

in Exhibit "B" attached hereto and incorporated herein by reference; now therefore

KNOW ALL MEN BY THESE PRESENTS THAT the Declarant hereby declares that the property described in Exhibit "A" and any Additional Property described in Exhibit "B" or so much of it as Declarant may, in its sole discretion, see fit to develop or dedicate, as by subsequent amendment hereto may be subjected to this Declaration, shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the following easements, restrictions, covenants, charges, liens and conditions which are hereby imposed for the purpose of protecting the value and desirability of the Subdivision and which restrictions, easements, charges, liens, conditions, and covenants shall touch and concern and run with title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in said properties or any portion of them. This Declaration also binds the respective heirs, devisees, fiduciary representatives, successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything who/which purchases or takes any interest in real property within the lands subject to this Declaration.

ARTICLE I DEFINITIONS

When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have the following meanings, and all definitions shall be applicable to the singular or plural forms of any such term(s):

Section 1. "Additional Property" shall mean and refer to the real property described in Exhibit "B" and all improvements thereon.

Section 2. "Assessment" shall mean and refer to any Owner's share of the Common Expenses or any other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 3. "Association" shall mean and refer to Seaside Property Owners Association, Inc., its successors and assigns.

Section 4. "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

Section 5: "By-Laws of the Association" shall mean and refer to those By-Laws of the Association which govern the

administration and operation of the Association attached hereto as Exhibit "C" and made a part hereof by reference, as may be amended from time to time.

Section 6. "Common Areas" shall mean and refer to all real and personal property, if any, now or hereafter owned by the Association for the common use and enjoyment of the Owners or designated by the Declarant as Common Area. It is intended that the area designated at "Amenities Area" more particularly shown on the plat described in Exhibit "A", together with any improvements now or subsequently constructed thereon, shall be designated Common Area and conveyed to the Association by the Declarant or by Wild Dunes Associates. Such Common Areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public and the general public shall thereby have no easement of use and enjoyment therein. It is anticipated that the roads within the Subdivision shall be conveyed by Wild Dunes Associates to the Wild Dunes Community Association, Inc. or to such other association as Declarant shall determine for ownership and maintenance, but the Declarant, in Declarant's sole discretion, shall have the right and option of conveying or causing to be conveyed and/or designating said roads as Common Areas for maintenance by the Association, in which event the Association agrees to accept ownership and maintenance of said roads and rights-of-way. In the event Declarant conveys, or causes to be conveyed, the roads within the Subdivision to an association other than the Wild Dunes Community Association, Inc. or the Seaside Property Owners Association, Inc., the Seaside Property Owners Association, Inc. shall be obligated to pay its prorata share of the maintenance expenses of such roads to such other association charged with such maintenance.

Section 7. "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment or material reserves, consistent with the provisions and intent of this Declaration.

Section 8. "Declaration" shall mean this Declaration and all supplements and amendments to this Declaration as filed in the Office of the Charleston County Register of Mesne Conveyances.

Section 9. "Declarant" shall mean and refer to Seaside Associates, a South Carolina General Partnership, its successors and assigns. The Declarant shall have the right to assign any and all rights which it may possess, as Declarant, to Wild Dunes Associates, a South Carolina General Partnership, or any person or entity provided, however, that

particularly described in Exhibit "A" attached hereto and by reference incorporated herein.

Section 2. Additional Properties. Additional Properties may become subject to this Declaration in the following manner:

(a) Additions. The Declarant, its successors and assigns, shall have the right, without further consent of the Association at any time prior to January 1, 1998 to bring within the plan and operation of this Declaration Additional Properties, whether or not owned by the Declarant, its successors or assigns, in future stages of the development, whether or not immediately contiguous and adjacent, provided, however, such Additional Properties are inside the Wild Dunes Community of the Isle of Palms, in the same general vicinity of the instant property and are of the same general character, regardless of whether the Lots within such Additional Properties are of a size greater or smaller than the Lots presently subject to this Declaration. The additions authorized under this and the succeeding subsection shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the Additional Properties which shall extend the operation and effect of the Covenants and Restrictions of this Declaration to such Additional Properties.

