It also shall be understood that the Company shall be free to develop such portions or sections of the lands depicted, as in the reasonable exercise of its discretion, it deems in the best interest of the entire development without regard to the relative location of such portions or sections, that it shall not be required to follow any predetermined sequence or order of improvements and development; and that it may bring within these covenants additional lands, and develop the same before completing the development of the existing property.

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 consent of the Association, to bring within this Declaration, additional properties in future stages of the development. The additions authorized under this and the succeeding sub-section 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 this Declaration to such additional property.

The Supplementary Declaration may contain such complementary 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 in writing of the Association pursuant to three-fourths of the vote at a duly called meeting, the owner of any property other than the Company who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may file 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 complementary 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.

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

Section 2. <u>Voting Rights</u>. The Association shall have two (2) classes of voting membership.

CLASS "A". Class "A" Members shall be all those owners as defined in Section 1 with the exception of the Company. Class "A" Members shall be entitled to one vote for each Lot or Dwelling Unit in which they hold the interest required for membership by Section 1. When more than one person holds such interest or interests in any Lot or Dwelling Unit all such persons shall be members, and the vote for such Lot or Dwelling Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot or Dwelling Unit. A Member casting a

317

vote representing a Dwelling Unit owned by such Member shall not be entitled to cast an additional vote for the Lot upon which said Dwelling Unit is situated. In the event a single Dwelling Unit is sold in fee with a Lot, the vote with respect thereto shall thereafter be cast on the basis of the Dwelling Unit only. When one or more co-owners sign a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

CLASS "B". The Class "B" Member shall be the Company. The Class "B" Member shall be entitled to one vote plus one vote for each held by a Class "A" Member. One vote of the Class "A" Membership shall be equivalent to one vote of Class "B" Membership. The total vote of the Association shall consist of the sum of the votes of Class "A" Members and the votes of Class "B" Members.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's 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 Properties and roadways and such easement shall be appurtenant to and shall pass with title of every Lot or Dwelling Unit.

Section 2. Title to Common Properties.

- (a) Identity of Common Properties. The Common Properties are shown and labelled as "Future Common Areas, Numbers 1, 2, 3 and 4", inclusive, on the plat of Lands End Subdivision recorded in the Office of the Clerk of Court for Beaufort County in Plat Book 26 at Page 189.
- (b) Title to Common Properties. The Company may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Company, the Association is able to maintain the same, but notwithstanding any provisions herein, the Company hereby covenants, for itself, its successors and assigns, that it shall convey the Common Properties to the Association within one hundred eighty (180) days of the time they are completed, but in no event shall such conveyance be later than February 28, 1981. Said Common Properties may be conveyed subject to all restrictive covenants of record.
- Section 3. Roadways. Title to property depicted on the above said plat as dedicated for use as Roadways will be conveyed to the Sea Pines Plantation

 Company not later than February 28, 1981.
- Section 4. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:
- (a) The right of the Company and of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosures;

- (c) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any member of any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or dishcharge of the Member's obligation to pay the assessment;
- (d) The right of the Company to dedicate or transfer to any public of private utility, utility easements on any part of the Common Properties; and
- (e) The right of the Association to give or sell all or any part of the Common Properties, including leasehold interest to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedications, transfer and determination as to purpose and conditions shall be authorized by the vote of three-fourths (3/4) of the vote at a duly called meeting and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken. A true copy of such resolution, together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of deciation or transfer affecting the Common Properties, prior to the recording thereon. Such certificate shall be conclusive evidence of authorization by the Membership.

ARTICLE V

COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE

Section 1. No dwelling unit, building, fence or other structure shall be erected, or placed or altered on any lot until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of each dwelling unit, building, fence or structure, drives and parking areas) and construction schedules have been approved in writing by the Company. Refusal of approval of plans, location or specifications may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company shall seem sufficient. One copy of all plans and related data shall be furnished the Company for its records.

