PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, §154810, S.C.CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

SECOND AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

TIDEWATER PLANTATION

SECOND AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

TIDEWATER PLANTATION

TABLE OF CONTENTS

Articles and Sections **Page**

Definitions 1
Definitions Generally Applicable to Declaration. 1
“Amenities” 1
"Area of Common Responsibility" 1
"Association" 1
"Base Assessment" 1
"Board of Directors" or "Board" 1
"By-Laws of the Association" or "By-Laws" 1
“Class “B” Control Period” 1
"Common Areas" 1
"Common Expenses" 1
"Community-Wide Standard" 1
"Covenants" or "Declaration" 1
"Declarant" or "Developer" 1
“Design Review Board” 1
"Development" 1
“Exclusive Common Areas” 1
"Golf Club" 1
"Golf Fairway Residential Areas" 1
"Master Site Plan" 1
"Member" 1
"Neighborhood" 1
"Neighborhood Assessments" 1
"Neighborhood Expenses" 1
"Owner" 1
"Property" 1
"Site Plan" 1
"Special Assessment" 1
“Supplemental Declaration" 1
“Supplemental Use Restrictions” 1
"Unit" 1
"Village Lots" 1

GENERAL PLAN OF DEVELOPMENT 2
Plan of Development of the Property 2

Additions To Property 2
Additions by Declarant. 2
Other Additions. 2
Acquisition of Additional Common Areas. 2
Amendment. 2

Membership 2
Membership. 2
Voting. 2
Class "A". 2
Class "B". 2
Class "C". 2
Neighborhoods. 2
Neighborhoods. 2

PROPERTY RIGHTS IN THE COMMON AREAS AND EXCLUSIVE COMMON AREAS 2
General. 2
Access. Ingress and Egress: Roadways. 2
Uniform Act Regulation Traffic. 2
Public Easements. 2
Declarant's Easements. 2
Association's Responsibility. 2
Ownership of Properties. 2
Rules and Regulations. 2
The Golf Club. 2
The Beach House 2
Property. 2
Common Area. 2
Restricted Use of Property. 2
Maintenance Agreement. 2
Possibility of Reverter 2
Electronic Keys 2
Electronic Keys; Common Area. 2
License to Use Electronic Keys. 2
License Revocation. 2
Association Rules and Regulations. 2
Association Costs and Expenses. 2
Sale and Conveyance of Unit. 2
Association’s Swim and Tennis Center. 2
The Property. 2
Declarant’s Reserved Use. 2
Declarant’s Reserved Development Activity. 2

Special Restrictions Affecting Golf Fairway Residential Areas 2
Application. 2

Landscape Requirements. 3
Golf Course Maintenance Easement. 3
Permissive Easement Prior to Dwelling Construction. 3
Distracting Activity Prohibited. 3
Reserved Approval Rights. 3

Special Restrictions Affecting Wetlands Areas. 3
Delineated Critical Lines and Wetlands. 3
South Carolina Coastal Council Critical Line Setback. 3
Freshwater wetlands and Setbacks. 3
Prohibited Activities Generally. 3
Activities Permitted. 3
Amendment of Article 7. 3
Conditions of Limited Dock Construction. 3
Maintenance of Docks. 3
Encroachments for Docks. 3

Assessments 3
Creation of Assessments. 3
Computation of Base Assessment. 3
Computation of Neighborhood Assessments. 3
Special Assessments. 3
Levied Upon Entire Membership. 3
Levied Upon Less Than All Members. 3
Reserve Budget and Capital Contribution. 3
Date of Commencement of Assessments. 3
Effect of Non-Payment of Assessment: the Personal Obligation of the Owner. the Lien. Remedies of the Association. 3
Subordination of the Lien to Mortgages. 3
Working Capital Contribution. 3
Exempt Property. 3

Architectural Standards 3
General. 3
Architectural Review. 3
Standards, Requirements and Procedures. 3
Design Standards. 3
Ratification by Declarant and Board of Directors. 3
Procedures. 3
Design Review Board Considerations. 3
Review Period. 3
Appeal. 3
Variance. 3
No Waiver of Future Approvals. 3
Enforcement. 3

Use Restrictions 3
Nuisances. 3

Animals and Pets.. 4
Signs. 4
Motor Vehicles. Trailers. Boats. Etc.. 4
Water and Sewer Systems.. 4
Oil and Mining Operations. 4
Sales. Rental and Construction Activities of Declarant.. 4
Occupants Bound.. 4
Owner's Resubdivision. 4
Consolidation of Lots.. 4
Special Use Restrictions. 4
Rental Operations. 4
Real Estate Sales Operations 4
Owner’s Landscape Maintenance Between Lot Line and Adjacent Paving.................................. 4
Supplemental Use Restrictions 4

Special Provisions For The Golf Club 4
The Tidewater Golf Club. 4
Rights of Access. Use and Parking. 4
Assessments. 4
Architectural Approval. 4
Limitations on Amendments. 4
Jurisdiction. 4

Easements.. 4
Generally On Plats, Reserved and Granted.. 4
Recorded Site Plan 4
Development Easements; Easements Adjacent to Units 4
Association Easements Over Golf Course.. 4
Easements Deemed Granted and Reserved.. 4

Insurance And Casualty Losses 4
Insurance. 4
Individual Insurance.. 4
Disbursement of Proceeds.. 4
Damage and Destruction.. 4
Repair and Reconstruction.. 4

No Partition 4

Rules And Regulations.. 4
Compliance by Owners... 4
Enforcement.. 4
Fines. 4

Declarant's Rights 4
To Foster Declarant's Development Plan.. 4
Non-exclusive. 4
Access, Ingress and Egress. 4
Development Roads and Other Common Areas. 4

Declarant Rights Are Assignable. 5
Development and Sales Operations. 5
Recording of Covenants and Restrictions by Others. 5
Changes in Boundaries; Additions to Common Areas. 5

Amendment Of Declaration Without Approval Of Owners 5
Declarant's Power to Amend. 5
Owner Consent Presumed Given with Authority. 5
No Amendment in Derogation of Declarant's Rights and Privileges. 5
Amendments to Conform to Law. 5

Special Provisions For Neighborhoods 5
Association’s Responsibility Generally. 5
Unit Maintenance Responsibilities of Owners Within Neighborhoods. 5
Work In Behalf of Owner. 5
Neighborhood's Responsibilities. 5
Provisions Applicable to Courtyard Park Neighborhood. 5
Special Definitions. 5
Rights and Obligations Appurtenant to C.P.N. Units. 5
Association and Declarant Rights. 5
Architectural Control. 5
Maintenance. 5
General Provisions Relating to the Dwellings. 5
Courtyard Park Common Areas. 5
Assignment of Declarant or the Design Review Board Rights. 5
Provisions Applicable to The Bluffs Neighborhood. 5
Special Definitions. 5
Rights and Obligations Appurtenant to The Bluffs Neighborhood Units. 5
Neighborhood Swimming Complex. 5
Rental Restriction Within The Bluffs. 5
Provisions Applicable to South Island Neighborhood. 5
Special Definitions. 5
Rights and Obligations Appurtenant to S.I.N. Units. 5
Additional Covenants, Conditions, Restrictions and Easements for the South Island Neighborhood. 5
Assessments. 5
Amendment Limitation. 5

General Provisions. 5
Term. 5
Indemnification. 5
Litigation. 5
Compliance. 5
Security. 5
Notice to Association of Unit Sale or Lease. 5
Interpretation. 5
Notices 5
Rights and Obligations Subject to PUD Agreement. 5

SECOND AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

TIDEWATER PLANTATION

THIS Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation is made this ___ day of ___________, 2009, by Southern Land & Golf Company, Ltd., a South Carolina Corporation, hereinafter called the "Declarant."

W I T N E S S E T H

WHEREAS, the Declarant, by "Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation" dated June 15, 1990, recorded in the R.M.C. Office for Horry County, South Carolina in Book 1399 at Page 779 through 849, as amended and restated by "Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation" dated March 8, 2002 and recorded in Book 2460, Page 437, and as amended thereafter through, and including, the Relinquishment of Declarant Right of First Refusal Under Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation dated June 16, 2003 and recorded in Book 2609, Page 670 (the "Declaration"), made certain property in Horry County, South Carolina subject to said Declaration; and

WHEREAS, Article 17 of the Declaration provides, in relevant part, that Declarant may unilaterally amend the Declaration, subject to and as therein provided, and Declarant now wishes to establish this Second Amended and Restated Declaration of Covenants, Conditions and Restriction for Tidewater Plantation (the "Declaration") to promote efficiencies in administering the various interests which may be represented by property owners within a mixed-use community such as is permitted by Horry County and to provide a flexible mechanism for the administration and maintenance of community facilities, Amenities and services which are for the common use and benefit of all property owners within the community of Tidewater Plantation.

NOW, THEREFORE, all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding on all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. So long as Declarant shall own at least fifty-one (51%) percent of the property described in the Planned Unit Development Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989, and as may be amended, Declarant reserves the right to add additional restrictive covenants or to limit the application of these Covenants with respect lo the Property described on Exhibit "A" attached hereto and to additional property, if any, subjected to these Covenants by Supplemental Declaration. THESE COVENANTS DO NOT APPLY TO ANY PROPERTY NOT DESCRIBED ON EXHIBIT "A" ATTACHED HERETO OR IN A SUPPLEMENTAL DECLARATION RECORDED BY DECLARANT.

Article 1

Definitions

Article 1.1 Definitions Generally Applicable to Declaration.

When used in this Declaration, and in addition to other specially defined words herein, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

(a) "Amenities"

Shall mean and refer to such portions of the Common Areas constituting recreational facilities and improvements, such as pools, exercise rooms, meeting rooms and other improved facilities designated by the Declarant during the Class "B" Control Period, and thereafter by the Association, for the use and benefit of Units. When used in a sentence alone and without additional reference to its status as a Common Area, the term "Amenities" will refer to such specifically improved properties and not to their classification as Common Areas generally.

(b) "Area of Common Responsibility"

Area of Common Responsibility shall mean and refer to the Common Areas, together with those areas, if any, which (by the terms of this Declaration, by agreement between the Declarant and the Association to share costs, or by contract or agreement with any Neighborhood or the Golf Club) become the responsibility of the Association, whether owned by the Association or not. Public rights-of-way and buffers located along public rights-of-way within or adjacent to the Property may be part of the Area of Common Responsibility.

(c) "Association"

Association shall mean and refer to Tidewater Plantation Community Association, Inc., a South Carolina not for profit corporation, its successors and assigns.

(d) "Base Assessment"

Base Assessment shall mean and refer to assessments levied against all Units in the Property to fund Common Expenses.

(e) "Board of Directors" or "Board"

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

(f) "By-Laws of the Association" or "By-Laws"

By-Laws of the Association or By-laws shall mean and refer to those By-Laws of Tidewater Plantation Community Association, Inc. attached hereto as Exhibit "E" and as may be amended.

(g) "Class "B" Control Period"

Class "B" Control Period means the time period commencing on the date this Declaration is filed of record and ending on the earlier of:

(i) when seventy-five (75%) percent of the maximum number of units permitted by the Planned Unit Development (PUD) Agreement between The City of North Myrtle Beach, South Carolina and the Declarant for the Property have been conveyed to Owners;

(ii) December 31, 2015; or

(iii) when, in its discretion, the Class "B" Member so determines.

(h) "Common Areas"

Common Areas shall mean and refer to all real and personal property now or hereafter so designated by Declarant on the Site Plan or deeded or leased to the Association as such. The Common Areas may include drainage areas and easements, roads, streets, road and street shoulders, parking lots, walkways, sidewalks, leisure trails, bike paths, street lighting, signage, lagoons, lakes, ponds and other properties acquired or donated for the common use and enjoyment of all Owners.

(i) "Common Expenses"

Common Expenses shall mean and include all expenses incurred by or on behalf of the Association for the general benefit of all Owners, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors pursuant to the provisions of this Declaration or the By-Laws of the Association.

(j) "Community-Wide Standard"

Community-Wide Standard shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Development. Such standard shall be more specifically determined by the Board of Directors and the Design Review Board established by the Declarant.

(k) "Covenants" or "Declaration"

Covenants or Declaration shall mean and refer to this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation and all amendments and supplements hereto filed of record.

(l) "Declarant" or "Developer"

Declarant or Developer shall mean and refer to Southern Land & Golf Company, Ltd., a South Carolina corporation, its successors and assigns.

(m) "Design Review Board"

Design Review Board shall mean and refer to the board or committee established pursuant to this Declaration to approve exterior and structural improvements, the siting thereof, and the additions, and changes within the Development. In exercising any right or easement granted or reserved

to it hereunder, such right or easement shall be deemed to extend to its duly authorized members, agents, employees and contractors

(n) "Development"

Development shall mean and refer to the Property described on Exhibit "A" attached hereto and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration and all improvements located or constructed thereon.

(o) “Exclusive Common Areas"

Exclusive Common Areas shall mean any areas in the Development so designated either in this Declaration or any Supplemental Declaration and shall mean and refer to certain portions of the Common Areas which are for the exclusive use and benefit of one or more, but less than all of the Owners, and may be available for use by other associations, which may be established for the maintenance and regulation of other developments established and created by Declarant, its successors or assigns.

(p) "Golf Club"

Golf Club shall mean the commercial golf course, club house and related facilities located adjacent to the Property and privately owned by Southern Land & Golf Company, Ltd.

(q) "Golf Fairway Residential Areas"

"Golf Fairway Residential Areas" is defined as all those residential lots or tracts or blocks of land adjacent to all golf course and practice range fairways located in Tidewater Plantation and subject to the provisions of Section 5.9.

(r) "Master Site Plan"

Master Site Plan shall mean and refer to the drawing which represents the proposed plan for the future development of Tidewater Plantation in the Planned Unit Development (PUD) Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989 and as may be amended. Since the concept for the future development of the Development is subject to continuing revision and change by the Declarant, present and future references to the "Master Site Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants shall arise with respect to lands which have been retained by the Declarant for future development restricting their uses. This Declaration does not designate any portion of the Property for any particular use, such designation to be made by separate subsequent Declaration or by recorded plat with such designation clearly and unequivocally shown thereon. The Declarant shall not be bound by any development plan, use or restriction of use shown on any Master Site Plan.

(s) "Member"

Member shall mean and refer to every person or entity who holds membership in the Association, as provided herein.

(t) "Neighborhood"

Neighborhood shall mean and refer to each separately developed and denominated residential area subject to this Declaration or a Supplemental Declaration, comprised of one (1) or more housing types. For example, and by way of illustration and not limitation, each condominium, townhouse development, Village Lot and home development, and single-family detached housing development shall constitute a separate Neighborhood.

(u) "Neighborhood Assessments"

Shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund expenses of the Neighborhood. Any Neighborhood Assessment shall be levied equally against all Units in the Neighborhood(s) benefiting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use and benefit of particular Units shall be levied on a pro rata basis among the benefited Units.

(v) "Neighborhood Expenses"

Neighborhood Expenses shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein. Neighborhood Expenses may be shared by one (1) or more benefited Neighborhoods.

(w) "Owner"

Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Property.

(x) "Property"

Property shall mean and refer to those tracts or parcels of land described on Exhibit "A", together with all improvements thereon, and, such additional property as may hereafter be subjected to this Declaration by Supplemental Declaration, together with all improvements thereon.

(y) "Site Plan"

Site will mean and refer to those plats of the Property described in Exhibit "A" and by this reference made a part hereof. Subsequently, "Site Plan" shall mean and refer to:

(i) the plats of the property described in Exhibit "A" and any subdivision plat for any additional property which may hereafter be subjected to this Declaration by Supplemental Declaration; and/or

(ii) any future revisions of the then existing Site Plan, as may be placed of record from time to time.

(z) "Special Assessment"

Special Assessment shall mean and refer to assessments levied in accordance with Section 8.4 of this Declaration.

(aa) “Supplemental Declaration"

Supplemental Declaration shall mean an amendment to this Declaration by which its terms are amended, restrictions are added or which adds property and makes it subject to this Declaration. Such Supplemental Declaration may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the property submitted by that Supplemental Declaration to the provisions of this Declaration.

(bb) “Supplemental Use Restrictions”

Shall mean those additional restrictions applicable to certain properties, as set forth in Exhibit “B” to this Declaration or in an exhibit to any Supplemental Declaration.

(cc) "Unit"

Unit shall mean a portion of the Property, whether developed or undeveloped, intended for development, use, and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, townhouse units, duplex units, cluster homes, Village Lots, and single-family lots and homes, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations. The term shall include all portions of the lot owned as well as any structure thereon. In the case of an apartment building or other structure which contains multiple dwellings, each dwelling shall be deemed to be a separate Unit. Nothing herein is intended to preclude the short-term rental of a Unit to a non-family group.

(dd) "Village Lots"

Village Lots shall mean and refer to all those parcels or tracts of land subdivided into Units intended for construction of detached single family, zero lot line, patio homes, designated as such by Declarant.

Article 2

GENERAL PLAN OF DEVELOPMENT

Article 2.1 Plan of Development of the Property.

Tidewater Plantation shall be developed in accordance with the terms, conditions and standards set out in the Planned Unit Development (PUD) Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989, and as may be amended. It is the intent of the Declarant to create a private residential community which will exist adjacent to a commercial golf course and related facilities, and may possibly exist adjacent to a hotel, commercial marina and hotel, and retail shopping areas on land owned or to be owned by Declarant. The residential development shall consist of single family residential lots and homes in the initial Site Plan. Any subsequent development may consist

of a mixture of single-family residential lots and homes, Village Lots and homes, townhouses and condominiums, all of which will be restricted by Supplemental Declaration. The Declarant has the right to subject to the provisions of these Covenants any property which is contiguous or nearly contiguous at any time until December 31, 2015. However, nothing in this Declaration shall be construed to require the Declarant to develop any such contiguous or nearly contiguous property in any manner whatsoever or to include it as a part of the Development. The Golf Club and related facilities shall be owned and operated as a commercial golf course, open to members of the public. No Owner or occupant will gain any right to enter or to use the Golf Club facilities by virtue of ownership or occupancy of a Unit. Should a marina, retail space, and/or hotel be developed, which is merely contemplated and not guaranteed, each may, at Declarant's sole discretion, be owned and operated as a commercial venture, open to members of the public, and no Owner or occupant will gain any right to enter or to use said facilities by virtue of ownership or occupancy of a Unit.

Article 3

Additions To Property

Article 3.1 Additions by Declarant.

Declarant shall have the unilateral right, privilege, and option, from time to time at any time until December 31, 2015, without further consent of any Owner or the Association, to bring within the plan and operation of this Declaration any property which is contiguous or nearly contiguous to the Property and is owned or acquired by the Declarant during the period of development. Such property may be subjected to this Declaration as one parcel or as several parcels at different times. The additions authorized under this Section shall be made by filing of record a Supplemental Declaration with respect to such additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property, and which, upon filing of record of a Supplemental Declaration shall constitute a part of the Property.

The Supplemental Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant to reflect the different character, if any, of the additional property subjected to this Declaration.

Article 3.2 Other Additions.

Subject to the consent of the owner thereof, the Association may add real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote or written consent of Members holding a majority ("majority" being defined in the By-laws of the Association) of the Class "A" votes of the Association (other than those held by Declarant), and further shall require the written approval of the Declarant so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 3.1 above. If at a meeting or if by referendum there fails to be a majority of Members representing the Class "A" votes (other than those held by the Declarant) present or voting, that number also representing the quorum requirement, the Board may adjourn the meeting or ballot vote and may call for a reconvened, second meeting or ballot vote to be taken within ten (10) days, at which time the vote will pass on the affirmative vote of a majority of those Class "A" votes (other than those held by the Declarant) voting and shall require a quorum of 20% of the total Association vote.

Such addition shall be accomplished by filing of record a Supplemental Declaration describing the property being added. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being added, and shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering the addition of property pursuant to this Section 3.2 and to ascertain the presence of a quorum at such meeting.

Article 3.3 Acquisition of Additional Common Areas.

Declarant may convey to the Association additional real estate, improved or unimproved, denominated by Declarant as Common Areas, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense as Common Areas, subject to Declarant's right to adjust the acreage and boundaries of same pursuant to the provisions of Section 16.8 of this Declaration.

Article 3.4 Amendment.

This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns the Golf Club or any other property in the Development.

Article 4

Membership

Article 4.1 Membership.

Every Owner, as defined in Article 1, shall be deemed to have either a Class "A" or Class "B" membership in the Association, as provided in Section 4.2 below. The owner of the Golf Club shall be a Class "C" Member of the Association, as provided in Section 4.2(c) below.

No Owner, whether one (1) or more persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association, subject to the provisions of this Declaration and the By-Laws.

Article 4.2 Voting.

The Association shall have three (3) classes of membership, Class "A", Class "B", and Class "C", as follows:

(a) Class "A".

Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any, and the Class "C" Member.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 4.1 above; there shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Member as defined in Article 1.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) person seeks to exercise it.

(b) Class "B".

The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III Section 1(b) of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Article III Section 1(c) of the By-Laws. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

(i) when seventy-five (75%) percent of the maximum number of units permitted by the Planned Unit Development (PUD) Agreement between The City of North Myrtle Beach, South Carolina and the Declarant for the Property have been conveyed to Owners;

(ii) December 31, 2015; or

(iii) when, in its discretion, the Class "B" Member so determines.

(c) Class "C".

The Class "C" Member shall be the owner of the Golf Club or its successors or assigns. The Class "C" Member shall be entitled to the same number of votes as the number of Base Assessments paid by the Class "C" Member pursuant to Section 8.1 of this Declaration. The votes of the Class "C" Member shall be cast by its designated representative. The Class "C" Member shall be entitled to elect one member of the Board of Directors.

Article 4.3 Neighborhoods.

(a) Neighborhoods.

Units may be located within a Neighborhood as defined in Article 1 above. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or otherwise as required by law. Any Neighborhood which does not have a Neighborhood Association may elect a Neighborhood Committee, as described in Article V Section 3, of the By-Laws, to represent the interest of Owners of Units in such Neighborhood.

Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which shall be assessed against the benefited Units as a Neighborhood Assessment pursuant to Article 8 below.

Initially, each portion of the Property which is intended for separate development as two (2) or more Units at the time it is conveyed by the Declarant shall constitute a Neighborhood. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood or to combine two (2) Neighborhoods into one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhoods. A Neighborhood division requested by the Neighborhood or by the Parcel developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

Article 5

PROPERTY RIGHTS IN THE COMMON AREAS AND EXCLUSIVE COMMON AREAS

Article 5.1 General.

Each Member, his family, and each guest, tenant, agent and invitee of such member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the roadways from time to time laid out on the Common Areas, for use in common with all other such Members, their tenants, agents, and invitees. The portions of the Common Areas not used from time to time for roadways shall be for the common use and enjoyment of the Members of the Association, and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts as may be regulated by the Association. In the case of an Exclusive Common Area, the use of the Exclusive Common Area is subject to the rights of others who may be entitled to the use thereof. The easements provided in this Section shall be appurtenant to and shall pass with the title to each Unit.