The Supplementary Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character, if any, of the Additional Properties as are not inconsistent with the plan of this Declaration. It is anticipated that the Declarant will develop and later bring within the plan and operation of this Declaration those Lots shown on the Subdivision Plat not presently subject to this Declaration. 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 any properties not presently subject to said Declaration and expressly reserves the right to convey such property or properties free of this Declaration unless otherwise affirmatively imposed.

(b) Merger or Consolidation. Upon a merger or consolidation of the Association with another association as provided for in the By-Laws of the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated

association or, in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Properties as herein provided.

ARTICLE III

THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

Section 1. The Association. The Declarant has established or will establish the Association for the purpose of exercising powers of maintaining, improving and administering the Common Areas and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing Assessments and charges herein created. Further, the Declarant reserves the right to convey to the Association and the Association agrees to accept any and all of its rights and obligations set forth herein.

Section 2. Rules and Regulations. The Association, by and through its Board of Directors, may adopt from time to time additional reasonable rules and regulations governing the use of Common Areas and Lots within the Subdivision.

Section 3. Membership. Every Owner of a Lot which is subject to this Declaration shall be a member ("Member") of the Association. Membership shall be appurtenant to and not be separated from ownership of any Lot which is subject to assessments.

Section 4. Voting Rights. Each Member shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The one (1) vote for such Lot shall be exercised as they, among themselves, shall determine, but in no event shall more or less than one (1) vote be cast with respect to any such Lot. The Declarant, in addition to having one (1) vote for each Lot owned by said Declarant, shall be entitled to one (1) vote for each vote held by the other Members of the Association. This additional voting right of the Declarant shall cease when the Declarant has conveyed to others all of the Lots in the Subdivision, including those Lots contained in or situate on any Additional Property which Declarant may hereafter bring under the terms of this Declaration, or on December 31, 1998, whichever shall first occur. 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 the Members is required under the Declaration or the By-Laws. Members shall

cast their votes as set forth in the Declaration and the By-Laws.

Section 5. Board of Directors. The Association shall be governed and the business and affairs of the Association shall be managed by a Board of Directors as more particularly set forth in the By-Laws of the Association.

Section 6. Referendum. Any action which may be taken at a duly called meeting of the Association may also be taken by referendum of the Members of the Association. 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.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members Easements of Enjoyment. Subject to the provisions of these Covenants and the rules and regulations of the Association, every Owner shall have a right and nonexclusive easement of enjoyment in and to the dedicated Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. The Declarant covenants for itself, its successors and assigns, that it shall convey to the Association or cause to be conveyed to the Association, as Common Area, the lot shown on the Subdivision Plat designated as "Amenities Lot" on or before December 31, 1998, subject, however, to all liens and encumbrances of record. The Declarant reserves the right to impose additional covenants on such Common Areas at the time of such conveyance. The Declarant also reserves the right, but not the obligation, to convey other Common Areas to the Association and the Association hereby agrees to accept such Common Areas, including, but not limited to, the streets, roads and rights-of-way within the Subdivision. Any Common Areas so conveyed to the Association shall be maintained and repaired by the Association. It is anticipated that the roads within the Subdivision shall be conveyed by Wild Dunes Associates to the Wild Dunes Community Association, Inc. or to such other association as Declarant shall determine for ownership and maintenance, but the Declarant, in Declarant's sole discretion, shall have the right and option of conveying or causing to be conveyed and/or designating said roads as Common Areas for maintenance by the Association, in which event the

Association agrees to accept ownership and maintenance of said roads and rights-of-way. In the event Declarant conveys, or causes to be conveyed, the roads within the Subdivision to an association other than the Wild Dunes Community Association, Inc. or the Seaside Property Owners Association, Inc., the Seaside Property Owners Association, Inc. shall be obligated to pay its prorata share of the maintenance expenses of such roads to such other association charged with such maintenance.