Section 2. No building set back lines are established by these covenants. Dwelling units to be constructed on contiguous lots will have common party walls. The Company, however, reserves to itself, its successors or assigns, the right absolutely to control and solely to decide the precise location of any dwelling units, provided, however, that such locations shall be determined only if a reasonable opportunity is afforded the lot owner to

recommend a specific site. Notwithstanding the approval of the location of a dwelling unit by the Company, no dwelling unit or element of any dwelling unit shall project or extend over or beyond the boundary lines of any lot.

Section 3. The exterior of all dwelling units and other structures must be completed within one year after the construction of the same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamaties.

Section 4. All lots shall be used for residential purposes exclusively. No structure except as hereinafter provided shall be erected, altered, placed or permitted to remain on any lot other than one single-family, attached dwelling. No building constructed on the lot may be used for any activity normally conducted as a business.

Section 5. It shall be the responsibility of each lot owner to prevent the development of any unclean, unsightly or unkempt conditions of building or grounds on such lots which shall tend to substantially decrease the beauty of the specific area or the neighborhood as a whole.

Section 6. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarassment, 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 existance is in any noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. There shall not be maintained on the property any truck, trailer, including a boat trailer, recreation vehicle or commercial vehicle.

Section 7. In order to implement effective insect, reptile and woods fire control, the Company reserves for itself and its agents the right to enter upon any residential lot on which a residence has not been constructed and upon which no landscaping plan has been implemented. Such entry may be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Company detracts from the overall beauty, setting and safety of Land's End Subdivision. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Company and its agents may likewise enter upon such land to remove any trash which has collected on such lots without such entrance and removal being deemed a trespass. Provisions of this paragraph shall not be construed as an obligation on the part of the Company or its agents to mow, clear, cut or prune any lot or to provide garbage or trash removal services.

Section 8. For each dwelling unit the lot owner shall provide receptacles for garbage, in a screened service area not generally visible from the road, or provide underground garbage receptacles or similar facility in accordance with reasonable standards established by the Company.

Section 9. Prior to the occupancy of a resident on any lot, proper and suitable provision shall be made for the disposal of sewage by connection with the sewer mains of the Sea Pines Public Service District. No sewage shall be emptied or discharged into the ocean, any creek, marsh, river, sound or beach or shoreline thereof. No sewage disposal system shall be permitted on any lot nor may any sewage disposal system be used unless such system is designed, located, constructed and maintained in accordance, with the requirements, standards and recommendations of the appropriate public health authority. Approval of such systems shall be obtained from such authority after the completion of said system and prior to the use of such system.

Section 10. No structure of a temporary character shall be placed upon any lot at any time, except shelters used by the Contractor during the construction of the main dwelling house, it being clearly understood that these latter temporary shelters may not, at any time, be used as a residence or permitted to remain on the lot after the completion of construction.

Section 11. No trailer, tent, barn, treehouse or other similar outbuilding or structure may be placed upon any lot at any time, either temporarily or permanently, except temporary construction vans located on the property during construction.

Section 12. No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within the main dwelling house, or buried underground.

Section 13. No private water wells may be drilled or maintained on any residential lot so long as the Sea Pines Public Service District, its agents, successors or assigns, maintains a water distribution line within 50 feet of such lot with an average daily water pressure in such line adequate for normal household use in dwelling served by such distribution line.

Section 14. No lot shall be subdivided or its boundary lines changed except with the written consent of the Company. However, the Company hereby expressly reserves to itself, its successors or assigns the right to replat any two or more lots shown on the plat referenced at Exhibit "A" in order to create a modified lot or lots; and to take other steps as are reasonably necessary to make such replatted lot suitable and fit as a building site to include but not be limited to, the relocation of easements, walkways and rights of way to conform to the new boundaries of the said replatted lots. The Company may combine any two or more contiguous lots or parts thereof to make one lot. In such event, the combined lots shall be considered as one lot for the purpose of the application of these restrictions and covenants.

ARTICLE VI

PROHIBITIONS AGAINST ALTERATIONS

The Lands End Homeowners Association of Hilton Head is expressly and specifically empowered to enforce the following covenants, restrictions and affirmative obligations:

Section 1. No record owner shall make or permit to be made any alterations or additions to the exterior of this unit without first obtaining written permission.

