

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR CHARLESTOWNE GRANT OWNER'S
ASSOCIATION, INC.**

**This Declaration of Covenants, Conditions, and Restrictions for Charlestowne
Grant Owner's Association, Inc. reflects the complete Declaration of Covenants,
Conditions, and Restrictions as of July 23, 1991.**

DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR CHARLESTOWNE GRANT OWNER'S
ASSOCIATION, INC.

This Declaration made this 23rd day of July, 1991 by The Litchfield Company of South Carolina Limited Partnership, a limited partnership organized pursuant to the South Carolina Limited Partnership Act, hereinafter called "Partnership".

W I T N E S S E T H:

WHEREAS, the Partnership is the owner and developer of a planned unit development in Georgetown County, South Carolina known as Litchfield-By-The-Sea, and

WHEREAS, the Partnership has determined to develop within Litchfield-By-The-Sea, a planned unit development neighborhood known as "Charlestowne Grant", and

WHEREAS, the Partnership desires to provide for the preservation of the values and amenities in said Charlestowne Grant and for the maintenance of common facilities, services and properties; and, to this end, desires to subject the real property described in Article II, together with such additions as may hereafter be made, as provided in Article II to the covenants, restrictions, easements, affirmative obligations, charges and liens, each and all of which is and hereby are declared to be for the benefit of said property and each and every Owner of any and all parts thereof; and

WHEREAS, the Partnership has caused to be incorporated under the laws of the State of South Carolina a non-profit, non-stock corporation, Charlestowne Grant Owner's Association, Inc. (the "Association") for the purpose of exercising the functions aforesaid and which are hereinafter more fully set forth, and

WHEREAS, the property described in Article II of this Declaration is subject to the Declaration of Covenants and Restrictions of Litchfield-By-The-Sea Community Association, Inc. dated June 15, 1978, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 159 at Page 264, amended by a First Amendment dated August 15, 1979, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 171 at Page 964, amended by a Second Amendment dated September 1, 1980, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 183 at Page 381, amended by a Third Amendment dated May 28, 1981, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 191 at Page 181, amended by a Fourth Amendment dated February 27, 1984, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 218 at Page 627; Supplemental Declaration of Covenants and Restrictions of the Litchfield-By-The-Sea Community Association, Inc. recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 219 at page 189 on July 19, 1984, re-recorded in the Office of the

Clerk of Court for Georgetown County in Deed Book 222 at page 184 on November 8, 1984 and Amendment to Supplemental Declaration of Covenants and Restrictions of the Litchfield-By-The-Sea Community Association, Inc. dated October 30, 1985 and recorded July 15, 1986 in the Office of the Clerk of Court for Georgetown County in Deed Book 237 at page 1065; and Second Supplemental Declaration of Covenants and Restrictions of the Litchfield-By-The-Sea Community Association, Inc. dated December 29, 1986 and recorded December 30, 1986 in Deed Book 242 at Page 1417, (the "Litchfield-By-The-Sea Covenants"); and

WHEREAS, the property described in Article II of this Declaration is subject to the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions applicable to all property at Litchfield-By-The-Sea, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 159 at Page 306 and amended by a First Amendment dated August 15, 1979, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 171 at Page 975 and by Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to Supplemental Property at Litchfield-By-The-Sea dated July 9, 1984, recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 219 at page 198 on July 19, 1984, re-recorded in the Office of the Clerk of Court for Georgetown County in Deed Book 222 at page 170; and Amendment to Declaration of Rights, Affirmative Obligations and Conditions applicable to Supplemental Property at Litchfield-By-The-Sea dated October 30, 1985 and recorded July 15, 1986 in the Office of the Clerk of Court for Georgetown County in Deed Book 237 at page 1049 (the "Litchfield-By-The-Sea General Covenants").

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Partnership hereby declares that the property described in Article II and such additions thereto as may hereinafter be made pursuant to Article II hereof and shall be held, mortgaged, transferred, sold, conveyed, leased, donated, 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 Charlestowne Grant 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 any one or anything who/which purchases or takes any interest in real property within the lands subject to this Declaration.

**ARTICLE 1
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):

(a) "Architectural Review Board" shall mean and refer to that board formed and operated in the manner prescribed in Article X hereof.

(b) "Assessment" shall mean and refer to the charges levied pursuant to Article V. "Annual Assessment" shall mean and refer to annual charges levied by the Board of Directors of the Association for the purposes set forth in Section 2 of Article V. "Special Assessment" shall mean and refer to the charges levied for the purposes set forth in Section 4 of Article V.