Section 3. Extent of Members' Easement. The rights and easements created hereby shall be subject to the following:

(a) The right of the Declarant, and of the Association, to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration, to any successor association, governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Owners;

(b) The right of the Declarant, and of the Association, to grant, reserve and accept easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, electric, fuel oil and other utilities and services, including a cable or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Areas for the completion of the Subdivision, and for the operation and maintenance of the Common Areas;

(c) The right of visitors, invitees, etc., to ingress and egress in and over those portions of the Common Areas that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case of landlocked adjacent Owners) to the nearest public road;

(d) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Owner for any period during which any Assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(e) The rights of the Declarant and the Association, as the case may be, to establish rules and regulations for the Subdivision and to prescribe fees and charges from time to time for use of any amenities which may now or hereafter be constructed on the Common Areas.

Section 4. Easements for Declarant. During the period that Declarant owns any Common Area, 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 Subdivision, Declarant shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots, any improvements to the Common Areas, and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Subdivision (including portions of the Common Areas) as are 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 5. Changes in Boundaries; Additions to Common Areas. Declarant expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Areas and any Lots owned by Declarant, including the realignment of boundaries between adjacent Lots and Common Areas. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time, and from time to time, any portion of the Additional Property, such real property to be conveyed to the Association as an addition to Common Areas and subject to the other provisions set forth in this Declaration.

Section 6. Easements for Utilities. There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns the alienable, transferable 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 Areas; (ii) an easement area across every Lot as shown on the Subdivision Plat for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarant, its successors and assigns or by the Board of Directors; provided, however, that for so long as Declarant owns any portion of the Common Areas, owns any Lot primarily for the purpose of sale or has the option to add the Additional Property or any portion thereof to the Subdivision, the Board of Directors must obtain the written consent of

Declarant prior to granting or accepting any such easements. To the extent possible, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Subdivision so encumbered: (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Section 7. 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 manger, to enter upon any Lot 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 8. 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, and model or sample Lots, 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 Areas or the Additional Property. 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 within the subdivision upon such terms and conditions as the Declarant in the Declarant's sole discretion may establish.

Section 9. 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 Subdivision, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular access, ingress, egress and parking facilities from time to time located on or within the Common Areas or within easements serving the Common Areas or within the streets

within the Subdivision, whether or not such streets have been designated as Common Areas; (ii) the installation, maintenance, repair, replacement and use of security systems and utility facilities and distribution lines, including without limitation drainage systems, storm sewers and electrical, gas, telephone, water, sewer and master television antenna and/or cable system lines; and (iii) drainage and discharge of surface water onto and across the Subdivision, provided that such drainage and discharge shall not materially damage or affect the Subdivision or any improvements from time to time located thereon.

Section 10. 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 for the purpose of landscaping, 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 which are located within ten (10') feet from the water's edge of any lagoon, pond or other body of water within the Subdivision 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 11. Environmental Easement. 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 on, over and across all unimproved portions of the Common Areas and Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

Section 12. South Carolina Coastal Council Jurisdiction. Notice is hereby given of the restriction that as to any

portion of any Lot within the Subdivision 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 for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any such submerged land, coastal waters or other critical areas.

ARTICLE V
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment charges, and (2) special assessments for capital improvements and other purposes, such Assessments to be established and collected as hereinafter provided. The annual and special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge upon the land and shall be a continuing lien on the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the Assessment fell due. The obligation for delinquent Assessments shall run with the land and shall pass to his successors in title. Upon reasonable request, the Association shall provide an accounting of an Owner's Assessments and any delinquency in payment thereof.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to pay all Common Expenses of the Association, to promote the recreation, health, safety and welfare of the residents of the Properties and, in particular, for the administration, acquisition, construction, improvement and maintenance of Common Areas, landscaping of individual Lots as provided in this Declaration, services and facilities devoted to the purposes set forth herein or for the use and enjoyment of the Common Areas, including, but not limited to, the costs of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the payment of charges for garbage service, water furnished and water and sewer services or other utilities rendered to the Common Area, the employment of attorneys, accountants, employees, management companies and contractors as shall be required for the orderly and efficient discharge

of its business and the operation of the Association's Common Areas and for all other purposes set forth in this Declaration or of the By-Laws, and such other needs as may arise, or as may be required in the judgment of the Association's Board of Directors. The Association shall be authorized to establish reserve funds in such amounts and for such purposes as the Board of Directors of the Association shall determine in their best judgment.