Section 2. No record owner shall change the exterior color or appearance of his unit without first obtaining written consent.

Section 3. No record owner shall plant any shrubbery, flowers, vegetables, grass or trees on or in his lot, nor alter said lot by adding any objects including but not limited to statues, walkways, or decks without first obtaining written consent. The record owner does not have to obtain written consent in order to replace any grass, shrubbery, or trees which were located on or in his lot at the time he purchased his lot and unit.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation Assessments. The Company, for each Dwelling Unit owned by it within the Properties, hereby covenants and each Owner of any Lot or Dwelling Unit shall by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of these covenants and to pay to the Association: (1) Annual Assessments or charges; (2) Special Assessments for the purposes set forth in Section 4 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the land and all the improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. In the case of co-ownership of a Lot or Dwelling Unit, all of such coowners of the Lot or Dwelling Unit shall be jointly and severally liable for the entire amount of the assessment.

Section 2. <u>Purpose of Assessments</u>. The Assessments levied by the Association shall be used exclusively for the improvement, maintenance, and operation of lagoons and roads not dedicated to Sea Pines Association, common forest, common parking areas, and other

Common Properties, including but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

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

Section 3. Basis and Maximum of Annual Assessments. The annual assessment will be determined and approved by three-fourths (3/4) of the vote at the first Association meeting, at which time the Company will propose a budget for Association's improvements, maintenance and operation of lagoons, roads, common forest, common parking and other Common Properties. The annual assessment may be increased each year by five percent (5%) of the maximum authorized assessment for the preceding year unless three-fourths (3/4) of the vote at the annual meeting votes against said increase or votes to increase said annual assessment by a greater amount or to decrease the annual assessment.

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

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

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

Section 6. Quorum for any Action Authorized. The presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at a meeting,

another meeting may be called subject to the notice requirement set forth in Section 4.

Section 7. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

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

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

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

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

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

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

Section 9. Effect of Non-Payment of Assessment: The personal obligation of the Owner: The Lien Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become deliquent and shall (together with interest thereon at the rate of eight percent (8%) per annum from the due date and cost of collection as hereinafter provided) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made. The personal obligation of the Owner at the time of the assessment to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass as a personal obligation to his successors in title unless expressly assumed by them.

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

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

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

(a) The grantee in conveyances made for the purpose of granting utility easements;

(b) All properties to the extent of any easement therein other than a utility easement dedicated and accepted by the local public authority and devoted to public use which does not adversely affect the owner's use of the property;

- (c) All Common Properties as defined in Article I, Section 2, hereof;
- (d) All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of such legal exemptions;
- (e) Properties owned by the Company used for recreation facilities; home maintenance and service facilities; and meeting room and conference facilities. Only land within the Existing Property which has been subdivided into Lots, and the plats thereof filed for public record in the Beaufort County Court House and upon which has been constructed a Dwelling Unit shall constitute a Lot for purposes of these Assessments. Projected locations for future platted lots shown on the Plat referenced at Exhibit "A" will not be subject to assessment.
- (f) All properties owned by a mortgagee as a result of foreclosure or a proceeding in lieu of foreclosure.

ARTICLE VIII

PARTY WALLS

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

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

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

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

326

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

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

ARTICLE IX

MISCELLANEOUS

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

- (a) Complete plans and specifications including site, color or finish must be submitted to the Company in writing;
- (b) Prior written approval of the Company to such plans and specifications must be secured, the Company reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons.
- (c) Prior written approval obtained from any and all governmental agencies authorized or required to issue permits for the construction of said dock, for example but not limited to the U. S. Army Corps of Engineers and the South Carolina Coastal Council.

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

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

327

bring the said dock and/or boat house up to acceptable standards, all such repairs and actions to be at the expense, solely, of the Lot Owner in question, or all Lot Owners pro-ratably if the docks are constructed by the Association.

