

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

DECLARATION OF COVENANTS AND
 RESTRICTIONS OF THE MORGAN PLACE
 PROPERTY OWNERS ASSOCIATION, INC.

THIS DECLARATION, made this 13th day of July, 1987, by Morgan Place Property Owners Association, Inc., a South Carolina non-profit, non-stock corporation, hereinafter called "Association" and Wild Dunes Associates, a South Carolina General Partnership, hereafter 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 consisting of single family Lots, multi-family units and certain amenities and common facilities; and

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, Morgan Place Property Owners Association, Inc., for the purpose 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" or "Declaration") 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 meaning:

- (a) "Affiliate" shall mean any corporation of which fifty (50%) percent or more of the voting stock is owned or controlled by the Declarant and any partnership or joint venture in which the Declarant has an ownership interest.

- (b) "Association" shall mean and refer to Morgan Place Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.
- (c) "Bulkhead" shall mean and refer to any retaining walls, rockpile, bank treatment or other structure used to stabilize or to keep the lands around and within the Harbor Basin Area from eroding or falling; the existing Bulkhead is shown on the plat described in Exhibit "A" attached hereto.
- (d) "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto, marked Exhibit "B".
- (e) "Common Properties" shall mean and refer to all amenity areas and improvements thereon, including swimming pools, pool or bath houses, and clubhouses and other similar amenities, open spaces, green areas, ponds, lakes and lagoons and all real and personal property now or hereafter owned or leased by the Association for the common use and enjoyment of the Owners or designated by the Declarant as Common Properties, and shall include any roads, bridges or road rights-of-way which may be deeded to the Association. All Common Properties are to be devoted to and intended for the common use and enjoyment of the Declarant, Owners, Residents, and their guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association, provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such Lease.
- (f) "Declarant" shall mean Wild Dunes Associates and its successors and assigns.
- (g) "Development" shall mean and refer to the Properties at Morgan Place Subdivision, Tract F, Block G, Wild Dunes Beach and Racquet Club, as shown on any existing or future Master Plan of such Properties, as such Master Plan may be modified from time to time by Declarant, together with any additions thereto.
- (h) "Dock Facilities" shall include any docks, whether floating or stationary, and any pilings and mooring bay which run to or along, or are placed in or beside any boating slip, which allow a boating slip

to serve as a mooring place for marine vessels.

- (i) "Harbor Basin Area" shall mean and refer to the area described as follow:

ALL that certain tract of land and submerged area lying generally to the south and west of Waterway Island, said tract being generally described as being that portion of Morgan Creek lying between the eastern edge of Waterway Island Drive where it crosses said Morgan Creek and the intersection of Morgan Creek and the southern boundary of the right-of-way of the Intracoastal Waterway; said tract butting and bounding as follows: to the north partially on Waterway Island and partially on the Intracoastal Waterway; to the east partially on Waterway Island; to the east partially on the eastern boundary of Waterway Island Drive where it crosses Morgan Creek; to the south on the southern edge of the bulkhead which runs in a generally east-west direction from the western edge of Waterway Island Drive to the eastern boundary of a 7.3 acre tract presently owned by The Beach Company; and to the west on a 7.3 acre tract presently owned by The Beach Company, a 2.3 acre tract presently owned by The Beach Company and a 5.55 acre tract owned by The Beach Company.

- (j) "Intended for Use" shall mean the use intended for various parcels within the Properties as shown on the Master Plan of the Development 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.
- (k) "Lake" or "Lagoon" shall mean and refer to any lake, pond, or lagoon or other non-navigable body of water presently existing or which the Declarant may in the future construct on the residual area being more particularly shown on the Plat of Property described in Exhibit "A". Declarant expressly reserves the right and option, in Declarant's sole discretion, to construct or not to construct such lakes or lagoons.

- (l) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, together with any improvements thereon, with the exception of the Common Properties.
- (m) "Master Plan" shall mean and refer to the drawing which represents the Master Land Use plan for the future development of the Development. Since the concept of the future development of the Development 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. The Declarant expressly reserves the right and option to construct or not construct any canal(s) and bulkhead(s) not presently in existence which may be depicted in such Master Plan and reserves the right and option to construct or not construct any other amenities which may be designated therein, or to move the location of any amenities which may be designated therein.
- (n) "Member" shall mean and refer to all those Owners who are Members of the Association as defined in Section 2 of Article III.
- (o) "Of Record" shall mean recorded in the Register of Mesne Conveyance of Charleston County, South Carolina.
- (p) "Owner" shall mean and refer to the Owner of Record as shown by the real estate records of Charleston County whether it be one or more persons, firms, associations, corporation, or other legal entities, of fee simple title to any Single Family Residential Lot, or Unsubdivided Property situated upon the Properties but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to the mortgagee or holder of a deed of trust, its successors or 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 Properties, 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.

- (q) "Property" or the "Properties" 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.
- (r) "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.
- (s) "Resident" shall mean and refer to each Owner and/or lessee of a single family home or dwelling unit who resides in his property at least nine (9) months each year.
- (t) "Single Family Residential Lot" or "Lot" shall mean any subdivided parcel of land located within the Properties which is intended for use as a site for a single family detached dwelling, as shown upon any recorded final subdivision map of any part of the Properties. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.
- (u) "Unsubdivided Property" shall mean and refer to all land in 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 which has not been subdivided into Single Family Residential Lots through metes and bounds subdivision plats filed and placed of Record. For the purpose of this Declaration, the following classifications shall be expressly excepted from the definition thereof:
 - (1) All lands committed to the Association through express, written notification by the Declarant to the Association of intent to convey to the Association.
 - (2) All land designated on the Master Plan for intended use, or by actual use if applicable, for outdoor recreation facilities; woodland, marsh and swamp conservancies; community, civic, and cultural clubs; libraries, nursery

and other schools and instructional centers; charitable institutions; maintenance areas; road right-of-ways, bridges and drainage easements.

- (3) All lands designated, in any way, as Common Properties.
- (v) "Wharf" shall mean and refer to those structures attached to and projecting from any existing bulkhead in the Harbor Basin Area into the Harbor to which floating docks, ramps, boat slips and similar structures may be attached or to which boats may be moored.

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 this Declaration 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, 2007, 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 Properties if owned or acquired by the Declarant, in whole or in part, during the period of development, or if owned by any other individual or entity. Such property (the "Additional 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 this 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 Additional Property and as are not inconsistent with the plan of this Declaration.

It is anticipated that Declarant, pursuant to its Master Plan, will develop and later bring within the plan and operation of this Declaration the residual property shown on the plat described in Exhibit "A", and that such property will be developed with such canals, lakes, lagoons, bulkheads, docks, Common Properties and amenities as Declarant, in Declarant's sole judgment and discretion, shall determine. The Declarant reserves the right to bring other property within the plan and operation of this Declaration. The Declarant expressly reserves, however, the right and option to develop or not develop such properties in any manner it so desires and to submit or not submit such property to the plan and operation of this Declaration. The Declarant shall not be obligated to impose this Declaration on the residual property shown on the Plat described in Exhibit "A", or on any other property owned by it, and expressly reserves the right to convey such property or properties free of this Declaration unless otherwise affirmatively imposed.

- (b) **Other Additions.** Upon approval in writing of the Declarant and of the Association pursuant to simple majority of the votes cast at a duly called meeting of the Association, 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 of Record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property.
- (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 Development.

Article III Membership Classifications and Voting Rights.

Section 1. The Association.

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 Morgan Place Property Owners Association, Inc., for the purpose of exercising powers of maintaining and administering the Common Properties and providing common services, administering and enforcing this Declaration, and levying, collecting and disbursing assessments and charges herein created, and for any other purpose set forth herein or in the By-Laws.

Section 2. Membership.

Every Property Owner and the Declarant shall be a Member of the Association. Membership shall be appurtenant to and not separated from ownership of any Lot which is subject to assessments.

Section 3. Voting Rights.

The Associations shall have four types of voting memberships which are as follows:

TYPE A: Type A Members shall be Owners (including the Declarant) of Single Family Residential Lots contiguous on the front or rear lot line to the existing Bulkhead adjacent to Morgan Creek (including Lots 1 through 18, Tract F, Block G). Type A Members shall be entitled to one (1) vote for each Single Family Residential Lot owned. Once a Single Family Detached Home is constructed upon a Single Family Residential

Lot and a Certificate of Occupancy is issued, the owner thereof shall have one (1) additional vote for a total of two (2) votes.

TYPE B: Type B Members shall be owners (including the Declarant) of Single Family Residential Lots adjacent to any existing or future Lake(s) or Lagoon(s), if such Lake(s) or lagoon(s) are created by Declarant, and shall include Owners (including the Declarant) of any other Single Family Residential Lots within the Development other than Type A. Type B Members shall be entitled to one (1) vote for each Single Family Residential Lot owned. Once a Single Family Detached Home is constructed upon a Single Family Residential Lot and a Certificate of Occupancy is issued, the Owner thereof shall have one (1) additional vote for a total of two (2) votes.