Section 3. Annual Assessment. The Declarant initially, and thereafter the Board of Directors shall fix the annual Assessment. When the Board of Directors fixes the annual Assessment for each calendar year, the Board shall at the same time, and in connection therewith, prepare or cause to be prepared, an annual budget showing the services furnished by the Association, and the costs thereof per Lot.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purpose not prohibited by this Declaration, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes cast in person or by proxy at a meeting called for such purpose. All special Assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis. Notwithstanding the foregoing, the Board shall have the authority to enact a special Assessment not to exceed \$500.00 per Lot per year without the assent of the Owners as otherwise provided herein when the Board, in its discretion, determines that such special Assessment is necessary to protect the property of the Association and/or Owners.

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

Section 6. Association's Working Capital. After these Covenants are recorded and upon conveyance of a Lot by the Declarant, the Board of Directors shall assess each Owner a sum equal to at least two (2) months' assessment for working capital, which cost when paid can be recovered from the grantee of an Owner upon conveyance of his Lot. Such sums are separate and distinct from annual Assessments and shall not be considered advance payments of such Assessments, and shall only be due and payable upon the initial sale and conveyance

of such Lot by the Declarant. Each Owner's share of the working capital fund must be collected from such Owner upon his initial purchase of a Lot, and must be transferred to the Association at the time of said closing of such Lot purchase.

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

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to the lesser of (a) eighteen (18%) percent per annum or (b) the maximum rate provided by applicable law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot in like manner as a mortgage of real property, or both. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual Assessment due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such Assessment. In the event of any such foreclosure, the Owner shall be required to pay a reasonable rental for the Lot after commencement of the foreclosure action, and the Association in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 9. Subordination of the Lien. The lien of Assessments provided for herein shall be subordinate to the lien of any first mortgage upon such Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien

thereof.

Section 10. Exempt Property. The following Property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the Assessments, charges and liens created herein: (a) the grantees in conveyances made for the purpose of granting utility easements; (b) owners of all open space and Common Areas; and (c) unsubdivided land and/or unsold Lots owned by the Declarant.

ARTICLE VII ARCHITECTURAL CONTROL

No temporary or permanent structure may be commenced, erected or maintained upon any Lot or any portion of the Property, nor may any application for building permit for any home, building, or other structure be made or any significant landscaping done, or any addition or alteration to any existing home, building or other structure be made until the proposed plans, specifications, materials and exterior color and finish, plot plans, landscape plans 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 alterations. Declarant, in Declarant's sole judgment and discretion, shall have the right and option to transfer and relinquish its architectural review authority herein to either an Architectural Review Board established by the Board of Directors of the Association or to any Architectural Review Board presently or hereafter established by the Wild Dunes Community Association, Inc. Unless such architectural review authority is transferred to the Architectural Review Board of the Wild Dunes Community Association, the approval, as set forth herein, shall be in addition to that presently required by the Wild Dunes Architectural Review Board.

ARTICLE VIII USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for private single-family residential purposes, provided, however, that nothing herein shall prevent Declarant from using any dwelling as a model or sales office. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling. No Lot, including any dwelling thereon or to be built thereon, shall be used for or subject to any type of Vacation Time Sharing Plan as defined by Section 27-31-10, et. seq., of the Code of Laws for the State of South Carolina (1976), as amended, or any subsequent laws of this State dealing with that or similar type ownership, without prior written consent of the Declarant, its successors and assigns.

Section 2. Dwelling Specifications. No dwelling shall be erected on any Lot other than a detached dwelling consisting of no less than 1100 square feet of Living Space. No temporary or permanent structure shall be erected or located upon any Lot except such dwelling.

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

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

Section 5. Resubdivision. No lot shall be subdivided or reduced in size without the prior written consent of the Declarant, its successors and assigns.

Section 6. Outside Antennas. No outside radio or television antennas shall be erected on the Properties unless and until permission of the same has been granted by the Board of Directors of the Association and by the Wild Dunes Architectural Review Board.