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

Section 4. Dredging. Land's End Corporation expressly assumes no responsibility for silt or obstruction removal by dredging or any other means, in any natural or dredged channel providing access to any lot conveyed by Land's End Corporation.

ARTICLE X

GENERAL PROVISIONS

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

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenants or restrictions, either to restrain violation or to recover damage, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner or the Company to enforce any covenants or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 4. Severability. Should any covenant or restriction herein contained, or any Article, Section, Sub-section, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, then said void, etc., portions hereof are hereby declared to be severable, and the remainder shall remain in full force and effect.

IN WITNESS WHEREOF the Company has caused this instrument to be executed the day and year first above written, by its president and attested by its secretary, and the corporate seal affixed.

Mitnesses:
Thelip Cofyman

LAND'S END CORPORATION

BY: Defares Menu II.

ATTEST: Lucyle 2 Meanment

Secretary

The foregoing Declaration of Covenants and Restrictions is hereby approved and accepted as binding upon the Lands End Homeowners Association of Hilton Head, Inc., its successors and assigns.

IN WITNESS WHEREOF, the Lands End Homeowners Association of Hilton Head, Inc. has caused this instrument to be executed this <u>5th</u> day of <u>May</u>, 1978, by its president and attested by its secretary, and its corporate seal to be hereto affixed:

WITNESSES:

LANDS END HOMEOWNERS ASSOCIATION OF

HILTON, HEAD

BY: MM/

Presiden

ATTEST: Vice President/Treasurer

329 STATE OF SOUTH CAROLINA PROBATE

COUNTY OF BEAUFORT

PERSONALLY appeared before me Linda S Green, who on oath or affirmation says that (s) he saw the within named LAND'S END CORPORATION, by D. Charles Merriwether, its President, sign and seal the foregoing Declaration of Covenants and Restrictions for Lands End Subdivision, Hilton Head Island, South Carolina, and Provisions for the Lands End Homeowners Association of Hilton Head, Inc., and Lucyle T. Merriwether, its Secretary, attest same, and that (s) he with Philip C Lynamitnessed the execution thereof.

: Sinda S. Dren

SWORN to before me, this 5th day of May

Notary Public for South Carolina My commission expires: 4//3/86

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

PROBATE

PERSONALLY appeared before me LINGA 5 GREEN, who on oath or affirmation says that (s)he saw the within named LANDS END by James O. Hardwick, Jr., HOMEOWNERS ASSOCIATION OF HILTON HEAD, its President, sign and seal the foregoing Declaration of Covenants and Restrictions for Lands End Subdivision, Hilton Head Island, South Carolina, and Provisions for the Lands End Homeowners Association of Hilton Head, and D. Charles Merriwether, its Vice President/
Treasurer attest same and that (s)he with Philip C Lyman witnessed the execution thereof.

Sunda She

SWORN to before me, this 5th 1978. day of May

Notary Public for South Carolina My Commission Expires: 4/13/86

EXHIBIT "A"

ALL that certain piece, parcel or tract of land situate, lying and being at South Beach in Sea Pines Plantation, on Hilton Head Island, in Beaufort County, South Carolina, being 20.898 acres, more or less, as shown and described on a plat dated March 27, 1978, and prepared by Coastal Surveying Company, Inc., of Hilton Head Island, South Carolina, and signed by Jerry L. Richardson, South Carolina Registered Land Surveyor #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 26 at Page 189. Reference to the within referred to plat of record is craved for a more detailed description as to metes, bounds, courses, distances and locations.

THE within property is that same property originally conveyed to the Citizens and Southern National Bank and Barnett Bank of Jacksonville, N.A., by Deed dated October 5, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 254 in Page 1924 and which has subsequently been conveyed to Land's End Corporation from Citizens and Southern National Bank and Barnett Bank of Jacksonville, N.A., by Deed dated the February 28, 1978, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 260 at Page 1105.

FILED BEAUFORT RECORDED

AT COUNTY IN

O.555 S. C. BUOK

JACK MAY 31 1978 PAGE

A. M

CLERK OF COURT OF COMMON PLEAS OF