Article 5.2 Access. Ingress and Egress: Roadways.

All Owners, by accepting title to property conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress shall be limited to roads, sidewalks, walkways, trails, and waterways located within the Development from time to time, provided that pedestrian and vehicular access to and from all such property shall be provided at all times. There is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Development and Neighborhoods within the Development, and, subject

to the limitations and exceptions applicable to the Golf Club set forth in this Declaration, to require payment of toll charges for use of roads within the Development by permitted commercial traffic or by members of the general public, provided that in no event shall any such tolls be applicable to any Owners or their families, tenants, or guests or to those individuals designated by Declarant and their families or guests. Neither the Declarant nor the Association shall be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Property in accordance with the foregoing.

Article 5.3 Uniform Act Regulation Traffic.

In order to provide for safe and effective regulation of traffic, the Declarant reserves the right to file of record the appropriate consent documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina. 1976) applicable to all of the private streets and roadways within the Development. Moreover, during the Class B" Control period, the Declarant, and thereafter the Association, may promulgate from time to time additional parking and traffic regulations which shall supplement the above-mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in the Development. These supplemental regulations shall initially include but shall not be limited to those set out hereinafter and the Declarant reserves the right to adopt additional regulations or to modify previously promulgated regulations from time to time:

(i) No golf carts may be operated on the roads and streets in the Development except those between tees and greens, golf cart maintenance or storage areas, the golf pro shop area, and practice range area.

(ii) No motorcycles or motorbikes may be operated on the roads and streets in the Development. Motor-powered bicycles with no more than one horsepower may be operated so long as they abide by all other traffic regulations and so long as they are not required to be registered by the State of South Carolina.

(iii) Unless written approval has been obtained from the Declarant or the Association there shall be no parking along the streets and roadways in the Development, and "no parking" signs may be posted where either determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicles shall not be deemed a trespass or a violation of the Owner's property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the roads and streets in the Development.

(iv) Access by an Owner's guest, family member, tenant, invitee, servant or agent, and access by members of the general public shall only be permitted pursuant to written rule and regulations of the Association; provided, however, in no event shall access to the Golf Club be restricted , as set forth in Section 11.2.

Article 5.4 Public Easements.

Fire, police, health and sanitation, and other public service personnel and vehicles shall have a permanent and perpetual non-exclusive easement for ingress and egress over and across the roadways and all other Common Areas.

Article 5.5 Declarant's Easements.

Declarant reserves unto itself and its successors and assigns the right of ingress and egress over all roads and streets in the Development whether existing or constructed in the future for access to any areas which adjoin or are a part of the Property, for purposes of construction, sales, rentals and development activity. The easement herein reserved shall be in addition to, and not in lieu of, any other easements to which Declarant, its successors and assigns, may be entitled. This easement shall exist so long as Declarant retains any ownership interest in the Property submitted or to be submitted to this Declaration. Declarant further reserves unto itself, its successors and assigns, and for the Association, an easement and right on, over, and under the ground to erect, maintain and use poles, wires, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable equipment, telephone equipment, gas, sewer, water or other private or public convenience or utilities, on, in or over the rear ten (10') feet of each Unit, and five (5') feet along one side of each Unit and fourteen (14') feet in width along each front Unit line and such other areas as are shown on the recorded plats. Moreover, the Declarant may cut, at its own expense, drainways for surface water wherever and whenever such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance, utilizing the easements outlined above. The use of these easement areas by Declarant, its successors and assigns, shall not be deemed a trespass.

Article 5.6 Association's Responsibility.

All streets and roads located within Tidewater Plantation and further described on the plats listed in Exhibit “A,” except as may be herein otherwise specifically stated, shall be subject to the Street Maintenance Agreement attached hereto as Exhibit “C”.

The Class "C" Member shall control and maintain all lakes, ponds, lagoons or other such bodies of water located within and contiguous to the golf course property. The Golf Club shall own all such bodies of water within its property boundaries. All other portions of all lakes, ponds, lagoons or other such bodies of water located within the residential Property described in Exhibit "A" or in any Supplemental Declaration shall be Common Areas, owned or to be owned by the Association, subject to the Golf Club's exclusive right to use and draw water from all such bodies of water for irrigation and use on the property of the Golf Club. The costs associated with such maintenance and repair shall be allocated between the Golf Club and the Association on a proportionate basis as to acres of water within the Golf Club compared with acres without, and the Association's share of such maintenance expense shall be a Common Expense to be allocated among all Units. Additionally, the Golf Club shall own, control and maintain all wells, lines and pipes transmitting water to the bodies of water, and outlet overflow structures and drainage pipes associated with such bodies of water and the land in which they are located.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

Article 5.7 Ownership of Properties.

The Association shall be authorized to own, purchase, lease, use under any use agreement, and maintain Common Areas, equipment, furnishings and improvements devoted to the uses and purposes expressed and implied in this Declaration and shall be authorized to provide such services as

shall be required or would promote the uses and purposes for which the Association is formed as expressed or implied in this Declaration.

Article 5.8 Rules and Regulations.

Subject to the provisions hereof, the Board of Directors may establish rules and regulations concerning the use of Units, Neighborhood Areas, the Common Areas, the Exclusive Common Areas, Amenities and facilities located thereon. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners upon request. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants and agents. Anything contained to the contrary notwithstanding in this Section of the Declaration or in any other Section dealing with the adoption of rules and regulations, so long as the Declarant owns any of the Property or the Additional Property for development and sale, no rule or regulation shall be adopted by the Association which would be binding upon the Owners of such Property to be developed by the Declarant without the prior written consent of the Declarant, including, but not limited to, any rule or regulation which would have the effect of discriminating against or in favor of one type of owner over another or of one type of tenant, lessee, renter or guest over another. The foregoing sentence shall not apply to rules and regulations adopted for the Beach House described in Section 5.10 and the Association's or Owner Swim and Tennis Center described in Section 5.12.

Article 5.9 The Golf Club.

The Class "C" Member shall have a right and nonexclusive easement of ingress and egress over all streets, roadways and Common Areas for access to the Golf Club. The Class "C" Member may delegate this access easement to users and guests of the Golf Club. Access to the Golf Club is strictly subject to the rules and procedures established by the Class "C" Member. No Owner or occupant gains any right to enter or to use the Golf Club facilities by virtue of ownership or occupancy of a Unit.

Article 5.10 The Beach House

(a) Property.

The property subject to this Section is all that certain piece, parcel and lot of land, together with improvements thereon, further described in Exhibit "A" hereto (the "Beach House Property").

(b) Common Area.

The Beach House Property is a common area of the Association, to be held and used subject to this Declaration, and the rules and regulations adopted thereof, from time to time, by the Board of Directors of the Association.

(c) Restricted Use of Property.

So long as the Beach House Property is used as a "Cabana House" pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle Beach, it shall be owned, used, and occupied for the following uses and purposes:

(i) Drop off and parking by Owners and owner-accompanied guests using the Beach House Property facilities or accessing the Cherry Grove beach and Atlantic Ocean.

(ii) Bathing, changing clothes and similar uses.

(iii) Such other uses established by the Board of Directors of the Association as shall be consistent with the permitted uses under Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle Beach, as amended, and with respect to such permitted uses, pursuant to such rules and regulations adopted thereof by the Board of Directors.

(d) Maintenance Agreement.

The Beach House Property shall be owned, occupied and used subject to the Cabana House Maintenance Agreement in Exhibit "D".

(e) Possibility of Reverter

In the event legal or equitable title to the Beach House shall revert to the Declarant, or to its successor or assign, pursuant to any deed or lease upon cessation of use of the Beach House Property as a Cabana House pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle Beach, and pursuant to the terms of such reverter, the covenants, conditions and restrictions herein provided shall cease and Declarant may evidence same by the recording of an instrument of termination hereof in the RMC, after which the Beach House Property herein described may be conveyed free and clear.

Article 5.11 Electronic Keys

(a) Electronic Keys; Common Area.

The electronic keys issued to Owners by the Declarant or by the Association, from time to time, constitute personal property, and is a Common Area of the Association and subject to this Section 5.11.

(b) License to Use Electronic Keys.

Each Owner issued an electronic key shall have a revocable license to use it and access Common Areas therewith in accordance with this Declaration and the rules and regulations adopted thereof by the Board of Directors. The issuance of an electronic key for access to Common Areas does not grant, confer, transfer or convey to an Owner any ownership interest in the said electronic key or the Common Area facilities accessible thereby; is not transferable except to the grantee of Owner's Unit upon the closing of sale thereof; and Owner's privilege of use of the electronic key and access to any such Common Area facility accorded thereby, unless sooner terminated by the Board of Directors in accordance with this Declaration, the By-Laws of the Association, or the rules and regulations adopted by the Board of Directors, shall terminate automatically upon the Owner's conveyance of his Unit.

(c) License Revocation.

In the event of an Owner's violation of the Association's rules, regulations and policies concerning its electronic keys and its electronically accessed Common Area facilities, the Board

of Directors may, in its sole discretion, change the electronic coding to the keys issued to such Owner, whereupon access thereto shall thereby be denied and the license to use herein granted shall be revoked.

(d) Association Rules and Regulations.

Pursuant to Section 5.8 of this Declaration, the Board of Directors may establish reasonable rules and regulations concerning the use of electronic keys issued to Owners and access to Common Area facilities accorded thereby, including such limitations of access, including limitations on the number of people who may use any such facility, as the Board of Directors, in its sole discretion, shall determine. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners upon request.

(e) Association Costs and Expenses.

The Board of Directors may charge a reasonable sum, but not less than Twenty-five and No/100 Dollars ($25.00), for the replacement of any lost or destroyed electronic key issued to an Owner. Furthermore, any costs and expenses incurred by the Association with respect to use of an Association's electronically accessed Common Area facility, including, but not limited to, costs and expenses of any damage caused by the Owner, or the Owner's family members and guests, or the costs of replacing a lost or destroyed key, or the imposition of any fine pursuant to the Association's rules, regulations and policies concerning use thereof or of the Common Area facility accorded access thereby, may be added to and shall become a part of the Owner's Assessment, subject to all lien rights and rights of collection provided in this Declaration.

(f) Sale and Conveyance of Unit.

Upon conveyance of a Unit, the Owner-grantor shall deliver to the grantee at the Closing thereof the electronic keys issued to such Owner-grantor, and shall provide, in writing to the Association, the name and address of the Unit's grantee to whom said electronic keys were delivered. In the event the grantee of the Unit fails to receive the electronic keys appurtenant to his Unit at the said closing, the grantee shall pay to the Association the costs and expenses of replacement thereof and the Board of Directors may levy a Special Assessment against the grantee and his purchased Unit for any unpaid cost and expense of replacing same pursuant to Section 8.4(b) of this Declaration and in an amount calculated in accordance with Section 5.11(e). The Association shall have no responsibility to inquire of the former Unit Owner as to the location of any such undelivered electronic keys or to pursue any collection efforts against such former Owner following the conveyance by it of his Unit.

Article 5.12 Association's Swim and Tennis Center.

(a) The Property.

The portion of the Property described in Paragraph 37 of Exhibit "A", known as the Association's or Owner Swim and Tennis Center, shall constitute Amenities hereunder and shall be subject to this Section 5.12.

(b) Declarant's Reserved Use.

Until termination of Declarant's Class "B" membership, as provided in Article III Section 1(b) of the By-laws, the Declarant and its designee shall have easements for access to and use of

the Amenities described in Exhibit "A", Paragraph 37, not less than two days each month, which days may, but need not, be consecutive. The Declarant shall have the right to reserve any such future use without regard to any rule, regulation or policy adopted by the Association limiting advance reservation of use generally. If the Declarant's use results in any required cleanup, the Declarant shall, at its election, either clean up the facility itself or pay the cleanup fee charged generally for use of the subject facility by the Association. The Declarant shall not be required to pay any use fee, rent or similar charge for its use of the whole or any portion of the Amenities described in Exhibit "A", Paragraph 37 pursuant to this Declaration.

(c) Declarant's Reserved Development Activity.

Until termination of Declarant's Class "B" membership, as provided in Article III Section 1(b) of the By-Laws, the Declarant and its designees shall have easements for access to and development of and construction over and upon the designated wetlands area within the Amenities described in Paragraph 37 of Exhibit "A" hereto for the installation of such boardwalks, pathways, lighting, landscaping, and other facilities as Declarant shall determine, in its sole discretion, subject to governmental jurisdiction thereof and permitting thereof; and Declarant shall have the sole right and option, and shall be deemed to have been appointed by Grantee, to, in its own name and/or in the name of the Tidewater Plantation Community Association, Inc., make application for such governmental approvals and permits as shall be required or desired by Declarant in furtherance of such development and construction activities. SUCH RIGHT AND DEEMED APPOINTMENT WILL BE, UPON GRANTEE'S ACCEPTANCE OF THIS DEED AND TIDEWATER PLANTATION COMMUNITY ASSOCIATION, INC., A POWER COUPLED WITH AN INTEREST AND IRREVOCABLE.

Article 6

Special Restrictions Affecting Golf Fairway Residential Areas

Article 6.1 Application.

This Article 6 sets forth the special covenants, conditions, restrictions and easements which apply to the Golf Fairway Residential Areas in Tidewater Plantation.

Article 6.2 Landscape Requirements.

That portion of any properties within twenty (20') feet of the outer boundary line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect. All individual Unit landscaping plans must be approved by the Declarant and the Golf Club before implementation.

Article 6.3 Golf Course Maintenance Easement.

There is reserved to the Declarant, its successors or assigns, a "Golf Course Maintenance Easement Area" on each Unit or tract adjacent to all golf course and practice range fairways located in Tidewater Plantation. This reserved easement shall permit the Declarant, at its election, to go onto any Golf Course Maintenance Easement Area for the purpose of landscaping or maintaining said area. Such maintenance and landscaping may include among other things, regular removal of underbrush, trees less than five (5) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be

limited to the portion of such Units within twenty (20') feet of the Unit line(s) or tract line bordering the golf course, or such lesser area as may be shown on an individual Lot survey as a "Golf Course Maintenance Area". No construction of improvements shall be permitted on any portion of this twenty (20') feet "Golf Course Maintenance Area". The described maintenance and landscaping rights shall apply to the entire Unit or tract until there has been filed with the Declarant a landscaping plan for such Unit or tract by the Owner thereof, or alternatively, a residence constructed on the Unit. Once a landscaping plan has been filed with the Declarant or a residence, townhouse or condominium constructed, the Golf Course Maintenance Easement shall be limited to the portion of the Unit within twenty (20') feet of the Unit line(s) or tract line bordering the golf course or such lesser area as set out above. The Declarant reserves the right to at any time waive the easement herein reserved in whole or in part in its sole discretion.

Article 6.4 Permissive Easement Prior to Dwelling Construction.

The Declarant and its successors and assigns, reserve an easement to permit and authorize registered golf course players and their caddies to enter upon the unimproved portions of a Unit located adjacent to a golf fairway, tee or green to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass, provided that after a dwelling or other permanent structure is constructed thereon, such easement shall be limited to the recovery of balls only, and not play. Golfers or caddies shall not be entitled to enter upon the property of any such Unit with a golf cart or other vehicle, nor spend unreasonable time on such Unit, or in any way commit a nuisance while on the property of such Unit. "Out of Bounds" markers may be placed on the property of said Units by and at the expense of the Declarant, its successors or assigns.

Article 6.5 Distracting Activity Prohibited.

Owners of properties adjacent to all golf course and practice range fairways, as well as their families, tenants, guests, invitees and pets shall be obligated to refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as the maintenance of unfenced dogs or other pets on the property of any Unit or residential tract adjacent to the golf course under conditions creating a nuisance or interfering with play. No fences shall be allowed on the property of any Unit adjacent to the golf course and practice range fairways. No pets shall be allowed on the golf course property at any time.

Article 6.6 Reserved Approval Rights.

Notwithstanding the provisions of Section 6.3 of this Article, the Declarant, with the consent of the Class "C" Member, for itself, its successors and assigns, hereby reserves the right to allow an Owner to construct a dwelling over a portion of the "Golf Course Maintenance Easement Area" in those cases where it, in its uncontrolled discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course.

<u>Article 7</u>

<u>Special Restrictions Affecting Wetlands Areas.</u>

Article 7.1 Delineated Critical Lines and Wetlands.

When used in this Article 7, "freshwater wetlands" shall mean all such wetlands shown and designated on a survey thereof entitled, "Tidewater Golf Course & Plantation, North Myrtle Beach, South Carolina Storm Water Drainage Management Plan" prepared by DDC Engineers, Incorporated, dated November 14, 1988, and last revised April 21, 1991. For proposes of measuring the setback from "South Carolina Coastal Council Critical Lines," as provided in Section 7.2, the setback shall apply to all of the Property shown and designed in the aforesaid survey of DDC Engineers, Incorporated.

Article 7.2 South Carolina Coastal Council Critical Line Setback.

There is hereby established a twenty-five (25') foot setback adjacent to all South Carolina Coastal Council Critical Lines within which no permanent structures shall be constructed and within which a natural buffer shall be maintained. Notwithstanding the forgoing, and upon approval of the Declarant during the Class "B" Control Period, and thereafter by the Declarant as to any property located immediately adjacent to any property then owned by the Declarant, otherwise by the Association, selective clearing of shrubbery, ground cover, and trees less than six (6") inches caliper at a height of four and one-half (4-1/2') feet above the ground level, and the construction of docks and bulkheads, in accordance with Section 7.5, shall be permitted within the Critical Line setbacks area.

Article 7.3 Freshwater wetlands and Setbacks.

There is hereby established a twenty (20') foot setback adjacent to all freshwater wetlands of one (1) acre or less and a thirty-five (35') foot setback adjacent to all freshwater wetlands of more than one (1) acre shown on the Master Site Plan, and within which no permanent structures shall be constructed and within which a natural buffer shall be maintained.

(a) Prohibited Activities Generally.

The following activities shall be prohibited within any wetlands and setback adjacent thereto: filling, draining, flooding, dredging, impounding, cleaning, burning, cutting, or destroying vegetation, cultivating, excavating, erecting, constructing, releasing wastes, or otherwise doing any work on the Property; introducing exotic species into the subject property (except biological controls pre-approved in writing by the U.S. Army Corps of Engineers, Charleston District, or any successor agency (the "Corps") and by the S.C. Department of Health and Environmental Control, or any successor agency ("DHEC"); and from changing the grade or elevation, improving the flow or circulation of waters, reducing the reach of waters, and any other discharge or activity requiring a permit under clean water or water pollution control laws and regulations, as amended.

(b) Activities Permitted.

Notwithstanding the foregoing and upon approval of the Declarant during the Class "B" Control Period, and thereafter the Association, and upon approval of the Corps and DHEC, and the issuance of a permit therefore, if required by such governmental authorities, the following shall be permitted within the protected areas, as hereinafter described

(i) Selective Tree Clearing.

Selective clearing of trees less than six (6") inches caliper at a height of four and one-half (4-1/2') feet above the ground level shall be permitted within the twenty (20') foot and thirty-five (35') foot freshwater wetlands setbacks, and the construction of driveways for access to any Unit shall be permitted within the twenty (20') foot freshwater wetlands setback area.

(ii) Reserved Rights for Wildlife Observation, Feeding, and Preservation.

In furtherance of an overall program of wildlife conservation and nature study, the right is expressly reserved to the Declarant, so long as it holds a Class B membership and thereafter to the Association, to erect wildlife feeding stations, to plant small patches of cover and food crops for quail, turkeys, and other wildlife, to make access trails and paths or boardwalks through the freshwater wetlands for the purpose of permanent observation and study of wildlife, hiking, and riding, subject to securing any required governmental permits thereof, to erect small signs throughout such freshwater wetlands designating points of particular interest and attraction, and to take such other steps as are reasonable, necessary and proper to further a general intention to promote community use and enjoyment thereof while at the same time preserving the environmental integrity of such freshwater wetlands.

Article 7.4 Amendment of Article 7.

The provisions of this Article 7 may be amended by a recorded document signed by the Corps and DHEC and Declarant during the Class "B" Control Period, and thereafter the Association. The recorded document, as amended, shall be consistent with the Charleston District model conservation restriction at the time of amendment. Amendment shall be allowed at the discretion of the Corps and DHEC, in consultation with resource agencies as appropriate, and then only in exceptional circumstances. Mitigation for amendment impacts will be required pursuant to Charleston District mitigation policy at the time of amendment. There shall be no obligation to allow an amendment.

Article 7.5 Conditions of Limited Dock Construction.

The construction of docks, decks and bulkheads over the wetlands of Tidewater Plantation require approval from the Design Review Board prior to any required submission to the Army Corps of Engineers or the South Carolina Coastal Council. However, in order to avoid an unsightly proliferation of docks along the banks of tidal creeks and rivers, the general rule is established that Owners of Units fronting on those water bodies may not erect docks without permission for such construction being obtained from the Design Review Board, which approval may be denied in its sole discretion, unless the Owner obtained specific written permission to construct such dock, deck or bulkhead at the time of the purchase of the property from the Declarant. No docks are permitted on internal lakes, ponds or lagoons without approval by the Design Review Board and the Class "C" Member. If permission for such construction is granted, any such grant shall be conditioned upon compliance with the following requirements:

(i) Complete plans and specifications including site plan, materials, color and finish must be submitted to the Design Review Board in writing;

(ii) Written approval of the Design Review Board of such plans and specifications must be secured, the Design Review Board reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons; and

(iii) Written approval of any local, state or federal governmental departments or agencies which have jurisdiction over construction in or near marshlands or wetlands must be secured.

Any alterations of the plans and specifications or of the completed structure must also be submitted to the Design Review Board in writing and the Design Review Board's approval in writing must be similarly secured prior to construction, the Design Review Board reserving the same rights to disapprove alterations as it retains for disapproving the original structures.

Article 7.6 Maintenance of Docks.

All Owners who obtain permission and construct docks, decks, or bulkheads 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 Design Review Board shall be the judge as to whether the structures are safe, clean, orderly in appearance and properly painted or preserved in accordance with reasonable standards. If the Design Review Board notifies an Owner in writing that any structure fails to meet acceptable standards, the Owner shall thereupon remedy such condition within thirty (30) days to the satisfaction of the Design Review Board. Each Owner hereby covenants and agrees that the Association, upon the recommendation of the Design Review Board, may make the necessary repairs if the Owner fails to so remedy such condition, but the Board is not obligated to make such repairs or take such actions as will bring the said structure up to acceptable standards, all such repairs and actions to be at the sole expense of the Owner in question.

Article 7.7 Encroachments for Docks.

There shall exist valid and perpetual easements, appurtenant to any Unit, dwelling, or Neighborhood Area located adjacent to any lagoons, ponds, creeks or rivers from time to time located within the Development, for the encroachment of docks, decks, bulkheads, boat slips, and boathouses, and for the maintenance, repair, and replacement thereof for so long as such encroachment exists, provided that the location of such docks, decks, bulkheads, boat slips, and boathouses shall be subject to the prior approval of the Design Review Board. Whenever the Declarant, Board of Directors, or other representative person or body is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass by the Declarant, the Association or their agents.