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

Section 8. Landscaping, Plants and Trees. Plants, trees, shrubs and ground cover now or hereinafter located upon any Lot shall be maintained by the Association, at its option, 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 any Lot without written approval of the Board of Directors. In order to enable the Association to maintain or replace any plants, trees, shrubs and ground cover now or hereafter located upon the Lots within the Subdivision, there is hereby reserved to the Association the right to unobstructed access over and upon the unimproved portion of each Lot at all reasonable times to perform such maintenance or replacement.

Section 9. Outdoor Recreational Equipment. No gym sets, sand boxes, basketball goals or other outdoor recreational equipment shall be installed or used upon the Properties, except in areas specifically provided for recreational purposes by the Board of Directors.

Section 10. Prohibited Work. No Owner shall do any work which would jeopardize the soundness and safety of the Property, reduce the value thereof or impair any easement or hereditament without, in every such case, unanimous consent of all other Property Owners affected being first obtained.

Section 11. Rebuilding Requirement. Any dwelling or other structure on any Lot which may be destroyed in whole or in part by fire, windstorm or for 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 12. Elevation and Drainage Changes. No changes in the elevation, topography or drainage characteristics of any Lot within the Subdivision shall be made without the prior written approval of the Declarant or the Association Board of Directors nor shall any fill be used to extend any Property beyond any boundary line of any lakefront Lot.

Section 13. Tree Removal. No trees or bushes of any kind having a diameter of six (6) inches or more (measured from a point two (2) feet above the ground level) shall be removed from any Lot without the express written authorization of the Board of Directors. The Board of Directors shall further have the authority to require any Owner removing a tree in violation of this provision to replace same at such Owner's costs.

Section 14. Garbage Disposal. Each Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the Town of Isle of Palms, which shall be visible from the streets on garbage pick-up days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal of garbage or trash on any Lot or within the Subdivision shall be permitted.

Section 15. Certain Vehicles Prohibited from Lots. No tractor trailers or mobile homes, campers or other habitable motor vehicles of any kind, whether self propelled or not, school buses, motorcycles, trucks or commercial vehicles, or boat trailers, or boats shall be kept, stored or parked overnight on any Lot, Common Area or street within the

Subdivision, except that the storage of trailers and boats is permitted if parked under a dwelling and adequately screened from view.

Section 16. Special Hazards. Each Owner accepts and assumes all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot, including, but not limited to its proximity to any Common Area or bodies of water. Specifically, the Declarant does hereby disclaim any and all liability for any property damage or personal injury resulting from erosion along the bank of any lake or body of water, and all ditches, streams, lakes, lagoons or other bodies of water located in the Subdivision or adjacent to the Subdivision.

Section 17. Additional Restrictions for Lots Fronting on Lakes and Lagoons. No docks, landings or other structures may be located in or adjacent to any lake or lagoon within or adjacent to the Subdivision. All boating and swimming activities in such lakes and lagoons shall be prohibited.

Section 18. Reservation of Easements. In addition to those easements shown on the Subdivision Plat as well as those easements shown on the Plat of any Additional Property subsequently subjected to the plan and operation of this Declaration, and not as any limitation thereof, a perpetual, alienable and transferable right and utility easement on each Lot is hereby reserved by the Declarant for itself and its agents, devisees, successors and assigns, along, over, under and upon the Lots and Common Areas subject to this Declaration, 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 structure or across any area for which written approvals to construct a building thereon have been obtained; (b) such easements or installation of utilities therein or thereon shall be maintained in as attractive manner as is reasonably feasible; (c) the Declarant, without obligation, reserves the right to transfer any such utilities and easements, in whole or in part, which it may own to the Association, at which time the Association shall be responsible for and have the obligation to operate and maintain such utility easements; and (d) the Declarant, without obligation, reserves the right to transfer such utilities and utility easements and easements of access to such utilities and utility easements, in whole or in part, to another entity, whether public or private, which shall undertake to provide such utility service. The purpose of these easements shall be to provide, install, maintain, construct and operate drainage facilities, now or in the future and utility service lines, including water, sewer and power, to or from each Lot or other Property. Such easements may be granted or accepted by the Declarant, its successors