TYPE C: Type C Members shall be the Owners (including the Declarant) of Unsubdivided Land held and intended for future development by the Declarant or a third party. Type C Members shall be entitled to one (1) vote for each quarter acre of unsubdivided land owned by such Member.

TYPE D: Type D Members shall be the Declarant or its successors and assigns. The Type D Member shall be entitled to one (1) vote for each vote held by Type A, B, and C Members; provided, however, that after January 1, 2007 or sooner if Type D Member relinquishes its voting rights in a recorded Declaration, the Type D Members shall exercise votes only as to its Type A, B, and C memberships. Type D Members shall not be subject to the payment of assessments, either annual or special.

The Declarant reserves the right in any future Supplementary Declaration to create additional Membership Types to reflect the different character, if any, of such Lots or properties.

Payment of special assessments shall not entitle Type A, B, and C Members to additional votes.

The Declarant may, in its sole judgment and discretion, subsidize the Association in its preliminary years. In the event the Declarant pays to the Association a subsidy in excess of the normal assessment required of the Declarant, the

Declarant shall be entitled to additional votes equal to one (1) vote for each One Hundred Twenty-Five (\$125.00) Dollars, of the amount of the subsidy paid, to be rounded to the nearest One Hundred Twenty-Five (\$125.00) Dollars in computing the number of votes acquired.

When any property entitling the Owner to membership as a Type A, B, C, or D 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 4. Governance.

The Association shall be governed by a Board of Directors consisting of five (5) Members. Initially, the Board shall consist of those Directors named in the Association's Certificate of Incorporation.

Section 5. Election of the Board of Directors.

Each Member of Types A, B, C, and D Membership classes shall have 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 as computed by the formula set out hereinabove in Section 2 hereof. All votes must be cast in whole numbers and not fractions thereof.

Section 6. Members of 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 00/100 (\$25,000.00) Dollars, 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 7. 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, unless otherwise provided: Written notice of any meeting called for the purpose of taking any action authorized hereunder shall be sent to all members not less than thirty (30) days in advance of the meeting. At any such meeting called, the presence of Members or Proxies entitled to cast fifty-one (51%) percent of the total vote of the Membership shall constitute a quorum for the transaction of business; provided, however, that any absent Member 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 the ByLaws, a majority of the votes cast by those present or represented by proxies may authorize any action governed by this Declaration or the ByLaws. Unless otherwise provided, any reference herein to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established herein, and any other requirements for such duly called meeting which may be established by the ByLaws of the Association.

Section 8. 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 9. 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.

Section 10. Rules and Regulations.

The Association, through its Board of Directors, may adopt from time to time additional rules and regulations governing the use of the Common Properties, the Lots and Property.

Article IV Covenants, Restrictions, Rights, Rules, Regulations and Easements Applicable to the Property; Property rights in the Common PropertiesSection 1. Maintenance of Bulkheads by the Association.

The Association shall maintain, repair and replace all present and future Bulkheads located within the Property, with the exception of the present Bulkhead along the Northern boundary of the Property adjacent to Morgan Creek, which Bulkhead is and shall be maintained by the Morgan Creek Harbor Association, Inc. In the event the Morgan Creek Harbor Association, Inc. should cease maintaining such Bulkhead along the Northern boundary of the Property, or should otherwise fail to maintain such Bulkhead, the Association shall assume maintenance, repair and replacement of such Bulkhead.

Section 2. Maintenance of Lakes by the Association.

The Association shall maintain the Lakes or Lagoons, if any, within the Property, and keep the same free from the build-up of excess growth and siltation.

Section 3. Ownership and Maintenance of Docks.

- (a) Private Docks. The Owners of Lots 1 through 18, Tract F, Block G and any future Lots with private docking facilities and walkways fronting on Morgan Creek shall own and maintain such private Docking Facilities and walkways attached to their Lots. In the event that a Lot Owner shall neglect or fail to maintain the Docking Facilities or walkway in good repair, the Association shall give the Owner written notice of the need for repairs. If the Owner fails to submit plans and specifications for repairs, acceptable to the Association, within thirty (30) days after the giving of said notice and to commence said repairs within said period, the Association shall have the right to perform the repairs and assess the Owner for the cost of said repairs including, but not limited to, reasonable interest charges, administrative or supervisory fees, contractors fees, architectural fees and any other charges or fees associated with planning, supervising, and completing said repairs and collecting the assessment. All repairs shall be done in a workmanlike manner and shall be completed in a timely fashion but in no event more than ninety (90) days from commencement. Any assessment for repairs shall be paid within ten (10) days of receipt of same by the Owner and shall be a lien on the affected Lot and a personal obligation of the Owner and collectible and enforceable in the same manner as set forth in Article V hereof. The within right of the Association shall be in addition to and not in derogation of any similar right which may be possessed by the Morgan Creek Harbor Association, Inc.

All private docks and walkways shall be kept and maintained in such a manner so that they are uniform in structure, form, appearance and style with the other private docks within the Development. No alteration, change, modification or addition to any dock or walkway shall be permitted unless the plans and specifications have been approved in writing by the Association and the Declarant.

In no event shall any commercial use be made of any private dock or walkway or any commercial boat, craft or vessel docked or moored to a private dock.

No boat, craft or vessel docked or moored at a private dock shall be longer than forty-five (45') feet, except as may be permitted by express written

approval of Wild Dunes Associates, its successors and assigns. No parallel parking of boats, crafts or vessels shall be allowed without the written permission of the Association Board. No more than two (2) boats, crafts or vessels may be moored at a private dock without the written permission of the Association Board. No Owner or other person shall be allowed to live upon any boat or other vessel moored at such docks.

Private docks shall be appurtenant to the Lots to which they are attached and shall be conveyed with said Lots and may not be severed, partitioned or in any manner divided or conveyed separately from said Lot.

Section 4. Future "Mediterranean" Style Dock.

The Declarant reserves the right, but not the obligation, to construct a "Mediterranean" Style Dock or other Dock Facility to be located in Morgan Creek Harbor in the area west of Lot 18, Tract F, Block G and adjacent, in part, to Tract F, Block F and a portion of Tract F, Block G, which Dock may be conveyed by the Declarant to the Association and is presently intended to be for the exclusive use of future Type B Single Family Lot Owners within the Development upon such terms and conditions as shall be determined by Declarant. All boat slip assignments shall be made by the Board of Directors of the Association. Utility expenses for such boat slips shall be charged on a pro-rata basis based on usage, or such slips shall be separately metered with the ultimate user thereof being solely responsible for the utility expenses attributable to such boat slip. No vessel docked or moored to such facility shall exceed forty-five (45') feet in length except as may be permitted by express written approval of Wild Dunes Associates, its successors and assigns. Such dock and any walkways or equipment contained thereon may be conveyed by the Declarant to the Association, and shall be maintained, repaired and replaced by the Association. The Association reserves the right to adopt such reasonable rules and regulations as it deems appropriate for the use and enjoyment of such Dock Facilities. The Declarant specifically reserves the right in its sole discretion at any time and from time to time to change, alter, modify, rearrange or move the said Dock Facilities and to amend its Master Plan to reflect said change. No Owner or other person shall be allowed to live upon any boat or other vessel moored at such dock.

Section 5. Maintenance of Roads, Security Systems and Recreational Amenities and Common Properties.

The Association shall maintain, repair and replace all roads and road rights of way, bridges, lakes, lagoons, security gates and security systems (if any), all recreational amenities, if any, constructed or to be constructed within the Development, and all Common Properties. Declarant reserves the right and option to convey said roads (or portions thereof) within the Development to the Wild Dunes Community Association, Inc., in which case said roads shall be maintained, repaired and replaced by said association.

Section 6. Certain Activities Prohibited.

In addition to those activities otherwise prohibited by rules and regulations promulgated pursuant to this Declaration, by applicable law or by other covenants applicable to the Property, the following activities are prohibited:

- (a) Boat and slip users shall keep the dock space and the boats moored therein in a neat, clean and orderly conditions.
- (b) No vessel either designed or constructed by an individual or organization not principally engaged in the business of yacht design or construction shall be berthed in the Harbor Basin Area without the prior written consent of the Association, which may require the submission of plans and photographs to assist in the determination of the vessel's compatibility with the aesthetic standards of the Harbor Basin Area.
- (c) All vessels berthing in the Harbor Basin Area must be maintained in a seaworthy condition at all times.
- (d) All lights used aboard vessels and visible outside the vessel shall be of moderate intensity and shall be focused in such a fashion as to prevent appreciable glare in the Harbor Basin Area. The use of spot lights is prohibited except for periods not to exceed five minutes while berthing at night. No spot light shall be directed into another vessel or at buildings ashore.
- (e) The use of docks to perform maintenance activities or for storage of any article overnight is prohibited. Slip occupants may use the pier adjacent to such slip for brief storage of items,

provided that such storage does not deprive other slip occupants of the normal use of their slip or vessel. Nothing may be stored on the main stems of the floating docks at any time.

- (f) Any and all repairmen, outside contractors, or others working on the boat owner's behalf shall be governed by all applicable provisions of this Declaration and the rules and regulations of the Association. The boat owner shall be responsible for informing such agents of the requirements by which such agents are bound.
- (g) No hanging of laundry or clothing of any type shall be allowed within the Harbor Basin Area or on the Wharfs, Dock Facilities, boat slips, or boats.
- (h) No manufacturing or similar activities shall be allowed upon the properties or within the Harbor Basin Area or on the Wharfs, Dock Facilities, boat slips, boats or other areas within the Harbor Basin Area.
- (i) No firearms or fireworks shall be discharged or used in the Harbor Basin Area or in the Wharfs, Dock Facilities, boat slips or boats.
- (j) No vessel within the Harbor Basin Area may discharge overboard any sewage (whether treated or not), petroleum-based products, or bilge water containing petroleum-based products, nor shall any trash or refuse be discharged overboard. The Association and its agents may inspect boats to determine their compliance with such laws and regulations. In the event that a boat causes water pollution, the Association may arrange for the clean up of such pollution at the owner's sole expense and without prior consultation with the owner. Individual sewage pump-out stations may not be installed on Dock Facilities or Wharfs without the prior written consent of the Association.

From time to time the Association may adopt rules and regulations governing the disposal of sewage and waste water so as to comply with applicable state and federal laws and regulations.
- (k) No diving or swimming will be allowed in the Harbor Basin Area or its approach channels.
- (l) No "for sale" signs may be posed on boats berthed at the Harbor Basin Area.

Section 7. Rules and Regulations of the Association.

The Declarant shall have the right and authority in behalf of the Association to promulgate, from time to time, such reasonable rules and regulations as it may deem appropriate to govern the use of the Property and any Dock Facilities appurtenant thereto. The Declarant may prescribe rules required to maintain water quality, aesthetic attractiveness, safety and efficient operation of the Harbor Basin Area. This authority shall include, but not be limited to, denial of use of the Harbor Basin Area to boats with marine toilets that do not have storage capacity, or such other measures as may be necessary or desirable to prevent the discharge of sewage or effluent in the Harbor Basin Area. Any such rules shall be posted in the office of the harbor master, if any. 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 8. Prohibition Against Interval Ownership.

The Property subject to this Declaration including improvements thereon or to be built thereon shall not be used for or subject to any type of Vacation Time Sharing 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 or assigns.

Section 9. 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 non-exclusive easement and right to use the areas designated as bridges, paths, streets, roads and walkways to travel to and from their property to Common Properties, docks or ramps, which are so designated by the Declarant for use by Members of the Association, and shall have a right of easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Single Family Residential Lot and with the title to the Unsubdivided Land.

Section 10. Easements for Access to and from the Harbor Basin.

Subject to all rules and regulations promulgated by the

Association and to the easements and assessments set forth herein, the Declarant, the owners of Lots and their lessees, invitees and guests, shall have a non-exclusive easement and right to use the Harbor Basin Area for ingress, egress and movement of boats, crafts and vessels to and from their docks or any Common Docking Facilities to the Intracoastal Waterway through and within the Harbor Basin Area.

The said easement shall be appurtenant to the Lot being conveyed with it and shall run with said Lot and may not be severed, partitioned or in any manner divided or conveyed separately from said Lot.

Section 11. Enclosed Dwelling Area Requirements.

No residence or dwelling shall be erected on any of the Lots unless said residence or dwelling be constructed with the minimum enclosed dwelling area set forth below. The term "enclosed dwelling area" as used herein shall mean total enclosed heated area within a dwelling unit provided, however, that such term does not include garages, ground level parking, terraces, decks, open porches, attics, finished rooms over garages and like area. All plans submitted to the Declarant or Architectural Review Board for approval shall include, among other things, the enclosed dwelling area for such residence and no such plans shall be approved unless such plans reflect the minimum required square footage of the enclosed dwelling area. The minimum enclosed dwelling area for all Lots shall be two thousand (2,000) square feet.

Section 12. Height Restrictions.

No structure shall be erected, placed or permitted to remain on any Lot other than one detached single family residential dwelling, with a minimum of two stories in height (exclusive of any ground level parking or storage space below heated living areas) and a maximum of four stories in height (exclusive of any ground level parking or storage space below heated living areas). In the event any such structure contains the maximum four stories, the fourth story shall contain no more than 600 square feet of enclosed dwelling area, as that term is defined elsewhere in this Declaration.

Section 13. Conformity and Approval of Structures.

No structure, fence, sidewalk, dock, wall, drive or other improvement shall be placed or altered on any Lot within the Development except in accordance with the provisions of this Declaration.

Section 14. Association Office.

Nothing in this Declaration shall be construed to prohibit the Association from constructing, operating and maintaining a facility for use as its office and headquarters, for the benefit of the Association and its Members, provided that such facility shall first be approved in all respects in writing by the Declarant.

Section 15. Re-Building Requirement.

Any dwelling or out-building on any Lot which may be destroyed in whole or in part by fire, windstorm or by any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a natural condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than three (3) months.

Section 16. Nuisances.

No noxious or offensive activity shall be carried on upon or in any Lot or dwelling, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood, including Common Properties, other Lots, easement areas or residences. No trash, leaves or rubbish may be burned on any Lot or within the Development nor shall there be maintained any plants, poultry, animals (other than normal household pets) or device or thing of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the development by the Owner thereof.

Section 17. Additional Restrictions for Lots Fronting Lagoons, (If Any).

- (a) No foliage or vegetation on lagoons or marsh shall be removed or altered without permission of the Declarant.
- (b) A lagoon or Lot Owner shall maintain and mow the area between the Lot line and the lagoon or marsh even though such area may be owned by the Association or others.
- (c) No dock, pier, or wharf shall be constructed on any lake or lagoon and no dock, pier, or wharf shall be constructed on the marsh without the approval of the Declarant and the Association. In order to obtain such approval, it will be necessary to submit plans specifying the location, color, height, finish and other details of such proposed facility. Declarant

also reserves the right to require uniformity of design and to submit approved designs for docks, piers, or wharfs. The Declarant has the right to disapprove such plans on any grounds including aesthetic consideration. Any approved dock, pier, or wharf must be well maintained by the Owner and, if not maintained as required, enforcement of this requirement may be enforced as provided herein in cases of violations of this Declaration.

- (d) No boats shall be permitted in the lakes or lagoons and the use of the lagoons for swimming or bathing purposes shall be prohibited.
- (e) No waste, garbage, or waste water are to be discharged, dumped or otherwise placed in the lagoons.
- (f) Fishing will be allowed in accordance with the rules to be established by the Association.
- (g) The Association shall have the authority to establish fines and regulations governing the lakes, lagoons and all other Common Properties.
- (h) All Property Owners adjacent to lakes and lagoons shall be prohibited from using insecticides, pesticides and other hazardous materials within twenty-five (25') feet of such lakes and lagoons.

Section 18. Landscaping, Plants and Trees.

Landscaping, plants, trees, shrubs and ground cover now or hereinafter located upon the Lots and Common Properties shall be maintained by the Association, and may not be replaced, altered or removed except by permission of the Board of Directors of the Association. No additional plants, trees, or shrubs may be planted upon the Lots or Properties without written approval of the Board. There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents and employees, to enter upon any Lot or any portion of the Properties at all reasonable times to perform the maintenance as provided herein.

Section 19. Alteration of Building Lines in the Best Interest of Development.

Where because of size, natural terrain, or any other reason in the sole opinion of the Declarant, it should be to the best interest of the Development that the building lines of any Lot should be altered or changed, then Declarant

reserves unto itself, its successors and assigns, the right to change said lines to meet such conditions. The Declarant specifically reserves the right to transfer and assign this right of change of building lines to the Architectural Review Board herein established.

Section 20. Replatting of Lots.

No Lot shall be subdivided by an Owner, or its boundary lines changed, except with the written consent of Declarant. However, the Declarant hereby expressly reserves to itself, its successors and assigns, the right to replat any one or more Lots owned by the Declarant shown on the plat of said Subdivision prior to delivery of the deed therefor in order to create a modified building Lot or Lots. The restrictions and covenants herein apply to each such building Lot so created or recreated.

Section 21. Amenity Areas.

The Declarant reserves the right to construct or not to construct any amenities now or hereafter planned for the Development and, if constructed, to move the proposed location of any such amenities. Any amenity parcel(s) designated on any Master Plan, recorded plat or other document may be relocated in Declarant's sole judgment and discretion, in which case such amenity parcel(s) may be utilized for any other purpose not inconsistent with these Covenants, including but not limited to use as a Single Family Lot(s).

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 Single Family Residential Lot, or Unsubdivided Lands, 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; and (2) 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 and Special assessments together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, 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 a Single Family Residential Lot, or any Unsubdivided Lands, 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, repair of the Common Properties, landscaping as provided herein, the maintenance and repair of the common Mediterranean Style Dock Facilities described in this Declaration, the maintenance and repair of the existing Bulkhead along the existing southern boundary of the Harbor Basin Area should such Bulkhead, for whatever reason, cease to be maintained by the Morgan Creek Harbor Association, Inc., the repair and maintenance of bridges and streets within and serving the Development, the maintenance of amenities for the use and benefit of Property Owners within the Development, including, but not limited to swimming pools, bath houses, pool houses, etc., the maintenance of any Lagoons or Lakes (if any) and open spaces located within the Development, the operation, maintenance and repair of security gates and security system serving the Property, the hiring of security personnel if so decided by the Association Board, replacement and maintenance of any bridges located within the Property, and to provide services which the Association is authorized to provide, including all functions and services of the Association as set forth in Article VII hereof. Nothing contained herein shall obligate the Declarant, its successors and assigns, to construct any future bulkheads, canals, lakes, lagoons, amenities and/or security system or gate, and Declarant, its successors and assigns, reserves the right and option to construct or to not construct said facilities. 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 Properties.

Section 3. Determination of Assessment.

The Board of Directors of the Association shall fix the amount of the annual assessment against each Property or Membership Type, except that the annual assessments for improved Lots shall be double the amount of annual assessments for unimproved Lots. The Board of Directors shall have the authority to fix different assessments for each Membership Type or Class based upon expenses and services attributable to such Membership Type or Class. The Board shall fix such annual assessments at least thirty (30) days in advance of each annual assessment period. The annual assessments shall be billed annually, quarterly or monthly (as determined by the

Board) beginning in January of each year. All assessment bills shall be due and payable thirty (30) days from the date of mailing of same. The Owner of any assessable property which changes from one category to another during an assessment year shall be billed an additional amount for the remaining full quarters of such year to reflect the category change. For purposes of these assessments and voting rights hereunder, a property will be classed as unimproved land, until it has been completed for occupancy, and assessment at the improved property rate shall be prorated for the remainder of the full quarters of the year and billed that amount on the first day of the next full quarter. All assessments charged by the Association shall be rounded off to the nearest dollar.

Section 4. Special Assessments for Improvements and Additions.

In addition to the annual regular 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 (including recreational amenities, if any) upon the Common Properties, including the necessary fixtures and personal property related thereon;
- (b) Reconstruction, repair, maintenance or replacement of any bridges within the Property;
- (c) Construction, reconstruction, repair or replacement of any security devices, guard houses or gates within the Property;
- (d) Reconstruction, maintenance, repair or replacement of any lagoons or lakes located within the Property;
- (e) Reconstruction, maintenance, repair or replacement of any streets, bridges, culverts or roads located within the Property;
- (f) To provide for the necessary facilities and equipment to offer the services authorized herein;
- (g) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.
- (h) Reconstruction, maintenance, repair or replacement of Mediterranean Style Dock Facilities as described in this Declaration.

Such assessment before being charged must have received the assent of a majority of the votes of the Members responding to a mail Referendum within thirty (30) days of mailing, or the majority of the votes cast at a duly called meeting of the Association. 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 or 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 plus an additional special assessment.

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 assessments made for the assessment year during which such special assessments are approved by the Members.

Section 5. Initial Working Capital.

The Board of Directors shall assess each Property Owner a sum equal to at least two (2) months' assessment for initial working capital, which cost when paid can be recovered from the grantee of the Property Owner upon conveyance of his Lot. Such sums are separate and distinct from regular assessments and shall not be considered advance payments of such assessments. Each Property Owner's share of the working capital fund must be collected from such Property Owner upon his purchase of a Lot, and must be transferred to the Association at the time of said closing of such Lot purchase.

Section 6. 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 Properties (b) resurfacing, repair and maintenance of streets, bridges and roads within the Development, (c) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (d) recurring periodic maintenance, (e) repair and maintenance of the Mediterranean Style Dock Facilities, (f) initial costs of any new service to be performed by the Association, and (g) such other purposes as may be determined by the Board of Directors of the Association.

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Section 7. 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 8. Date of Commencement of Annual Assessments. Due Date.

Notwithstanding anything in the foregoing to the contrary, the annual assessments provided for herein shall not commence with respect to any Lot until such Lot has been conveyed by the Declarant to a subsequent purchaser. Persons becoming members subsequent to January 1 of each year shall pay assessments prorated as of the date of initial membership.

Section 9. Duties of the Board of Directors.

The Board of Directors of the Association shall fix the amount of the assessment against each Single Family Lot by Membership Type, or Unsubdivided Land, and shall at that time, direct the preparation of an index of the properties and assessments applicable thereto which shall be open to inspection by any Member. Written notice of assessment shall thereupon be sent to every Member subject thereto. The Board of Directors shall also have all duties and powers set forth in the ByLaws of the Association or set forth in this Declaration.

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

Section 10. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien; Remedies of Association.

If the assessment is not paid on or before the past-due date, then such assessment shall become delinquent and shall (together with interest thereon at the greater of (a) fourteen (14%) percent per annum or (b) the maximum annual rate permitted by law 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 past due date, the Association may bring an action at law or in equity against the Owner personally and such Owner's Lot 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 the Common Properties and/or suspend voting privileges of such Owner until the past due assessments are brought current.

Section 11. 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. Such sale or transfer shall not relieve such Property from liability for an assessment accruing after conveyance by the creditor to a subsequent owner.

Section 12. 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 Properties as defined in Article I hereof;
- (c) Property which is used for any of the following purposes:
 - (1) In the maintenance and service of facilities within Common Properties;
 - (2) Water and Sewer facilities.
 - (3) Recreational amenities, if any.

Section 13. Annual Statements.

The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually

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 - (1) In the maintenance and service of facilities within Common Properties;
 - (2) Water and Sewer facilities.
 - (3) Recreational amenities, if any.

Section 13. 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 therefor 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 14. Annual Budget.

The Board of Directors shall prepare and make available to all Members at least thirty (30) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. The financial books of the Association shall be available for inspection by all Members at all reasonable times.

Article VI Architectural Control.

Section 1. Control Retained by Declarant.

No temporary or permanent structure may be commenced, erected or maintained upon the Property nor may any application for building permit for any home, building, structure, bulkhead, dock or wharf be made nor any significant landscaping done, nor any addition to any existing home, building, structure, bulkhead, docks or wharf, 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. Declarant, in Declarant's sole judgment and discretion, shall have the right and option to transfer and relinquish its architectural review authority to either an Architectural Review Board (ARB) of the Association or an Architectural Review Board of the Wild Dunes Community Association, Inc.

Section 2. Siting.

To assure that homes, buildings, bulkheads, docks, wharfs, 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 Lot 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, the Declarant (or ARB, if Architectural Review authority has been transferred by Declarant) shall have the absolute right to control and to decide (subject to the provisions of the pertinent land use regulations of public authorities having jurisdiction) 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. Notwithstanding the foregoing, each building constructed on Lots 1-18, Tract F, Block G, shall be situated no less than three (3') feet from the easternmost side lot line and no less than seven (7') feet from the westernmost side lot line of each Lot. The Declarant or ARB shall have the right to waive such specific set-back requirements where in its judgment, such waiver is in the best interests of the Development.

Section 3. Tree and Bush Removal.

No trees of any kind above six (6) inches in diameter at a point two (2) 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, bulkheads, docks, wharfs, and other structures must be complete within one (1) year after the construction of a particular home, building, bulkhead, dock, wharf, or structure shall have commenced, except where such completion is impossible or would result in great hardship to the Property 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. Substantially all of the landscaping shown in plans submitted to Declarant must be completed within one (1) year 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 an Architectural Review Board of the Association or an Architectural Review Board of the Wild Dunes Community Association, Inc. its rights reserved in this Declaration 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, site plan, height, landscaping plan and construction schedules.

Article VII Functions of The Association.

Section 1. Ownership and Maintenance of Common Properties.

The Association shall be authorized to own, purchase and maintain (subject to the requirements of any Federal, State or Local Governing body of South Carolina) Common Properties, pool houses, club houses, bath houses and other amenities, and equipment, furnishings, and improvements devoted to the following uses:

- (a) For maintenance, repair and replacement of streets; lagoons and lakes; Common Properties, swimming pools, pool houses, club houses, bath houses, and other amenities (if any); common Dock Facilities; security gates and guardhouses;
- (b) For maintenance, repair and replacement of sidewalks, walking paths or trails, and bicycle paths, if any, throughout the Properties;
- (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 by which Common Properties are conveyed or leased to the Association;
- (f) For lakes, lagoons, play fields, marshes, waterways, marinas, docks, wharfs, parks, open spaces, fishing facilities, if any; 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.

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, maintenance and repair of all roads, roadways, roadway medians, bridges, parkways, lakes, lagoons, marshes, waterways, common Dock Facilities, and other Common Properties and amenities (including swimming pools, club houses, open spaces, and bath houses) within the Properties and also all public properties which are located within or in a reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole;
- (b) Landscaping of sidewalks (if any), streets, roads and walking paths and any Common Properties, and landscaping of individual Lots as provided herein;
- (c) Lighting of sidewalks and walking paths throughout the Properties;
- (d) 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 Properties and assistance to the Isle of Palms Police Department in the apprehension and prosecution of personal who violate the laws of South Carolina within the Properties;
- (e) 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;
- (f) 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 document and to collect regular assessments, special assessments, user fees and other charges of the Association;
- (g) To take any and all actions necessary to enforce these and all covenants and restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any

covenants or restrictions applicable to the Properties;

- (h) 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 this Declaration;
- (i) Improvement of fishing available to Members within the Properties;
- (j) To provide day care and child care services;
- (k) To conduct recreation, sport, craft, and cultural programs of interest to Members, their children and guests;
- (l) To provide legal and scientific resources for the improvement of air and water quality within the Properties;
- (m) To maintain water search and rescue boats for the protection and safety of those in the waters located on or adjacent to the Properties;
- (n) To provide safety equipment for storm emergencies;
- (o) To construct improvements on Common Properties, for use for any of the purposes or as may be required to provide the services as authorized in this Article;
- (p) To provide administrative services including but not limited to legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, Referendums, etc., incident to the above listed services;
- (q) To provide liability and hazard insurance covering improvements and activities on the Common Properties;
- (r) to provide water, sewage, and any necessary utility services not provided by a public body, private utility or the Declarant;
- (s) To provide, conduct, or maintain water pollution and shoreline erosion abatement measures including, without limitation, maintenance and repair of shore revetments and bulkheads;
- (t) 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.

- (u) To provide any other services authorized by this Declaration.

Section 3. Reduction of Services.

During the calendar year of 1987, 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 Properties, to maintain and repair the streets, lakes and lagoons located within the Property and maintaining and repairing bridges within the Property, operating security services and maintaining and repairing security buildings and devices, guard houses and gates (if any) within the Property.

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, or submitted for approval at a duly called meeting of the Association. 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 fifty-one (51%) percent or more of those voting in a Referendum within Type A, B, C, and D 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 right, title and interest, including all riparian rights, all rights to the shorelines, waters, basin, beds and bottom lands within the Harbor Basin Area, and to all docks (except private docks), wharfs, boat slips, pilings and all other structures in, adjacent to or appurtenant to the Harbor Basin Area.

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 shoreline, waters, bulkheads, docks, wharfs, boat slips, pilings and other structures in, adjacent to or appurtenant to the Harbor Basin Area 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 Properties or already been conveyed to a Property 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 transferrable utility easement and right in, on, over and under the Lots and 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 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 Lots or other Property which is covered by an existing building or across any area for which written approvals to construct a building thereon have been obtained from the Declarant;
- (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 Property Owner or Common Properties caused by such utility installation shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by the Declarant or utility provider. The Declarant further reserves to itself, its successors and assigns, the right to locate walls, 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 Property Owner.

In addition to the foregoing general easements, and not as a limitation thereof, there is hereby reserved for the benefit of the Declarant, the Association and their respective successors and assigns, the alienable, transferrable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Properties; (ii) an area across every Lot twelve (12') feet in width along the front boundary lines thereof and along any portion of the side boundary line which is not covered by an existing or approved building; and (iii) the forty (40') foot bulkhead easement as shown on the recorded Plat described in Exhibit "A", for the purpose of installing, replacing, repairing, maintaining and using all utilities, including but not limited to, storm sewers and drainage systems, electrical, gas, telephone, water, cable TV and sewer lines. Such easements may be granted or accepted by the Declarant, its successors and assigns, or by the Board of Directors of the Association, provided, however, that during the period of Development, the Board must obtain the written consent of the Declarant prior to granting or accepting any such easements. By virtue of any such easement, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Lots and Properties so encumbered: (i) to erect and maintain poles, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate and fill; or (iv) to take any similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Section 5. Enforcement.

The Declarant and the Association 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 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 Property 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 Property Owner's property and shall be a personal obligation of the Property Owner in accordance with Article V, Section 1.

Section 6. Use of Trademark.

Each Property Owner or Lessee, by acceptance of a deed to any lands, tenements or hereditaments within the Property hereby acknowledges that Wild Dunes, Wild Dunes Yacht Harbor and Wild Dunes Marina are service marks and trademarks of the Declarant. Each Property 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 Property Owner may impose additional restrictive covenants on any lands within the Property beyond those contained in these Covenants 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 Property Owner or the Association.

Section 8. Right to Approve Horizontal Property Regime.

No Horizontal Property Regime established on the Property shall be effective unless such Regime has been approved by Declarant and all legal documents associated therewith have

been approved by Declarant. A reasonable charge for cost of legal review may be charged the developer by the Declarant.

Section 9. Easements for Declarant.

During the period that Declarant owns any Common Property, or owns any Lot primarily for the purpose of sale or has the option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under and across the Common Properties for the purpose of constructing or improving Lots, any improvements to the Common Properties and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Development (including any recreational amenities and other portions of the Common Properties) as may be contemplated by this Declaration or as Declarant desires, in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall Declarant have the obligation to do any of the foregoing.

Section 10. Changes in Boundaries; Additions to Common Areas.

Declarant expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Properties and any Lots, recreational amenities or Unsubdivided Land, including the realignment of boundaries between adjacent Lots, Common Properties, and/or Unsubdivided Land owned by Declarant. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time, and from time to time, such real property as it determines to be conveyed as an addition to Common Properties and subject to the other provisions set forth in this Declaration.

Section 11. Easements for Association.

There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents and employees, including but not limited to any property manager employed by the Association and any employees of such manager, to enter upon any Lot, or Property or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner, or occupant affected.

Section 12. Sales Offices, Rental Offices, Property Management Offices and Construction Offices.

Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model or sample Lots and homes, together with such other facilities as in the sole opinion of Declarant reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots, Common Properties or the Unsubdivided Land. The Declarant also reserves the right to grant to any builder or builders the right to operate and maintain builder sales offices at any location with the Development upon such terms and conditions as the Declarant in the Declarant's sole discretion may establish.

Section 13. Easements for Additional Property.

There is hereby reserved in the Declarant, its successors, assigns and successors in title to the Additional Property, for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Development, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular access, ingress, egress and parking over, across, within and on the roads, sidewalks, trails, parking facilities and lagoons from time to time located on or within the Common Properties or within easements serving Common Properties; (ii) the installation, maintenance, repair, replacement and use of security systems and utility facilities and distribution lines, including without limitation drainage systems, water and sanitary sewer systems, storm sewers and antenna and/or cable system lines; and (iii) drainage and discharge of surface water into and across the Development, provided that such drainage and discharge shall not materially damage or affect the Development or any improvements from time to time located thereon.

Section 14. Maintenance Easement.

Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement to enter upon any unimproved portions of any Lot or Unsubdivided Land for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain

reasonable standards of health, fire safety and appearance within the subdivision; provided that such easements shall not impose any duty or obligation upon the Declarant or the Association to perform any such actions. Furthermore, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement, but not the obligation to enter upon any unimproved portions of Lots or Unsubdivided Lands which are located within twenty (20') feet from the water's edge of any lagoon, pond or other body of water within the Development for the purpose of mowing such area and keeping same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such body of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards.

Section 15. Ingress/Egress and Bulkhead Maintenance Easement.

The Declarant hereby reserves a permanent, transmissible, non-exclusive easement forty (40') feet in width located adjacent to the Bulkhead lying on the south side of Morgan Creek as more particularly shown on the Plat described in Exhibit "A". The purpose of said easement is to allow the Declarant, its successors and assigns, access, ingress and egress on foot or by vehicles to and from other lands and/or easements owned by Wild Dunes Associates and to the docks and boat slips now existing or hereinafter constructed in Morgan Creek Harbor; to allow the Declarant, its successors and assigns, the right and access to maintain the Bulkhead adjacent to Morgan Creek; and to allow the Declarant, its successors and assigns, to grant utility easements in, on, over and under said easement and to install, maintain, and operate said utilities and utility lines, equipment, etc. The Declarant, its successors and assigns, reserves the right to transfer the above easements or any portion thereof, to Morgan Place Property Owners Association or Morgan Creek Harbor Association or any public or private utility company or companies, but shall not be obligated to do so. Lot Owners shall be prohibited from placing, constructing, building or erecting any permanent structure within said easements without the prior written consent of the Declarant, its successors and assigns.

Section 16. South Carolina Coastal Council Jurisdiction.

Notice is hereby given of the restriction that as to any portion of any Lot within the Development which may contain submerged land or other critical areas, all activities on or over and all uses of such land or other critical areas are

subject to the jurisdiction of the South Carolina Coastal Council. Any Owner is liable to the extent of such Owner's ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters or other critical areas.

Section 17. 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 THESE COVENANTS.

Section 18. 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 THESE COVENANTS.

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 this 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 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 hereof, on its own motion, from the date hereof until January 1, 1995, 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 as defined in this Declaration and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast in person or by proxy 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 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 D 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.

Section 3. Enforcement.

Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any 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, Section, 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 arising out of or in any way relating 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 provisions 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 Properties belonging to the Association at the time of such adjudication shall revert to the Declarant, and the Declarant shall own and operate said Common Properties as Trustee for use and benefit of Owners within the Properties 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 Properties, owned by the Association at such time, shall be transferred to a properly appointed Trustee which Trustee shall own and operate said Common Properties, for the use and benefit of Owners within the Properties as set forth below:

- (a) Each lot or parcel of land located within the Properties shall be subject to an annual assessment which shall be paid by the Owner of each such lot or parcel 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 parcel shall not exceed the amount actually assessed against that lot or parcel in the last year that assessments were levied by the Association, subject to the Adjustment set forth in subparagraph (b) immediately below.
- (b) Any past due annual assessment, together with interest thereon at the greater of fourteen (14%) percent or the maximum annual rate permitted by law 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 becomes past due, and it shall also constitute and become a charge and continuing lien on the lot or parcel of land 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.
- (c) 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 obligation to provide for operation, maintenance, repair and up-keep of the Common Properties once the funds provided by the annual assessment have been exhausted.

- (d) The Declarant shall have the right to convey title to the Common Properties 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.
- (e) The Trustee shall have the power to dispose of the Common Properties, 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 of Property within the Properties or, in the alternative, shall be found to be in the best interest of the Owners of property within the Properties 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 Properties, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and up-keep of such Properties, then for the payment of any obligations distributed among the Owners of Property within the Properties, exclusive of the Trustees, in an 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 Properties.

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 13th day of July, 1987.

WITNESS:

W. T. [Signature]
[Signature]

WILD DUNES ASSOCIATES

By: [Signature]
 Noel D. Thorn,
 Its: Partner

WITNESS:

W. T. Turner

Wanda B. Hunter

MORGAN PLACE PROPERTY OWNERS
ASSOCIATION, INC.

By:

Noel D. Thorn

Its: President

By:

Brian F. Kernaghan

Its: Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me W. Foster Gaillard
and made oath that (s)he saw the within Wild Dunes Associates
by Noel D. Thorn, its Partner, sign, seal and as its act and
deed, deliver the within written instrument and that (s)he
with Donna B. Hartin witnessed the execution
thereof.

W. Foster Gaillard

SWORN to before me this
13th day of July, 1987.

Donna B. Hartin
Notary Public for South Carolina
My Commission Expires: 12-28-94

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me W. Foster Gaillard
and made oath that (s)he saw the within Morgan Place Property
Owners Association, Inc. by Noel D. Thorn, its President and
by Brian F. Kernaghan, its Secretary, sign, seal and as its
act and deed, deliver the within written instrument and that
(s)he with Donna B. Hartin witnessed the
execution thereof.

W. Foster Gaillard

SWORN to before me this
13th day of July, 1987.

Donna B. Hartin
Notary Public for South Carolina
My Commission Expires: 12-28-94

EXHIBIT "A"

PROPERTY DESCRIPTION

ALL those certain pieces, parcels or lots of land situate, lying and being on the Isle of Palms, Charleston County, South Carolina, known and designated as Lots 1-18, Tract F, Block G, on a plat entitled "Conditional Plat Showing Subdivision of Tract F, Block G, Parcel 1, Lots 1-18, Wild Dunes, City of Isle of Palms, Charleston County, South Carolina" prepared by William Porcher, Land Surveyor, S.C. Reg. No. 7407, dated February 9, 1987, said plat being duly recorded in the R.M.C. Office for Charleston County in Plat Book BM, Page 78; the said lots having such size, shape, dimensions, buttings and boundings, more or less, as will by reference to said plat more fully appear.

EXHIBIT "B"

BY-LAWS

OF

MORGAN PLACE PROPERTY OWNERS
ASSOCIATION, INC.

ARTICLE I

MEMBERS

Section 1. Membership in the Association. The members of the Morgan Place Property Owners Association, Inc., (hereinafter referred to as "Association") shall be every Owner (as defined in the Covenants hereinafter described) of the property subject to the provisions of Declaration of Covenants and Restrictions of the Morgan Place Property Owners Association, Inc. (all such covenants, restrictions and affirmative obligations, as the same may be amended from time to time, are hereinafter referred to as the "Covenants"); such Covenants having been made by Wild Dunes Associates, a South Carolina General Partnership, (hereinafter referred to as "Declarant").

The Board of Directors of the Association may suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

Section 2. Membership Classes. There shall be the following classes of voting Membership in the Association.

TYPE A: Type "A" Members shall be Owners (including the Declarant) of Single Residential Home Lots contiguous on the front or rear lot line to the existing bulkhead adjacent to Morgan Creek (including Lots 1 through 18, Tract F, Block G). Type A Members shall be entitled to one (1) vote for each Single Family Residential Lot owned. Once a Single Family Detached Home is constructed upon a Single Family Residential Lot and a Certificate of Occupancy is issued, the Owner thereof shall have one (1) additional vote for a total of two (2) votes.

TYPE B: Type B Members shall be owners (including the Declarant) of Single Family Residential Lots adjacent to any existing or future Lake(s) or

Lagoon(s), if such Lake(s) or Lagoon(s) are created by Declarant, and shall include Owners (including the Declarant) of any other Single Family Residential Lots within the Development other than Type A Members. Type B Members shall be entitled to one (1) vote for each Single Family Residential Lot owned. Once a Single Family Detached Home is constructed upon a Single Family Residential Lot and a Certificate of Occupancy is issued, the Owner thereof shall have one (1) additional vote for a total of two (2) votes.

TYPE C: Type C Members shall be owners (including the Declarant) of Unsubdivided Land held and intended for future development by the Declarant or a third party. Type C Members shall be entitled to one (1) vote for each quarter acre of unsubdivided land owned by such Member.

TYPE D: Type D Member shall be the Declarant or its successors and assigns. The Type D Member shall be entitled to one (1) vote for each vote held by Type A, B, and C Members; provided, however, that after January 1, 2007 or sooner if Type D Member relinquishes its voting rights in a recorded Declaration, the Type D Member shall exercise votes only as to its Type A, B, and C memberships.

The Declarant reserves the right in any future Supplementary Declaration to create additional Membership Types to reflect the different character, if any, of such Lots or Properties.

Payment of special assessments shall not entitle Type A, B, and C Members to additional votes.

The Declarant may subsidize the Association in its preliminary years. In the event the Declarant pays to the Association a subsidy in excess of the normal assessment required of the Declarant, the Declarant shall be entitled to additional votes equal to one (1) vote for each One Hundred Twenty-Five and 00/100 (\$125.00) Dollars, of the amount of the subsidy paid.

When any property entitling the Owner to membership as a Type A, B, C, or D 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 division in interest in the property to which the vote(s) are attributable;
- (5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consent, or objections and for the purpose of ascertaining the presence of a quorum.

Section 3. Voting Rights in the Association. The Members of the Association shall have the right to vote for the election and removal of Directors and upon such other matters with respect to which a vote of Members is required under the Covenants. Each Member of each membership class 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 as computed by the formula set out 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 4. Members to Have Power of Referendum in Certain Instances. Where specifically provided for herein or in the Covenants, 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 value in excess of Twenty-Five Thousand and no/100 (\$25,000.00) Dollars, the levy by the Association of any Special Assessment, and the addition or deletion of 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 in the Covenants, 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.

ARTICLE II

MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members shall be held in June of each year commencing with June, 1988, on a date to be specified by the Board of Directors. Such annual meetings shall be held for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the Members may be called by the President, the Board of Directors, or subsequent to the first annual meeting, members of the Association holding not less than one-fifth (1/5) of the votes.

Section 3. Place of Meeting. The Board of Directors may designate any location within Charleston County, South Carolina, as the place for any annual meeting or special meeting, called by the Board of Directors, and the President may designate any location as the place for any special meeting called by him. If no designation is made, the place of meeting shall be the principal office of the Association within Charleston County, South Carolina.

Section 4. Notice of Meeting. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each Member of the Association at his address as shown on the records of the Association. A Member may, in writing, signed by him, waive notice of any meeting before or after the date of the meeting stated herein.

Section 5. Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the Members of the Association may be taken without a meeting if a

consent in writing setting forth the action so taken shall be signed by all of the Members of the Association, which consent shall be filed with the Secretary of the Association as part of the Association records.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action governed by these ByLaws shall be as follows, unless otherwise provided: Written notice of any meeting called for the purpose of taking any action authorized hereunder shall be sent to all Members not less than thirty (30) days in advance of the meeting. At any such meeting called, the presence of Members or Proxies entitled to cast fifty-one (51%) percent of the total vote of the Membership shall constitute a quorum for the transaction of business; provided, however, that any absent Member 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 Covenants or under these ByLaws, a majority of the votes cast by those present or represented by proxies may authorize any action governed by these ByLaws. Unless otherwise provided, any reference herein or in the Covenants to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established hereby.

Section 7. Conduct of Meeting. The Directors may make such regulations as they deem advisable for any meeting of the Members, including proof of membership in the Association, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulations shall be binding upon the Association and its Members.

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.

Section 9. Manner of Acting. Unless otherwise provided herein or in the Covenants, a majority of the votes cast at a duly called meeting of the Association at which the quorum requirements have been met shall be the vote required to adopt and make decisions.

ARTICLE III

DIRECTORS

Section 1. General Powers. The affairs of the

Association shall be managed by its Directors. The Directors need not be Members of the Association.

Section 2. Number and Tenure. The Board of Directors shall consist of five (5) Members. At the first annual meeting the Members shall elect five (5) Directors, one for a term of one year, two for a term of two years, and two for a term of three years. At each annual meeting thereafter, the Members shall elect Directors for a term of three years. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill. Election of Directors may be conducted by mail ballot if the Board of Directors so determines. At the inception of the Association, the Board shall consist of those persons named in the Association's Certificate of Incorporation, appointed by the Declarant. Directors need not be Members of the Association.

Section 3. Annual Meetings. Annual meetings of the Board of Directors shall be held annually immediately following the annual meeting of the Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors by giving notice thereof as provided in Section 5 of this Article III. Such persons calling a special meeting of the Board of Directors, may fix any location as the place for holding such special meeting.

Section 5. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least three (3) days previous to such meeting by written notice delivered personally or sent by mail to each Director at his address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited postage prepaid in the United States mail in a sealed envelope properly addressed. Any Director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the

business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws or the Covenants.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors any Director may be reimbursed for his actual expenses incurred in the performance of his duties but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefrom.

Section 9. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the Directors which consent shall be filed with the secretary of the Association as part of the corporate records.

Section 10. Removal of Directors. Any Director may be removed from the Board of Directors, with or without cause, by a majority of the votes cast at a duly called meeting of the Association. The vacancy thus created by such a removal shall be filled as provided in Section 2 of this Article III.

Section 11. Indemnity. The Association shall indemnify every Director and every officer, their heirs, executors and administrators, against all loss, damages, costs or expenses of any type reasonably incurred by him in connection with any action, suit, or proceeding to which he is made a party by reason of his being or having been a Director or officer of the Association, except as to such matters wherein he shall be finally adjudged liable of gross negligence or willful misconduct. The Board may obtain for the Association Directors and Officers liability insurance coverage in such amounts as the Board deems necessary and appropriate.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Properties, amenities, and recreational facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use the Common Properties, amenities and recreational facilities, if any, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, or the Covenants;
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (e) to grant utility and ingress/egress easements on, over or across the Common Properties of the Association.
- (f) to sell, transfer and convey portions of Common Properties without a vote of the Members of the Association in order to (i) correct errors or mistakes in Deeds or easements to or from the Association; or (ii) to divest the Association of properties which are not necessary for the functions and services which the Association is authorized to carry out and deliver.

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

- (a) cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by a one-fourth

- (1/4) vote of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Covenants:
 - (1) to fix and levy the amounts of all assessments, annual, special or otherwise;
 - (2) to send written notice of all assessments to every owner subject thereto;
 - (3) in the discretion of the Board, to foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same; and
 - (4) to provide for a Board of Architectural Review, should the Declarant relinquish said authority to this Board.
- (d) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) to procure and maintain adequate liability and hazard insurance on Common Properties and other property owned or leased by the Association.
- (f) to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; to provide Directors and Officers liability insurance, errors and omission insurance or similar insurance for Officers and Directors, as it may deem appropriate;
- (g) to cause the Common Properties, lakes, lagoons, if any, roadways, streets, bridges, amenities, recreational facilities (if any), open spaces, and any other Common Properties, to be maintained or improved, and properly landscaped.
- (h) to cause the individual Lots to be properly

landscaped as provided in the Covenants.

- (i) to prepare an annual budget for the Association, outlining anticipated receipts and expenses for the following fiscal year.
- (j) to carry out the reconstruction of Common Property improvements after casualty, and to carry out the further improvement of such Common Properties.
- (k) to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Properties, as may be necessary or convenient in the operation and management of the Association, except those which may be required by the Covenants to have approval of the Members.
- (l) to enforce by legal means the provisions of the Certificate of Incorporation, Covenants and By-laws of the Association, and the regulations promulgated by the Board.
- (m) to pay all taxes and assessments which are liens against any part of the Common Properties or other property, real or personal, belonging to the Association.
- (n) to pay all costs of power, water and sewer and other utility services rendered to the Association and not billed to the Owners of separate Lots, including any common dock utility charges not billed or attributable to individual Owners.
- (o) to borrow money on behalf of the Association and to pledge/mortgage the property of the Association as security for such loan(s).
- (p) to exercise for the Association all powers, duties, and authority vested in or delegated to the Association by the Covenants and not reserved to the Membership by other provisions of these By-laws or the Certificate of Incorporation.

ARTICLE V

MERGER

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such mergers or consolidation shall require approval by the vote of two-thirds (2/3) of the

memberships, if any, at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, 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 Association pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other property as one plan. No merger or consolidation shall effect any revocation, change or addition to the Covenants.

ARTICLE VI

AUTHORITY TO MORTGAGE

To the extent provided by law 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. Notwithstanding anything in the Covenants to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there are outstanding any amounts as repayment of any such loans.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such offices to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary. The President shall be a Director of the Association. Other officers may be, but need not be, Directors of the Association.

Section 2. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of

Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Association.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Interim Officers. The initial Board of Directors appointed by the Declarant shall elect interim or acting officers to serve until the first annual meeting of the Board of Directors.

Section 7. President. The President shall be the chief executive officer of the Association. He shall execute on behalf of the Association all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall preside at all meetings of the Association and the Board of Directors. He shall have all general powers and duties which are usually vested in the office of President of a property owners association, including the power to appoint committees.

Section 8. Vice President. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

Section 9. Secretary. The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and meetings of the Association and record the proceedings. He shall give, or cause to be given, notice

of all meetings of the Association and of the Board of Directors as required by these By-Laws and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 10. Treasurer. The Treasurer shall act under the direction of the President and shall keep or be responsible for keeping the accounts of the Association. He shall disburse the funds of the Association as may be ordered by the President or the Board of Directors and shall render on request or at the regular meetings of the Board of Directors an account of all his transactions as Treasurer and of the financial condition of the Association. The Treasurer shall be responsible for mailing all assessment notices to Members of the Association.

ARTICLE VIII

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters: (a) the dissolution, merger or consolidation of the Association; the amendment of the Articles of Incorporation of the Association; or the sale, lease or exchange of all or substantially all of the property of the Association; (b) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (c) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and (d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of Directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX

CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed of the Association. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificates shall become lost, mutilated, or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

ARTICLE X

The books, records and papers of the Association shall at all times be subject to inspection by any member during reasonable business hours. The Covenants and the By-Laws of the Association shall be available for inspection and purchase by any Member at the principal office of the Association.

ARTICLE XI

PROXIES

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

Section 2. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the secretary before the meeting, provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Covenants. 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 XII

CONSTRUCTION

In the event of a conflict between the Covenants and the By-laws, the Covenants shall control.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Covenants, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall, unless waived by the Board of Directors, bear interest from the date of delinquency at the rate of fourteen (14%) percent per annum or the highest rate permitted by applicable law, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

ARTICLE XIV

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words Morgan Place Property Owners Association, Inc., State of South Carolina.

ARTICLE XV

AMENDMENTS

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted, by the Board of Directors, at a regular or special meeting of the Board by a vote of a majority vote of all Directors, provided notice of such pending action is given in the call for said meeting, or by the Declarant within three (3) years from the date of recordation of the Covenants.

ARTICLE XVI

DISSOLUTION

If the Members determine that it is in the best interest of the Association, and/or its Members to completely dissolve the Association, it can take such action, by a majority vote of all Members. In the event of such action, disposition of Common Properties belonging to the Association shall be in

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accordance with Article IX, Section 12 of the Covenants and Restrictions of the Morgan Place Property Owners Association, Inc. and in accordance with the laws of the State of South Carolina.

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

3K W 66 PG 407
CERTIFICATE

This is to certify that the attached By-Laws were adopted by the Members and Board of Directors of the Morgan Place Property Owners Association, Inc. on July 13th, 1987.



Brian F. Kernaghan Acting
Secretary

RETURN TO BUIST, MOORE, SMYTHE
& MCGEE (_____)]
ATTORNEY'S INITIALS

JK W166PG408

Decker 66.00
Gov.
Rest

W166PG408
EBV

FILED, INDEXED & RECORDED

W166-343

1587 JUL 13 PM 2:18

ROBERT N. KING
REGISTER MESSENGER CONVEYANCE
CHARLESTON COUNTY, SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

3K W16626409
SUPPLEMENTAL DECLARATION AND
AMENDMENT OF COVENANTS AND
RESTRICTIONS OF THE MORGAN
CREEK HARBOR ASSOCIATION

THIS Supplemental Declaration made this 13th day of July, 1987 by Wild Dunes Associates, a South Carolina General Partnership, and by Morgan Creek Harbor Association, Inc., hereinafter referred to as "Association".

W I T N E S S E T H:

WHEREAS, the Wild Dunes Associates, by instrument dated July 12, 1984 made certain properties on the Isle of Palms, Charleston County, South Carolina, subject to a Declaration of Covenants and Restrictions For The Morgan Creek Harbor Association ("Declaration"), said instrument being recorded in the R.M.C. Office for Charleston County, South Carolina in Book R-138 at Page 133; and

WHEREAS, said Declaration was supplemented by Supplemental Declaration of Covenants and Restrictions of the Morgan Creek Harbor Association dated August 17, 1984, recorded in the R.M.C. Office for Charleston County in Book B-140, Page 611; and

WHEREAS, Article II, Section 2 provides that additional property may be brought within the plan and operation of the aforesaid Declaration as more particularly set forth herein and that any Supplementary Declaration adding additional land may contain such complementary additions and/or modifications of the covenants and restrictions contained in the aforesaid Declaration as may be necessary or convenient, in the sole judgment of the Declarant, Wild Dunes Associates, to reflect the different character, if any, of the added properties; and

WHEREAS, Wild Dunes Associates, with the consent of Morgan Creek Harbor Association, Inc., now wishes to bring additional properties within the plan and operation of the aforesaid Declaration and to submit said properties to the following complimentary additions and/or modifications of the covenants and restrictions contained in the aforesaid Declaration, now therefore

KNOW ALL MEN BY THESE PRESENTS that Wild Dunes Associates declares that the real property described in Exhibit "A", attached hereto, pursuant to Article II, Section 2 of the "Declaration of Covenants and Restrictions for Morgan Creek Harbor Association, Inc." dated July 12, 1984 and recorded in Book R-138, Page 133 in the R.M.C. Office for Charleston County, South Carolina, 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 as are set forth in the above described Declaration and the following complementary additional covenants, restrictions, conditions, easements and affirmative obligations:

1. Maintenance of Bulkheads by the Association. Pursuant to Article IV, Section 1 of the Declaration, the Association shall maintain, repair and replace the bulkhead shown on the Plat more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.
2. Easements for maintenance and repairs of docks and bulkheads. The Association shall have and is hereby granted by Declarant, Wild Dunes Associates, a permanent, transmissible, non-exclusive easement over, upon and underneath those portions of Lots 1 through 18, Tract F, Block G and other portions of Tract F, Block G as more particularly described in Exhibit "A" attached hereto that lie within forty (40') feet of the bulkhead which is contiguous to Morgan Creek, the location of said bulkheads being shown on a plat by Engineering, Surveying and Planning, Inc. dated February 9, 1987 as more particularly described in Exhibit "A" attached hereto, reserving unto Wild Dunes Associates, its successors and assigns, all rights to utilize said easement for purposes of maintenance, ingress and egress and for utilities. The purpose of said easement is to allow the said Association, from time to time to maintain, repair and replace the bulkhead and the pilings, cables, anchors, beams, bolts and other devices used 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 and Wild Dunes Associates. 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 in prior to the commencement of work.
3. Voting Rights. The Owners of Lots 1-18, Tract F, Block G, as more particularly shown on Exhibit "A" attached hereto, shall be designated as Type A Members as provided in Article III, Section 2 of the Declaration and shall have all rights, duties, and responsibilities and be subject to all assessments of Type A Members.
4. Ownership and Maintenance of Docks. The Owners of Lots 1-18, Tract F, Block G, as more particularly shown on Exhibit "A" attached hereto, shall be subject to the

provisions of Article IV, Section 3(a) of the Declaration pertaining to the ownership and maintenance of docks, except as provided herein.

All private docks and walkways adjacent to said Lots shall be kept and maintained in such a manner so that they are uniform in structure, form, appearance and style with the other private docks adjacent to Lots 1-18, Tract F, Block G.

No boat, craft or vessel docked or moored at such private docks adjacent to Lots 1-18, Tract F, Block G, shall be longer than forty-five (45') feet, except as may be permitted by express written approval of Wild Dunes Associates, its successors and assigns. No parallel parking of boats, crafts or vessels shall be allowed without the written permission of the Morgan Place Property Owners Association Board of Directors. No more than two (2) boats, crafts or vessels may be moored at a private dock without the written permission of such Board.

4. Easements for Access To and From the Harbor Basin. Subject to all rules and regulations promulgated by the Association and to the easements and assessments set forth in the Declaration, as supplemented, the Declarant, the Owners of Lots 1-18, Tract F, Block G, and their lessees, invitees and guest, shall have a non-exclusive easement and right to use the Harbor Basin Area for ingress, egress and movement of boats, crafts, and vessels to and from their property to the Intercoastal Waterway through and within the Harbor Basin Area.

The said easement shall be appurtenant to the Lot being conveyed by Declarant and shall run with the said Lot and may not be severed, partitioned or in any manner divided or conveyed separately from said Lot.

IN WITNESS WHEREOF, Wild Dunes Associates and the Association have caused this instrument to be executed the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

W. T. Turner
Russ E. Thorne

WILD DUNES ASSOCIATES, a
South Carolina General
Partnership

By: Noel D. Thorn
Noel D. Thorn, Its
Partner

3K H16626412

MORGAN CREEK HARBOR
ASSOCIATION, INC.

Walter Millard
Diana B. Hart

By: Lawrence E. McKay
Lawrence E. McKay

Its: President

3K W16626413

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me W. Foster Gaillard
and made oath that (s)he saw the within Wild Dunes Associates,
A South Carolina General Partnership by Noel D. Thorn, its
Partner, sign, seal and as its act and deed, deliver the
within written instrument and that (s)he with Donna B. Hartin
witnessed the execution thereof.

W. Foster Gaillard

SWORN to before me this
13th day of July, 1987.

Donna B. Hartin
Notary Public for South Carolina
My Commission Expires: 12-28-94

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me W. Foster Gaillard
and made oath that (s)he saw the within Morgan Creek Harbor
Association, Inc., by Lawrence E. McKay, its President, sign,
seal and as its act and deed, deliver the within named written
i n s t r u m e n t a n d t h a t (s) h e w i t h
Donna B. Hartin witnessed the execution
thereof.

W. Foster Gaillard

SWORN to before me this
13th day of July, 1987.

Donna B. Hartin
Notary Public for South Carolina
My Commission Expires: 12-28-94

EXHIBIT "A"

PROPERTY DESCRIPTION

ALL those certain pieces, parcels or lots of land situate, lying and being on the Isle of Palms, Charleston County, South Carolina, known and designated as Lots 1-18, Tract F, Block G, on a plat entitled "Conditional Plat Showing Subdivision of Tract F, Block G, Parcel 1, Lots 1-18, Wild Dunes, City of Isle of Palms, Charleston County, South Carolina" prepared by William Porcher, Land Surveyor, S.C. Reg. No. 7407, dated February 9, 1987, said plat being duly recorded in the R.M.C. Office for Charleston County in Plat Book 8M, Page 78; the said lots having such size, shape, dimensions, buttings and boundings, more or less, as will by reference to said plat more fully appear.

RETURN TO BUST, MOORE, SMYTHE
& MCGEE (ATTORNEYS INITIALS

JK W166PG415

Supple 7.00
Declar
Amend Cov.

for

FILED, INDEXED & RECORDED

W166-409
1937 JUL 13 PM 2:18

ROBERT N. KING
REGISTER MESNE CONVEYANCE
CHARLESTON COUNTY, S.C

Handwritten initials