Article 8

Assessments

Article 8.6 Creation of Assessments.

There are hereby created assessments for Association expenses and reserves as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 8.6 of this Article. There shall be three (3) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood or Neighborhoods; and (c) Special Assessments as described in Section 8.4. The Class "C" Member and each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay these assessments.

Base Assessments shall be levied equally on all Units. The Class "C" Member shall pay as a Base Assessment an amount equal to the Base Assessment levied against each Unit for each ten (10) acres of land or part thereof comprising the Golf Club owned by the Class "C" Member. Neighborhood Assessments shall be levied equally against all Units in the Neighborhood, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use of particular Units shall be levied on each of the Units receiving the service in proportion to the service received, if so directed by the Neighborhood in writing to the Board of Directors. Special Assessments shall be levied as provided in Section 8.4.

All assessments, together with interest (at a rate not to exceed the highest rate allowed by South Carolina law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Article 8.7 Computation of Base Assessment.

It shall be the duty of the Board, at least forty-five (45) days before the beginning of each fiscal year, to hold a Board meeting at which all Members and a representative of the Class "C" Member shall be invited to attend and give input on the budget including the services and maintenance to be performed for the Neighborhoods for the upcoming fiscal year. After such meeting the Board shall prepare a budget covering the estimated Common Expenses of the Association during the coming fiscal year and a copy of the budget shall be delivered to all Members and the Class "C" Member at least seven (7) days prior to the scheduled date of the Board meeting on which the budget is to be voted. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 8.5.

The Base Assessment to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves. In determining the amount of the Base Assessment, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to assessment under Section 8.6 on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article 3 of this Declaration, the Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.1); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Unit and the Golf Club for the following year to be delivered to each Owner and the Class "C" Member at least fourteen (14) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Members and the Class "C" Member by Members holding at least a majority of the total Association Vote, and disapproved by the Class "C" Member, and disapproved by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget after its adoption by the Board of Directors except on petition of the Members as provided for special meetings in Section 4 of Article II of the By-Laws, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Any such petition of the Members must occur during the aforesaid 14-day period, and if no such petition is filed, such budget for the coming year shall be deemed approved by the Members notwithstanding any petition in opposition thereto following the expiration of the 14-day period.

The Association shall, upon demand, furnish to any Owner or the Class "C" Member liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit or the Golf Club. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid.

Assessments shall be due and payable in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be paid annually. Each Owner, by acceptance of a deed to his or her Unit, and the Class "C" Member acknowledge that all Base Assessments and Neighborhood Assessments levied hereunder are annual assessments due and payable in advance on the first day of the fiscal year.

No owner or the Class "C" Member may waive or otherwise exempt itself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by nonuse of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and the Class "C" Member. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or

Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Notwithstanding any provision that may be contained to the contrary in this instrument, for as long as Declarant is the Owner of any Unit in the Development, in lieu of paying regular assessments on its unsold Units the Declarant shall have the option to fund the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Declarant shall have the right to select its method of payment on an annual basis.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or Members as provided for special meetings in Section Article II Section 4, of the By-Laws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Article 8.8 Computation of Neighborhood Assessments.

It shall be the duty of the Board annually to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood(s) benefited thereby and shall be levied as a Neighborhood Assessment, provided, that if the applicable provisions governing the neighborhood so provides, certain Neighborhood Expenses shall be allocated only among benefited Units in proportion to the benefit received.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit for the coming year to be delivered to each Owner of a Unit in the benefited Neighborhood(s) at least fourteen (14) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood to which the Neighborhood Assessment applies and by the Class "B" Member, so long as the Class "B" membership exists; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood and provided further, the right to disapprove shall apply only

to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

Notwithstanding the foregoing, however, in the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Article 8.9 Special Assessments.

(a) Levied Upon Entire Membership.

The Association may levy Special Assessments from time to time provided such assessment receives the affirmative vote or written consent of Members holding a majority of the total Association Vote, and receives the affirmative vote or written consent of the Class "C" Member, and receives the affirmative vote or written consent of the Class "B" Member, if such then exists. If at a meeting or if by referendum there fails to be a majority of the Members present or voting, that number also representing the quorum requirement, the Board may adjourn the meeting or ballot vote and may call for a reconvened, second meeting or ballot vote to be taken within ten (10) days, at which time the vote will pass on the affirmative vote of a majority of those voting and shall require a quorum of 20% of the total Association vote. The obligation of the Class "C" Member to pay Special Assessments shall be computed on the same basis as Base Assessments, provided, however, the Class "C" Member shall be exempt from special assessments which do not have a reasonable, direct benefit for the Class "C" Member. Special Assessments pursuant to this Section 8.4 shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

(b) Levied Upon Less Than All Members.

The Association may levy a Special Assessment against any Member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the By-Laws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any amendments thereto, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer of the Neighborhood, if any, and if there be none, after notice to all the Members in such Neighborhood.

Article 8.5 Reserve Budget and Capital Contribution.

The Board of Directors shall annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required reserve contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual assessments over the period of the budget. The reserve contribution required, if any,

shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 8.2 and 8.3 of this Article.

Article 8.6 Date of Commencement of Assessments.

The obligation to pay the assessments provided for herein shall commence as to each Unit on the first day of the first month following the date of conveyance by the Declarant. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Article 8.7 Effect of Non-Payment of Assessment: the Personal Obligation of the Owner. the Lien. Remedies of the Association.

If assessments are not paid on the date when due, then such assessments shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Unit which shall bind such Unit of the then Owner, his heirs, devisees, personal representatives, successors and assigns. Every purchaser of a Unit shall be required to determine the status of the assessments against the Unit at the time of purchase and shall be deemed to assume any outstanding assessment not paid by the seller at the time of closing.

Assessments not paid within thirty (30) days after the due date shall bear interest from the date when due at a rate determined by the Board of Directors and the Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the Unit on which the assessment is unpaid, or may pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such assessment attorneys' fees and costs of preparing and filing the claim of lien and 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 attorneys' fees to be fixed by the court together with the costs of the action, and the Association shall be entitled to attorneys' fees in connection with any appeal of any such action.

In addition to the rights of collection of assessments stated in this Section 8.7, the Owner and all persons acquiring the title to or an interest in a Unit as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the enjoyment and use of Amenities, if any, until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid.

It shall be the legal duty and responsibility of the Association to enforce payment of the assessments hereunder.

Article 8.8 Subordination of the Lien to Mortgages.

The lien of the assessments provided for in this Article 8 shall be subordinate to the lien of any mortgage recorded prior to recordation of the claim of lien, which mortgage encumbers the Unit to any institutional lender and which is now or hereafter placed upon any property subject to assessments; provided, however, that any mortgagee when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgagee, shall hold title

subject to the liability and lien of any assessment becoming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Unit by reason of the provisions of this Section 8.8, shall be deemed to be an assessment divided equally among, payable by, and a lien against all Units subject to assessments by the Association, including the Units as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

Article 8.9 Working Capital Contribution.

Each Owner of a Unit shall be required to pay to Declarant at the time of acquisition of title to each Unit a contribution equal to one-sixth (1/6) of the then current Base Assessment to be used for working capital, which shall be paid in addition to the required Base Assessment.

Article 8.10 Exempt Property.

Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

(i) all Common Areas; and

(ii) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

Article 9

Architectural Standards

Article 9.1 General.

In order to enhance the beauty of the Development, to establish and preserve harmonious and aesthetically pleasing designs incorporated into the Development, and to protect and promote values for the entire Development, the subdivisions thereof and the Units and improvements located therein or thereon, no construction, which term shall include within its definition staking, clearing, excavation, grading, changing elevation, and other site work, no exterior alteration or modification of existing improvements, and no planting or removal of plants, trees, or shrubs shall take place on any portion of the Property except in strict compliance with this Article. This Article shall also extend to and include but shall not be limited to, the authority to regulate, approve or disapprove, signs, swimming pools, driveways, mailboxes, service yards, antennas, fences, animal pens, lighting, sports equipment, exterior stains and colors, building size and height and setbacks, and tree removal.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Unit or to paint the interior of his or her Unit any color desired. However, modifications or alterations to the interior of screened porches, patios, and similar portions of a Unit visible from outside the Unit shall be subject to approval. The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed without prior approval but prior approval shall be necessary before any such exterior finishing color is changed.

All dwellings constructed on any portions of the Property shall be designed by and built in accordance with the plans and specifications of a licensed South Carolina architect, or by an approved designer (which approval may be granted in the sole discretion of the Design Review Board).

This Article shall not apply to the activities of the Declarant nor to construction or improvements or modifications to the Common Areas by or on behalf of the Association, nor to construction on or improvements or modifications to the Golf Club. Notwithstanding anything contained herein to the contrary, Declarant shall have the sole right to approve plans for and improvements to a Unit by the first Owner of the Unit, acquiring the same from Declarant, unless such right of review and approval with respect to such Unit is given to the Design Review Board in writing by the Declarant.

This Article may not be amended without the written consent of the Declarant so long as the Declarant owns any land subject to this Declaration or which may be added to this Declaration pursuant to Section 3.1.

Article 9.2 Architectural Review.

Responsibility for administration of the Design Standards, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Design Review Board. The members of the Design Review Board need not be Members of the Association, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the Design Review Board on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

Article 9.3 Standards, Requirements and Procedures.

(a) Design Standards.

The Declarant shall prepare the initial design and construction “Standards, Requirements and Procedures of the Tidewater Plantation” (the "Design Standards") to provide guidance to Owners and builders regarding matters of particular concern in considering applications for architectural and landscaping approval. The Design Review Board, acting on behalf of the Board of Directors, shall adopt such Design Standards at its initial organizational meeting and, thereafter shall have authority to amend them from time to time, subject to ratification pursuant to Section 9.3(b).

The Design Standards shall not be the exclusive basis for decisions hereunder and compliance with the Design Standards shall not guarantee approval of an application. Any such Design Standards may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics, and intended use of such portion of the Property.

The Design Review Board shall make the Design Standards available to Owners and Builders who seek to engage in development of or construction upon all or any portion of the Properties and all such persons shall conduct their activities in strict accordance with such Design Standards. Any amendments to the Design Standards adopted from time to time by the Design Review Board in accordance with this Section and approved pursuant to Section 9.3(b) shall apply to construction and modifications commenced after the date of such amendment only and shall not apply so as to require modifications to or

removal of structures previously approved by the Design Review Board once the approved construction or modification has commenced

The Design Review Board may promulgate detailed application and review procedures and design standards governing its area of responsibility and practice. Any such standards shall be consistent with those set forth in the Design Standards and shall be subject to review and approval by the Design Review Board.

(b) Ratification by Declarant and Board of Directors.

During the Class "B" Control Period, any amendments to the Design Standards shall become effective on the date of and upon the happening of ratification by the Declarant; and after the termination of the Class "B" Control Period, any amendment to the Design Standards shall become effective on the date of and upon the happening of ratification thereof by the Board of Directors of the Association.

(c) Procedures.

Prior to commencing any work for which review and approval is required, an application for approval of such work shall be submitted to the Design Review Board in such forms as may be required by it or by the Design Standards. The application shall include, plans showing the site layout, exterior elevations, exterior materials and colors, landscaping, drainage, lighting, irrigation, and other features of the proposed construction or modification as required by the Design Standards and as applicable. The Design Review Board may require the submission of such additional information as it deems necessary to consider any application.

(d) Design Review Board Considerations.

The Design Review Board may consider (but shall not be restricted to consideration of) visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life, compliance with the general intent of the Design Standards, and architectural merit. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

(e) Review Period.

The Design Review Board shall, within 30 days after receipt of each submission of plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (A) the approval of the submitted plans, or (B) the disapproval of such plans, specifying the segments or features of the plans which are objectionable and suggestions, if any, for the curing for such objections. In the event the Design Review Board fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the plans, the applicant may give the Design Review Board written notice of such failure to respond, stating that unless the Design Review Board responds within 10 days of receipt of such notice, approval shall be deemed granted. Upon such further failure, approval shall be deemed to have been given. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Standards, unless a variance has been granted in writing pursuant to Section 9.3(g). Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with U.S.

Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery.

(f) Appeal.

Any Owner may appeal a decision by the Design Review Board provided that all parties involved comply with the decision of the Design Review Board until such time, if any, as the Board of Directors amends, or reverses the Design Review Board's decision. Appeals petitions must be legibly written, state the grounds for appeal and be submitted to the Board of Directors within three (3) business days of the decision of the Design Review Board. The Board of Directors shall act upon the appeal by amending, reversing or confirming the decision of the Design Review Board within fifteen (15) days of receipt of the petition. The Board of Directors' decision shall be by the majority vote of those present and voting, a majority of the Board of Directors constituting a quorum for such appeal hearing.

(g) Variance.

The Design Review Board may, but shall not be required to, authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, or when architectural merit warrants such variance, as it may determine in its sole discretion. Such variances may be granted, however, only when unique circumstances exist, and no Owner shall have any right to demand or obtain a variance. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Design Review Board from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

(h) No Waiver of Future Approvals.

The approval of the Design Review Board of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Design Review Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters subsequently or additionally submitted for approval or consent.

(i) Enforcement.

Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board, Owners shall, at their own cost and expense, bring such construction, alteration or other work into conformity with this Article to the satisfaction of the Board or remove such construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Association shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. Furthermore, the Association shall have the power to fine an Owner in violation of this Article, as further provided in Section 15.3 below and Article III, Section 3of the Bylaws. The Association shall reimburse the Declarant for any such costs or expenses incurred by it and may assess any costs and expenses incurred by it, directly or by way of reimbursement

of the Declarant, in taking enforcement action under this Section, together with the interest at the maximum rate then allowed by law, against the benefited Unit as an Assessment and lien upon the Unit.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Standards may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the ByLaws. In such event, neither the Association, its officers, nor directors shall be held liable to any Person for exercising the rights granted by this Section 9.3(i).

In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Design Review Board.

Anything contained herein to the contrary notwithstanding, the limitation herein provided are in addition to, and not substitutions for, the ordinances, rules, regulations, and conditions of any political subdivision of the State of South Carolina with respect to building standards, approvals and permits and the cutting and removal of trees.

Article 10

Use Restrictions

The Declarant during the Class "B" Control Period, and thereafter the Association, shall have the authority to make and enforce standards and restrictions governing the use of the Property and all Units in the Development. Each Unit shall be used only for residential purposes and shall be subject to the standards and restrictions contained in this Declaration, in the Site Plan, in any Supplemental Declaration, in specific deed restrictions and in the Planned Unit Development Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989, and as may be amended. The following specific use restrictions shall apply with respect to the properties subject to this Declaration:

Article 10.1 Nuisances.

No noxious, illegal or offensive activity shall be conducted upon any Unit nor shall anything be done thereon or therein which may be or may become an annoyance or nuisance to the Development.

Article 10.2 Animals and Pets.

No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Property, provided that a reasonable number of generally recognized house pets may be kept in dwellings, subject to rules and regulations adopted by the Declarant or the Association, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas or Exclusive Common Areas. Pets shall be under leash at all times when walked or exercised in any portion of the Common Areas or Exclusive Common Areas. The Association may establish rules prohibiting any pet within the Amenities. Upon the written request of

any Owner, the Declarant or the Association may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section, a particular pet is a generally recognized house pet or such pet is a nuisance, shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions and shall have the further right to fine any Owner in accordance with Article III, Section 3(f) of the Bylaws for each violation of these pet restrictions by such Owner or an occupant of his Unit.

Article 10.3 Signs.

No sign, billboard or advertisement of any kind, including, without limitation, "for rent" or "for sale" and other similar signs, including those of realtors, contractors and subcontractors, shall be erected within the Property, whether mounted on a post, wall, fence, window or vehicle or in any other way displayed, except signs displayed on a realtor, contractor, subcontractor, service, delivery, government or similar vehicle permitted on the Property on a temporary (not overnight) basis in the course of, and for the duration of, their respective normal business. Residents of Tidewater, whether Owners, guests of Owners, or renters with business signs displayed on their personal vehicles may remain overnight provided their vehicles are garaged when not be driven In the absence of a garage, removable signs shall be removed from the vehicle, and permanent signs shall be covered while the vehicle is parked at the residence. The foregoing shall not apply to the owner of the Golf Club or its guests or invitees.

Article 10.4 Motor Vehicles. Trailers. Boats. Etc.

Each Owner shall provide for parking for at least two (2) automobiles off streets and roads within the Development. There shall be no storage or parking upon any portion of the Development of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, recreational vehicle, boat or other watercraft (other than in boat slips, or other docking facilities), boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices, except within those areas specifically designated for outdoor storage by Declarant during the Class “B” Control Period, and thereafter the Association, if permitted in writing by the Declarant during the Class “B” Control Period, and thereafter the Association. Furthermore, no mobile homes, motor homes, campers, recreational vehicles or trailers of any kind, may be kept, placed, stored, maintained, or operated upon any portion of the Development, except that with the prior consent of the Declarant during the Class “B” Control Period, and thereafter the Association, such vehicles may be loaded or unloaded at residences in the Development. Declarant does hereby declare the property described in Exhibit “A” as a “Storage Facility” available for use by Owners to temporarily store items approved by Declarant during the Class “B” Control Period, and thereafter by the Board of Directors.

Article 10.5 Water and Sewer Systems.

No individual water or sewer system shall be connected to any Unit. Each Unit must be connected to a public water and/or sewer system in lieu of any individual systems whatsoever. Water may not be diverted or taken from any lakes, ponds or lagoons for yard maintenance or for any other purpose.

Article 10.6 Oil and Mining Operations.

No oil drilling, oil development operations, oil refining, or mining operations of any kind shall be permitted upon any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

Article 10.7 Sales. Rental and Construction Activities of Declarant.

Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of the whole or any portion of the Property, including, without limitation, the installation and operation of sales, rental and construction trailers and offices, model homes, and signs for same.

Article 10.8 Occupants Bound.

All provisions of this Declaration, the Association By-Laws and of any guidelines, rules and regulations or use restrictions promulgated by the Declarant or the Association shall also apply to all occupants, guests and invitees of any Unit or Owner and the Golf Club. Every Owner shall cause all occupants of his or her Unit to comply with this Declaration, the Association By-Laws, all guidelines, rules and regulations and use restrictions and shall be responsible for all violations and losses caused by such occupants, including fines or other charges which may be levied by the Board of Directors, notwithstanding the fact that such occupants of a Unit are fully liable and may also be sanctioned for any violation.

Article 10.9 Owner's Resubdivision.

No Common Area, open space, lot, or unsubdivided tract subject to these Covenants shall be subdivided, or its boundary lines changed, nor shall application for same be made to any political subdivision with jurisdiction thereof, except during the Class "B" Control Period set forth in Article III Section 1(b) of the By-Laws with the prior written approval of the Declarant, and thereafter except with the prior written approval of the Board of Directors, and subject to such terms and conditions as may be imposed as a condition of such approval. However, the Declarant reserves the right to so subdivide in accordance with its general plan of development set forth in Article 2 of this Declaration, and to take such other steps as are reasonably necessary to make such replatted property suitable and fit as a building site, including, but not limited to, the relocation of easements, walkways, rights-of-way, private roads, bridges, parks, Common Areas, and open space areas. Following the Class “B” Control Period, the Association shall have the right and power to relocate, re-subdivide and re-plat easements, walkways, rights-of-way, private roads, bridges, parks, Common Areas, and open space areas

(a) Consolidation of Lots.

The provisions of this Section shall not prohibit the combining of two (2) or more contiguous lots into one (1) larger lot in accordance with the provisions of this Section 10.9(a). Following the combining of two (2) or more lots into one (1) larger lot, only the exterior boundary lines of the resulting larger lot shall be considered in the interpretation of this Declaration. Consolidation of lots, as described herein, must be approved by the Declarant during the Class "B" Control Period set forth

in Article III Section 1(b) of the By-Laws, and thereafter by the Board of Directors, said approval to be granted in its sole discretion upon such terms and conditions as may be established by it from time to time, including, but not limited to, the condition that approval may be subject to receipt of a plat of the combined lots from the City of North Myrtle Beach, the condition that the combined lots shall bear one (1) or more Base Assessments, Neighborhood Assessments or Special Assessments, but not exceeding the number of such assessments equal to the number of lots so combined, and the condition that the Owner of the combined lots shall have, as a Member of the Association, one (1) or more votes attributable to said combined lots, but not exceeding the number of votes equal to the number of lots so combined.

Article 10.10 Special Use Restrictions.

The Property, including, but not limited to, those portions operated for commercial purposes, is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to the following covenants:

(a) Rental Operations.

A covenant, running with the land, that no part of the Property shall be sold, used, leased or made available to any Person other than Southern Land & Golf Company, Ltd., or its successors, assigns, affiliates, designees or licensees for the purpose of operating a house and/or villa rental business, and such other ancillary businesses as are necessary or appropriate for the operation of the foregoing, such as, without limitation, group services, group reservations, group audio-visual equipment rentals, housekeeping services, house and villa maintenance, and group entertainment reservations except with the prior written consent of Southern Land & Golf Company, Ltd., its successors and assigns.

(b) Real Estate Sales Operations

A covenant, running with the land, that no part of the Property shall be sold, used, leased or made available to any Person other than Southern Land & Golf Company, Ltd., or its successors, assigns, affiliates, designees or licensees for the purpose of operating a real estate sales business, and such other ancillary businesses as are necessary or appropriate for the operation of the foregoing except with the prior written consent of Southern Land & Golf Company, Ltd., its successors and assigns.

Article 10.11 Owner's Landscape Maintenance Between Lot Line and Adjacent Paving.

Except as otherwise provided in the Design Standards or other pronouncement of the Design Review Board, as the same may be amended from time to time, each Owner will be responsible for maintaining on a regular basis the landscaping, if any, and ground cover along the right-of-way roadside or sidewalk, as applicable, bordering the Owner's Unit, whether or not such area is a part of the Owner's Unit. Each Owner will perform such maintenance within the unpaved area of right-of-way immediately adjacent to a Unit's lot line, and will be of such quality of maintenance as is required to maintain a Development consistency in appearance and cleanliness. An Owner's responsibility under this Section 10.11, if applicable, shall be in addition to the Owner's responsibility to maintain the remainder of the Unit and shall be fulfilled regardless of whether or not the Owner permanently resides in the Development.

Article 10.12 Supplemental Use Restrictions

The Property shall also be subject to the Supplemental Use Restrictions in Exhibit "B" attached hereto.

Article 11

Special Provisions For The Golf Club

The Tidewater Golf Club is a commercial golf course which includes a clubhouse and related facilities located adjacent to the Property, which is privately owned by Southern Land & Golf Company, Ltd. All Owners hereby acknowledge that the Golf Club will not be owned by the Association and is not a part of the Common Areas. Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use the Golf Club.

The following terms and conditions regarding the Golf Club shall be binding on all Owners and the Association:

Article 11.11 The Tidewater Golf Club.

All Persons, including all Owners, hereby acknowledge that the Golf Club, known as the "Tidewater Golf Club", will not be owned by the Association, and that the Golf Club does not constitute either Common Areas or Amenities hereunder. All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any other person or entity with regard to the continuing ownership or operation of the Golf Club. Any purported representation or warranty in such regard shall not be effective without an amendment hereto executed or joined into by the Declarant and the owner of the Golf Club. Neither membership in the Association nor ownership or

occupancy of a Unit shall confer any ownership interest in or right to use the Golf Club. Rights to use the Golf Club will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owner of the Golf Club. Further, the ownership or operational duties of and as to the Golf Club may change at any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operations of the Golf Club by or to an independent person or entity, (b) the conversion of the Golf Club membership structure to an "equity" club or similar arrangement whereby the members of the Golf Club or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Golf Club, (c) the conveyance, pursuant to contract, option, or otherwise, of the Golf Club to one or more affiliates, shareholders, employees or independent contractors of Declarant or the Golf Club, or (d) the acquisition of the Golf Club by the holder of a mortgage on the property of the Golf Club. As to any of the foregoing or any other alternative, no consent of the Association, any Neighborhood, or any Owner shall be required to effectuate such transfer for or without consideration and subject to or not subject to any mortgage, covenant, lien, or other encumbrance on the applicable land and other property.

Article 11.12 Rights of Access. Use and Parking.

The owner of the Golf Club, members of the public using the golf facilities or attending golf tournaments or other functions at the Golf Club, visitors, guests, employees, agents, contractors, and designees of the owner of the Golf Club shall at all times have a right and non-exclusive easement of access and use over all roadways, golf cart paths, golf course pedestrian easements and tunnels located within the Property reasonably necessary to travel from/to the entrance to the Property to/from the Golf Club and, further, over those portions of the Property (whether Common Areas or otherwise) reasonably necessary to the use, operation, maintenance, repair and replacement of the Golf Club, its property and its facilities. This right shall include the right of the owner of the Golf Club to relocate golf cart paths, roadway crossings and tunnels, if in its sole discretion such is deemed appropriate. Without limiting the generality of the foregoing, users of the Golf Club and permitted members of the public shall have the right to park their vehicles on the roadways located in the Development at reasonable times before, during, and after golf tournaments and other functions held by or at the Golf Club. Passage through any gate or entry and over the private roadways of the Development by the Golf Club, its visitors, guests, employees, agents, contractors and designees herein provided will not be hindered or delayed, and will include the issuance of passes therefor without charge or toll. The owner of the Golf Club shall have the absolute right to conduct golf tournaments and other functions at the Golf Club. Privately owned golf carts shall not be allowed on the Golf Club property without the prior approval of the owner of the Golf Club.

Article 11.13 Assessments.

In consideration of the fact that the Golf Club will perform certain functions within the Property which will be of benefit to the community at large, the costs of which may not be allocable, and in further consideration of the fact that the Golf Club will benefit from maintenance of the roadways and Common Areas within the Property, the Golf Club shall be obligated to pay assessments as provided in Article 8 above. In addition, the Golf Club may enter into a contractual arrangement with the Association to share specific maintenance costs.

Article 11.14 Architectural Approval.

In addition to the twenty (20') foot Golf Course Maintenance Easement established in Section 6.3 of this Declaration, which shall be controlled by the owner of the Golf Club, neither the Association, the Design Review Board, nor any Neighborhood association or committee or board thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of any property which is adjacent to, or otherwise in the direct line of sight from the Golf Club property for the depth of one building lot, without giving the Golf Club at least fifteen (15) days prior notice of its intent to approve or permit same, together with copies of the request thereof and all other documents and information submitted in such regard. The Golf Club shall then have fifteen (15) days in which to give its approval or disapproval, which decision shall be final. The failure of the Golf Club to respond to the aforesaid notice within the fifteen (15) day period shall constitute a waiver of the Golf Club's right to object to the matter so submitted. This Section shall also apply to any work on the Common Areas hereunder or any common areas/elements of an association, if any.

Article 11.15 Limitations on Amendments.

In recognition of the fact that the provisions of this Article are for the benefit of the Golf Club, no amendment to this Article, and no amendment in derogation of any right, easement or title of the owner of the Golf Club pursuant to any provision of this Declaration, may be made without the prior written approval thereof by the owner of the Golf Club.

Article 11.16 Jurisdiction.

Except as specifically provided herein or in the By-Laws, the Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Club. Subject to the provisions of Section 11.2 above, neither the Declarant nor the Association shall make any modification of gate entry policy that affects the Golf Club without the written approval thereof by the owner of the Golf Club.

Article 12

Easements

Article 12.11 Generally On Plats, Reserved and Granted.

Easements for the installation and maintenance of driveways, walkways, parking areas, water lines, gas lines, telephone, cable television, electric power lines, sanitary sewer and drainage facilities and for other utility installations are reserved as outlined on the recorded plats and/or may be reserved or granted by Declarant, its successors and assigns. In addition the Association may reserve and grant easements for the installation and maintenance of sewerage, cable, utility and drainage facilities over the Property. Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Association shall have the continuing right (but not obligation) and easement to maintain all sewer and water lines located on the Units.

Article 12.12 Recorded Site Plan

The recorded Site Plan is subject to agreements between the Declarant and the City of North Myrtle Beach, which agreements are recorded in the Office of the RMC for Horry County, to dedicate certain rights-of-way along Little River Neck Road for the expansion of Little River Neck Road. Additionally, there will be a twenty (20') foot buffer easement along the North side of Little River Neck Road adjacent to the existing right-of-way as possible future right-of-way. By acceptance of a deed to a Unit, every Owner, for his, her, and/or itself and him/her/itself, their respective heirs, successors and assigns, herein and hereby appoints the Association as such Owner(s) attorney-in-fact for the purpose of deeding, transferring and/or dedicating said right-of-way to the proper public authorities, their successors and assigns, for roadway dedication purposes pursuant to, and subject to, such terms and conditions, if any, as may be contained in the dedication agreement.

Article 12.13 Development Easements; Easements Adjacent to Units

Declarant further reserves unto itself, its successors, and assigns, so long as the Declarant owns any land subject to this Declaration or which may be added to this Declaration pursuant to Section 3.1, and thereafter for the benefit of the Association, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use poles, wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable equipment, telephone equipment, gas, sewer, water or other private or public convenience or utilities, on, in or over the rear ten (10') feet of each Unit, and five (5') feet along one side of each Unit and fourteen (14') feet in width along each front Unit line and such other areas as are shown on the recorded plats. Moreover, the Declarant, so long as the Declarant owns any land subject to this Declaration or which may be added to this Declaration pursuant to Section 3.1, and thereafter the Association, may cut, at its own expense, drainways for surface water wherever and whenever such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance utilizing the easements outlined above. The use of these easement areas shall not be deemed a trespass.

Article 12.14 Association Easements Over Golf Course.

There is hereby reserved a non-exclusive easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of the manager, over, across, through and under those portions of the Golf Club land as are necessary for the maintenance, repair and replacements of utilities, pipes and drainage systems originally installed by the Declarant or the owner of the Golf Club and serving or served by such utilities, pipes and drainage systems of the Association outside of the Golf Club and required of the Association by prudent maintenance and repair practices of the Association, by governmental authorities or by utility companies. Except in the event of emergencies, this easement may only be exercised during normal business hours and only upon advance notice to and with permission of the owner of the Golf Club. In the event the Association exercises its easement rights without prior notice due to an emergency situation, work shall be confined to abating the emergency and shall cease upon abatement thereof, at which time the Association shall give the owner of the Golf Club notice and seeks its permission to continue with the work. The owner may only withhold its permission if it, in its sole discretion, elects to complete the necessary work itself. All such work shall be undertaken under the supervision of the Golf Club’s superintendent, and, following completion of the work, the Golf Club’s land disturbed thereby shall be restored to the same condition and turf quality as existed prior to the event or condition giving

rise to the necessity to exercise the within easement. The required maintenance, repair and replacement work and land restoration shall be at the sole cost and expense of the Association.

Article 12.15 Easements Deemed Granted and Reserved.

All conveyances of Property subject hereto, whether by the Declarant or otherwise, will be deemed to have granted and reserved, as the context will require, all easements applicable to the conveyed Property set forth in this Declaration.

Article 13

Insurance And Casualty Losses

Article 13.11 Insurance.

The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all risk insurance, if reasonably available, for all insurable improvements on the Common Areas and may, but shall not be obligated to, by written agreement with any Neighborhood Committee (as defined in the By-Laws), assume the responsibility for providing the same insurance coverage on the Property contained within the Neighborhood. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Areas, the Association may, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for one hundred (100%) percent of the replacement cost of all structures on Units. If the Association elects not to obtain such insurance, then an individual Neighborhood may obtain such insurance as a common expense of the Neighborhood to be paid by Neighborhood Assessments, as defined in Section 8.3 hereof. In the event such insurance is obtained by either the Association or a Neighborhood, the provisions of this Article shall apply to policy provisions, loss adjustment, and all other subject to which this Article applies with regard to insurance on the Common Areas. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance for each member insured to be furnished to the Association or Neighborhood, as applicable.

If reasonably available, the Board shall also obtain a public liability policy covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. If reasonably available, the public liability policy shall have at least a One Million and No/100 ($1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million and No/100 ($3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand and No/100 ($500,000.00) Dollar minimum property damage limit.

Unless higher insurance requirements are contained in any covenants or restrictions for any Neighborhood, insurance obtained on the Property contained within any Neighborhood, whether

obtained by such Neighborhood, or the Association, shall meet the requirements of this Section 13.1. Costs of such coverage shall be a charge to the Members residing within such Neighborhood.

Premiums for all insurance on the Common Areas shall be common expenses of the Association. Premiums for insurance provided to Neighborhoods shall be charged to those Neighborhoods. This policy may contain a reasonable deductible, and the amount thereof shall be added to the fact amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. Deductibles on damage caused by errant golf balls shall be allocated either to the Owner or golfer as provided by law, but under no circumstances shall the Association be responsible.

Cost of insurance coverage obtained by the Association for the Common Areas shall be included in the Base Assessment, as described in Section 8.2, hereof.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified in Section 13.1(ii) below. Such insurance shall be governed by the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in South Carolina which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(ii) All policies on the Common Areas shall be for the benefit of Owners and their Mortgagees as their interests may appear. All policies secured at the request of a Neighborhood shall be for the benefit of the Owners and their Mortgagees of Units within the Neighborhood.

(iii) Exclusive authority to adjust losses under policies in force on the Property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(v) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Horry County, South Carolina, area.

(vi) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(A) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(B) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(C) that no policy may be canceled, invalidated or suspended on account of any one or more individual Owner;

(D) that no policy may be canceled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgagee;

(E) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(F) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

The Association shall purchase officers and directors liability insurance, if reasonably available, and every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expense are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement of indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

Article 13.2 Individual Insurance.

By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on his Unit(s) and structures constructed thereon, unless the Neighborhood

Association in which the Unit is located or the Association carries such insurance (which they are not obligated to do). Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is substantially destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

A Neighborhood committee may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Unit and the standard for returning the Unit to its natural state in the event the Owner decides not to rebuild or reconstruct.

Article 13.3 Disbursement of Proceeds.

Proceeds of insurance policies shall be disbursed as follows:

If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Areas or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

If it is determined, as provided for in Section 13.4, that the damage or destruction to the Common Areas for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in this Section 13.3.

Article 13.4 Damage and Destruction.

Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this Section, means repairing or restoring the Property to substantially the same condition in which they existed prior to the fire or other casualty.

Any damage or destruction to the Common Areas or to the common property of any Neighborhood shall be repaired or reconstructed unless the Members representing at least seventy-five percent (75%) of the total vote of the Association, if Common Areas, or the Neighborhood whose common property is damaged, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association with said period, then the period shall be extended until such information shall be made available, provided, however, such extension shall not

exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Areas damaged or destroyed shall be repaired or reconstructed.

In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be restored to their natural state and maintained by the Association, or Neighborhood, as applicable in a neat and attractive condition.

Article 13.5 Repair and Reconstruction.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Units owned, provided, if the damage or destruction involves a Unit or Units only Owners of the affected Units shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article 14

No Partition

Except as is permitted in this Declaration or any amendment hereto, there shall be no physical partition of the Common Areas or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition, unless the Property has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article 15

Rules And Regulations

Article 15.2 Compliance by Owners.

Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by Declarant or the Board of Directors of the Association. Rules and regulations adopted by the Association are further subject to the provisions of Section 5.8 above.

Article 15.3 Enforcement.

Failure of an Owner to comply with such restrictions, covenants or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right to do so thereafter.

Article 15.4 Fines.

In addition to all other remedies, in the discretion of Declarant or the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, Lessees or employees to comply with any covenant, restriction, rule or regulation. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which Declarant or the Association may be otherwise legally entitled.

Article 16

Declarant's Rights

Article 16.2 To Foster Declarant's Development Plan.

In order to create and maintain an attractive, quality golf and residential community, the Declarant will control the design, character and quality of development in Tidewater Plantation. This shall include the right to appoint a majority of the members of the Board of Directors of the Association and the members of the Design Review Board during the Class "B" Control Period.

Article 16.3 Non-exclusive.

In addition to such other rights, approvals, and easements reserved to the Declarant in this Declaration, in any Supplemental Declaration, in the Association By-Laws, by specific deed restriction, or in guidelines, rules and regulations promulgated by the Declarant or the Association, Declarant reserves unto itself, its successors and assigns so long as the Declarant owns any land subject to this Declaration or which may be added to this Declaration pursuant to Section 3.1, and thereafter reserved for the benefit of the Association, the rights set forth in this Article.

Article 16.4 Access, Ingress and Egress.

Declarant reserves unto itself and its successors and assigns the right of ingress and egress over all roads and streets within the Development whether existing or constructed in the future for access to all areas of the Development and any areas which adjoin the Development, for purposes of development, construction, sales, rentals, maintenance and operational activities.

Article 16.5 Development Roads and Other Common Areas.

During the Class B control period, Declarant shall own and maintain all streets, roads and other improvements unless and until such are deeded to the Association. Nothing in this Section or in this Declaration places on Declarant an affirmative obligation to dedicate any areas as Common Areas or to convey same to the Association. Declarant reserves the right to convey streets and roadways to the City of North Myrtle Beach upon agreement by the City to accept same. Declarant may maintain guarded or mechanized entry gates limiting access to the Property, establish gate entry policies in its sole discretion, and establish parking and traffic regulations controlling the use of the private streets and roads in the Development. Such regulations may, subject to the provisions of Sections 5.3(i) through 5.3(iv) above, prohibit or limit the operation of all vehicles within the Development.

Article 16.6 Declarant Rights Are Assignable.

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities including the Association, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Office of the RMC for Horry County, South Carolina. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any contiguous property in any manner whatsoever.

Article 16.7 Development and Sales Operations.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as the sale of Units by the Declarant shall continue, it shall be expressly permissible for Declarant to maintain and carry on in the Development and upon portions of the Common Areas such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the sale of such Units, including, but not limited to, business offices, signs, model units, sales and rental offices. The Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use buildings owned by the Declarant, if any, and any which may be owned by the Association.

Article 16.8 Recording of Covenants and Restrictions by Others.

So long as Declarant continues to have rights under this Section, no person or entity shall record any declaration of restrictions and protective covenants or similar instrument affecting any portion of the Property without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of restrictions and protective covenants or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant. This Article may not be amended without the express written consent of the Declarant, provided, however, the rights contained in this Article shall terminate upon the earlier of (a) December 31, 2015, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article 16.9 Changes in Boundaries; Additions to Common Areas.

Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any lots and/or unsubdivided land between such adjacent properties owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the site plan thereof which shall be filed of record in the R.M.C. Office for Horry County. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property as an addition to the Common Areas. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey by quitclaim deed to the Association at any time and from time to time, as an addition to the Common Areas, any marsh lands owned by Declarant which are located adjacent and contiguous to the Development.

Article 17

Amendment Of Declaration Without Approval Of Owners

Article 17.2 Declarant's Power to Amend.

So long as Declarant shall own at least fifty-one (51%) percent of the property described in the Planned Unit Development Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989, and as may be amended, Declarant reserves the right to add additional restrictive covenants or to limit the application of these Covenants with respect to the property described on Exhibit "A" attached hereto and to additional property, if and, subjected to these Covenants by Supplemental Declaration. After such time, Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns any property described in Exhibit "A" or in any recorded Supplemental Declaration for development, Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. Thereafter or otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven (67%) percent of the total votes in the Association, including sixty-seven (67%) percent of the votes held by Members other than Declarant, and the consent of the Class "B" Member and the Class "C" Member, so long as such memberships exists. If at a meeting or if by referendum there fails to be sixty-seven percent (67%) of the Members present or voting, that number also representing the quorum requirement, the Board may call for a second vote to be taken within no fewer than ten (10) days nor more than sixty (60) days, at which time the vote will pass by an affirmative vote of sixty-seven percent (67%) of those voting, the quorum now being 20% of the total Association vote. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Office of the RMC for Horry County, South Carolina.

Article 17.3 Owner Consent Presumed Given with Authority.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Article 17.4 No Amendment in Derogation of Declarant's Rights and Privileges.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Article 17.5 Amendments to Conform to Law.

Declarant, and subsequent to the Class B control period the Association, without the consent or approval of any other Owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Units and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental or quasi-governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by or under the substantial control of, the United States Government or the State of South Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment as a condition of approval or suggesting an amendment, shall be sufficient evidence of the approval of such amendment of such corporation or agency and permit Declarant or the Association, as the case may be, to amend in accord with such letter.

Article 18

Special Provisions For Neighborhoods

Article 18.2 Association's Responsibility Generally.

All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association shall also be responsible for exterior ground maintenance within any Neighborhood and maintenance, repair and replacement of other property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those designated by Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this Section shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The costs of such maintenance shall be allocated among the benefited Units as a Base Assessment, Neighborhood Assessment, or Special Assessment against a particular Unit, as the-Board of Directors determines appropriate.

Article 18.3 Unit Maintenance Responsibilities of Owners Within Neighborhoods.

Unless specifically identified herein as the responsibility of the Association or a Neighborhood, all maintenance and repair of Units and dwellings, or the marsh and waterfront property adjacent to any such property, together with all other improvements therein and all lawns, landscaping, and grounds on and within such property will be the responsibility of the Owner thereof. Each Owner will be responsible for maintaining his or its property in a neat, clean, and sanitary condition, and such responsibility will include the maintenance and care of all exterior surfaces of all dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. Except as provided in Section 18.2(a) hereof, each Owner will also be obligated to pay for the costs incurred by Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. No Owner will (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling, building or other structure, or the landscaping, grounds, or other improvements within his or its property unless such decoration, change, or other alteration is first approved, in writing by the Design Review Board as provided in this Declaration, or (ii) do any work which, in the reasonable opinion of the Board of directors, would jeopardize the soundness and safety of the Development, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the Board of Directors, and the Owners, and the Mortgagees of the property directly affected thereby or benefiting from such easement or hereditament.

(a) Work In Behalf of Owner.

In the event that Declarant or the Board of Directors determines: (A) that any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (B) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner or Occupant, or his respective family, guest, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice in accordance of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner will have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15)-day period, to commence said maintenance, cleaning, repair, or replacement, and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but will not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost will be added to and become a part of the Assessment to which such Owner and his property is subject and will become a lien against such property. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association will promptly reimburse Declarant for Declarant's costs and expenses.

Article 18.3 Neighborhood's Responsibilities.

Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any right-of-way and greenbelt buffer between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes, lagoons or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the costs against all Units within such Neighborhood as Provided in Section 8.3 of this Declaration.

Article 18.4 Provisions Applicable to Courtyard Park Neighborhood.

(a) Special Definitions.

The words used in this Section, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in Article 1 of this Declaration. In addition, the following definitions have been added to this Declaration, which unless the context shall clearly indicate otherwise, shall have the meanings set forth below as to the Courtyard Park Neighborhood:

(i) "Benefited Unit" shall mean and refer to a Unit to which a benefit is granted or for which a benefit is reserved hereunder with respect to use and access over and upon an adjoining Unit.

(ii) "Burdened Unit" shall mean and refer to a Unit burdened by a grant to or reservation for the benefit of an adjoining Unit hereunder with respect to use and access over and upon such Unit by the owner of such adjoining Unit.

(iii) "Common Area" shall mean and refer to any such area shown and designated as "Common Open Space" or "Picnic Area" on the plat for Courtyard Park Neighborhood described in Exhibit "A".

(iv) "Courtyard Area" shall mean and refer to that portion of a Unit and an adjoining Unit enclosed by a Courtyard Wall, which creates limited access to, and primary use and benefit for a Benefited Unit.

(v) "Courtyard Park Neighborhood" refers to that portion of the Property designated as a Neighborhood and further described in Paragraph 17 of Exhibit "A" to this Declaration.

(vi) "Courtyard Wall" shall mean and refer to a wall or the side of a Dwelling parallel to the side lot line upon a Burdened Unit forming a boundary enclosure around the

Dwelling of a Benefited Unit. Any wall forming a portion of a Courtyard Wall shall be a minimum of six (6') feet in height, except for Courtyard Walls abutting the Picnic Area, which shall be such height as shall be established by the Design Review Board. Any such wall forming a portion of a Courtyard Wall may contain gates constructed in accordance with plans established by the Design Review Board. Every Dwelling within the Property shall be enclosed by a Courtyard Wall.

(vii) "C.P.N. Unit" is a Unit located within the Neighborhood designated as Courtyard Park Neighborhood.

(viii) "Dwelling" shall mean and refer to the improved property intended for use as a single-family residence constructed upon a C.P.N. Unit.

(b) Rights and Obligations Appurtenant to C.P.N. Units.

The rights and obligations set forth in this Section 18.4 are appurtenant to the C.P.N. Units and shall be benefits of and binding upon the Owners and Occupants of C.P.N. Units.

(c) Association and Declarant Rights.

(i) Rights. The Association and Declarant shall have the following rights:

(A) The Association shall have the right to terminate, publish and enforce rules and regulations regarding the use of all Common Areas within the C.P.N.;

(B) So long as Declarant is a Class "B" Member, the Declarant shall have the right to designate the whole or any portion of any Common Areas within the C.P.N. as Exclusive Common Areas;

(C) The Association shall have the right to dedicate or transfer all or any part of any Common Area within the C.P.N. to any public or private agency, authority, or utility for such purposes and subject to such conditions as it may determine;

(D) The Declarant shall have the right, so long as it owns any C.P.N. Unit or any portion of the C.P.N., to place promotional signs, sales offices, construction offices, rental offices and for rent or sale signs and literature in any Common Areas within the C.P.N. and in or upon any C.P.N. Unit owned by Declarant, provided it is in compliance with the PUD ordinance between Southern Land & Golf Company, Ltd. and The City of North Myrtle Beach, as amended from time to time;

(E) An easement shall exist on each C.P.N. Unit in favor of the Declarant, its successors and assigns and the Association, its successors and assigns and each and all of its employees and agents to go upon, across, over or under such C.P.N. Unit to permit the maintenance, supply, repair and servicing of the Common Areas and Courtyard Walls. Should any incidental damage be caused to any C.P.N. Unit by virtue of any action by or on behalf of the Association or Declarant in the maintenance, repair or replacement of any of the Common Areas or Courtyard Walls, the Association or Declarant, as the case may be, shall, at its expense, repair such incidental damages;

(F) In the event it becomes necessary due to size, natural terrain, or for any other reason in the opinion of the Declarant to alter or change the building lines of any C.P.N. Unit, the Declarant reserves unto itself, its successors or assigns, and no other, the right to change said lines to meet such conditions. The Declarant specifically reserves the right to transfer and assign this right of approval to the Design Review Board.

(ii) Cross-Easements.

(A) An easement is hereby granted and reserved on behalf of each C.P.N Unit for the unintentional encroachment of buildings, walls, air conditioning units, driveways, or the improvements upon adjoining C.P.N. Units or Common Areas; provided, however, that such grants and reservations of easements are hereby expressly limited to those improvements installed by Declarant, its employees, agents or contractors or authorized by Declarant by written amendment to this Declaration. The intent hereof is to limit the grants and reservations of easements to those encroachments created during the initial construction of improvements on any C.P.N. Unit.

(iii) Association Grounds Maintenance & Easement. Pursuant to Section 18.1, the Association shall maintain, for the benefit of Courtyard Park and as a Neighborhood responsibility thereof pursuant to Section 18.3 of this of this Article, the grounds and landscaping of the Common Areas (other than the Picnic Area), the unpaved portions of the rights-of-way shown on the plat of the Property, and the front yards of each Lot, from the street to the Courtyard Wall and Dwelling, to preserve a common scheme and appearance, for which the Association is granted an easement on, over, under and upon each C.P.N. Unit to conduct such maintenance. Landscape maintenance of the unpaved portions of the rights-of-way fronting a C.P.N. Unit and the front yards of each C.P.N. Unit shall include the monitoring and setting of irrigation timers controlling the watering thereof, but shall not include the costs and expenses of maintaining, repairing and replacing irrigation lines, spray headers, timers and such other irrigation utilities and equipment of Owner serving the unpaved portions of the rights-of-way fronting Owner's C.P.N. Unit and Owner's front yard, which shall be the responsibility of Owner pursuant to Section 18.2. Except as otherwise provided herein, the costs and expenses of such grounds and landscape maintenance by the Association, as aforesaid, shall constitute a Neighborhood Expense subject to Neighborhood Assessment levied against C.P.N. Units.

(d) Architectural Control.

The Design Review Board shall establish and administer architectural and landscaping standards for C.P.N. pursuant to Article 9 of this Declaration. Furthermore, and notwithstanding any contrary provision of this Declaration, the Design Review Board shall not accept and take under consideration any requested addition, change or modification to such architectural and landscaping standards by a C.P.N. Unit Owner without first having received the written consent therefore by the Neighborhood Committee, which consent shall certify to the Design Review Board that such addition, change or modification has been approved by a majority of the Unit Owners in C.P.N.

(e) Maintenance.

(i) Common Areas. The Association, its successors or assigns, shall be responsible for the repair, replacement and maintenance of the Common Areas, including the streets, sidewalks, if any, lighting, signs, grass, structures, flowers, shrubbery, fences and walls.

(ii) Owner's Responsibilities. The Owner shall be responsible for providing for the exterior maintenance of the Dwelling, including, but not limited to, the following: weatherproofing and painting the exterior of the Dwellings; repair, replace and care for roofs, foundations, porches, piers, supports, stairs, patios, railings, gutters, downspouts, exterior building surfaces, doors and other exterior improvements of the Dwelling. All damage to any walls, including any Courtyard Walls, fences or Common Areas caused by Owner, his family, or any of Owner's tenants, renters, invitees or guests shall be repaired or replaced at the Owner's expense. Each Owner shall also be responsible to provide proper drainage and, except as may be the responsibility of the Association pursuant to Section18.4 (c)(iii) above, each Owner shall be responsible to maintain, water, replace when necessary, and keep free of litter and debris all trees, shrubs, grass, plants and parking areas. Owner hereby acknowledges that in order to assure uniform and consistent application of irrigation water by each Owner to the unpaved portions of the rights-of-way fronting each Owner's C.P.N. Unit and the front yards thereof, the Association has an easement on, over, under and upon each said C.P.N. Unit to monitor and set irrigation timers controlling the watering thereof; provided, however, Owner shall be responsible for the costs and expenses of maintaining, repairing and replacing irrigation lines, spray headers, timers and such other irrigation utilities and equipment of Owner serving the unpaved portions of the rights-of-way fronting Owner's C.P.N. Unit and Owner's front yard, as well as the utility cost of such water used, and upon Owner's failure to so maintain, repair and replace said utilities and equipment, the Association shall have the right to effect such maintenance, repair and replacement and charge the Owner therefor. Any such charge shall constitute an assessment against Owner's C.P.N. Unit for which a lien may attach pursuant to this Declaration. Each Benefited Unit shall also be responsible to maintain his Courtyard Area including grass, shrubbery, trees and plants properly watered and free of litter and debris and neatly cut and trimmed as required by the rules and regulations of the Association.

(iii) Provisions Relating to Courtyard Walls.

(A) Perimeter and Front-Yard Exteriors of Courtyard Walls; Repair and Maintenance. The Association shall repair and maintain the exterior of the Courtyard Walls surrounding the perimeter of the C.P.N. adjacent to buffers and Common Areas, as well as exterior portions of the Courtyard Walls in the front-yards of the C.P.N. Units. The costs and expenses of repair and maintenance by the Association, as aforesaid, shall constitute a Neighborhood Expense subject to Neighborhood Assessment levied against C.P.N. Units.

(B) Perimeter and Front-Yard Interiors of Courtyard Walls and Side Lot Line Courtyard Walls; Maintenance. Each C.P.N. Unit Owner shall maintain the interiors of the Courtyard Walls adjacent to the perimeter of the C.P.N. forming a boundary to said Owner's Courtyard Area, as well as interior portions of the Courtyard Walls in the Owner's front-yard. Each C.P.N. Unit Owner shall also maintain both sides of the Courtyard Wall located on the side lot line of such Owner's C.P.N. Unit which forms the Courtyard Area boundary of the adjacent Benefited Unit.

(C) Courtyard Wall Repair and Reconstruction. The Owner of a C.P.N. Unit upon which a Courtyard Wall is located shall be solely responsible for the repair or reconstruction of a Courtyard Wall located on his property unless it is damaged or destroyed intentionally or negligently by another C.P.N. Unit Owner or other party, in which case the party causing the damage shall be responsible for the repair or reconstruction.

(D) 5' Easement on Side Lot Line. An easement five (5') feet in width is reserved along the side-lot boundary line of each C.P.N. Unit for the construction, reconstruction, maintenance, repair or replacement of a Courtyard Wall or of a Dwelling located on the adjacent C.P.N. Unit and for emergency ingress or egress to or from the adjacent C.P.N. Unit. Any shrubbery or planting in the five (5') foot easement area that is removed or damaged by the adjoining C.P.N. Unit Owner during construction, maintenance or repair of the Courtyard Wall or Dwelling shall be repaired or replaced by the adjoining C.P.N. Unit Owner causing such damage. Use of the easement shall not exceed a reasonable period of time during construction or reconstruction nor shall it exceed a period of thirty (30) days each year for essential maintenance or repair by an adjoining C.P.N. Unit Owner. Reasonable notice must be given to the affected C.P.N. Unit Owner prior to commencement of construction, maintenance or repair, except in the case of an emergency. Work shall be completed within normal business hours beginning no earlier than 8:00 A.M. and no later than 5:00 P.M., Monday through Friday, unless a different schedule is established by the Design Review Board. Construction shall be completed in a professional, timely manner.

(E) Benefitted Unit Facing Courtyard Wall. Every Benefited Unit Owner facing a side Courtyard Wall shall have an easement across the side boundary line of the adjoining Burdened Unit for the use, enjoyment and landscaping of that portion of the Courtyard located between the property line and the Courtyard Wall. No structure shall be constructed within the easement area without the written permission of the Burdened Unit Owner, and the Design Review Board. The Benefitted Unit Owner facing a side Courtyard Wall may not attach anything to the Courtyard Wall without the written permission of the Burdened Unit Owner of the Unit on which the Courtyard Wall is located nor may any landscaping be maintained in the Courtyard area which would unreasonably interfere with the maintenance of the Courtyard Wall or the C.P.N Unit of which it is a part. No C.P.N. Unit Owner shall use any maintenance easement granted or reserved to him over or upon an adjoining C.P.N. Unit except as set forth in Section18.4(e)(iii)(D) above and Section18.4(f)(v) below nor shall a C.P.N. Unit Owner use any use easement granted or reserved to an adjoining C.P.N. Unit Owner over and upon his C.P.N. Unit constituting a portion of the adjoining C.P.N. Unit Owner's Courtyard Area except as may be incidental to or required by such Owner's maintenance, construction, reconstruction, repair or replacement of his Courtyard Wall or Dwelling.

(F) Vacant Adjoining C.P.N. Unit. If an adjoining C.P.N. Unit is vacant and if privacy is desired, a temporary fence may be erected by a C.P.N. Unit Owner along his property line, subject to approval by the Declarant, so long as the Declarant owns a C.P.N. Unit, and thereafter by the Design Review Board. This fence must be removed when the Courtyard Wall is constructed on the adjoining Lot.

(iv) Failure to Maintain or Repair. If, in the opinion of the Board of Directors of the Association pursuant to Community Wide Standards as defined in Article 1 of

this Declaration, any Owner fails to perform the maintenance required herein, the Association, its successors or assigns, may provide such maintenance, replacement, reconstruction or repairs as may be reasonably necessary, and the cost thereof, shall be assessed against the Owner as provided in the Declaration. The exercise by the Association of its rights hereunder shall not be deemed a trespass.

(v) Destruction or Damage to Dwelling. In the event a Dwelling is destroyed or damaged beyond repair by fire or other casualty, the Owner must immediately clear the C.P.N Unit, and erect a temporary fence, in accordance with design standards established therefore, along the side lot-line with the adjoining C.P.N. Unit that his former Dwelling formed a portion of a Courtyard Wall. The Owner shall have a period of ninety (90) days from the date of such destruction or irreparable damage within which to decide whether Owner will reconstruct his Dwelling and to begin such reconstruction, and if a decision is made to rebuild, the improvements must be rebuilt in accordance with the plans and specifications approved by the Design Review Board. In the event the Owner decides not to commence reconstruction of the Dwelling within such ninety (90) days, Owner shall immediately commence construction of a permanent Courtyard Wall not less than six (6') feet in height to take the place of the temporary fence and in accordance with Design Review Board plans and specifications adopted therefore as shall enclose the Courtyard Area of the adjoining Benefited Unit.

(f) General Provisions Relating to the Dwellings.

(i) There shall be no change in any exterior color of any Dwelling on a C.P.N. Unit from the color scheme then in effect throughout the Properties, except in connection with a general change in such color scheme under the direction or with the approval of the Design Review Board. The Design Review Board shall determine the color of all the exterior portions of a Dwelling, and Courtyard Walls and from time to time may direct and require the exterior maintenance, cleaning or painting of any Dwelling or all Dwellings as may be deemed necessary, in accordance with the Design Standards.

(ii) From and after the completion of the construction of each Dwelling on a C.P.N. Unit and the delivery thereof to its initial Owner, no trade or business shall be carried on within such Dwelling and no signs shall be placed on or within any C.P.N. Unit (other than Dwelling designations or street addresses, in such styles and materials as the Design Review Board shall approve). The Association reserves the right to restrict size, color and content of such approved signs.

(iii) All C.P.N. Units shall be used for residential purposes exclusively without the written permission of Declarant, its successors and assigns. No structures, except as provided herein shall be erected, altered, placed or permitted to remain on any C.P.N. Unit other than one (1) detached single family dwelling constructed in accordance with Plans and Specifications approved by the Design Review Board. Furthermore, the C.P.N. property subject to this Declaration, including any improvements thereon or to be built thereon, shall not be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership without the prior written consent of the Declarant, for so long as Declarant is a Class "B" Member, and thereafter without the prior written consent of the Board of Directors of the

Association. In the event consent is granted for any ownership under a Vacation Time Sharing Plan, Vacation Multiple Ownership Plan, or similar type ownership, the Declarant or the Board of Directors, as the case may be, shall have the right to amend this Declaration in any respect to take into account the nature of such ownership, including, but not limited to, provision for access and use of any Common Areas, provision for Member voting, and provision for Assessments. Notwithstanding the foregoing to the contrary, a C.P.N. Unit or Dwelling may be owned by a corporation or partnership so long as such corporation or partnership does not have more than four (4) shareholders or partners; provided, however, that the foregoing prohibition shall not apply to Declarant, its affiliates, or their respective successors or assigns, or with respect to any institutional mortgagee or such corporation or partnership approved by Declarant for such ownership and upon terms and conditions of such approval.

(iv) Each C.P.N. Unit is hereby declared to be subject to an easement and right in favor of the Association and each and all of its employees and agents to go upon such C.P.N. Unit for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such C.P.N. Unit as are herein imposed upon or permitted to the Association, expressly including, without limitation, the maintenance, repair and replacement of any and all of the facilities for the supply of utilities and other facilities, apparatus and equipment serving said C.P.N. Unit and/or Units on other C.P.N. Unit or any Common Areas. Each C.P.N. Unit is further declared to be subject to a maintenance and use easement in favor of any adjoining C.P.N. Unit to the extent necessary to permit the maintenance, supply, repair and servicing of utility services to any Dwelling thereon, and the repair or reconstruction thereof in the event of damage or destruction.

(v) The Owner of each C.P.N. Unit shall from time to time grant such additional easements and rights over, across, on, under and upon his C.P.N. Unit as may be reasonably necessary in connection with the supply of any of the utilities or storm drainage to any part of the Properties or any Common Areas.

(g) Courtyard Park Common Areas.

(i) No person shall undertake, cause or allow any alteration or construction in or upon any portion of any Common Areas except under the direction of and with the express consent of the Association and the Declarant so long as the Declarant owns one C.P.N. Unit.

(ii) The Common Areas shall be used only for the purposes for which it is intended and reasonably suited and which is incidental to the use and occupancy of the structures, subject to any rules and regulations that may be adopted by the Association pursuant to its By-Laws.

(iii) Plants and trees now or hereafter located on the Common Areas shall be maintained by the Association, its successors or assigns and may not be removed except by permission of the Board of Directors. No additional plants, trees or shrubs may be planted upon the Common Areas without written approval of the Board of Directors of the Association, its successors or assigns.

(h) Assignment of Declarant or the Design Review Board Rights.

Any and all rights reserved by or conferred upon Declarant or the Design Review Board under this Section 18.4 shall also mean and refer to a reservation for or grant to any party designated by Southern Land & Golf Company, Ltd. in a writing recorded in the R.M.C. Office for Horry County as the party to succeed to the rights of Declarant or the Design Review Board hereunder, as the case may be, and with respect to the matters set forth in such writing.

Article 18.5 Provisions Applicable to The Bluffs Neighborhood.

(a) Special Definitions.

The words used in this Section, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in Article 1 of this Declaration. In addition, the following definitions have been added to this Declaration, which unless the context shall clearly indicate otherwise, shall have the meanings set forth below as to The Bluffs Neighborhood.

(i) "The Bluffs" refers to that portion of the Property designated The Bluffs Neighborhood and further described in Paragraphs 25, 29, 33, 35, 36 and 38 of Exhibit "A" to this Declaration.

(ii) "Bluffs Unit" is a Unit located within The Bluffs.

(b) Rights and Obligations Appurtenant to The Bluffs Neighborhood Units.

The rights and obligations set forth in this Section 18.5 are appurtenant to the Bluffs Neighborhood Units and shall be benefits of and binding upon the Owners and Occupants of the Bluffs Neighborhood Units.

(c) Neighborhood Swimming Complex.

Solely for purposes of designating the facilities as Amenities for Owners of Bluffs Units described in Exhibit "A", the residential properties described in Paragraphs 25, 29, 33, 35, 36 and 38 of Exhibit "A" to this Declaration shall constitute a Neighborhood known as "The Bluffs". Any Amenities complex, including appurtenant pools, decks, lawns, club house, changing rooms, and similar recreational facilities developed within The Bluffs and added to the plan and operation of the Declaration shall be referred to as Amenities pursuant to Section 1.1(a) of this Declaration and shall be designated as an Exclusive Common Area for the use of The Bluffs Owners, and family members residing with the Owners and their Owner-accompanied, temporary gratuitous guests. The Association shall maintain such Amenities pursuant to Section 18.1 of this Article; and such costs and expenses of the Association in owning, maintaining, repairing and restoring any such Amenities for The Bluffs shall constitute a Neighborhood Expense assessable against The Bluffs' Owners Neighborhood Assessments pursuant to Section 8.3 of this Declaration. Designation of The Bluffs Neighborhood herein is solely for purpose of accounting for maintenance responsibility, expenses and assessments for the Amenities. Until such additional Supplemental Declaration is filed and except with respect to the Amenities of The Bluffs and the Neighborhood Expenses and Neighborhood Assessments, and rules and regulations as may be adopted hereto and as to which The Bluffs Owners are otherwise entitled to vote, matters requiring the vote of Owners within The Bluffs shall be cast in the same manner as applies to other Bluffs Unit Owners within Tidewater.

(i) Long-term Renters or Lessees. For purposes of this Section, any renter or lessee under a lease meeting the requirements of Section18.5(d)(i) below, shall, solely for purposes of determining such tenant's or lessee's right to use the within Amenities of The Bluffs, be deemed an Owner with all rights and privileges appurtenant thereto in accordance with Section 18.5(c). Except as herein provided, no renter, tenant or lessee of a Bluffs Unit shall have any right to use the Amenities within The Bluffs.

(d) Rental Restriction Within The Bluffs.

The Bluffs, which is further described in Exhibit "A", shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to the condition that no Bluffs Unit therein shall be leased, rented or occupied by any person other than the Owner, his or her family members residing with the Owner and his or her temporary gratuitous guests except in accordance with the following:

(i) Any lease of a Bluffs Unit constituting a single-family residence constructed on a lot shall be in writing for a term of not less than three (3) months in duration, and the tenant thereunder shall be absolutely prohibited from sub-leasing or renting such Bluffs Unit, from assigning his or her tenancy thereunder, or from granting any other person the right to occupy the Bluffs Unit during the term of the lease, whether or not such grant of occupancy is or is not for consideration and whether or not the granted occupancy to any other person is for the full term of the lease. Nothing in this Section shall be construed as to limit the ability of an Owner from leasing his or her Bluffs Unit to a single tenant for an initial term greater than three (3) months, or from providing thereunder optional extension terms following such initial term, to the same tenant of less than three (3) months.

(A) A Bluffs Unit Owner may not lease the Bluffs Unit under Section 18.4(c) above more than three (3) times in any calendar year. The exercise by a tenant of any optional extension terms following an initial term of not less than three (3) months shall not, for purposes of this Section, constitute a separate lease.

(ii) At least three (3) days prior to the effective date of a lease under Section 18.5(d)**Error! Reference source not found.** or this Section 18.5(d)(ii), or the date of occupancy thereunder, whichever occurs earlier, the Owner shall deliver to the Board a copy of the lease and shall give notice to the Board, in writing, of the names of all persons who will be occupying the Bluffs Unit under the lease for the term thereof.

(iii) The rights of a Bluffs Unit tenant shall be subject to and shall be bound by the covenants, conditions and restrictions of this Declaration, the By-Laws of the Association and all rules and regulations adopted by the Board with regard to the use of all Common Areas and Amenities within The Bluffs; and any lease shall provide that a breach by tenant of any such covenant, condition or restriction or the violation by tenant of any such rule or regulation shall be a default by the tenant under the lease.

(iv) The Board may promulgate and enforce reasonable rules and regulations with respect to leases for Bluffs Units that are consistent with the terms and conditions of Section 18.5, including rules as may restrict occupancy by persons under any arrangement of the Owner

that thwarts the intents and purposes of the express restrictions under Section 18.5, for example specific rules of occupancy by permitted multiple Owners and their guests.

Article 18.6 Provisions Applicable to South Island Neighborhood.

(a) Special Definitions.

The words in this Section, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in this Declaration. In addition, the following definitions have been added to this Declaration which, unless the context shall clearly indicate otherwise, shall have the meanings set forth below as to the South Island Neighborhood.

(i) "Corps Permit" shall mean and refer to the permit for improvements in and around the Atlantic Intracoastal Waterway adjacent to the Property issued by the Department of the Army Charleston District Corps of Engineers.

(ii) "Lot 388 Dock" shall mean that certain walkway, pier, pierhead and floating dock, if any, attached or to be attached to Lot 388, as said Lot is further described in Exhibit "A" which docking facilities are designated by the Army Corps of Engineers as number P/N 97-1E-427-P for the private recreational use of the Owner of Lot 388 and no other person.

(iii) "S.I.N. Unit" is a Unit located within the Neighborhood designated as South Island Neighborhood.

(iv) "South Island Neighborhood" shall refer to that portion of the Property described in Paragraph 30 of Exhibit "A" to this Declaration.

(v) "South Island Neighborhood Assessment" shall mean and refer to a South Island Neighborhood Unit Owner's share of the South Island Neighborhood Expenses or other charges from time to time assessed against such Owner by the Association in the manner herein provided.

(vi) "South Island Neighborhood Community Dock" shall mean and refer to the walkway, fixed pierhead, and community floating docks attached, or to be attached, thereto, and the moorings thereof, as shown in the Corps Permit and designated by the Army Corps of Engineers as number P/N 97-1E-421-P, which facilities provide, or upon completion of construction will provide, pier and dock facilities for all Unit Owners within the South Island Neighborhood. The pier and dock facilities shall constitute Amenities, whose use shall be restricted as Exclusive Common Areas.

(vii) "South Island Neighborhood Expenses" shall mean and refer to (a) all Association expenses incident to the maintenance, repair and replacement of the South Island Neighborhood Exclusive Common Areas, including the Amenities, except as otherwise provided hereunder and after excluding therefrom such expenses which are the direct responsibility of an Owner; and (b) reasonable reserves established by the Association for the payment of any of the foregoing.

(b) Rights and Obligations Appurtenant to S.I.N. Units.

The rights and obligations set forth in this Section 18.5 are appurtenant to the S.I.N. Units and shall be benefits of and binding upon the Owners and Occupants of S.I.N. Units.

(c) Additional Covenants, Conditions, Restrictions and Easements for the South Island Neighborhood.

(i) The Lot 388 Dock.

(A) Obligations of Tidewater Covenants. The Owner of Lot 388 and the Lot 388 Dock adjacent thereto within the South Island Neighborhood hereby acknowledges and covenants that the Lot 388 Dock shall be maintained in accordance with the provisions of Section 7.6 of this Declaration. Furthermore, in addition to such maintenance and repair work as may be required, any future construction or reconstruction of the Lot 388 Dock shall be subject to prior approval of the Design Review Board pursuant Article 9 of this Declaration, and are subject to the covenants, conditions, easements and restrictions of Article 7 above.

(B) Associations Permitted Undertakings. If the Owner of Lot 388 does not make those repairs to the Lot 388 Dock required to be made by it within thirty (30) days from the date of receipt of written demand from the Association, the same may, but shall not be required to, be repaired, or removed if the condition thereof presents a danger or is unsightly, in its sole determination, by the Association; and the costs thereof shall be assessed against the said Owner and Lot 388. Furthermore, the Association may, but shall not be required to, cause the removal from the Lot 388 Dock any vessel maintained in a dangerous or unsightly condition. Any cost or expense incurred by the Association hereunder shall be payable by the responsible Owner within seven (7) calendar days of receipt of the Association's bill therefor. The failure to make payment of such sum shall result in same becoming a part of the Assessment to which such Owner and his S.I.N. Unit are subject and shall become a lien against such S.I.N. Unit as provided in this Declaration.

(ii) Private Joint Docks on S.I.N.

(A) Identification. Each of the walkways or piers and pierheads designated as Docks P/N 97-1E-422-P, P/N 97-1E-423-P, P/N 97-1E-424-P, P/N 97-1E-425-P, P/N 97-1E-426-P and P/N 97-1E-428-P on Section18.6(c)(ii)(A)18.6(c)(ii)(A)(9) below are for the exclusive use and benefit of, the Owners, their tenants, guests and invitees, of the S.I.N. Units so designated on Section18.6(c)(ii)(A)18.6(c)(ii)(A)(9) and is and shall remain an appurtenance of such S.I.N. Units. Each of the two (2) S.I.N. Units assigned to a single walkway or pier and the pierhead, to which may be attached floating docks, is hereinafter referred to as a "Joint Dock Unit." Such floating docks as shall be attached to each pierhead either by a Joint Dock Unit Owner or by the Declarant for such Joint Dock Unit Owner, shall be for the exclusive use and benefit of the Joint Dock Unit Owner attaching, or for whom Developer attaches, the floating dock.

(1) Floating Docks. A floating dock may be attached on the west side of the pierhead by the Owner of the designated Joint Dock Unit listed under the column labeled "West Side Float" on Section18.6(c)(ii)(A)(9) which floating dock shall be personal

property and for the exclusive use and benefit of the Owner of the designated Joint Dock Unit, his tenants, guests and invitees; and a floating dock may be attached on the east side of the pierhead by the Owner of the designated Joint Dock Unit listed under the column labeled “East Side Float” on Section Section18.6(c)(ii)(A)(9), which floating dock shall be personal property and for the exclusive use and benefit of the Owner of the designated Joint Dock Unit, his tenants, guests and invitees. If conditions require that a floating dock be attached to a pierhead in a manner other than on the westerly and easterly side of the pierhead, and upon approval of same by Declarant, so long as Declarant owns a S.I.N. Unit for sale in the ordinary course of its business, and thereafter upon approval of same by the Association, with the advice and consent of the S.I.N. Committee (if one has been formed), this Section, if required or helpful, shall be amended by the Declarant or the Association, as the case may be, without a vote of S.I.N. Unit Owners, to reflect the re-location of the floating dock to be attached to Exclusive Common Area by the designated Joint Dock Unit Owner.

(2) Joint Use Dock; Party Structure. Each such fixed walkway or pier and pierhead, and any shared gangway and shared floating dock, if any, as may be attached thereto, shall be deemed to constitute a party structure, whether or not any such shared facilities lie upon both Joint Dock Units or solely upon only one such Joint Dock Unit (hereinafter, such walkway, pier, pierhead, shared gangway, and shared floating dock, if any, are sometimes referred to as a “Party Structure”), and to the extent not inconsistent with the provisions hereof, the general rules of law regarding party walls and liability for damages due to negligence and willful acts or omissions shall apply.

(3) Obligations of Tidewater Covenants. The Joint Dock Unit Owners hereby acknowledge and covenant that their respective Party Structure, as well as any floating docks attached thereto by the said Owners, shall be maintained in accordance with the provisions of Section 7.6 of this Declaration. Furthermore, in addition to such maintenance and repair work as may be required, any future construction or reconstruction of the Party Structure shall be subject to prior approval of the Design Review Board pursuant to Article 9 of this Declaration, and are subject to the covenants, conditions, easements and restrictions of Article 7 above.

(4) Joint and Equal Obligations of Maintenance, Repair and Replacement. In the event of required maintenance, repair as a result of damage, or replacement because of destruction of the Party Structure from any causes, other than the negligence of an Owner, the Owners of the subject Joint Dock Units shall, at joint and equal expense, maintain, repair and rebuild the Party Structure. Required repair or rebuilding of a damaged or destroyed Party Structure shall be the same size and of the same or similar material and of like quality as the Party Structure initially constructed, situate generally in the original location on the common property line between adjoining Joint Dock Units, all pursuant to the Corps Permit therefor. Each such Owner, his heirs, successors, and assigns shall have the right to the use of the Party Structure so repaired or rebuilt. The said Owners hereby covenant that repairs and reconstruction of the Party Structure shall be undertaken wherever a condition exists which may result in damage or injury to person or property if repair or reconstruction work is not undertaken. Either Owner, upon discovering the possibility of damage or destruction, shall notify the other Joint Dock Unit Owner of the nature of the damage, the work required to remedy the situation, and the estimated cost of the repair or reconstruction. The other Owner shall then have twenty (20) days from the

receipt of the notice either to object to the repairs or reconstruction or to pay such noticed Owner's share of the cost of the work. However, in the event of an emergency (i.e., a condition that is immediately threatening to the safety of persons or property) the noticed Owner shall then have five (5) days from receipt of the notice, which notice shall state that an emergency exists, either to object to the repairs or reconstruction or to pay the noticed Owner's share of the cost of the work. The failure of the Owner receiving such notice to object to the repairs or reconstruction in writing to the Owner sending such notice within the period of time provided shall be deemed to constitute such noticed Owner's acceptance. In the event the Owner receiving such notice objects in writing to such repair or reconstruction within the period of time provided, either Owner may initiate resolution of such disputed repair or reconstruction pursuant to the terms and conditions of Section 18.6(d)(ii) below. The obligations of the Joint Dock Unit Owners with respect to maintenance, repair and cleaning of their Party Structure shall specifically extend to any vessel moored by an Owner of a Joint Dock Unit, or his lessee, renter or invitee.

(5) Damage or Destruction Caused By Negligence. If either Joint Dock Unit Owner's negligence, which is deemed to include the negligence of such Owner's family, tenant, guest or invitee, shall cause damage to or destruction of the Party Structure, the negligent Owner shall bear the entire cost of repair or reconstruction.

(6) Failure to Pay Share of Expenses. If either Joint Dock Unit Owner shall neglect or refuse to pay such Owner's share, or all of the cost in case of negligence, arising from the repair or reconstruction of the Party Structure in accordance with Section18.6(c)(ii)(4), the other Joint Dock Unit Owner may, but shall not be required to, undertake such repair or reconstruction and to pay the share of the cost and expense of the Owner neglecting or refusing to so pay, which amount thereof shall constitute a "Shared Cost Assessment" collectable in accordance with Section18.6(d) and subject to lien as therein provided.

(7) Decision Not to Rebuild. Any portion of the Party Structure which is damaged or destroyed must be repaired or replaced promptly by the Owners unless:

a. Repair or replacement would be illegal under any law, statute or ordinance governing health and safety, or under the Corps Permit and any renewal or revocation thereof; or

b. The Joint Dock Unit Owners agree unanimously, in writing, not to repair and reconstruct the damaged or destroyed Party Structure.

(8) Association's Permitted Undertakings. If Joint Dock Unit Owners do not make those repairs required to be made by them within thirty (30) days from the date of receipt of written demand from the Association, the same may, but shall not be required to, be repaired, or removed if the condition thereof presents a danger or is unsightly, in its sole determination, by the Association; and the costs thereof shall be assessed against the said Owners and their Joint Dock Units. Furthermore, the Association may, but shall not be required to, cause the removal from any such Joint Dock any vessel maintained in a dangerous or unsightly condition. Any cost or expense incurred by the Association hereunder shall be payable

by the responsible Owner or Owners within seven (7) calendar days of receipt of the Association's bill therefor. The failure to make payment of such sum shall result in same becoming a part of the Assessment to which such Owner and his S.I.N. Unit are subject and shall become a lien against such S.I.N. Unit as provided in this Declaration.

(9) Joint Dock Unit Assignment

Joint Dock Units	Joint Dock	East Side Float	West Side Float
378 and 379	P/N 97-1E-422-P	Unit 379	Unit 378
380 and 381	P/N 97-1E-423-P	Unit 381	Unit 380
382 and 383	P/N 97-1E-424-P	Unit 383	Unit 382
384 and 385	P/N 97-1E-425-P	Unit 385	Unit 384
386 and 387	P/N 97-1E-426-P	Unit 387	Unit 386
407 and 408	P/N 97-1E-428-P	Unit 408	Unit 407

(B) Joint Dock Unit Owners' Easements.

(1) Access. Each Joint Dock Unit Owner, and their respective guests, invitees, successors and assigns shall have a non-exclusive, perpetual easement of access, ingress and egress on, over and across adjacent Common Areas and on, over and across such portions of a Joint Dock Unit reasonably necessary for access to and from their respective Units and the Party Structure and to the Intracoastal Waterway, being generally along the common property line between the Joint Dock Units.

(2) Maintenance, Repair and Construction Easement. There shall exist for the benefit of each Joint Dock Unit Owner, and their respective guests, invitees, successors and assigns a perpetual easement for access, ingress and egress on, over and across adjacent Common Areas and on, over and across such portions of the other's S.I.N. Unit reasonably necessary or desirable for the construction, repair, maintenance and replacement of the Party Structure, as well as a floating dock on each side of the pierhead, being generally along the common property line between the Joint Dock Units. With respect to the whole or any portion of a Joint Dock Unit located upon a S.I.N. Unit, a Joint Dock Unit Owner shall have an encroachment easement upon such S.I.N. Unit pursuant to Section 18.6(ii)(B)(3) below. This construction, repair, maintenance and replacement easement shall include the right to temporarily alter, obstruct and/or block off portions of the Party Structure during construction or repair in order to avoid injury to persons or damage to property. However, in every case of alteration, obstruction or blocking, the said Owner exercising such right shall provide, if possible, reasonable alternative means of use and access around the affected area to allow access to and the continued use and enjoyment thereof by persons entitled to such use and enjoyment. All such construction, repair, maintenance and replacement shall be undertaken and completed in accordance with the Corps Permit.

(3) Encroachment Easements and Licenses. There shall exist for the benefit of each Joint Dock Unit Owner an exclusive perpetual encroachment easement and license on and across adjacent Common Areas and on and across such portions of the Joint Dock Units reasonably necessary or desirable, to perform any maintenance, repair, reconstruction or replacement of the Party Structure, being generally along the common property line between the Joint Dock Units. There shall also exist for the benefit of each Joint Dock Unit Owner an encroachment easement and license to physically attach to the Party Structure pierhead a floating dock, which attachment shall take place on the east or west side of the pierhead as identified by Unit assignment on Section Section18.6(c)(ii)(A)(A)(9). Such encroachment easements and licenses shall include the right to install decking, steps, rails, gates, lights, light poles and other similar or related fixtures or items of personalty, and to make minor modifications to such properties in connection with such installation and connection. Furthermore, such encroachment easements and licenses shall also include the right (but not the duty) to install, use, replace and maintain utility lines and facilities under and beneath such properties, including without limitation pipes and lines for water, electricity, telephone and cable television, all subject to the reasonable right of the respective Joint Dock Unit Owners to designate the actual location of any such utility easements encumbering their respective Joint Dock Units.

(iii) South Island Neighborhood Exclusive Common Areas

(A) Exclusive Common Area; General. Anything to the contrary contained herein notwithstanding, ownership of each S.I.N. Unit shall entitle the Owner thereof to the exclusive use of the Exclusive Common Areas adjacent and appurtenant to such S.I.N. Unit as defined herein, which exclusive use may be delegated by such Owner to persons who reside in his S.I.N. Unit. All Owners and lessees of Owners, their families, invitees and guests shall abide by all rules and regulations from time to time in effect governing the use of the Exclusive Common Areas.

(B) Swimming Pool Facility; Exclusive Common Area. The swimming pool facility shall constitute an Amenity and is further described on Exhibit "A" hereto as lying between South Island Drive and South Island Loop, and the Common Area shown and designated on Exhibit "A" as lying adjacent to S.I.N. Units 388 and 399, shall constitute an Exclusive Common Area for the exclusive use and benefit of all S.I.N. Unit Owners, their families, invitees, guests and lessees, and no others.

(C) Exclusive Common Area; South Island Neighborhood Community Dock. The S.I.N. Community Dock shall constitute an Amenity for the exclusive use and benefit of all S.I.N Unit Owners, their families, invitees, guests and lessees, and no others. The S.I.N. Unit Owners shall be subject to the rules and regulations adopted for the S.I.N. Community Dock by the Association, as hereinafter provided. Furthermore, such dock facility, being an Amenity and Exclusive Common Area appurtenant to the S.I.N. Units, and use thereof may not be sold, assigned, transferred or conveyed except in conjunction with the sale, assignment, transfer and conveyance of an Owner's S.I.N. Unit.

(D) Exclusive Common Areas; Army Corps of Engineers Jurisdiction. The dock facilities described herein are or shall be built and used on the authority of the Corps Permit issued therefor. The Corps Permit may be revoked, suspended or modified at

any time in accordance with the terms and conditions of the Corps Permit and in accordance with applicable law. All activities on or over, and all uses of the submerged land described in or adjacent to the S.I.N. described in Exhibit "A" are subject to the jurisdiction of the Army Corps of Engineers, including, but not limited to, the requirement that any activity or use must be authorized by the Army Corps of Engineers.

(E) Association Maintenance and Repair. Pursuant to Section 18.1 of this Declaration, the Association shall maintain, repair, and replace for the benefit of the S.I.N. and as a Neighborhood responsibility thereof pursuant to Section 18.3 of this Declaration, the Exclusive Common Area swimming pool facility and the South Island Neighborhood Community Dock, or the components thereof, as may be required from time to time. The costs and expenses of such maintenance, repair, and replacement by the Association, as aforesaid, shall constitute a Neighborhood Expense subject to Neighborhood Assessment levied against all the S.I.N. Units. Costs and expenses of maintenance, as provided herein, shall include the cost and expense of insuring the S.I.N. Community Dock and the Exclusive Common Area swimming facility against loss by damage or destruction and providing liability insurance coverage.

(iv) Rules and Regulations.

(A) Joint Docks and Exclusive Common Areas. Except as hereinafter provided, the Association shall have the right to publish, terminate and enforce rules and regulations regarding the use of the within described Exclusive Common Areas, as well as the use of Joint Docks, and floating docks as may be attached thereto and any vessels moored at such facilities; provided, however, any such rules and regulations shall be consistent with the terms and conditions of this Declaration, the Corps Permit issued therefor, the rights and obligations of other Unit Owners within the S.I.N., and the rights and obligations, generally, of owners of private boating facilities in the area of Tidewater Plantation. In the event the Association adopts any rule or regulation regarding the use of a Exclusive Common Area or Joint Dock boating facility which is not otherwise covered in this Declaration, the Corps Permit issued therefor, or which is at variance with the rights and obligations of other S.I.N. Unit Owners, or the rights and obligations, generally, of owners of private boating facilities in the area of Tidewater Plantation, the same shall be deemed revoked and null and void if a majority of the S.I.N. Owners affected thereby object to same in a writing delivered to the Association. Notwithstanding the foregoing, any such written objection shall be ineffective if such revocation would endanger the health, safety or welfare of any Owner within Tidewater Plantation or would endanger the condition or safety of any Common Area of the Association.

(d) Assessments.

(i) Neighborhood Assessments.

(A) Swimming Pool and South Island Community Dock. The costs and expenses incurred hereunder with respect to the maintenance, repair and replacement of the Exclusive Common Area swimming pool and S.I.N. Community Dock shall be a Neighborhood Expense and shall be assessed as a Neighborhood Assessment against all S.I.N. Units and Owners.

(B) Shared Cost Assessments for Joint Docks.

(1) Creation of Lien and Personal Obligation for Shared Cost Assessments. Each Joint Dock Unit Owner hereby covenants to pay its share of the costs and expenses of maintenance, repair and reconstruction of the Party Structure required pursuant to Section18.6 (c)(ii)(A)(4) above. Any such shared cost or expense remaining unpaid following five (5) days written demand therefor shall constitute a "Shared Cost Assessment" which, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the defaulting Owner's Joint Dock Unit and shall be a continuing lien thereon in favor of the other Owner. To evidence a lien for sums assessed pursuant to this Section, the other Owner may prepare a written notice of lien setting forth the amount of the unpaid Shared Cost Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Joint Dock Unit, and a description of said Unit. Such a notice shall be signed and recorded in the recording office for Horry County. No notice of lien shall be recorded until there is a delinquency in payment of the sum due and the creation of the Shared Cost Assessment as a result of such payment delinquency. Such lien may be enforced by judicial foreclosure by the other Owner in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the delinquent Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The delinquent Owner shall also be required to pay any Shared Cost Assessments against the Joint Dock Unit which shall become due during the period of foreclosure, and all such Shared Cost Assessments shall be secured by the lien being foreclosed. The Joint Dock Unit Owner holding such lien shall have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Unit. Each such Shared Cost Assessment, together with such interest, costs and reasonable attorney's fees shall be the personal obligation of the person who was the delinquent Owner of such Joint Dock Unit at the time when the Shared Cost Assessment fell due and also of any subsequent Owner of said Joint Dock Unit; provided, however, that no Owner acquiring title to a Joint Dock Unit at a foreclosure sale, or conveyance in lieu of foreclosure, of any mortgage, his successors and assigns, shall have any personal obligation with respect to the portion of any Shared Cost Assessments (together with late charges, interest, fees and costs of collection) related to such Joint Dock Unit, the lien for which is subordinate to the lien of the mortgage being foreclosed, as provided in Section 18.6(d)(i)(4) below.

(2) Assumption of Obligation by Transferee. The personal obligation of the then Joint Dock Unit Owner to pay a Shared Cost Assessment shall remain his personal obligation notwithstanding the fact that any successor in title assumes such personal obligation. Furthermore, such prior Joint Dock Unit Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would otherwise be jointly and severally liable to pay such amounts.

(3) Miscellaneous. A Joint Dock Unit Owner may bring legal action against the defaulting Owner personally obligated to pay a Shared Cost Assessment or foreclose its lien against the Joint Dock Unit to which it relates or pursue both such courses at the same time or successively. Both Joint Dock Unit Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained against an Owner in the event of such foreclosure and further waive

all benefits that might accrue to an Owner by virtue of any present or future homestead exemption or law exempting a Unit or portion thereof from sale.

(4) Subordination of the Charges and Liens.

a. The lien and permanent charge for the Shared Cost Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to a Joint Dock Unit is hereby made subordinate to the lien of any unpaid taxes, and any mortgage or mortgages upon the Joint Dock Unit. Sale or transfer of a Joint Dock Unit shall not affect the lien of the Shared Cost Assessments. However, the sale or transfer of the Joint Dock Unit which is subject to any mortgage, pursuant to a decree of foreclosure thereunder or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish the lien of the Shared Cost Assessments which became due prior to such sale or transfer. No sale or transfer shall relieve the Joint Dock Unit from liability for any Shared Cost Assessments thereafter becoming due or from the lien thereof. Notwithstanding anything in this Declaration, as amended hereby, to the contrary, no amendment, or change or modification of this Section shall be effective unless such amendment, change or modification shall be first consented to, in writing, by all mortgagees of record of affected Joint Dock Units.

b. Such subordination is merely a subordination and shall not relieve the Joint Dock Unit Owner of his personal obligation to pay all Shared Cost Assessments coming due at a time when he is the Owner; shall not relieve such Joint Dock Unit from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished by foreclosure or deed in lieu thereof); and no sale or transfer of such Joint Dock Unit to the mortgagee or to any other person pursuant to a foreclosure sale, or deed in lieu thereof, shall relieve any previous Owner from liability for any Shared Cost Assessment coming due before such sale or transfer.

(ii) Alternative Dispute Resolution For Joint Dock Unit Owners.

(A) Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Joint Dock Unit Owners agree to encourage the amicable resolution of disputes involving the Joint Docks and the rights and obligations of the Bound Parties under this Declaration, including matters involving the maintenance, repair and reconstruction of the Party Structure and expenditure of costs and expenses therefor, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Joint Dock Unit Owner covenants and agrees that all claims, grievances or disputes between such Joint Dock Unit Owner and the other Joint Dock Unit Owner involving this Declaration, or the maintenance, repair and reconstruction of the Party Structure, including without limitation, a deadlock between the said Owners over required maintenance, repair or reconstruction of the Party Structure, and claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration (collectively "claims"), except for "Exempt Claims" under Section 18.6(ii)(B), shall be subject to the procedures set forth in Section 18.6(ii)(C) below.

(B) Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 18.6(ii)(C) below:

(1) any suit by or in the name of a Joint Dock Unit Owner against the other Joint Dock Unit Owner to enforce any Shared Cost Assessments or charges hereunder; and

(2) any suit by or in the name of a Joint Dock Unit Owner to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve any enforcement power of a Joint Dock Unit Owner hereunder.

Any Joint Dock Unit Owner having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 18.6(ii)(C) below, but there shall be no obligation to do so.

(C) Mandatory Procedures for Non-Exempt Claims. Any Joint Dock Unit Owner having a Claim ("Claimant") against the other Joint Dock Unit Owner ("Respondent"), other than an Exempt Claim under Section 18.6(ii)(B) above, shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has complied with the following procedures:

(1) Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitation, the Claimant shall notify the Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

a. the nature of the Claim, including date, time, location, persons involved, Respondent's role in the Claim and the provisions of this Declaration or other authority out of which the Claim arises;

b. what the Claimant wants the Respondent to do or not do to resolve the Claim; and

c. that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

(2) Negotiation.

a. Each Claimant and the Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, but not later than 30 days following the Notice, unless otherwise agreed by the Parties.

b. Upon receipt of a written request from a Party, accompanied by a copy of the Notice, the President of the Association may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in his discretion he believes such efforts will be beneficial to the Parties and to the welfare of Tidewater Plantation and the subdivision of which the Joint Dock Units are a part.

(3) Final and Binding Arbitration. If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant shall have 30 days within which to submit the Claim to binding arbitration under the auspices of the American Arbitration Association, or such other independent party providing similar services upon which the Parties may mutually agree, in accordance with the rules of the South Carolina Uniform Arbitration Act, as may be amended from time to time, except as follows:

a. Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent shall jointly select one arbitrator, whose decision shall be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10) day period, or on or before any later day set by them by which to select arbitrator(s), Claimant shall select an arbitrator, and Respondent shall select an arbitrator, and the two arbitrators shall select a third arbitrator. Any decision agreed upon by two of the three arbitrators shall be absolutely binding on all Parties.

b. In the event the Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings.

This Section is an agreement of the Bound Parties to arbitrate all Claims against the Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the “Award”) shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent of applicable law.

(D) Allocation of Costs of Resolving Claims.

(1) Each Party shall bear all of its own costs incurred prior to and during the proceedings described in Sections 18.6(C)(1) and 18.6(C)(2) above, including the fees of its attorney or other representative.

(2) In the event the Claim proceeds to arbitration pursuant to Section 18.6(C)(3), the “Prevailing Party,” as hereinafter defined, shall receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney’s fees, incurred from commencement of selection of the arbitrator(s) under said Section 18.6(C)(3) to the issuance of the Award. Furthermore, the non-Prevailing Party shall pay all costs and expenses of the arbitration. The “Prevailing Party” shall be determined as follows:

a. Not less than five (5) days prior to the first meeting with the arbitrator(s), a Party or Parties may file and serve on the other Party an offer of settlement, and within three (3) days thereafter the Party served may respond by filing and serving such Party its own offer of settlement. An offer of settlement shall state that it is made under this section and shall specify the amount, exclusive of interest and costs, which the Party serving the settlement offer is/are willing to agree constitutes a settlement of the Claim.

b. An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is filed and served on the Party making the offer twenty-four (24) hours prior to the first meeting with the arbitrator(s).

c. If an offer of settlement is rejected, it may not be referred to for any purpose at arbitration, but may be considered solely for the purpose of awarding costs and expenses of arbitration under Section 18.6(C)(3) above.

d. If the Claimant makes no written offer of settlement, the amount of the Claim offered in arbitration is deemed to be the Claimant's final offer of settlement under this Section.

e. If the Respondent makes no written offer of settlement, the Respondent's offer of settlement under this subsection is deemed to be zero.

f. The Party whose offer, made or deemed made, is closer to the Award granted by the arbitrator(s) is considered the "Prevailing Party" hereunder. If the difference between the Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of costs and expenses of arbitration.

(E) Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation and a Party thereafter fails to abide by the terms of such agreement, or if the Parties agree to accept the Award following arbitration and a Party thereafter fails to comply with such Award, then the other Party may file suite or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 18.6(ii)(C) of this Declaration. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys fees and court costs.

(e) Amendment Limitation.

(i) Consent of Joint Dock Unit Owners. Anything contained in this Declaration to the contrary notwithstanding, no amendment shall be made to the Declaration, as amended hereby, which would limit the Party Structure rights and easements of Joint Dock Unit Owners, except as required by the Corps Permit, as may be amended, or required by a condition endangering health, safety or welfare, without the consent of the Joint Dock Unit Owners affected thereby or their respective mortgagees.

Article 19

General Provisions.

Article 19.1 Term.

The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property

subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Article 19.2 Indemnification.

The Association shall indemnify every officer, Director, Design Review Board and Association committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, Director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, Director, or committee member. The officers, Directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers of Directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, Director, or committee member, or former officer, Director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Article 19.3 Litigation.

No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Members and a majority of the Board of Directors. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of personal assessments, (c) proceedings involving, challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant.

Article 19.4 Compliance.

Every Owner and occupant (including a renter or tenant) of any Unit and their respective guests and invitees, shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, levying of fines by the Association, or for any other remedy available at law or in equity, maintainable by Declarant, the Association or, in a proper case, by any aggrieved Unit Owner or Owners.

Article 19.5 Security.

Neither the Association, the Declarant, nor any successor declarant shall in any way be considered insurers or guarantors of security within the Property, however, and neither the Association, the Declarant, nor any successor declarant shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and occupants of any Unit, tenants, guests and invitees of any Owner, as applicable, acknowledge that the Association and its Board of Directors, the Declarant, or any successor of Declarant do not represent or warrant that any fire protection system, burglar alarm system or other security system designated by or installed according to guidelines established by the Declarant may not be compromised or circumvented, that any system, including, but not limited to, fire protection or burglar alarm systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise.

Article 19.6 Notice to Association of Unit Sale or Lease.

In the event an Owner sells, leases or otherwise disposes of his Unit, the Owner must promptly furnish to the Declarant and the Association in writing the name and address of such purchaser, lessee or transferee.

Article 19.7 Interpretation.

Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

Article 19.8 Notices

Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Declarant or the Association, or if no address has been so designated, at the addresses of such Owners' respective Unit. All notices to the Declarant or the Association shall be delivered or sent in care of Declarant to Southern Land & Golf Company, Ltd., PO Box 1691, Columbia, SC 29202 (or by overnight carrier to 420 Davega Road, Lexington, SC 29073), or if sent in care to the Association, to 2000 Spinnaker Road, North Myrtle Beach, SC 29582.

Article 19.9 Rights and Obligations Subject to PUD Agreement.

Any and all other rights, uses, obligations and restrictions of or on the Property and the Declarant, Owners, and the Association, not set forth and provided for in this Declaration, any Supplemental Declaration, and/or by federal and state law, including the Planned Unit Development (PUD) Agreement between the City of North Myrtle Beach and Southern Land & Golf Company, Ltd., dated April 4, 1989, and as may be amended from time to time, shall be subject to the Declarant's right and authority to promulgate and enforce the Association By-Laws and rules, regulations and guidelines, including architectural and Design Standards, which may be amended or revoked from time to time in the sole discretion of Declarant notwithstanding any other provision in this Declaration that may appear to be to the contrary.

IN WITNESS WHEREOF, the Declarant does hereby execute this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation this ______day of ________________, 2009.

WITNESSES:

Southern Land & Golf Company, Ltd.,
a South Carolina corporation

_________________________________ By:______________________________

_________________________________ Its:______________________________

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF HORRY)

The within instrument was acknowledged before me this _____ day of __________, 2009, by Southern Land & Golf Company, Ltd., a South Carolina corporation by ____________________ its ___________________.

_________________________________(SEAL)

Notary Public for South Carolina

My Commission Expires:____________

EXHIBIT "A"

1.ALL that certain tract or parcel of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation-Phase IA, North Myrtle Beach, South Carolina on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated May 5, 1989, revised October 30, 1989, further revised June 15, 1990, which is filed in the office of the R.M.C. for Horry County, in Plat Book 110 at Page 6 and including Units 1 through 38 as shown thereon.

2.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation-Phase IA, North Myrtle Beach, South Carolina on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated May 5, 1989, revised September 13, 1990, which is filed in the office of the R.M.C. for Horry County, in Plat Book 111 at Page 106 106A and including Units 1 through 38 as shown thereon.

3.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation - Phase IC, North Myrtle Beach, South Carolina on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated August 20, 1990, revised September 13, 1990, which is filed in the office of the R.M.C. for Horry County, in Plat Book 111 at Page 107 107A and including Units 70 through 101 as shown thereon.

4.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation - Phase II A, Tidewater Village Phase I, North Myrtle Beach, South Carolina on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15, 1990, which is filed in the office of the R.M.C. for Horry County, in Plat Book ___ at Page ___ and including Units 1 through 25 as shown thereon.

5.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Section A of Teal Lake Village Horizontal Property Regime at Tidewater Plantation containing 8.85 acres as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated November 27, 1990, and finally revised January 24, 1991, which is filed in the office of the R.M.C. for Horry County, in Plat Book 113 at Page 18.

6.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation, Phase II-B, containing Lots 128-149 as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated April 10, 1991 and recorded in the Office of the R.M.C. for Horry County, in Plat Book 115 at Page 138 and Page 138A.

7.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Final Replat Tidewater Plantation, Phase II-A, containing Lots 102-127 as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15 and October 19, 1990, finally revised July 9, 1991 and recorded in the Office of the R.M.C. for Horry County, in Plat Book 116 at Pages 16 and 16A.

8.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Section A of Teal Lake Village Horizontal Property Regime at Tidewater Plantation containing 3.71 acres as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated November 27, 1990, and finally revised July 1, 1991, which is filed in the office of the R.M.C. for Horry County, in Plat Book 116 at Page 17

9.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Teal Lake Village Section A Horizontal Property Regime at Tidewater Plantation containing 5.785 acres as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15, 1991, and finally revised December 14, 1991, which is filed in the office of the R.M.C. for Horry County, in Plat Book 117 at Page 215.

10.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Teal Lake Village Section A Horizontal Property Regime at Tidewater Plantation containing 7.124 acres as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15, 1991, and revised March 17, 1992, which is filed in the office of the R.M.C. for Horry County, in Plat Book 119 at Page 153A & 153B.

11.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Teal Lake Village Section A Horizontal Property Regime at Tidewater Plantation containing 9.24 acres as shown on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15, 1991, and revised June 10, 1992, and July 1, 1992, which is filed in the office of the R.M.C. for Horry County, in Plat Book 120 at Page 151.

12.ALL those certain tracts or parcels of land situate lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation-Phase II-C, North Myrtle Beach, South Carolina, on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated July 2, 1992, which is filed in the Office of the R.M.C. for Horry County, in Plat Book 121 at Pages 23 and 24, and including Lots 150 through 160 and 169 through 182, together with common open spaces numbered 21, 22 and 23 and pump station site as described on said map.

13.ALL that certain piece, parcel or tract of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Teal Lake Village Section A, Horizontal Property Regime, at Tidewater Plantation containing 10.92 acres, North Myrtle Beach South Carolina, on a plat prepared by DDC Engineers, Incorporated, Consulting Engineers and Planners, dated October 15, 1991, and finally revised December 14, 1992, which is filed in the office of the R.M.C. for Horry County, in Plat Book 122 at Page 209.

14.ALL those certain lots or parcels of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation-Phase II-D, North Myrtle Beach, South Carolina, on a plat prepared by DDC Engineers, Incorporated, Engineers, Planners and Surveyors, and by Robert A. Warner & Associates, Inc., dated June 23, 1993, which is filed in the Office of the R.M.C. for Horry County, in Plat Book 125 at Pages 101 and 101A, and including Lots 184 through 205 and Lots 209 through 217 together with common open spaces and buffer areas as described on said map.

15.ALL that certain lot or parcel of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation-Sales Center, North Myrtle Beach, South Carolina, on a plat prepared by DDC Engineers, Incorporated, Engineers, Planners and Surveyors, and by Robert A. Warner & Associates, Inc., dated April 29 and May 26, 1993, which is filed in the Office of the R.M.C. for Horry County, in Plat Book 125 at Pages 102 and 102A and including 1.89 acres as described on said map.

16.ALL that certain tract or parcel of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as "Teal Lake Village II Horizontal Property Regime" at Tidewater Plantation, North Myrtle Beach South Carolina, containing 11.58 acres, on a plat prepared by DDC Engineers, Incorporated, Engineers, Planners and Surveyors and Robert A. Warner & Associates, Inc., recorded 8-2-93, which is filed in the office of the R.M.C. for Horry County, in Plat Book 125 at Page 103 & 103A.

17.ALL that certain tract or parcel of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as "Final Plat, Phase II-E" at Tidewater Plantation, North Myrtle Beach South Carolina, on a plat prepared by DDC Engineers, Incorporated, Engineers, Planners and Surveyors and Robert A. Warner & Associates, Inc. dated January 15, 1994, and recorded February 24, 1994, which is filed in the Office of the R.M.C. for Horry County, in Plat Book 128 at Page 76 & 77, and including Lots 279-308 and Common Open Spaces and Buffer Areas as described on said map. **Courtyard Park Neighborhood**

18.ALL that certain tract or parcel of land situate, lying in and being in the County of Horry, State of South Carolina, being shown as Tidewater Plantation Phase II-F, North Myrtle Beach South Carolina, on a plat prepared by DDC Engineers, Incorporated, Engineers, Planners and Surveyors and Robert A. Warner & Associates, Inc. dated June 2, 1994, which is filed in the Office of the R.M.C. for Horry County, in Plat Book 130 at Pages 133 & 133A with Phase II-F including Lots 218 through 269, together with common open spaces, buffer areas and archaeological site as described on said map.

19.ALL that certain piece, parcel and tract of land situate, lying and being in the County of Horry, State of South Carolina, shown and designated on a plat entitled, "FINAL PLAT, HERON LAKE VILLAS, TIDEWATER PLANTATION, NORTH MYRTLE BEACH, SOUTH CAROLINA" by DDC Engineers, Incorporated and Robert A. Warner & Assoc., Inc., dated May 26, 1994, and recorded in the RMC Office for Horry County in Book 131 at Pages 399 and 400, together with rights of ingress and egress over and across Tidewater Drive and Spinnaker Drive from S.C. Highway No. S-26-236, Little River Neck Road, to Spinnaker Drive's intersection with a private drive into Heron Lake Village to Building 32 in the Heron Lake Village Horizontal Property Regime, said easement being non-exclusive.

20.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Incorporated dated July 6, 1995, entitled "Final Plat, Tidewater Plantation, Phase II-F, North Myrtle Beach, South Carolina," containing Lots 317 through 342, and recorded in Plat Book 135 at Page 118, in the RMC Office for Horry County, South Carolina.

21.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Incorporated dated November 15, 1995, entitled "Tidewater Plantation, Phase II-C, North Myrtle Beach, South Carolina, Final Plat," containing Lots 150 through 182, and recorded in Plat Book 137 at Page 221, in the RMC Office for Horry County, South Carolina.

22.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Incorporated and Robert A. Warner & Assoc., Inc. dated January 12, 1996, entitled "Final Plat, Tidewater

Plantation, Phase I-G, North Myrtle Beach, South Carolina," containing Lots 270 through 278 and Lots 309 and 311 through 314, and recorded in Plat Book 140 at Page 3, and 3-A.

23.ALL that certain piece, parcel and tract of Property situate, lying and being in the County of Horry, State of South Carolina, shown and designated on a plat entitled, "BONDED FINAL PLAT OF THE NORTH ISLAND PHASE AT TIDEWATER PLANTATION, CITY OF NORTH MYRTLE BEACH," by Robert A. Warner and Associates, Inc., dated July 22, 1996, and recorded in the RMC Office for Horry County in Book 143 at Page 60.

24.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Incorporated dated July 9, 1996, entitled "Bonded Final Plat, Tidewater Plantation, Phase II-G, North Myrtle Beach, South Carolina," containing Lots 343 through 355, and recorded in Plat Book C at Page 437, in the RMC Office for Horry County, South Carolina.

25.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc., dated January 24, 1997, entitled "Tidewater Plantation, Phase III-A, Horry County, South Carolina, Bonded Final Plat," containing Lots 501 through 604, and recorded in Plat Book 146 at Pages 84, 84-A and 84-B, in the RMC Office for Horry County, South Carolina. **The Bluffs Neighborhood**

26.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Incorporated dated April 10, 1997, entitled "Final Plat, Tidewater Plantation, KCR Tract, North Myrtle Beach, South Carolina," containing twenty-two (22) Lots shown as Lots 356 through 377, and recorded in Plat Book 147 at Page 220, in the RMC Office for Horry County, South Carolina."

27.ALL that certain piece, parcel and tract of land situate, lying and being in the County of Horry, State of South Carolina, shown and designated as "THE POINT AT TIDEWATER (5.10 ACRES)" on a plat entitled "FINAL PLAT OF THE POINT, CLUBHOUSE TRACT, & FUTURE DEVELOPMENT TRACT" by DDC Engineers, Incorporated dated March 11, 1997 and recorded in the RMC Office for Horry County in Book 146 at Page 207B, together with rights of ingress and egress over and across Tidewater Drive and Lighthouse Drive from S.C. Highway No. S-26-236, Little River Neck Road, to Lighthouse Drive's intersection with a private drive into Lighthouse Point Villas Building 41 in the Lighthouse Point Villas Horizontal Property Regime, said easement being non-exclusive.

28.ALL AND SINGULAR, all that certain piece, parcel or lot of land situate, lying and being in the State and County aforesaid and in Little River Township, being known as Lot No. Six (6) and Twenty-seven and one-half (272') feet of Lot Five (5), Block VF, Cherry Grove Section, as shown on a plat prepared for Southern Land And Golf Company, prepared by Huntley and Associates, Inc. dated January 10, 1997 and recorded March 12, 1997 in Plat Book 146 at Page 187 in the RMC Office for Horry County, reference to which is hereby made for a more complete and accurate description. Association Beach House dedicated as "Common Area" and constituting Amenities under the Declaration. <u>See</u>, <u>also</u>, Section 5.10 of this Declaration.

29.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc.

dated January 5, 1998, entitled "Bonded Final Plat, Tidewater Phase III-B, Horry County, South Carolina," containing eighty-five (85) Lots shown as Lots 605 through and including 643, and Lots 666 through and including 711, and recorded in Plat Book 153 at Page 53, in the RMC Office for Horry County, South Carolina. **The Bluffs Neighborhood**

30.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc., dated February 2, 1998, entitled "Bonded Final Plat, South Island Single Family Development and Remaining Lands of Southern Land & Golf Co. Ltd., Tidewater Plantation, North Myrtle Beach, Horry County, South Carolina," containing thirty-one (31) Lots, shown as Lots 378 through and including 408, and recorded in Plat Book 153 at Pages 114 - 114B, in the RMC Office for Horry County, South Carolina. **South Island Neighborhood.**

31.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc. dated October 5, 1998, entitled "Final Plat, Mid Island Single Family Development, Tidewater Plantation, North Myrtle Beach, South Carolina," containing six (6) Lots shown as Lots 409 through and including 414, and recorded in Plat Book 158 at Page 155, in the R.M.C. Office for Horry County, South Carolina.

32.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc., dated January 7, 1999, entitled "Bonded Final Plat, Tidewater Phase III-B, Section II, Horry County, South Carolina," containing fifty-eight (58) Lots, shown as Lots 644 through and including 665, and Lots 712 through and including 747 and recorded in Plat Book 160 at Page(s) 145, in the RMC Office for Horry County, South Carolina.

33.ALL that certain piece, parcel, or tract of land, situate, lying and being in Little River Township, County of Horry and State of South Carolina, and being more particularly shown and designated as 174.76 acres on a plat prepared by Josiah M. Williams, III, S.C. Reg. No. 7626, Southeaster Surveying, Inc., dated December 16, 1985, and revised December 23, 1985, and further revised April 29, 1987, a copy of said plat being recorded in Plat Book 96 at Page 171, in the Office of the Clerk of Court for Horry County, South Carolina. **The Bluffs Neighborhood**

Amended and Restated Twenty-Seventh Supplement Declaration, March 3, 1997, recorded in Book 1924, Page 1150.

34.All that certain piece, parcel and tract of land situate, lying and being in the County of Horry, State of South Carolina, shown and designated on a plat entitled, "FINAL PLAT OF THE POINT, CLUBHOUSE TRACT AND FUTURE DEVELOPMENT TRACT (REVISED)" by DDC Engineer, Incorporated dated March 11, 1997, revised September 9, 1998 and recorded September 22, 1998 in the RMC Office for Horry County in Book C at Page 680, together with rights of ingress and egress over and across Tidewater Drive, Spinnaker Drive and Harbor Drive from S.C. Highway No. S-26-236, Little River Neck Road, to Harbor Drive's intersection with a private drive into The Clubhouse Villas Horizontal Property Regime, said easement being non-exclusive.

35.ALL those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc.

dated December 15, 1999, entitled "Tidewater Plantation Phase III-C, North Myrtle Beach, South Carolina, Final Plat," continuing twenty-one (21) Lots shown as Lots 748 through and including 768, and recorded in Plat Book 167 at Page(s) 103, in the R.M.C. Office for Horry County, South Carolina. **The Bluffs Neighborhood**.

36.All those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc. dated January 12, 2000, entitled "Tidewater Plantation Phase III-D, North Myrtle Beach, South Carolina, Final Plat," containing thirty-five (35) Lots shown as Lots 769 through and including 777, and Lots 778 through and including 803, and recorded in Plat Book 167 at Page(s) 235, in the R.M.C. Office for Horry County, South Carolina. **The Bluffs Neighborhood**.

37. All that certain piece, parcel, or lot of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated as "Lot 183, Amenities Area, 8.31 Acres, 361, 803 Sq. Ft." on a plat prepared by DDC Engineers, Inc. and Adtech Surveying Incorporated dated July 2, 1992, entitled "Tidewater Plantation Phase II-C, North Myrtle Beach, South Carolina, Final Plat," and recorded in Plat Book 121, at Pages 23 and 24, in the R.M.C. Office for Horry County, South Carolina. **Amenities.**

38.All those certain parcels, pieces or lots of land, situate, lying and being in the State of South Carolina, County of Horry, shown and designated on a plat thereof prepared by DDC Engineers, Inc. dated October 18, 2000 entitled, "Tidewater Plantation, Phase III-E, North Myrtle Beach, Horry County, South Carolina, Buildable Area – Site Plan," recorded in Plat Book 173 at Page 164, in the Office of Recorder of Deeds for Horry County, and on a plat thereof prepared by DDC Engineers, Inc. dated October 18, 2000 entitled, "Tidewater Plantation, Phase III-E, North Myrtle Beach, Horry County, South Carolina, Final Plat," recorded in Plat Book 173 at Page 165, in the Office of Recorder of Deeds for Horry County, each such plat containing five (5) Lots 804, 805, 806, 807 and 808.**The Bluffs Neighborhood**.

EXHIBIT "B"

SUPPLEMENTAL USE RESTRICTIONS

1.Number of Buildings on Units. With respect to the Units within the Property described in Exhibit "A" hereto, no structure shall be constructed other than one (1) detached single-family dwelling and either an attached or a detached private garage, provided such dwelling and such detached garage do not overcrowd the site.

2.Building Height. With respect to the Units within the Property described in Exhibit "A" hereto, no dwelling or other structure shall be constructed on a lot which has a height exceeding forty-two (42') feet above the elevation of the average finished grade of the lot. Declarant reserves the right to modify, amend or change the within height restriction as it may apply to any Unit or dwelling within the additional property subjected to this Declaration and upon the filing of a Supplemental Declaration of record; provided, however, that all heights shall be subject to the provisions of the PUD Agreement of April 4, 1989, and as may be amended.

3.Multiple Ownership. With respect to the Units within the Property described in Exhibit "A" hereto, no Unit or dwelling may be owned by more than four (4) Owners at any one time. For the purposes of this restriction, a married couple constitutes a single Owner. Furthermore, the Property subject to this Declaration, including any improvements thereon or to be built thereon, shall not be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership without the prior written consent of the Declarant, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to this Declaration, and thereafter without the prior written consent of the Board of Directors. In the event consent is granted for any ownership under a Vacation Time Sharing Plan, Vacation Multiple Ownership Plan, or similar type ownership, the Declarant or the Board of Directors, as the case may be, shall have the right to amend this Declaration in any respect as may be necessary. Notwithstanding the foregoing to the contrary, a Unit or dwelling may be owned by a corporation or partnership.

EXHIBIT “C”

STATE OF SOUTH CAROLINA)
) STREET MAINTENANCE AGREEMENT
COUNTY OF HORRY)

WHEREAS, Southern Land & Golf Company, Ltd., hereinafter called Developer, is the owner of the lands shown upon the plats described in Exhibit “A”; and

WHEREAS, the streets and roads within Tidewater Plantation shown on the plats described in Exhibit “A” are private streets; and

WHEREAS, the City of North Myrtle Beach requires the owners of lands utilizing private streets to subject such streets and the lands provided vehicular access by such streets to a street maintenance agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENT THAT:

The Developer does hereby declare the said private streets and lands within Tidewater Plantation provided vehicular access thereby to be forever subject to the terms of this instrument, to wit:

1. The term “Developer” as used hereafter, unless the context would otherwise require, shall mean the owner-developer named above and his-her-their-its heirs, successors and assigns.

2. The term “City” as used hereafter, unless the context would otherwise require, shall mean the City of North Myrtle Beach and its successors and assigns.

3. As long as the Developer retains legal title to the private streets the Developer shall be fully responsible for maintaining the said streets in a safe and well-maintained condition, including fully repaving and pavement repair, for the purpose of continued safe use. The cost for maintaining said streets may be shared with a Property Owners Association at the Developer’s discretion. The ownership of the private streets may be conveyed to a Property Owners Association, at which time said Association shall become solely responsible for all aspects of maintenance, in which the Developer will participate as a lot owner. The private streets exist for the use, benefit and enjoyment of the lot/unit owners, golf course and all others having rights there to within the subdivision. At such time when the Developer terminates his responsibility to maintain said streets, such maintenance shall be the joint and several responsibility of the Property Owners Association and the individual owners of the lots/units or other properties within the subdivision.

4. The City shall have no obligation or responsibility whatsoever to make any repairs or to perform any maintenance upon such private streets.

5. The City shall have the right, but not the obligation or responsibility, to enforce the maintenance obligation of the Developer, the property owners association, the owners of units, or other owners of property within the subdivision by any and all of the following means:

A. By seeking an affirmative order of a court of competent jurisdiction requiring the appropriate party to make such repairs and perform such maintenance as may be necessary; or

B. After written notification of the repairs or maintenance needed to be undertaken and the failure of the appropriate party to make such repairs or perform such maintenance, by making such repairs or performing such maintenance and collecting the cost thereof (including the costs of collection and attorneys' fees) shall be collection and attorneys' fees) shall be collectable by action in the Court or Common Pleas for Horry County, South Carolina.

IN WITNESS WHEREOF, Southern Land & Golf Company, Ltd. has set its hand and seal this ___ day of __________, ________.

IN THE PRESENCE OF :	Southern Land & Golf Company, Ltd.
__________________________________	By:______________________________
__________________________________	Its:______________________________

EXHIBIT "D"

STATE OF SOUTH CAROLINA)
) CABANA HOUSE MAINTENANCE AGREEMENT
COUNTY OF HORRY)

WHEREAS, Southern Land & Golf Company, Ltd., hereinafter called Developer, is the owner of that certain Property (the "Beach House") located at 5706 North Ocean Boulevard, North Myrtle Beach, South Carolina more particularly described in Exhibit "A"; and

WHEREAS, the Developer desires to utilize the Property for a House Cabana pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle; and

WHEREAS, the City of North Myrtle Beach requires the owner of property used as a House Cabana pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle to subject such property to a maintenance agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

The Developer does hereby declare that so long as the Beach House is used as a House Cabana pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle it shall be subject to the terms of this instrument, to wit:

1. The term "Developer" as used hereafter, unless the context would otherwise require, shall mean the owner-developer named above and its successors and assigns.

2. The term "City" as used hereafter, unless the context would otherwise require, shall mean the City of North Myrtle Beach and its successors and assigns.

3. As long as the Developer retains title to the Beach House the Developer shall be fully responsible for maintaining the said Beach House in a safe and well-maintained condition, and solely for the uses and purposes permitted pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle, as amended. The cost for maintaining said Beach House may be shared with a Property Owners Association at the Developer's discretion. Legal or equitable title to the Beach House may be conveyed to a Property Owners Association, at which time said Association shall become solely responsible for all aspects of maintenance, in which the Developer will participate as an assessable lot owner under said Association. The Beach House and its permitted uses and purposes pursuant to Sections 23-2 and 23-22(4)(d) of the Code of Ordinances of the City of North Myrtle exists for the use, benefit and enjoyment of the unit owners under the Association. At such time as the Developer terminates its responsibility to maintain the Property, such maintenance shall be the joint and several responsibility of the Property Owners Association and the individual owners of units or other properties within the subdivision.

4. The City shall have no obligation or responsibility whatsoever to make any repairs or to perform any maintenance upon the Beach House.

5. The City shall have the right, but not the obligation or responsibility, to enforce the maintenance obligation of the Developer, the Property Owners Association, the owners of units, or other owners of property subject to the Property Owners Association by any or all of the following means:

(a) By seeking an affirmative order of a court of competent jurisdiction requiring the appropriate party to make such repairs and perform such maintenance as may be necessary; or

(b) After written notification of the repairs or maintenance needed to be undertaken and the failure of the appropriate party to make such repairs or perform such maintenance, by making such repairs or performing such maintenance and collecting the cost thereof (including the costs of collection and attorneys' fees) by action in the Court of Common Pleas for Horry County, South Carolina.

IN WITNESS WHEREOF, Southern Land & Golf Company, Ltd. has set its hand and seal this _____day of __________________, 2009.

IN THE PRESENCE OF: Southern Land & Golf Company, Ltd.

___________________________________ By:_______________________________________

___________________________________ Its:_______________________________________

EXHIBIT "E"

BY-LAWS

OF

TIDEWATER PLANTATION COMMUNITY ASSOCIATION, INC.

TABLE OF CONTENTS

Articles and Sections | **Page**

Article I Name. Principal Office And Definitions 1
Section 1. Name. 1
Section 2. Principal Office. 1
Section 3. Definitions. 1

Article II Association: Membership. Meetings. Quorum. Voting. Proxies 1
Section 1. Membership. 1
Section 2. Place of Meeting. 1
Section 3. Annual Meetings. 1
Section 4. Special Meetings. 1
Section 5. Notice of Meetings. 2
Section 6. Waiver of Notice. 2
Section 7. Adjournment of Meetings. 2
Section 8. Voting. 3
Section 9. Proxies. 3
Section 10. Majority. 3
Section 11. Quorum. 3
Section 12. Conduct of Meetings. 3
Section 13. Action Without a Meeting. 3

Article III Board Of Directors: Number. Powers. Meetings 4
Section 1. Composition and Selection. 4
(a) Governing Body: Composition. 4
(b) Directors During Class "B" Control Period. 4
(c) Veto. 5
(d) Number of Directors. 5
(e) Nomination of Directors. 5
(f) Election and Term of Office. 6
(g) Removal of Directors and Vacancies. 7
Section 2. Meetings. 7
(a) Organizational Meetings. 7
(b) Regular Meetings. 7
(c) Special Meetings. 8

(d) Waiver of Notice. 8
(e) Quorum of Board of Directors. 8
(f) Compensation. 8
(g) Conduct of Meetings. 9
(h) Open Meetings. 9
(i) Action Without a Formal Meeting. 9
Section 3. Powers and Duties. 9
(a) Powers. 9
(b) Management Agent. 11
(c) Accounts and Reports. 11
(d) Borrowing. 12
(e) Rights of the Association. 12
(f) Enforcement. 13

Article IV Officers 14
Section 1. Officers. 14
Section 2. Election. Term of Office. and Vacancies. 14
Section 3. Removal. 14
Section 4. Powers and Duties. 14
Section 5. Resignation. 14
Section 6. Agreements. Contracts. Deed. Leases. Checks. Etc. 14

Article V Committees 15
Section 1. General. 15
Section 2. Covenants Committee. 15
Section 3. Neighborhood Committees. 15

Article VI Miscellaneous 16
Section 1. Fiscal Year. 16
Section 2. Parliamentary Rules. 16
Section 3. Conflicts. 16
Section 4. Books and Records. 16
(a) Inspection by Members and Mortgagees. 16
(b) Rules for Inspection. 16
(c) Inspection by Directors. 16
Section 5. Notices. 17
Section 6. Amendment. 17
(a) No Amendment in Derogation of Declarant's Rights and Privileges. 17

Article I

Name. Principal Office And Definitions

Section 1. Name.

The name of the Association shall be Tidewater Plantation Community Association, Inc. (hereinafter the "Association").

Section 2. Principal Office.

The principal office of the Association shall be located at 2000 Spinnaker Drive, North Myrtle Beach, SC 29582. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions.

The words used in these By-Laws shall be given their normal, commonly understood meanings. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions and Restrictions for Tidewater Plantation (said Declaration, as amended, renewed, or extended from time to time, is hereinafter called the "Declaration"), unless the context indicates otherwise.

Article II

Association: Membership. Meetings. Quorum. Voting. Proxies

Section 1. Membership.

The Association shall have three (3) classes of membership, Class "A", Class "B", and Class "C", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meeting.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Property or as convenient thereto as possible and practical.

Section 3. Annual Meetings.

The annual meeting shall be set by the Board so as to occur within thirty (30) days of the same day of the same month of each year, at an hour set by the Board.

Section 4. Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least five percent (5%) of the total votes of the Association. The notice of any special meeting shall state the date, time and place of

such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings.

Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Except as hereinafter provided, notices shall be made by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt. If the meeting is called to consider approval of a conflict of interest transaction involving a Director, indemnification, amendment of the Articles of Incorporation or these Bylaws, approval of a merger, sale of assets or dissolution of the Association, notice shall be mailed to each Member.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail for first class delivery or sent by registered mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. If mailed notice is sent by means other than first class or registered mail and the meeting is called to consider approval of a conflict of interest transaction involving a Director, indemnification, amendment of the Articles of Incorporation or these Bylaws, approval of a merger, sale of assets or dissolution of the Association, such required, mailed notice must be given not less than thirty (30) nor more than sixty (60) days prior to the meeting.

Section 6. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless an objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings.

If any meetings of the Association cannot be held because a quorum, determined in accordance with Article II, Section 11 below, is not present, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time announced at such meeting to be adjourned, which shall be no more than sixty (60) days from the time the original, adjourned meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for

reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members representing at least twenty percent (20%) of the total votes of the Association remain present, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting.

The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies.

Members may vote by proxy.

Section 10. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum.

Unless otherwise provided herein, in the Declaration, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (⅓) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (⅓) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 11. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 5 of this Article II.

Section 12. Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13.Action Without a Meeting.

Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by Members holding at least eighty percent (80%) of the total votes of the Association entitled to vote with respect to the subject matter thereof, and such consent shall be filed with the records of the Association and shall have the same force and effect as a vote of the Members at a meeting thereof. A Member may withdraw his or her consent at any time prior to consents representing eighty percent (80%) of the total votes of the Association being delivered to the Association. Written notice of Member approval pursuant to this section must be given to all Members who have not signed the written consent.

Article III

Board Of Directors: Number. Powers. Meetings

Section 1.Composition and Selection.

(a)Governing Body: Composition.

The affairs of the Association shall be governed by a Board of Directors, and each Director shall have one (1) vote. Except as provided in Section 3.1(b) of this Article III, the Directors shall be Members or spouses of Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership or other entity of multiple owners, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership or other entity shall be eligible to serve as a director.

(b)Directors During Class "B" Control Period.

The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Section 1(c) of this Article III. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

(i)when seventy-five (75%) percent of the maximum number of units permitted by the Planned Unit Development (PUD) Agreement between The City of North Myrtle Beach, South Carolina and the Declarant for the Property have been conveyed to Owners;

(ii)December 31, 2015; or

(iii)when, in its discretion, the Class "B" Member so determines.

Within one hundred twenty (120) days thereafter, the Class "B" Member shall call a meeting, as provided in Article II, Section 4 of these By-Laws for special meetings, to advise the membership of the termination of the Class "B" Member's control.

The Directors selected by the Class "B" Member pursuant to this Section need not be Members or spouses of such Members as provided in Section 1 of this Article.

(c)Veto.

This Section (c) may not be amended without the express written consent of the Class "B" Member, as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument.

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(i)The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Section 2, subsections (a), (b) and (c) of this Article as to regular and special meetings of the Directors and which notice shall, except in the case of regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(ii)The Class "B" Member shall be given the opportunity at any such meeting to join in or have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. The Class "B" Member and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board of Directors and to be taken by any committee or Board or the Association or any individual Member of the Association if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

(d)Number of Directors.

From and after the expiration of the Class “B” Control Period, there shall be seven (7) members on the Board of Directors. Until expiration of the Class “B” Control Period, the Board of Directors may consist of three (3), five (5) or seven (7) members, as announced by the Class “B” Member. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation. Except during the Class "B" Control Period, Directors shall be elected from and shall represent all the members.

(e)Nomination of Directors.

Except with respect to Directors appointed by the Class "B" Member and by the Class “C” Member, as herein provided, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating

Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(f)Election and Term of Office.

Notwithstanding any other provision contained herein:

(i)Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own twenty-five (25%) percent of the Units permitted by the Master Site Plan, or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Class “A” Members shall elect one (1) of the three (3) Directors, who shall be an at-large Director. The remaining two (2) Directors shall be appointees of the Class "B" Member. The Director elected by the Class “A” Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (ii) below, whichever is shorter. If such Director's term expires prior to the happening of the event described in subsection (ii) below, a successor shall be elected for a like term.

(ii)Within sixty (60) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own fifty (50%) percent of the maximum Units permitted by the Planned Unit Development (PUD) Agreement between The City of North Myrtle Beach, South Carolina and the Declarant, or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) or seven (7) Directors, as determined by the Class “B” Member. The Association shall call a special meeting at which Members representing the Class "A" Members shall elect that number of Directors set forth in the schedule that follows, based upon the number of Directors that the Declarant has then established to be the number of Board members, and the remaining number of Directors shall be appointed by the Class “B” Member.

Elected by Class “A” Members	Appointed by Class “B” Member	Total Board
2	3	5
3	4	7

The Directors elected by the Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (iii) below, whichever is shorter. If such Directors' terms expire prior to the happening of the event described in subsection (iii) below, successors shall be elected for a like term.

(iii)At the first annual meeting of the membership after the termination of the Class "B" Control Period, one (1) Director shall be appointed by the Class “C” Member, who shall serve until his or her successor is appointed by the Class “C” Member. The remaining Directors shall be selected as follows: Two (2) Directors shall be elected for a term of three (3) years; two (2) Directors shall be elected for a term of two (2) years; and two (2) Directors shall be elected for a term of one (1) year. Thereafter, each year two (2) Directors shall be elected for a term of three (3) years. Appointed Directors serving at the time of

termination of the Class "B" Control Period shall be eligible for re-election and shall appear on the ballot at his or her request and without having to be nominated. The Nominating Committee shall nominate a sufficient number of candidates to insure that there are at least six (6) candidates for Directors on the ballot at such initial election.

Each Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled from each slate on which such Member is entitled to vote. There shall be no cumulative voting. The Directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

(g)Removal of Directors and Vacancies.

A Director appointed by the Class "B" Member Developer may only be removed by the Class "B" Member, otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members by sixty-seven percent (67%) of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than 10 days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting, or by the sole remaining Director, or if none, by the Members at meeting called therefor. A successor Director shall serve for the unexpired term of his or her predecessor.

(i)Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the board. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and it may appoint a successor. Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill.

Section 2.Meetings.

(a)Organizational Meetings.

The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

(b)Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

(c)Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt. All such notices shall be given by use of the Director's telephone number or shall be sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, shall be delivered, telephoned or given at least seventy-two (72) hours before the time set for the meeting.

(d)Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(e)Quorum of Board of Directors.

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days form the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(f)Compensation.

No Director shall receive any compensation from the Association for acting as such unless approved by the affirmative vote or written consent of Members holding a majority of the total Association Vote, and receives the affirmative vote or written consent of the Class "B" Member, if such then exists. If at a meeting or if by referendum there fails to be a majority of the Members present or

voting, that number also representing the quorum requirement, the Board may adjourn the meeting or ballot vote and may call for a reconvened, second meeting or ballot vote to be taken within ten (10) days, at which time the vote will pass on the affirmative vote of a majority of those voting and shall require a quorum of 20% of the total Association vote. Anything contained herein to the contrary notwithstanding, any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

(g)Conduct of Meetings.

The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

(h)Open Meetings.

Subject to the provisions of Section 3 of this Article, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

(i)Action Without a Formal Meeting.

Any action to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors and placed in the Association's records, and such consent shall have the same force and effect as a unanimous vote.

Section 3.Powers and Duties.

(a)Powers.

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members of the membership generally.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors. The Board, if it wishes, may appoint the officers of the Association as an executive committee to deal with matters which may arise between meetings, provided that said matters must be dealt with prior to the next scheduled meeting of the Board and that all such matters and the actions taken are fully disclosed at the next meeting of the Board. The creation of, delegation of authority to, or action by the executive committee does not alone constitute compliance by a director with the standards of conduct described in SC Code 33-31-830.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(i)preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(ii)making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; Provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, or as determined by the Board of Directors;

(iii)providing for the operation, care, upkeep, and maintenance of all of the Common Areas;

(iv)designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(v)collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment in depositories other than banks;

(vi)making and amending rules and regulations, including traffic control measures;

(vii)opening of bank accounts on behalf of the Association and designating the signatories required;

(viii)making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(ix)enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(x)obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(xi)paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(xii)keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of

Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

(xiii)making available to any prospective purchaser of a Unit, any Owner of a Unit, any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit, and all other books, records, and financial statements of the Association;

(xiv)permitting utility suppliers to use portions of the Common Areas reasonably necessary to the ongoing development or operation of the Property; and

(xv)any and all actions necessary for the continuation of the operation of the Association and to preserve its resources and services.

(b)Management Agent.

The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a)(i), (a)(ii), (a)(vi), (a)(vii) and (a)(ix) of Section 3(a) of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(c)Accounts and Reports.

The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(i)accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(ii)accounting and controls should conform to generally accepted accounting principles;

(iii)cash accounts of the Association shall not be commingled with any other accounts;

(iv)no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; unless authorized in advance by the Board of Directors;

(v)any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(vi)commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(1)an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(2)a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget format;

(3)a balance sheet as of the last day of the preceding period; and

(4)a delinquency report listing all Owners who are delinquent in paying the assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (a monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors.

(vii)an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members not later than the Annual Meeting: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed, or unaudited basis, as determined by the Board, by an independent certified public accountant for any fiscal year in which the gross income of the Association exceeds Seventy-Five Thousand and No/100 ($75,000.00) Dollars. If said report is not prepared by an independent certified public accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

(d)Borrowing.

The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the membership; provided, however, the Board shall obtain Member approval in the same manner provided in Section 8.4(a) of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding Amenities, and the total amount of the annual payment on the loan, or the total amount borrowed and financing charge if repayment is to be made in a single payment, exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

(e)Rights of the Association.

With respect to the Common Areas, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any Person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within and without the Property. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into agreements with Declarant, the owner of the Golf Club or others, to share costs, or similar arrangement whereby The Association assumes maintenance responsibility for property which it does not own, or grants easements to entities which are not Members, in consideration for payment by the owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

(f)Enforcement.

Failure of an Owner to comply with such restrictions, covenants or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Failure of the Association to enforce any covenant or restriction shall not be deemed a waiver of the right to do so thereafter.

In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, Lessees or employees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(i)Notice. The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors meeting at which time the Owner shall present reasons why penalty(ies) should not be imposed.

(ii)Hearing. The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear the reasons why penalties should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by no later than twenty-one (21) days after the Board of Directors' meeting.

(iii)Penalties. The Board of Directors may impose fines special assessments against the Unit owned by the Owner as follows:

(1)First non-compliance or violation: a fine not in excess of One Hundred and No/100 ($100.00) Dollars.

(2)Second non-compliance or violation: a fine not in excess of Three Hundred and No/100 ($300.00) Dollars.

(3)Third and subsequent non-compliance or violation or violations which are a continuing nature: a fine not in excess of Five Hundred and No/100 ($500.00) Dollars.

(iv)Payment of Penalties. Fines shall be paid no later than thirty (30) days after notice of the imposition or assessment of the penalties.

(v)Collection of Fines. Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in Article 8 of the Declaration.

(vi)Application of Penalties. All monies received from fines shall be allocated as directed by the Board of Directors.

(vii)Non-Exclusive Remedies These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

Article IV

Officers

Section 1.Officers.

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2.Election. Term of Office. and Vacancies.

The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership, as herein set forth in Article II above. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3.Removal.

Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4.Powers and Duties.

The officers of The Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5.Resignation.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.Agreements. Contracts. Deed. Leases. Checks. Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V

Committees

Section 1.General.

Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2.Covenants Committee.

In addition to any other committees which may be established by the Board pursuant to Section 1 above of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and nor more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III, Section 3(f) of these By-Laws.

Section 3.Neighborhood Committees.

In addition to any other committees appointed as provided above, there may be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association, as further allowed under Section 4.3 of the Declaration. Such Neighborhood Committees, if established, shall consist of three (3) members; provided, however, by vote of a majority of the Owners within the Neighborhood this number may be increased to five (5). The members of each Neighborhood Committee, if established, shall be elected by the vote of Owners of Units within that Neighborhood at an annual meeting of such Owners, at which a quorum of the Owners of Units within that Neighborhood holding at least one-third (⅓) of the total votes of Units in the Neighborhood are present or represented by proxy. Each Owner of a Unit within a Neighborhood so voting for committee members shall have one (1) vote. Committee members shall be elected for a term of one (1) year or until their successors are elected. It shall be the responsibility of the Neighborhood Committee, if established, to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors. All action taken by a Neighborhood Committee shall require a majority vote of those attending a meeting where a quorum is present in person or by proxy.

(a)In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III of these By-Laws. Each Neighborhood Committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors.

Article VI

Miscellaneous

Section 1.Fiscal Year.

The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2.Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association Proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3.Conflicts.

If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these by-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4.Books and Records.

(a)Inspection by Members and Mortgagees.

The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Property as the Board shall prescribe.

(b)Rules for Inspection.

The Board shall establish reasonable rules with respect to:

(i)notice to be given to the custodian of records;

(ii)hours and days of the week when such an inspection may be made; and

(iii)payment of the cost of reproducing copies of documents requested.

(c)Inspection by Directors.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5.Notices.

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(i)if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(ii)if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6.Amendment.

Until termination of the Class "B" Control Period, Declarant may unilaterally amend these By-Laws. After such termination, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provisions hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchaser mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibit "A" to the Declaration or in any recorded Supplemental Declaration for development as part of the Property, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. Thereafter or otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven (67%) percent of the total votes in the Association, including sixty-seven (67%) percent of the votes held by Members other than the Declarant, and the consent of the Class "B" Member and the Class "C" Member, so long as such memberships exists. If at a meeting or if by referendum there fails to be sixty-seven percent (67%) of the Members present or voting, that number also representing the quorum requirement, the Board may call for a second vote to be taken within not fewer than ten (10) days not more than sixty (60) days, at which time the vote will pass by an affirmative vote of sixty-seven percent (67%) of those voting, the quorum now being 20% of the total Association vote. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Horry County, South Carolina.

(a)No Amendment in Derogation of Declarant's Rights and Privileges.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.