and assigns, or by the Board of Directors of the Association after such easements inure to the benefit of the Association as provided herein. Within these easements, no structures, planting or other materials shall be placed or permitted to remain which may damage or interfere with installation or maintenance of utilities or which may change the direction or flow of drainage channels in such easements. For the purpose of this Section, the Declarant reserves the right to modify or extinguish the easements herein reserved. The easements herein reserved shall be for the use of Declarant, utility companies and public agencies used in connection with development of the Subdivision. In addition, the Property shall be subject to a non-exclusive easement in favor of Declarant for construction of improvements on the Lots and Common Areas including any added by annexation, and for exhibition and sales of such improvements. There is further 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 public or private authority, agency, public service district, public or private utility or other person upon, over, under and across (a) all of the Common Areas and (b) an area across every Lot which is not covered by an existing building or over any area which would not prohibit the future developability of such lot. 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 for so long as the Declarant owns any portion of the Common Areas or owns any Lot primarily for the purpose of sale and has the option to add the Additional Property or any portion thereof to the plan and operation of this Declaration, the Board of Directors must obtain the written consent of the Declarant prior to granting or accepting any such easements.

Section 19. 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 or any employees of such manager, to enter upon any Lot or Common Area 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 of the affected property.

Section 20. Mutual Easements. There shall be appurtenant to each Lot a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other Lot. Each Lot shall be subject to an easement in

favor of other Lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on or across such Lot and serving other Lots. In addition, and subject to all rules and regulations promulgated by the Association and to the easements and Assessments set forth herein, each Owner, his lessees and guests, shall have a non-exclusive easement and right to use the areas designated as bridges, paths, streets, roads, walkways and security gates and systems to travel to and from his Lot and to and from the Common Area, and a right of easement of enjoyment in and to the Common Area. All such easements shall be appurtenant to and shall pass with the title to each Lot.

Section 21. Changes in Boundaries; Additions to Common Areas. Declarant expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Areas and any Lots or other Properties, including the realignment of boundaries between adjacent Lots and between Lots and Common Areas. 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 Areas and subject to the other provisions set forth in this Declaration. No Lot shall be subdivided by an Owner, or its boundary lines changed except as provided in this Declaration.

Section 22. Variances. The Board of Directors of the Association shall be authorized to grant variances and or easement encroachment agreements where the strict interpretation of this Declaration would create undue hardship for the Owner of any Lot within the Subdivision.

ARTICLE IX GENERAL PROVISIONS

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

Section 2. Severability. Invalidation of any one of these covenants, easements and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property constituting the Subdivision, and shall inure to the benefit of and be enforceable by the Declarant, the Association or any Owner for a period of twenty (20) years from the date hereof

and thereafter shall automatically continue in effect for additional periods of ten (10) years each, unless otherwise agreed to in writing by the then Owners of at least seventy five (75%) percent of the Lots.

Section 4. Assignment. The Declarant shall have the right to assign to any one or more persons, firms, corporations, partnerships or associations any and all rights, powers, duties, easements and estates reserved or given to the Declarant in this Declaration.

Section 5. Amendments By Declarant. For a period of ten (10) years from the date of recording of this Declaration, the Declarant may amend this Declaration in any particular, by an instrument in writing filed and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina with or without the approval of any Owner or mortgagees; provided, however, that with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot, such amendments shall be valid only upon the written consent thereto by the Owners of a majority of the Lots affected thereby. Any amendment made pursuant to this Section shall be certified by Declarant as having been duly approved by Declarant and such Owners if required, and shall be affected only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section. In addition to the foregoing amendment rights, the Declarant shall have the right at any time to amend the covenants and restrictions of this Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration.

Section 6. Amendments by Association. In addition to the amendments by Declarant set forth in the previous Section of this Declaration, this Declaration may be amended at any time by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots provided, however, that during any period in which the Declarant owns a Lot or other Property within the Subdivision, no such amendment shall be valid unless approved in writing by the Declarant. In addition to the foregoing method, amendments to this Declaration may be proposed and adopted in the following manner: