

DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE OCEAN POINT PROPERTY OWNERS' ASSOCIATION OF ISLE OF PALMS, INC.

THIS DECLARATION, made this 7 day of October, 1988, by THE OCEAN POINT PROPERTY OWNERS' ASSOCIATION OF ISLE OF PALMS, INC., a South Carolina non-profit, non-stock corporation, hereinafter called "Association" and Wild Dunes Associates, a Partnership and Seventeenth Fairway Venture, a Joint Venture, hereafter collectively called "Declarant."

W I T N E S S E T H :

WHEREAS, Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon a planned development community with a balanced representation of residential, commercial, and recreational uses.

WHEREAS, Declarant desires to provide for the preservation of values and for the maintenance of common facilities and services and for a vehicle for the administration and enforcement of covenants and restrictions; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of South Carolina, a non-profit corporation, The Ocean Point Property Owners' Association of Isle of Palms, Inc., for the purposes of exercising the functions aforesaid, and which are hereinafter more fully set forth;

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

Article I Definitions.

The following words are terms which, when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise), shall have the following meanings:

(a) "Association" shall mean and refer to The Ocean Point Property Owners' Association of Isle of Palms, Inc., a South Carolina non-profit corporation, its successors and assigns.

(b) "Bulkhead" shall mean and refer to any retaining walls, bank treatment or other structure used to stabilize or to keep the lands around the lake described in Exhibit "C" hereto and within the area thereof from eroding or falling.

(c) "Common Property" shall mean and refer to those tracts of land with any improvements thereon which are deeded, leased to, or are the subject of a use agreement with the Association and designated in said deed, lease, or use agreement as "Common Property." The term "Common Property" shall also include any personal property acquired by the Association if said property is designated a "Common Property." The Common Property may include landscaped and paved entry into the Property, paved roads, rights-of-way, walkways, sidewalks, bike paths, and boardwalks and paths to the beach fronting the Atlantic Ocean; easements, utility installations, irrigation and drainage facilities, and the Bulkhead within the Property; and nonexclusive use of one or more swimming pools, decks and boardwalks designated therefor in any use agreement between the Declarant and the Association and specifically designating such as Common Property. All Common Property are to be devoted to and intended for the common use and enjoyment of the Declarant, Owners, and their respective guests and invitees (to the extent permitted by the Board of Directors of the Association, or required by the terms of any deed, lease, or use agreement) subject to the fee schedules and operating rules adopted therefor; provided, however, that any lands which are leased by, or are subject to a use agreement with, the Association for use as Common Property shall lose their character as Common Property upon the expiration of such lease or use agreement.

(d) "Declarant" shall mean Wild Dunes Associates and Seventeenth Fairway Venture, collectively, and their successors and assigns. For the purpose of evidencing that Declarant's rights hereunder have been assigned and obligations assumed by any party, Declarant may record an assignment or deed in the R.M.C. Office for Charleston County, South Carolina, and upon such recording, Declarant's rights and obligations hereunder shall cease, terminate and be transferred to the extent provided in such document.

(e) "Declaration" shall mean and refer to this Declaration of Covenants and Restrictions of The Ocean Point Association of Isle of Palms, Inc., and all amendments thereof filed in the R.M.C. Office for Charleston County, South Carolina.

(g) "Dwelling Unit" shall mean and refer to any improved property Intended for Use as a single-family detached dwelling or as a townhouse, condominium unit, duplex unit, or patio or cluster home, whether detached or attached, located within the Property.

(h) "Intended for Use" shall mean the use intended for various parcels within the Property as shown on the Master Plan of the Property prepared by the Declarant as the same may be revised from time to time by the Declarant, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Declarant has conveyed the property.

(i) "Lot" shall mean and refer to any unimproved portion of the Property upon which a Dwelling Unit shall be constructed, as such Lot

is shown on the Master Plan. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling Unit(s), until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon such completion, such parcel and the improvements thereon shall collectively be considered a Dwelling Unit for purposes of this Declaration.

(j) "Master Plan" shall mean and refer to the drawing which represents the Conceptual Master Plan for the future development of the Property. Since the concept of the future development of the Property is subject to continuing revision and change by the Declarant, present and future references to the "Master Plan" shall be references to the latest revision thereof.

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

(l) "Of Record" shall mean recorded in the Register of Mesne Conveyance of Charleston County, South Carolina.

(m) "Owner" shall mean and refer to the Owner, as shown by the real estate record Of Record whether it be one or more persons, firms, associations, corporation, or other legal entities, of fee simple title to any Lot or Dwelling Unit. Notwithstanding any applicable theory of a deed of trust, "Owner" shall not mean or refer to the mortgagee or holder or a deed of trust, its successors and assigns, unless and until such mortgagee or holder of a deed of trust has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is Of Record a long-term contract of sale covering any lot or parcel of land within the Property, the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given use of said property.

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

(o) "Referendum" shall mean and refer to the power of all or some specific portion of the Members to vote by mailed ballots on certain actions by the Board of Directors of the Association more particularly set forth herein.

(p) "Use Facilities" shall mean and refer to those tracts of land with any improvements thereon which are leased by, or are the subject of a use agreement between, the Association and the owners of the

Dwelling Units constructed, or to be constructed, on those certain lots, parcels or tracts of land known and designated as Tract E, Block M-2, Parcels 1 and 2 and located across Back Bay Drive from the entrance to Ocean Point, said Use Facilities being for the nonexclusive use by the Owners of said Dwelling Units, and being further described and designated in said lease, or use agreement as "Use Facilities." The term "Use Facilities" shall also include any personal property leased to said Dwelling Unit Owners by the Association if said property is designated a "Use Facilities." The Use facilities may include landscaped and paved entry into the Property, paved roads, rights-of-way, walkways, sidewalks, bike paths; easements within the Property; and nonexclusive use of the Association's swimming pool, decks and boardwalks designated therefor in any use agreement between the said Dwelling Unit Owners and the Association and specifically designating such as Use facilities. All Use Facilities shall be for the nonexclusive use and enjoyment of the Owners of said Dwelling Units located upon Tract E, Block M-2, Parcels 1 and 2, but not their tenants, guests or invitees, and subject to the fee schedules and operating rules adopted therefor; provided, however, that any lands which are leased by, or are subject to a use agreement between, the Association and the Owners of Dwelling Units upon Tract E, Block M-2, Parcels 1 and 2, for use as Use Facilities shall lose their character as Use Facilities upon the expiration of such lease or use agreement.

Article II The Property.

Section 1. Existing Property.

The real property (the "Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased, and occupied subject to these covenants is described in Exhibit "A" attached hereto and incorporated herein by reference.

Section 2. Additional Property.

Additional property may become subject to, but not limited to, this Declaration in the following manner:

(a) Additions. During the period of development, which shall by definition extend from the date of the recording of these Covenants to January 1, 2008, the Declarant, its successors and assigns, shall have the right, without further consent of 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 smaller parcels at different times. The additions authorized under this and the succeeding subsection, shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of the Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and/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 added properties and as are not inconsistent with the Plan of this Declaration, but such modifications shall have no effect on the property described in Section 1, Article II above.

Anything contained herein to the contrary notwithstanding, the Declarant, its successors and assigns, may, but shall not be required, at any time convey to the Association ownership of any Common Property, such as, but not limited to, roads, bulkheads, pools, decks, and boardwalks, as in its sole discretion it shall determine.

(b) Other Additions. Upon approval in writing of the Association pursuant to simple majority of the vote of those Members present at a duly called meeting, the owner of any property who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of the Declaration of such additional property.

(c) Mergers. Upon merger or consolidation of the Association with another association, as provided for in the Bylaws of the Association, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the existing property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall effect any revocation, change, or addition to the covenants established by this Declaration within the Existing Property, including, without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association.

(d) Additional lands which become subject to this Declaration under the provisions of this Section 2 may in the future be referred to as a part of the Property.

(e) All said parcels of land referred to herein may be conveyed to the Association subject to:

(1) All restrictive covenants of record at the time of conveyance; and

(2) All existing mortgages; and

(3) A reservation by the Declarant, or the maker thereof conveying said property, as the case may be, of the right to substitute or add new mortgages thereon, provided, however, that in no event shall the Association be obligated to assume the payment of principal or interest on any such mortgages; and

(4) The right of access of the Declarant, its successors and assigns, over and across such property.

(5) The right of the Declarant, its successors and assigns to approve all structures, construction, repairs, changes in elevation and topography and the location of any object (including vegetation) within the Common Property prior to the commencement of such construction or location.

(6) All utilities and drainage easements.

The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting property conveyed to the Association shall continue to be the sole obligation of the Declarant, or the maker thereof conveying said property, as the case may be. Notwithstanding anything in the foregoing to the contrary, the Declarant shall not be required to convey the within referred parcels of land where such conveyance would be prohibited under agreements existing on the date hereof, but, in such case, shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.

Article III Membership Classifications and Voting Rights.

Prior to the recording of any conveyances or lease of any lands or improvements within the Property, the Declarant shall cause to be incorporated, under the laws of South Carolina, a non-profit corporation called The Ocean Point Property Owners' Association of Isle of Palms, Inc.

Section 1. Membership.

Every Owner and the Declarant shall be a Member of the Association.

Section 2. Voting Rights.

The Association shall have two types of voting memberships which are as follows:

TYPE A: Type A Members shall be Owners (including the Declarant) of Lots and Dwelling Units. A Type A Member shall be entitled to one (1) vote for each Lot or Dwelling Unit owned.

TYPE B: The Type B Member shall be the Declarant or its successors and assigns. The Type B Member shall be entitled to one (1) vote for each vote held by Type A Members, plus one (1) vote; provided,

however, that after January 1, 2008, or following the sale by Declarant of property representing ninety (90%) percent of the Lots or Dwelling Units Intended for Use on all of the Property, which ever occurs first, or sooner if the Type B Member relinquishes its voting rights in a recorded Declaration, the Type B Member shall exercise votes only as to its Type A Memberships.

Payment of Special Assessments, or Emergency Special Assessments shall not entitle Type A Members to additional votes.

When any property of a Type A Member of the Association is owned Of Record in the name of two or more persons or entities, whether fiduciaries, or in any manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effect:

(1) If only one votes, in person or by proxy, his act shall bind all;

(2) If more than one vote, in person or by proxy, the act of the majority so voting shall bind all;

(3) If more than one vote, in person or by proxy, but the vote is evenly split on any particular matter, the holders of the fractions shall determine among themselves as to how the vote or votes will be cast. No fractional voting will be allowed;

(4) If the instrument or order filed with the secretary of the Association shows that any such tenancy is held in unequal interest, a majority or even split under subparagraph 2 and 3 immediately above shall be a majority or even split in interest in the property to which the vote(s) is attributable;

(5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

Section 3. Governance.

The Association shall be governed by a Board of Directors consisting of Three (3), Five (5), Seven (7), Nine (9), or Eleven (11) members. Initially, the Board shall consist of Three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors as provided for in the Bylaws of the Association. A copy of the Bylaws are attached as Exhibit B.

Section 4. Election of the Board of Directors.

Each Member of Types A and B membership classes shall be entitled to as many votes as equals the number of votes he is entitled to, based on

his ownership of one or more of the various classifications of property or property interests as computed by the formula set out hereinabove in Section 2 hereof. All votes must be cast in whole numbers and not fractions thereof. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

Section 5. Members of the Association Have Power of Referendum in Certain Instances.

Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, the purchase of real or personal property with a cost in excess of Twenty-five Thousand and No/100 (\$25,000.00) Dollars, the increase of maximum assessments by the Association by greater than the increase provided for in Article V, Sections 3 and 4, the levy by the Association of any Special Assessment and the addition or deletion of substantial functions or services which the Association is authorized to perform. In the event fifty-one (51%) percent, or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association.

The Quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

At any meeting, the presence of Members representing one-third (1/3) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business; provided, however, if the required quorum is not present, another meeting may be called, not earlier 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. 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 Article III, Section 6, and any other requirements for such duly called meeting which may be established by the Bylaws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Article IX, Section 2 shall govern in that instance. For the purpose of this Section, written notice of any regular or special meeting shall be given when given each Member not less than ten (10) days nor more than forty-five (45) days prior to the date of such meeting.

Section 7. Proxies.

All Members of the Association may vote and transact business at any meeting of the Association by Proxy authorized in writing, provided, however, that Proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed or delivered to the Association.

Section 8. Ballots by Mail.

When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6 in this Article III. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

Article IV Covenants, Restrictions, Rights, Rules, Regulations and Easements Applicable to the Property.

Section 1. Rules and Regulations of the Association.

The Declarant, so long as it has fifty-one (51%) percent control as a Type B Member, and thereafter the Board of Directors, shall have the right and authority on behalf of the Association to promulgate, from time to time, such reasonable rules and regulations, and hearing and appeal procedures as it may deem appropriate to govern the use of recreational facilities comprising Common Property or Use Facilities in the Ocean Point area. The Declarant may prescribe rules required for aesthetic attractiveness, safety and efficient operation of said recreational facilities. Any such rules shall be available for inspection at the offices of the Declarant and shall be mailed to the last known address of all Owners and the owners of Dwelling Units within Tract E, Block M-2, Parcels 1 and 2. Fifteen (15) days after such notice has been provided, such rules shall have the same force and effect as the provisions of these covenants and shall be enforceable by the Declarant in the same manner as provided herein.

Section 2. Prohibition Against Interval Ownership.

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, its successors and assigns.

Section 3. Use of Common Property, Easements for Access to and Use of Bridges, Paths, Streets and Walkways.

Subject to all rules and regulations promulgated by the Association and to the easements and assessments set forth herein, Members of the Association, their lessees and guests, shall have a nonexclusive easement and right to use the Common Property and the areas designated as bridges, paths, streets, and walkways to travel to and from their property to Common Property which are so designated by the Declarant for use by Members of the Association. Subject to all rules and regulations promulgated by the Association and to the easements and charges set forth in a use agreement therefor, Dwelling Unit Owners only on Tract E, Block M-2, Parcels 1 and 2 shall have a nonexclusive easement and right to use the Use Facilities and the areas designated as bridges, paths, streets, and walkways to travel to and from their property to the Use Facilities which are so designated in the agreement therefor.

Section 4. Suspension of Rights and Easements.

The Association shall have the right to suspend the rights and easements of enjoyment of any Member, his lessees and guests, if rules and regulations of the Association are violated or if any assessment against property owned by such Member remains delinquent, it being understood that any suspension for either nonpayment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharged of the Member's obligation to pay the assessment, and provided that the Association shall not suspend the right to use any roads belonging to the Association, or which are leased Common Property, subject to the rules, regulations and fees, if any, established for such use.

Section 5. Easements for Maintenance and Repairs of Bulkheads.

The Association shall have and is hereby granted by the Declarant a permanent, transmissible nonexclusive easement over, upon and underneath those portions of Lots 3 through 27, inclusive, of the Property that lie within the fifteen (15') foot access easement, the location of said easement being shown on a plat by Engineering, Surveying and Planning dated April 12, 1988, revised June 14, 1988, and recorded Of Record in Plat Book BS at Page 132. The purpose of said easement is to allow the Association, from time to time, to maintain, repair and replace the Bulkhead and the pilings, cables, anchors, beams, bolts and other devices use to support the Bulkhead.

No permanent structures, buildings sheds, pools, utility lines or other improvements shall be placed upon or maintained within the easement area without the prior written consent of the Association.

Any work done or repairs made by the Association within the easement area shall be done in a workmanlike manner, and in a timely fashion. After the completion of work within the easement area, the Association

shall restore the area as nearly as possible to the condition as it was prior to the commencement of work.

Article V Assessments and Other Charges.

Section 1. Creations of the Lien and Personal Obligations of Assessments.

The Declarant covenants, and each Owner of any Lot or Dwelling Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and pay to the Association: (1) Annual Assessments or charges; (2) Special Assessments or charges for the purposes set forth in this Article; and (3) Emergency Special Assessments or charges for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual Assessments, Special Assessments, and Emergency Special Assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment or charge, together with such interest thereon and cost of collection thereon as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of any Lot or Dwelling Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments.

The Annual Assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement and repair of the Common Property, and to provide services which the Association is authorized to provide (hereinafter, "Common Expenses"). In carrying out these duties, the Association may expend funds derived from assessments to make payments of principal and interest as consideration for the conveyance by the Declarant to the Association of Common Property, or to make payments for the use of Common Property leased, or which are subject to a use agreement, between the Declarant and the Association, including, but not limited to, the nonexclusive use of the swimming pool, decks and boardwalks. In addition, with respect to each Owner of a Dwelling Unit within Tract E, Block M-2, Parcels 1 and 2, there shall be charged and collected each year the amount due under the use agreement therefor to reimburse the Association for any Use Facilities.

Section 3. Establishment of Annual Assessment.

It shall be the duty of the Board of Directors at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary

for the capital needs of the Association. The Board shall cause the budget and the proposed total of the Annual Assessments to be levied against Lots and Dwelling Units for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The total Annual Assessments shall be divided among the Lots and Dwelling Units as follows:

(a) Each Lot shall be subject to the same Annual Assessments as a Dwelling Unit.

Upon the addition of any additional property pursuant to Section 2 of Article II, such additional property shall be assessed or charged as hereinabove provided and on an equal basis with existing Lots and Dwelling Units, as the case may be. In such event, the Association's budget shall be accordingly revised by the Board of Directors, without the necessity of approval by the Owners, to include any Common Expenses related to such additional property.

The annual budget and Annual Assessments, as determined by the Board of Directors, as hereinabove provided, shall become effective unless disapproved by fifty-one (51%) percent of the votes cast, in person or by proxy, at a duly called meeting. Notwithstanding the foregoing, in the event the proposed budget and Annual Assessments is not approved or the Board of Directors fails for any reason to determine the budget for the succeeding year and to set the assessments, then and until such time as a budget and Annual Assessment shall have been determined as provided herein, the budget and annual assessments for the succeeding year shall be the Maximum Budget and Maximum Annual Assessments calculated in accordance with Section 4 of this Article V.

If the Board of Directors of the Association, by majority vote, determines that the important and essential functions of the Association will not be properly funded in any year by the Annual Assessment herein provided, it may call a Referendum requesting approval of a specified increase in such assessment. Should two-thirds (2/3) of the votes cast in such Referendum be in favor of such increase, the proposed increased assessment shall be levied. An increase in Annual Assessments in any year pursuant to a Referendum taken shall in no way affect Annual Assessments for subsequent years.

The initial Annual Assessment for all Owners for the calendar year in which this Declaration is filed Of Record shall be One Thousand Two Hundred Seventy-two and No/100 (\$1,272.00) Dollars or One Hundred Six and No/100 (\$106.00) Dollars per month, which sum shall cover the projected cost to the Association of the roads constructed within Ocean Point and the Security Gate at the entrance to Ocean Point from Back Bay Drive and constituting Common Property over and across which each Owner has nonexclusive access in accordance herewith; provided, however, the Board of Directors may charge a lesser amount until such time as said improvements constituting Common Property have been substantially completed. Upon completion of the pool and related facilities, the then existing Annual Assessment for Owners of each Lot and Dwelling Unit

shall be increased by not less than Six Hundred Sixty and No/100 (\$660.00) Dollars or Fifty-five and No/100 (\$55.00) Dollars per month. For purposes of notice to each Owner, and as an example of the Annual Assessment which may be levied in accordance with the foregoing, if all of said Common Property were fully constructed at the date hereof, the Annual Assessment for Owners of each Lot and Dwelling Unit, on a present value basis, would be One Thousand Nine Hundred Thirty-two and No/100 (\$1,932.00) Dollars. For purposes of calculating the Maximum Annual Assessment in accordance with subparagraph (b) of Section 4 below, the "Annual Assessment for the year in which this Declaration is filed of Record" shall be deemed to be the sum of One Thousand Nine Hundred Thirty-two and No/100 (\$1,932.00) Dollars.

The Annual Assessments may, in the sole discretion of the Board of Directors, be billed monthly, quarterly, semiannually or annually, and bills therefor shall be due and payable thirty (30) days from the date of mailing of same.

The Owner(s) of any property which changes from one category to another, for instance from a Lot to one or more Dwelling Units thereon, during an assessment year shall be billed for the remaining portion of such year to reflect the category change.

All assessments charged by the Association shall be rounded off to the nearest dollar.

Section 4. Determination of Maximum Budget and Maximum Annual Assessment.

The Maximum Budget and Maximum Annual Assessments shall be the greater of:

(a) The budget and Annual Assessments for the then current year, increased in proportion to the percentage increase, if any, for the then current year, in the "CPI," as hereinafter defined, from December of the preceding year to November of the then current year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent, whichever is greater; or

(b) The budget and Annual Assessments for the year in which this Declaration is filed Of Record increased, to the year in which the said maximum budget and Annual Assessment is being determined in proportion to the percentage increase, if any, in the "CPI," as hereinafter defined, from December of the year preceding the year in which this Declaration is filed Of Record to November of the year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent per annum, compounded, whichever is greater.

The "CPI" shall mean the Consumer Price Index, All Items and Major Group Figures for All Urban Consumers (hereinafter "CPI-U") issued by the U.S. Bureau of Labor Statistics in its monthly report, or, if such index is discontinued or revised, by reference to such other government

index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if such index had not been discontinued or revised.

Section 5. Special Assessments for Improvements and Additions.

In addition to the regular, Annual Assessments authorized by Section 3 hereof, the Association may levy Special Assessments, for the following purposes:

(a) Construction or reconstruction, repair or replacement of capital improvements upon the Common Property, including the necessary fixtures and personal property related thereto;

(b) To provide for the necessary facilities and equipment to offer the services authorized herein;

(c) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

Such Special Assessment before being charged must have received the assent of two-thirds (2/3) of the votes cast by Members responding to a mail Referendum within thirty (30) days of mailing. The mail Referendum shall include one statement from the Directors favoring the Special Assessment and one statement from those Directors opposing the Special Assessment containing the reasons for those Directors' support and opposition for the assessment. Neither statement shall exceed five pages in length.

This provision shall be interpreted to mean that the Association may make in any one year an Annual Assessment as set forth in Section 3 of this Article plus an additional Special Assessment. Such Special Assessment in any one year may not exceed a sum equal to the amount of the Maximum Annual Assessment, as calculated in accordance with Section 4 of this Article, for such year. The fact that the Association has made an Annual Assessment for an amount up to the permitted Maximum Annual Assessment shall not affect its right to make a Special Assessment during the year.

The proportion of each Special Assessment to be paid by the Owners of the various classifications of assessable property shall be equal to the proportion of the regular Annual Assessments made for the assessment year during which such Special Assessments are approved by the Members.

Section 6. Emergency Special Assessments.

In addition to the Annual Assessments authorized by Section 3 hereof and the Special Assessment authorized by Section 5 hereof, the Association may levy special assessments for repairs, reconstruction, alterations or improvements due to emergencies of any type, as determined by the Declarant and/or the Board of Directors, in their sole

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discretion ("Emergency Special Assessment"). Any Emergency Special Assessment may be imposed without a vote of the Members.

Section 7. Reserve Funds.

The Association may establish reserve funds from its regular Annual Assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs to Common Property, (b) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (c) recurring periodic maintenance, and (d) initial costs of any new service to be performed by the Association.

Section 8. Change in Maximum Amounts of Annual Assessments Upon Merger or Consolidation.

The limitations of Section 3 hereof shall apply to any merger or consolidation in which the Association is authorized to participate under Article II, Section 2, hereof, and under the Bylaws of the Association.

Section 9. Assessments; Declarant's Properties

Anything contained herein to the contrary notwithstanding, Declarant shall be exempt from the payment of any Annual Assessments, Special Assessments and Emergency Special Assessments with respect to unoccupied Lots and Dwelling Units owned by the Declarant. The Declarant hereby covenants and agrees, however, that it shall pay to the Association, at the end of the annual accounting period, a sum of money equal to their prorata share of any operating deficit experienced by the Association, exclusive of any reserves for the replacement of improvements. The prorata share of any such operating deficit payable by the Declarant shall be determined by reference to their respective proportions of the maximum assessable amount attributable to the then remaining Lots and Dwelling Units owned by them, and apportioned for the period of time during said fiscal period said exempted property is owned. Anything contained herein to the contrary notwithstanding, the Declarant shall not pay more than a sum equal to the amount of the assessment for said year, or portion thereof owned, which the Declarant would have paid if the exempted property were not exempt.

Section 10. Duties of the Board of Directors.

The Board of Directors of the Association shall fix the amount of the assessment against each Lot and Dwelling Unit, and the amount of any operating deficit payable by the Declarant, and shall at that time, direct the preparation of an index of the properties and assessments or proportionate share of any operating deficit applicable thereto which shall be open to inspection by any Member. Written notice of the amount payable shall thereupon be sent to every Member subject thereto.

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

Section 11. Effect of Nonpayment of Assessment: The Personal Obligation of the Owner, the Lien; Remedies of Association.

If the assessment is not paid on or before the due date specified in Section 3 hereof, then such assessment shall become delinquent and shall, together with interest thereon at the greater of (a) fourteen (14%) percent per annum or (b) three (3%) percent above the rate of interest announced, from time to time, as its "prime rate" by Chase Manhattan Bank in effect at its main office in New York City, New York, from the due date and cost of collection thereof as hereinafter provided, become a charge and continuing enforceable lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representative, tenants, and assigns.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee together with the costs of the action. Further, the Association may deny the Owner access to or use of Common Property until the past due assessments are brought current.

Section 12. Subordination of the Lien to Mortgage.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or any other proceeding or deed in lieu of foreclosure.

Section 13. Exempt Property.

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

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

(b) All Common Property as defined in Article I, Section 1, hereof.

(c) Property which is used for any of the following purposes:

- (1) In the maintenance and service of facilities within the Common Property;
- (2) Places of worship;
- (3) Schools;
- (4) Non-profit, governmental, and charitable institutions;
- (5) Water and Sewer facilities.

Section 14. Annual Statements.

The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be necessary to set out in the statement the name of any creditor of the Association, provided, however, that this requirement shall be construed to apply only to creditors of more than \$1,000.00. Such officer shall furnish to each Member of the Association who may make request therefore in writing, a copy of such statement, within thirty (30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail.

Section 15. Association's Working Capital.

After this Declaration is filed Of Record, each Owner of a Lot and Dwelling Unit shall pay to the Association a sum equal to two (2) months of the regular Annual Assessment for working capital, which cost, when paid, can be recovered from the grantee of an Owner upon conveyance of the Lot or Dwelling Unit. Such sums are separate and distinct from regular Annual Assessments and shall not be considered advance payments of such assessments. Each Owner's share of the working capital fund must be collected from such Owner upon his purchase of a Lot or Dwelling Unit, and must be transferred to the Association at the time of closing such purchase. Anything contained herein to the contrary notwithstanding, Declarant shall be exempt from the payment of any working capital with respect to unoccupied Lots and Dwelling Units owned by Declarant.

Article VI Architectural Control

Section 1. Control Retained by Declarant.

No temporary or permanent structure may be commenced or erected upon the Property nor may any application for building permit for any home,

building, structure be made nor any significant landscaping be done, nor any addition to any existing home, building, structure, or alteration or change to the exterior thereof, be made until the proposed building plans, specifications, materials and exterior finish, plot plans, landscape plan and construction schedule have been submitted to and approved by the Declarant. Declarant shall have the absolute right in its sole discretion to approve or disapprove any and all such applications.

Section 2. Siting.

To assure that homes, buildings, and other structures will be properly located and the largest practical number of compatible buildings or structures built within the Property and that structures will be located with regard to the topography of each property taking into consideration the location of large trees, structures previously built or approved pursuant to this Article for adjacent parcels of land and other aesthetic and environmental considerations, where the deed of conveyance on individual development or survey plat does not specify building set-back lines from front, rear and side lines, the Declarant shall have the absolute right to control and to decide (subject to the provisions of the PRD for Wild Dunes) the precise site and location of any building or structures within the Property. The location shall be determined only after reasonable opportunity is afforded the property Owner to recommend a specific site.

Section 3. Tree and Bush Removal.

No trees of any kind above six (6) inches in diameter at a point four (4) feet above the ground level may be removed by any Property Owners, their successors and assigns without the written approval of the Declarant. A tree location plan showing all such trees and location map of adjacent and nearby structures may be required as part of the submission under Section 1, 2 and this Section.

Section 4. Completion of Construction.

The exterior of all homes, buildings, and other structures must be completed within one (1) year after the construction of a particular home, building, or structure shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed, a Certificate of Occupancy has been issued, and the Architectural Review Board has certified that the structure is in compliance with the plans submitted. Substantially all of the landscaping shown in plans submitted to Declarant must be completed within one hundred twenty (120) days of the initial occupancy. As a condition of approval of proposed plans for all structures, a bond may be required by the Association which guarantees payment of the landscape contractor's estimated cost

of installation to implement the plan as submitted and approved by the Declarant.

Section 5. Right to Assign Architectural Control Function to the Association.

The Declarant reserves the right to assign to the Association or to the Wild Dunes Community Association, at its sole discretion, its rights reserved in these covenants to approve (or disapprove) improvements proposed in the Property and nearby areas, including but not limited to the right to approve (or disapprove) plans, specifications, color, finish, plot plan and construction schedules.

Article VII Functions of the Association.

Section 1. Ownership and Maintenance of Common Property.

The Association shall be authorized, but not required, to own, purchase, lease, use under any use agreement, and maintain (subject to the requirements of any Federal, State or Local Governing body of South Carolina) Common Property, equipment, furnishings, and improvements devoted to the following uses:

(a) For sidewalks, walking paths or trails, bicycle paths, and bridle paths throughout the Property;

(b) For transportation facilities throughout the Property other than privately owned automobiles, e.g. buses, electric vehicles, etc.

(c) For security services including security stations, maintenance building and/or guardhouses;

(d) For providing any of the services which the Association is authorized to offer under Section 2 of this Article;

(e) For purposes set out in deeds or long-term leases or use agreements by which Common Property is conveyed or by which Common Property are leased or by which use rights are granted to the Association;

(f) For lakes, play fields, beach, wildlife areas, fishing facilities; and

(g) For water and sewage facilities and any other utilities, if not adequately provided by a private utility, the City of Isle of Palms or some other public body.

(h) For beach renourishment and installation and/or maintenance of any shore protection device, including, but not limited to, shore revetments and groins.

(i) For maintenance, repair and replacement of the Bulkhead.

Section 2. Services.

The Association shall be authorized (unless prohibited by the requirements of any Federal, State or Local governing body), but not required, to provide the following services:

(a) Cleanup and maintenance of all roads, roadways, roadway medians, parkways, lakes, beaches, marshes and Common Property within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;

(b) Landscaping of sidewalks and walking paths and any Common Property;

(c) Transportation facilities other than privately owned automobiles, e.g. buses, electric vehicles, etc.;

(d) Lighting of sidewalks and walking paths throughout the Property;

(e) Security provisions including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property and assistance to the Isle of Palms Police Department in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

(f) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;

(g) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration and to collect regular Annual Assessments, Special Assessments, Emergency Special Assessment, user fees and other charges of the Association.

(h) To take any and all actions necessary to enforce these and all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property;

(i) To set up and operate an architectural review board in the event that the Association is assigned the Architectural Control function by the Declarant pursuant to Article VI, Section 5 hereof;

(j) To conduct recreation, sport, craft, and cultural programs of interest to Members, their children and guests;

(k) To provide legal and scientific resources for the improvement of air and water quality within the Property;

- (l) To provide safety equipment for storm emergencies;
- (m) To construct improvements on Common Property for use for any of the purposes or as may be required to provide the services as authorized in this Article;
- (n) To provide administrative services including but not limited to legal, accounting and financial; and communications services informing Members of activities, Notice of Meetings, Referendums, etc., incident to the above listed services;
- (o) To provide liability and hazard insurance covering improvements and activities on Common Property;
- (p) To provide water, sewage, and any necessary utility services not provided by a public body, private utility or the Declarant;
- (q) To provide, conduct, or maintain water pollution and shoreline erosion abatement measures along the Bulkhead, including, without limitation, maintenance and repair of shore revetments and groins;
- (r) To provide any or all of the above listed services to another association or owners of real property under a contract, the terms of which must be approved by the Board of Directors;
- (s) To provide for hearings and appeal process for violations of rules and regulations.

Section 3. Reduction in Services.

During the calendar years of 1988 and 1989, the Board of Directors of the Association shall define and list a minimum level of services which shall be furnished by the Association. So long as the Declarant is engaged in the development of properties which are subject to the terms of this Declaration, the Association shall not reduce the level of services it furnishes below such minimum level. Such minimum level of service shall expressly include an obligation of the Association to maintain the Common Property and the Use Facilities, and to collect the charges set forth in any lease or use agreement for said Use Facilities.

Section 4. Obligation of the Association.

The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except as specified in Section 3 of this Article. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. Special Assessments shall be submitted for referendum as herein provided. Subject to the provisions of Section 3 immediately above, the functions

and services which the Association is authorized to carry out or to provide may be added or reduced at any time upon the affirmative vote of two-thirds (2/3) or more of those voting in a Referendum within Type A and B Members conducted by the Board of Directors under the same procedures as for a Special Assessment.

Section 5. Mortgage and Pledge.

The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Declarant may make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the regular Annual Assessment at any time there are outstanding any amounts due the Declarant as repayment of any loans made by the Declarant to the Association.

Article VIII. Reservation of Rights by The Declarant, Its Successors and Assigns.

Section 1. Reservation of Title and Property Interests.

Except as expressly conveyed by recorded deed, easement or similar instrument of conveyance the Declarant reserves all rights, title and interest, including all riparian rights, to the shoreline and waters of the Atlantic Ocean.

Section 2. Reservation of Right to Convey Property and Rights to the Association.

The Declarant retains, without obligation to do so, the right from time to time to convey to the Association any or all of the Declarant's properties, interests and rights, including riparian rights, rights to the shorelines and waters of the Atlantic Ocean, and structures in, adjacent to or appurtenant to said properties, and upon such conveyance, the Association shall accept such properties and rights and may classify same as Common Property; provided, however, that the Association may not thereafter convey said properties conveyed by the Declarant to any person or entity without approval by the Declarant.

Section 3. Modification and Revision of the Master Plans.

The Declarant reserves the right to modify the Master Plan with respect to any parcel, lot or area within the Property which has not by Recorded declaration been dedicated to the Association as Common Property or already been conveyed to an Owner. No implied equitable or legal covenants, servitudes or easements shall arise with respect to lands retained by the Declarant by virtue of any Master Plan.

Section 4. Certain Utility, Communications, Transportation and Public Convenience Easements.

Unless expressly waived by Declarant, the Declarant reserves exclusively unto itself, its successors and assigns, a perpetual, alienable and releasable utility easement and right in, on, over and under the Property to erect, maintain, operate and use poles, wires, cables, switches, computers, receptacles, satellite transmission earth stations, conduits, directional and informational signs, drainage ways, sewers, irrigation lines, wells, antennas, receivers, garbage collection facilities, pumping stations, tanks, water mains and other suitable equipment including microwave and satellite stations for the conveyance, transmission or use of video, voice, facsimile and data communications, electricity, gas, sewer, water, drainage or other public conveniences, utilities and communications facilities on, in or adjacent to those portions of such property as may be reasonably required for utility line purposes; provided, however, that:

(a) no utility easement shall run across any portion of the Property which is covered by an existing building or across any area for which written approvals to construct a building thereon have been obtained within the past year from the Declarant, or successor Association with architectural review authority;

(b) such easements or installation of utilities therein or thereon shall be maintained in as attractive a state as is reasonably feasible;

(c) the Declarant, without obligations, reserves the right to transfer any such utilities and easements, in whole or in part, which it owns to the Association, at which time the Association shall be responsible for and shall have the obligations to operate and maintain such utility easements;

(d) the Declarant, without obligation, reserves the right to transfer such utilities and utility easements and easements of access to such utility and utility easements, in whole or in part, to another entity, whether public or private, which shall undertake to provide such utility service.

No utility, communications, public convenience or transportation facility described in this Section may be installed or operated unless such facility is approved by Declarant. The Declarant or service providers approved by it may charge reasonable fees for the provision of such utility, communications, public convenience or transportation facilities or services.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any

Owner or Common Property caused by such utility installation shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by the Declarant or prompt and reasonable remuneration for such repair shall be made to such Owner by the Declarant. The Declarant further reserves to itself, its successors and assigns, the right to locate wells, pumping stations, siltation basins and tanks within the Property in any Common Property or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Owner.

Section 5. Authority and Enforcement.

The Association, any Owner of a Lot or Dwelling Unit, or the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel compliance to the terms of this Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse the Association or Declarant in full for all its direct and indirect costs or damages resulting from the violation or breach, including but not limited to legal fees and expenses incurred by the Declarant and/or the Association in maintaining compliance with this Declaration, and such obligation shall also constitute a lien upon the property of any Unit owner in accordance with Article V, Section 1.

The Declarant and the Association also retain an easement and license to enter upon any part of the Property, after reasonable notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall constitute a lien upon the Unit owner's property and shall be a personal obligation of the Unit owner in accordance with Article V, Section 1.

All Lots and Dwelling Units shall be used only for those uses and purposes set out in this Declaration. The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use and enjoyment of Units, any easement property, and the Common Property, provided that copies of all such rules and regulations be furnished to all Unit owners. However, any rule or regulation may be repealed by the affirmative vote of a majority of the total Eligible Voting Rights of all Members at an annual or special meeting at which the repeal of any rule or regulation is to be considered by the Members shall state that the repeal of any such rule or regulation shall be considered and voted on at such annual or special meeting.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property, and to suspend a Member's right to vote or to use the Common Property for violation of any duty imposed under the Declaration, the Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or

from a Lot or Building Unit. In the event that any occupant of a Building Unit other than the Building Unit Owner violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against such occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Building Unit Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) or suspend an Owner's right to vote or to use the Common Property, or easement properties unless and until the following procedure is followed:

(a) **Notice.** In the event a rule or restriction contained in the Declaration or Bylaws of the Association or a rule or regulation adopted pursuant thereto is violated, the Board shall serve the violator and Owner with written notice sent by certified mail return receipt requested to the violator and the Owner (at the property's address and at any other address or addresses that the Owner may have designated to the Association in writing), which shall contain: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both; (iv) the name, address, and telephone number of a person to contact to challenge the proposed action; and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the date of the notice. If a challenge is not made, the sanction shall be imposed not less than ten (10) days from the date of the notice.

(b) **Hearing.** If the alleged violator challenges the proposed action within the time period allowed, a hearing before the Board shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. The hearing shall be set and notice of the time, date (which shall not be less than ten (10) days from the giving of notice), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. Prior to the effectiveness of any sanction hereunder, proof of notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Additional Enforcement Rights. Notwithstanding any other provisions in the Declaration or these Bylaws to the contrary, the Association, acting through its Board of Directors, may elect to enforce any

provision of the Declaration, these Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Unit owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Section 6. Use of Trademark.

Each Owner or lessee, by acceptance of a deed to any lands, tenements or hereditaments within the Property hereby acknowledges that Ocean Point and Wild Dunes are service marks and trademarks of the Declarant. Each Owner or lessee agrees to refrain from misappropriating or infringing these service marks or trademarks.

Section 7. Recording of Additional Restrictions on Property Use by the Owner Thereof.

No Owner may impose additional restrictive covenants on any lands within the property beyond those contained in this Declaration without consent of the Declarant. The Declarant may impose additional restrictive covenants on property then owned by the Declarant without the consent of any other Owner or the Association.

Section 8. Right to Approve Horizontal Property Regime.

No Horizontal Property Regime established on the Property shall be effective until all legal documents associated therewith have been approved by Declarant and such approval supplements the Recorded Master Deed for the Horizontal Property Regime. A reasonable charge for cost of legal review may be charged the developer by the Declarant.

Section 9. Right to Amend Covenants.

The Declarant specifically reserves to itself the right to amend this Declaration on its own motion from the date hereof until January 1, 2008, for the purposes of making technical changes to eliminate or clarify conflicting provisions, or adding or deleting any provisions as provided by the mechanism found in Article IX, Section 2, below.

In addition, until January 1, 2008, Declarant reserves the limited right to make changes in this Declaration, requested by lending agencies or title insurance companies in order that clearer title can be conveyed to Owners and to remove any restraints on alienation adversely affecting the issuance of, or cost of, title insurance. Moreover, Declarant further reserves for said period the right to amend this Declaration as necessary in order to comply with the requirements and guidelines of such agencies as the Federal National Mortgage Association and similar Federal or quasi-federal agencies involved in mortgage financing programs.

Section 10. Right of Entry by Golf Driving Range Operator. Each Lot adjacent to the golf driving range or adjacent to the strip of land lying between the bulkhead of the driving range lagoon and said lot, as further described as Tract G, Block Z, Parcel 2 on a Plat thereof prepared by Engineering, Surveying & Planning and entitled Acreage Plat Showing Subdivision of Tract G, Block Z, Parcel 1, and Tract G, Block Z, Parcel 2, Wild Dunes - City of Isle of Palms, Charleston County, South Carolina, dated September 7, 1988 and Recorded of Record in Book ___ at Page ___, shall be subject to the right and easement on the part of the driving range operator and its employees to enter upon such lot to remove a golf ball. Notwithstanding the foregoing, said golf driving range operator or its employees shall not be entitled to enter upon any such lot with a golf cart or other vehicle, nor to spend an unreasonable amount of time thereon, or in any way commit a nuisance while on such lot.

Section 11. Other Rights and Reservations.

THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE SHALL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY THE DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

Section 12. No Affirmative Obligation Unless Stated.

ANY RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM THESE COVENANTS SHALL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DECLARANT UNLESS EXPRESSLY STATED IN THIS DECLARATION.

Article IX General Provisions.

Section 1. Duration.

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any land subject to their Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited and this Declaration shall be automatically renewed and extended upon the expiration of each ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, setting forth the fact that such

a proposal will be considered, shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Members of the Association vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be placed Of Record and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments.

The Declarant specifically reserves the right to amend this Declaration, or any portion thereof, on its own motion, from the date hereof until January 1, 2008, so long as the voting power of existing Members is not diluted thereby, nor the amounts of assessments of such existing Members raised or changed in any manner which would adversely affect such Members. Thereafter, the procedure for amendment shall be as follows:

All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt the amendment, and the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. Such Addendum shall be placed Of Record.

So long as the Declarant, as the Type B Member, is entitled to elect a majority of the members of the Board of Directors of the Association, no amendment of this Declaration shall be made without the consent of the Declarant.

The quorum required for any action authorized to be taken by the Association under this Section 2 shall be as follows:

The first time any meeting of the Members of the Association is called to take action under this Section 2 in the presence at the meeting of the Members or proxies entitled to cast sixty (60%) percent to the total vote of the membership shall constitute a quorum if the required quorum is not represented at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast fifty (50%) percent of the total vote of the Association.

Section 3. Enforcement.

Enforcement of this Declaration of Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Member or the Declarant to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 4. Interpretation.

The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration of Covenants and Restrictions and to construe and interpret its provisions, and its determination, construction or interpretation, shall be final and binding. In all cases, the provisions of this Declaration of Covenants and Restrictions shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 5. Severability.

Should any covenant or restriction herein contained, or any Article, Sections, Subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Limited Liability.

In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Declarant contemplated under this Declaration, the Declarant shall not be liable to an Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such

other person and arising out of or in any way reacting to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld.

Section 7. No Waiver.

Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 8. Gender, Tense and Number.

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

Section 9. Authorized Action.

All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the Bylaws of the Association, unless the terms of this instrument provide otherwise.

Section 10. Notices.

Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the address appearing on the Association's membership List. Notice to one or two or more co-owners or co-tenants shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 11. No Implied Liabilities or Duties.

ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY PROPERTY OWNER.

Section 12. Termination of Association.

In the event that this Declaration be declared to be void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs

within ten (10) years of the date of recording this Declaration, all Common Property, belonging to the Association at the time of such adjudication shall revert to the Declarant, and the Declarant shall own and operate said Common Property as Trustee for use and benefit of Owners within the Property as set forth below. If said adjudication shall occur on a date more than ten (10) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Article IX, Section 1, all Common Property, owned by the Association at such time, shall be transferred to a properly appointed Trustee which Trustee shall own and operate said Common Property, for the use and benefit of Owners within the Property as set forth below:

(a) Each Lot or Building Unit located within the Property shall be subject to an Annual Assessment which shall be paid by the Owner of each such Lot or Building Unit to the Declarant or Trustee, whichever becomes the successor in title to the Association. The amount of such Annual Assessment and its due date shall be determined solely by the Declarant or the Trustee, as the case may be, but the amount of such Annual Assessment on any particular Lot or Building Unit shall not exceed the amount actually assessed against that Lot or Building Unit in the last year that assessments were levied by the Association, subject to the adjustment set forth in subparagraph (b) immediately below.

(b) The rate of the Annual Assessment which may be charged by the Declarant or Trustee hereunder on any particular Lot or Building Unit may be automatically increased each year by either ten (10%) percent or the percentage increase between the first month and the last month of the Annual Assessment period in the Consumer Price Index, All Items and Major Group Figures for All Urban Consumers (hereinafter "CPI-U") issued by the U.S. Bureau of Labor Statistics in its monthly report, whichever of these two percentage figures is larger. The actual amount of such increase in the regular Annual Assessment on a Lot or Building Unit shall equal the regular Annual Assessment on such Lot or Building Unit for the previous year multiplied by the larger of the two percentage factors set forth above. If the CPI-U is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Any past due Annual Assessment together with interest thereon at the greater of (i) fourteen (14%) percent per annum or (ii) three (3%) percent above the rate of interest announced, from time to time, as its "prime rate" by Chase Manhattan Bank in effect at its main office in New York City, New York, from the due date and all costs of collection including reasonable attorney's fees shall be a personal obligation of the Owner at the time that Annual Assessment become past due, and it shall also constitute and become a charge and continuing lien on the Lot or Building Unit and all improvements thereon, against which the assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

(d) The Declarant, or the Trustee, as the case may be, shall be required to use the funds collected as Annual Assessments for the operation, maintenance, repair and upkeep of the Declarant or Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided. Neither the Declarant nor the Trustee shall have the obligations to provide for operation, maintenance, repair and upkeep of the Common Property, once the funds provided by the Annual Assessment have exhausted.

(e) The Declarant shall have the right to convey title to the Common Property and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby.

(f) The Trustee shall have the power to dispose of the Common Property, free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51%) percent of the Owners within the Property or in the alternative shall be found to be in the best interest of the Owners of property within the Property Of Record. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such Property, then for the payment of any obligations distributed among the Owners within the Property, exclusive of the Trustees, in a proportion equal to the portion that the Maximum Annual Assessment on property owned by a particular Owner bears to the total Maximum Annual Assessment for all property located within the Property.

IN WITNESS WHEREOF, the Declarant, and the Association, have caused this instrument to be executed the day and year first above written pursuant to a resolution duly and unanimously adopted by its Board of Directors.

Dated this 7 day of October, 1988.

WITNESSED:

[Signature]

[Signature]

WITNESSED:

[Signature]

[Signature]

WILD DUNES ASSOCIATES

BY: [Signature]
ITS: ADMINISTRATIVE PARTNER

SEVENTEENTH FAIRWAY VENTURE

BY: [Signature]
ITS: JOINT VENTURER

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Ocean Point Property Owners' Association of Isle of Palms, Inc. by its duly authorized officers above subscribed sign, seal and as its act and deed deliver the within written instrument; and that (s)he, with the other witness shown above, witnessed the proper execution thereof.

[Handwritten Signature]

SWORN to before me this 7
day of October 1988

[Handwritten Signature] (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires: 4-25-93

EXHIBIT A

Property Description

All those certain lots, pieces and parcels of land, situate, lying and being on the Isle of Palms, Charleston County, South Carolina, shown and designated as Lots 1 through 71 (inclusive) on a plat by William Porcher, R.L.S., Engineering, Surveying & Planning, Inc., entitled "CONDITIONAL PLAT SHOWING THE SUBDIVISION OF TRACT "E", BLOCK "K", 28 LOTS AND TRACT "E", BLOCK "H-2", PARCEL 3a, 43 LOTS PALMETTO DRIVE AND BACK BAY DRIVE WILD DUNES--CITY OF ISLE OF PALMS CHARLESTON COUNTY, SOUTH CAROLINA", dated April 12, 1988, revised June 14, 1988, revised August 30, 1988, and recorded September 27, 1988, in Plat Book BT, at Page 79, in the R.M.C. Office for Charleston County, South Carolina. Said lots having such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully and at large appear.

EXHIBIT B

BY-LAWS
OF
THE OCEAN POINT
PROPERTY OWNERS' ASSOCIATION OF ISLE OF PALMS, INC.

ARTICLE INAME AND LOCATION

The name of the Corporation is The Ocean Point Property Owners' Association of Isle of Palms, Inc. hereinafter referred to as the "Association". The principal office of the Corporation shall be located at Wild Dunes, P.O., Box 388, Isle of Palms, South Carolina 29451, but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE IIDEFINITIONS

To the extent applicable, the Definitions set forth in Article I of the Declaration of Covenants and Restrictions of The Ocean Point Property Owners' Association of Isle of Palms, ("Declaration") to which these By-Laws are attached are hereby incorporated herein as if set forth verbatim.

ARTICLE IIIMEMBERSHIP

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

Section 2. Membership Rights Subject To Assessment Payment. The rights of membership are subject to the payment of annual assessments, use facilities assessments, special assessments and emergency special assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon, the Property against which such assessments are made, as provided by Article V of the Declaration.

Section 3. Suspension Of Rights. The membership rights of any person whose interest in the Property is subject to assessments under Article III, Section 2 hereinabove, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall

be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Property and facilities, and the personal conduct of any person thereon, as provided in Article VIII, Section 5 of the Declaration, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations as set forth therein.

ARTICLE IV

VOTING RIGHTS

Voting rights in the Association shall be set forth in Article III, Section 2, of the Declaration.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Use of Common Property. Each Member shall be entitled to the use and enjoyment of the Common Property provided in Article IV, Section 3 of the Declaration.

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

ARTICLE VI

ASSOCIATION PURPOSES AND POWERS

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

(a) to own, acquire, build, operate and maintain the Common Property, including but not limited to parking areas, buildings, structures and personal property incident thereto and to enter into Use Facility Agreements;

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

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

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

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

Section 2. Additions to Property and Membership. Additions to the Property described in Exhibit A attached to the Declaration may be made as provided in the Declaration. Such additions, when properly made under the applicable declaration, shall extend the jurisdiction, functions, duties and membership of this corporation to such Property.

Section 3. Mergers and Consolidations. Subject to the provisions of the recorded declaration applicable to the Property, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of a majority vote at a duly called meeting of the Association.

Section 4. Mortgages; Other Indebtedness. The Corporation shall have the power to mortgage the Common Property as set forth in Article VII, Section 5 of the Declaration.

Section 5. Quorum for Any Action Governed by These Bylaws. The quorum required for any action governed by these Bylaws shall be as set forth in Article III, Section 6 of the Declaration. Written notice of any meeting called for the purpose of taking any action authorized hereunder shall be sent to all members not less than 10 days, nor more than 45 days in advance of the meeting. Any absent owner who does not execute and return the proxy form sent to him in the required mailing shall be deemed to be present for the purposes of determining the presence of a quorum; and, except where a greater than majority vote is required under the Declaration or under these By-laws, a majority of those present or represented by proxies may authorize any action governed by these Bylaws.

Section 6. Dedication of Property or Transfer of Function to Public Agency or Utility. The Corporation shall have the power to dispose of its real property only as authorized under the Declaration.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Corporation shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors who shall hold office until the election of their successors for the terms stated in this section. Beginning with the first annual meeting, the members shall elect five (5) Directors; two for a term of 1 year, two for a term of 2 years and one for a term of 3 years. Thereafter, the

term of each member elected at the annual meeting shall be three years, with the right for the Board to call for the election of seven (7), nine (9) or eleven (11) members.

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

ARTICLE VIII

ELECTION OF DIRECTORS

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

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Board of Directors' Powers. The Board of Directors shall have power:

- (a) to call special meetings of the Members whenever it deems necessary; and it shall call a meeting at any time upon request as provided in Article XIII, Section 2;
- (b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;
- (c) to establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2;
- (d) to adopt and publish rules and regulations governing the use of the Common Property and Private Open Space Areas and facilities and the personal conduct of the Members and their guests thereon;
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members in the Charter of the Corporation, these Bylaws or the Declaration;

(f) in the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said Director to be vacant; and

(g) to appoint an Executive Committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee.

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

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) to fix the amount of the assessment against each Lot or Dwelling Unit for each assessment period at least thirty (30) days in advance of such date or period;

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

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

(f) to issue upon demand by any Owner or mortgage lender a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

DIRECTORS' MEETINGS

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

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

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

Section 4. Waiver and/or Consent. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or consent to the holding of such a meeting, or an approval of the minutes of the meeting.

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

ARTICLE XI

OFFICERS

Section 1. Association Officers. The Officers shall be a president, a vice-president, a secretary and a treasurer. The president shall be a member of the Board of Directors; all other officers may be, but shall not be required to be members of the Board of Directors.

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

Section 3 Holding Office. All officers shall hold office at the pleasure of the Board of Directors.

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

Section 5. Vice President. The Vice President shall perform all the duties in the absence of the President.

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

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

ARTICLE XII

LIABILITY AND INDEMNIFICATION

Section 1. Liability of Board Member. No Board Member or Officer of the Association shall be liable to any Property Owner for any decision, action or omission made or performed by such Board Member or Officer in the course of his duties unless such Board Member or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-laws.

Section 2. Indemnification of Board Member. The Association shall indemnify and defend each Board Member and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Board Member or any Officer of the Association if all of the following conditions are satisfied:

(a) Such Board Member or Officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-laws;

(b) Such Board Member or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and

(c) Such Board Member or Officer cooperates with the Association defending against the liability.

The expense of indemnifying a Board Member or Officer shall be a common expense of the Association and shall be borne by all Property Owners, including such Board Member or Officer.

ARTICLE XIII

MEETINGS OF MEMBERS

Section 1. Membership Annual Meeting. Meetings of the Members shall be held at Wild Dunes, Isle of Palms, South Carolina, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time to be designated in the notice of the meeting.

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

Section 3. Notice. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the

Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not more than forty-five (45) days, and not less than ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declarations applicable to the Property, or any action for which other provision is made in these Bylaws, notice of such meeting shall be given or sent as therein or herein provided.

Section 3. Voting Requirements. Any action which may be taken by a vote of the Members may also be taken by written consent to such action signed by all Members.

ARTICLE XIV

PROXIES

Section 1. Voting by Proxy. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. Proxies. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary; provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Declaration. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. If at least thirty (30) days prior to a duly called meeting a Member is informed by mail of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then available relative to the issues on which there will be a vote, and a proxy form is included in such mailing, and the Member neither attends the meeting or returns his executed proxy, then such Member shall be deemed present for purposes of determining a quorum and shall be deemed to have given his proxy to and for the majority present and voting. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of his Lot.

ARTICLE XV

INSURANCE

The Board of Directors or its duly authorized agent shall obtain hazard insurance for its improvements and Common Area and a broad form public liability policy covering all common area and all damage or injury caused by negligence of the Association or any of its agents.

ARTICLE XVI

CORPORATE SEAL

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

ARTICLE XVII

AMENDMENTS

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

ARTICLE XVIII

FISCAL YEAR

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

ARTICLE XIX

GENERAL

Section 1. Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between these By-laws and any regulation promulgated by the Board of Directors, these By-laws shall control; and in the case of any conflict between the deeds from the Declarant to the Property Owners and these Bylaws, the deeds shall control.

Section 2. Waiver. No provision of these By-laws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these By-laws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-laws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Orders Revised.

Nancy M. Myrick
Nancy M. Myrick, Acting
Secretary, The Ocean Point
Property Owners' Association of
Isle of Palms, Inc.

October 7, 1988

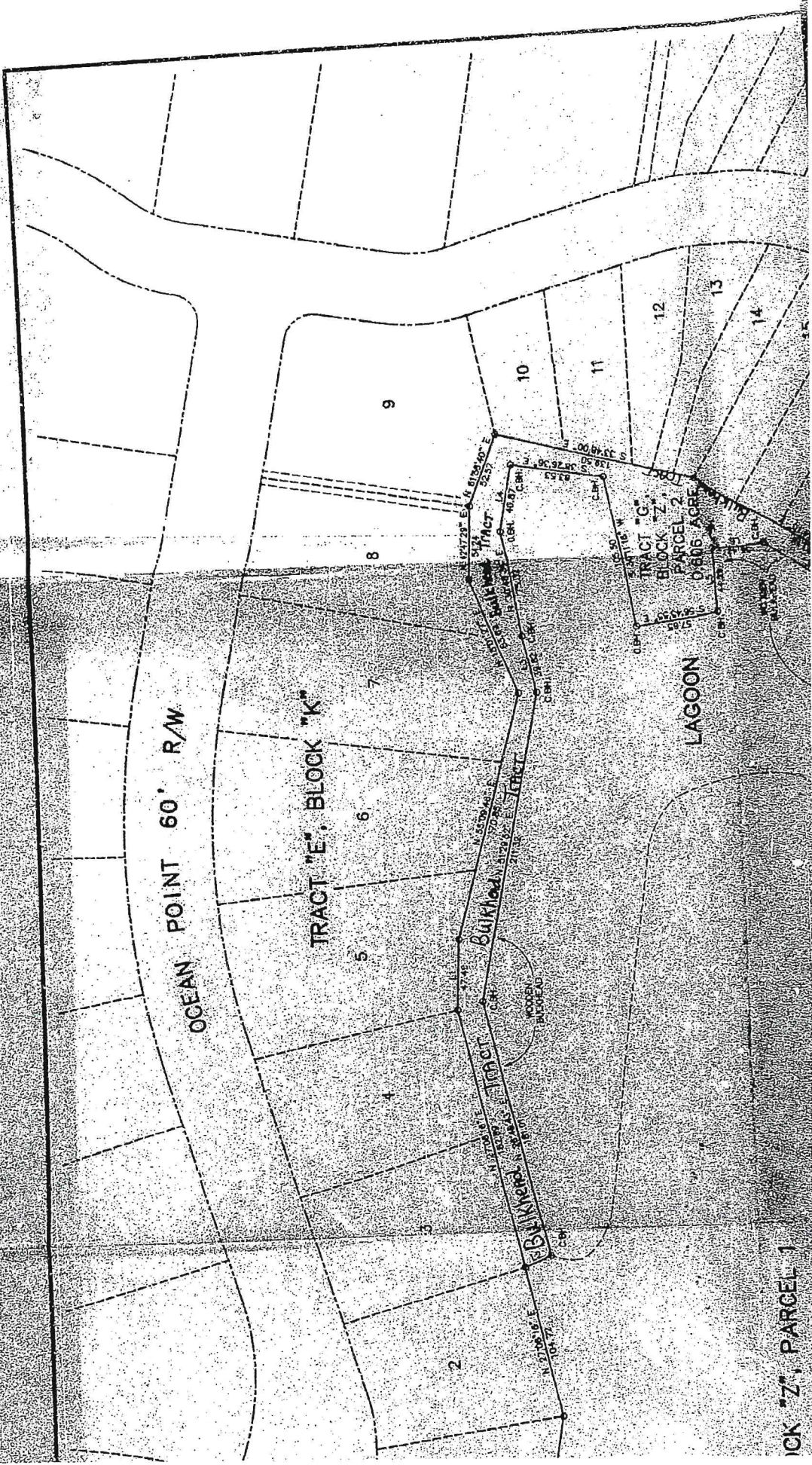
17-8-1957

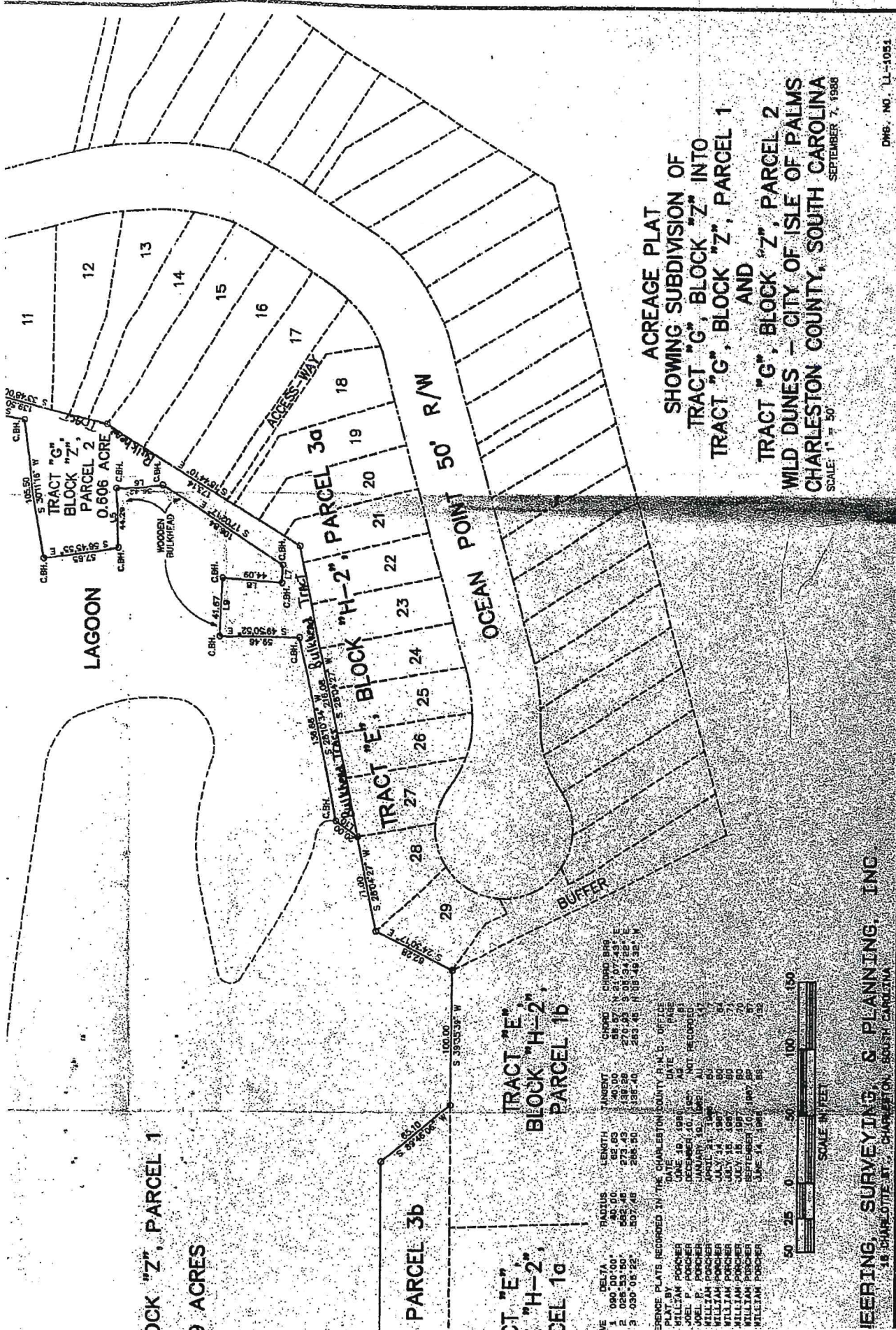
OCEAN POINT 60' R/W

TRACT "E", BLOCK "K"

LAGOON

TRACT "Z", PARCEL 1





ACREAGE PLAT
 SHOWING SUBDIVISION OF
 TRACT "G", BLOCK "Z" INTO
 TRACT "G", BLOCK "Z", PARCEL 1
 AND
 TRACT "G", BLOCK "Z", PARCEL 2
 WILD DUNES - CITY OF ISLE OF PALMS
 CHARLESTON COUNTY, SOUTH CAROLINA
 SCALE: 1" = 50'
 SEPTEMBER 7, 1988

DWG. NO. LJ-1051

TRACT "Z", PARCEL 1
 9 ACRES

PARCEL 3b

TRACT "E",
 BLOCK "H-2",
 PARCEL 1a

VE	DELTA	RADIUS	LENGTH	ANGST	CHORD	CHORD BRG
1	090 00' 00"	40.00	62.83	40.00	58.57	N 21 07 43 E
2	028 53' 50"	585.46	273.43	138.26	270.83	S 08 34 28 E
3	030 08' 22"	207.68	286.90	138.40	285.45	N 08 48 32 W

ENCE PLATS RECORDED IN THE CHARLESTON COUNTY R. & C. OFFICE

PLAT BY	DATE	LIB	DATE	PLAT
WILLIAM PORCHER	JUNE 18, 1988	122	03	101
JOEL F. PORCHER	DECEMBER 10, 1987	122	03	101
WILLIAM PORCHER	APRIL 15, 1987	122	03	101
WILLIAM PORCHER	JULY 14, 1987	122	03	101
WILLIAM PORCHER	JULY 15, 1987	122	03	101
WILLIAM PORCHER	JULY 15, 1987	122	03	101
WILLIAM PORCHER	SEPTEMBER 10, 1987	122	03	101
WILLIAM PORCHER	JUNE 14, 1988	122	03	101



ENGINEERING, SURVEYING, & PLANNING, INC.
 18 CHARLOTTE ST., CHARLESTON, SOUTH CAROLINA

EXHIBIT 2 -