(c) "Association" shall mean and refer to Charlestowne Grant, a South Carolina non-profit corporation, its Successors and Assigns.

(d) "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

(e) "Bylaws" shall mean and refer to those Bylaws of the Association which govern the administration and operation of the Association attached hereto as Exhibit B and made a part hereof by reference, as may be amended from time to time.

(f) "Common Property" shall mean and refer to those tracts of land with any improvements and easements thereon which are actually deeded, granted or leased to the Association and designated in such deed or lease as "Common Property". The term "Common Property" shall also include any personal property acquired by the Association if said property is designated a "Common Property". All Common Property is to be devoted to and intended for the common use of and enjoyment of the Owners, family members and guests of Owners and guests of the Association or the Partnership 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 Property shall lose its character as Common Property upon the expiration of such lease. The Partnership reserves the right to convey "Common Property" within Charlestowne Grant to the Association. Such conveyance shall be made subject to such covenants and restrictions as are then applicable thereto and shall contain such additional restrictions, reservations, liens and encumbrances as may be set forth in the deed of conveyance. The Partnership may add or substitute mortgages, provided the Association does not have to assume payments or obligations of any

mortgage on the "Common Property" conveyed to it. As an appurtenance to such conveyances, the Association shall have all of the powers, immunities and privileges reserved unto the Partnership as all of the Partnership's obligations with respect thereto, including the obligation to maintain and enhance.

(g) "Dwelling Unit" shall mean and refer to that portion of any improved property intended for use, or being used, as a single family dwelling, including without limitation, any single family detached dwelling unit or attached dwelling unit, such as a condominium unit, townhouse unit, cooperative apartment, patio home or apartment unit.

(h) "Improved Property" shall mean and refer to a parcel delineated on a permanently recorded subdivision plat on which is located a building as to which government approvals for use and occupancy have been obtained or, if no such governmental approvals are required, which has been substantially completed.

(i) "Lot" shall mean any subdivided but unimproved parcel of land located within the Property which is intended for use as a site for a single family detached dwelling, townhouse or patio dwelling (zero lot line), as shown upon any recorded final subdivision map of any part of the Property. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to allow occupancy.

(j) "Master Plan" shall mean and refer to the drawings which represents the conceptual land use plan for the future development of Charlestowne Grant. Since the concept of the future development of Charlestowne Grant is subject to continuing revision and change by the Partnership, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants shall arise with respect to lands which have been retained by the Partnership for future development. THIS DECLARATION DOES NOT DESIGNATE ANY PORTION OF THE PROPERTY FOR ANY PARTICULAR USE, SUCH DESIGNATION TO BE MADE BY SEPARATE SUBSEQUENT DECLARATION OR BY RECORDED PLAT WITH SUCH DESIGNATION CLEARLY AND UNEQUIVOCALLY SHOWN THEREON. THE PARTNERSHIP SHALL NOT BE BOUND BY ANY DEVELOPMENT PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN.

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

(l) "Of Record" shall mean recorded in the Office of the Clerk of Court for Georgetown County, South Carolina.

(m) "Owner" shall mean and refer to the Owner (including the Partnership) as shown by the real estate records whether it be one

or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot and/or Dwelling Unit within the Property but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed 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.

(n) "Partnership" shall mean The Litchfield Company of South Carolina Limited Partnership, a limited partnership organized under the Uniform Limited Partnership Act of South Carolina, its Successors and Assigns.

(o) "Phase" shall mean separately designated and developed area constructed on a portion of the Property and comprised of discrete types of development or use including, without limitation, Lots designated for single family homes, condominiums, townhouse, units, cooperative apartments and patio homes.

(p) "The Property" shall mean and refer to the existing property described in Article II hereof and any additions thereto as are subjected to this Declaration or any supplemental Declaration under the provisions of Article II hereof.

(q) "Restricted Common Property" shall mean and refer to those tracts of land with any improvements thereon which are actually deeded or leased to the Association and designated in such deed or lease as "Restricted Common Property". All "Restricted Common Property" is to be devoted to and intended for the common use and enjoyment of Owners of Lots and Dwelling Units, their immediate families, guests accompanying such Owners and tenants of such Owners and the Partnership. All use of Restricted Common Property shall be subject to the fee schedules and operating rules adopted by the Association. Any lands which are leased by the Association for use as Restricted Common Property shall lose its character as Restricted Common Property upon the expiration of such lease. The Partnership reserves the right to convey "Restricted Common Property" within Charlestowne Grant to the Association. Such conveyance shall be made subject to such covenants and restrictions as are then applicable thereto and shall contain such additional restrictions, reservations, liens, and encumbrances as may be set forth in the deed of conveyance. The Partnership may add or substitute mortgages, provided the Association does not have to assume payments or obligations of any mortgage on the "Restricted Common Property" conveyed to it.

ARTICLE II
PROPERTY AND ADDITIONS THERETO

Section 1: Property: The real property (the "Property") which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants is located in Litchfield-By-The-Sea, Georgetown County, South Carolina and is described as follows:

All that tract or parcel of land, situate, lying and being in Georgetown County, South Carolina, which is more particularly described in Exhibit A attached hereto and by specific reference made a part hereof.

AMENDED

Section 2. (a) Additions to Property: At any time prior to January 1, 2015, the Partnership, 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 whether or not immediately contiguous and adjacent, provided, however, such additional properties must also be subject to the Litchfield-By-The-Sea Covenants and the Litchfield-By-The-Sea General Covenants. Such property may be subjected to this Declaration as one parcel or as several parcels at different times. The additions as hereinabove authorized 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 this Declaration to such additional property.

Any Supplementary Declaration may contain such complimentary 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 Partnership to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modifications shall have no effect on the property described in Section 1 of this Article II.

(b) Mergers: Upon merger or consolidation of the Association with another Association, as provided for in the Bylaws of the Association, the Association's property rights and obligations may, by operation of law, be transferred to another surviving or consolidated Association, or in the alternative the property 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 Property, together with the covenants and restrictions established upon any other properties as one plan.

(c) Separate Associations: For any property subjected to this Declaration pursuant to the provisions of this section, there may be established by the Partnership an additional association

limited to the owners and/or residents of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort and convenience, to elect representatives on the Board of the Association, to receive from the Association a portion, as determined by the Board of Directors of the Association, of the Annual Assessments levied pursuant hereto and use such funds for its general purposes, and to make and enforce rules and regulations of supplementary covenants and restrictions, if any, applicable to such additional lands.

**ARTICLE III
THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS**

Section 1: The Association: The Partnership has established or will establish the Association for the purpose of exercising powers of maintaining, improving and administering the Common Property and the Restricted Common Property 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 Partnership 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: Membership: Every Owner shall be a Member of the Association. The Partnership shall be a Member of the Association.

Section 3: Voting Rights: The Association shall have two (2) classes of voting membership.

CLASS A: Class A Members shall be all Owners (excluding the Partnership). A Class A Member shall be entitled to one (1) vote for each Lot or Dwelling Unit he owns. The Partnership may become a Class A Member upon the expiration of its Class B membership status as hereinafter set forth.

CLASS B: The Class B Member shall be the Partnership, its Successors and Assigns. The Class B Member shall be entitled to fourteen (14) votes for each Lot or Dwelling Unit in which it is an Owner, provided that the Class B membership shall cease and be converted to Class A membership on the happening or either of the following events, whichever occurs later.

(a) When the total votes outstanding in the Class A membership equal to the total votes outstanding in the Class B membership, or

(b) on January 1, 2015.

Notwithstanding the above, the Partnership reserves the right to terminate its Class B membership at its sole election at an earlier date. As each additional Phase, if any, is submitted to this Declaration, the Partnership shall be entitled to one vote for each Lot or Dwelling Unit owned plus the number of votes equal to one-half of the number of Lots or Dwelling Units in the applicable Phase.

Each Member shall be entitled to vote at any meeting of Members, or on any matter requiring a vote of Members, occurring subsequent to the date upon which the Member became an Owner. (Provided, however, that the Member is not delinquent in the payment of assessments) and each Member shall be entitled to the number of votes as calculated above as if each Member had been a member for a full year.

When any property entitling the Owner thereof to membership in the Association is owned Of Record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, one person or entity shall be designated the voting member to bind all the others. Written evidence of such designation in a form satisfactory to the Board of Directors of the Association shall be delivered to the Board prior to the exercise of a vote by joint owners.

Section 4: Governance: The Association shall be governed by a Board of Directors consisting of not less than three (3) members. Initially, the Board shall consist of three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors as provided in the Bylaws of the Association.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON PROPERTY

Section 1: Members' Easements of Enjoyment in Common Properties: Subject to the provisions of this Declaration, the rules and regulations of the Association and any fees or charges established by the Association, every Member and every guest and Lessee of such Member shall have an easement of enjoyment in and to the Common Property and such easements shall be appurtenant to and shall pass with the title of every Lot or Dwelling Unit. Employees and guests of the Partnership shall have access to and enjoyment of the Common Property subject to rules and regulations established by the Board of Directors.

Section 2: Member's Easements of Enjoyment in Restricted Common Properties: Subject to the provisions of this Declaration, the rules and regulations of the Association and any fees or charges established by the Association, every Member and every lessee resident shall have a right and easement of enjoyment in and to the Restricted Common Property and such easements shall be

appurtenant to and shall pass with the title of every Lot or Dwelling Unit.

Section 3: Title to Common Property and Restricted Common Property: The Partnership covenants for itself, its successors and assigns, that at its sole election it shall convey by limited warranty deed to the Association at no cost to the Association, the Common Property and Restricted Common Property as designated on the current Master Plan, subject to all restrictions and limitations of record and all reservations and limitations as set forth in such deed of conveyance and subject to the right of the Partnership to add Common Property or Restricted Common Property to the Master Plan or to subtract Common Property or Restricted Common Property from the Master Plan in its sole discretion at any time prior to conveyance to the Association. It is intended that the Partnership shall evidence its election to convey any designated property by the recording of an instrument describing the property to be conveyed. After the functional completion of such designated property, the Association shall immediately become responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the Association's Board of Directors subject to this Declaration. It is intended that such conveyances will be made within two (2) years after the improvements are functionally complete. Common Property and Restricted Common Property shall also be conveyed to the Association subject to:

(1) All encumbrances, easements and restrictive covenants affecting such property at the time of conveyance, including all existing mortgages; and

(2) A reservation by the Partnership, its successors and assigns, of the right to substitute or add new mortgages thereon, provided, however, that in no event shall the Association be obligated to assume the payment of principal or interest on any such mortgages. The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting property conveyed to the Association shall continue to be the sole obligation of the Partnership, its successors and assigns, as the case may be.

Section 4: Extent of Member's Easements: The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Partnership and of the Association, to dedicate, transfer or convey all or any part of the Common Property or Restricted Common Property, 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 Property or Restricted Common Property by the Owners;

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

(c) The right of the Association in accordance with its Bylaws, to place mortgages or other encumbrances on the Common Property or Restricted Common Property as security for borrowing by the Association;

(d) The right of the Association, in accordance with its Bylaws, to take such steps as are reasonably necessary to protect the Common Property or Restricted Common Property against foreclosures;

(e) The right of the Association, as provided in the Bylaws, to suspend the rights and easements of enjoyment of any Member or any tenant or guest of any Member, for any period during which the payment of any assessment against the Property owned by such Member remains delinquent and for any period not to exceed sixty (60) days, for any infraction of its published rules and regulations, it being understood that any suspension for either nonpayment or any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver of discharge of the Member's obligations to pay such assessment, and provided that the Association shall not suspend the right to use any roads belonging to the Association although such use shall be subject to the rules and regulations established by the Association for such use;

(f) The right of the Association to adopt and publish rules and regulations governing the use of Common Property and Restricted Common Property and the conduct of Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations;

(g) The right of the Association, in accordance with its Bylaws, to place any reasonable restrictions upon the use of the Association's roads, subject to an Owner's or Lessee's right of ingress and egress, including, but not limited to, the types and sizes of vehicles permitted to use said roads, maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of roads shall be more restricted than the laws of any state or local

government having jurisdiction over the property shall not make such restriction unreasonable.

(h) The provisions of the Litchfield-By-The-Sea Covenants and Litchfield-By-The-Sea General Covenants as amended from time to time.

Section 5. Partnership's Reserved Rights: Notwithstanding any provision herein to the contrary, the rights and easements of enjoyment created hereby shall be subject to the following:

(a) The Partnership, its successors and assigns shall have an alienable and transferable right and easement on, over, through, under and across the Common Property and Restricted Common Property for the purpose of constructing or improving Lots; for the purpose of the storage of materials, vehicles, tools, equipment which are being utilized in any construction work on or within the Property and for installing, maintaining, repairing and replacing such other improvements to the Property (including portions of the Common Property and Restricted Common Property) as are contemplated by this Declaration or as the Partnership 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 the Partnership have the obligation to do any of the foregoing.

(b) The Partnership expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Property and Restricted Common Property and any Lots owned by the Partnership, including the realignment of boundaries between adjacent lots and Common Property and Restricted Common Property.

(c) "The right of the Partnership, to place promotional signs, sales offices, construction offices, rental offices, models, and for rent signs and literature in the Common Property and Restricted Common Property and in the Dwelling Units and Lots owned by the Partnership.

ARTICLE V COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations for Assessments: Each Owner of any Lot or Dwelling Unit, by acceptance of a deed therefor, whether or not it shall be so deemed in any such deed or other conveyance, shall be deemed subject to covenants and agree to all the terms and provisions of this Declaration and

pay to the Association: (1) Annual Assessments and (2) Special Assessments. For the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual Assessments and Special Assessments together with such interest thereon and cost of collection including a reasonable attorney's fee 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 costs of collection thereof, 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 Lot or Dwelling Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment. The assessments as provided herein shall be in addition to the assessments, liens and other charges payable to the Litchfield-By-The-Sea Community Association, Inc. pursuant to, and as authorized in the Litchfield-By-The-Sea Covenants.

Section 2: Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property; for the improvement and maintenance of the Common Property and Restricted Common Property, landscaping and maintenance as provided for in Article VII, and to provide services which the Association is authorized to provide. In carrying out these duties, the Association may make payment of taxes and insurance thereon, make improvements on Common Property and Restricted Common Property, pay the costs of labor, equipment, materials, management, supervision, accounting, attorney's fees, and member information services, maintain offices and equipment, repay any loans made to the Association, and take such other action as is necessary to carry out its required or authorized functions.

Section 3: Basis of Annual Assessments: Until December 31, 1991, the Annual Assessment shall be the amount as set forth in the initial budget of the Association for its initial year of operation. From and after January 1, 1991 the amount of such Annual Assessments shall be fixed by a vote of a majority of the Board of Directors, taking into account current maintenance costs and future needs of the Association. Maintenance costs shall include and shall mean all operating costs of the Association, maintenance costs of the Common Property and Restricted Common Property, landscaping, beach renourishment, dune repair, repair and maintenance of irrigation systems and dune crossovers, payment of insurance premiums for the Common Property and Restricted Common Property, payment of any property taxes on the Common Property and Restricted Common Property, and all other ordinary and necessary expenses to maintain the Common Property and Restricted Common Property and authorize services.

Section 4: Special Assessments for Capital Improvements and Emergencies: In addition to the Annual Assessments authorized above, the Association may levy in any assessment year, Special Assessment(s) 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 described capital improvement upon the Common Property or Restricted Common Property; the repair or replacement of landscaping as may be provided for in Article VIII, beach renourishment, dune repair, including the necessary fixtures and personal property related thereto and for the purpose of defraying, in whole or in part, the cost of any emergency repairs, restorations, maintenance or improvements made necessary by any emergencies. The amount of such Special Assessment(s) shall be fixed by a vote of a majority of the Board of Directors.

Section 5: Assessment Obligation of the Partnership: Lots owned by the Partnership will not be subject to the Annual Assessments until the termination of the Partnership's Class B membership as set forth in Article III, Section 2 hereof.

Section 6: Reserve Funds: The Association may establish reserve funds from its Annual Assessments to be held in reserve in an interest drawing account or investment as a reserve for (a) major rehabilitation or major repairs; (b) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss; (c) reoccurring periodic maintenance; (d) initial cost of any new service to be performed by the Association.

Section 7: Uniform Rate of Assessments: Both Annual and Special Assessments must be fixed at a uniform rate for Lots or Dwelling Units classified by use, by Phase or by whether said Property is Improved Property, but the basis and rate of assessments for each Phase or each type of use may be varied as hereinafter provided. Lots and Dwelling Units such as townhouses or condominiums shall be assessed on the basis appropriate for each type or classification including, but not limited to, Lots designated for single family and townhouses, duplex dwellings and multi-family projects as determined by the Board of Directors from time to time. The rate of assessment levied against Lots and Dwelling Units within the various Phases may be varied based on whether or not the Lots within a Phase are Improved Property and may be varied based upon the Board's sole and exclusive determination that any specific item in the Association's budget may more directly benefit a certain area or classification of the Property in excess of its proportionate share, or that the Association has provided services to such Phase in excess of those to other phases within Charlestowne Grant, provided, however, that such rate of assessment shall be uniform within each Phase.

Section 8: Date of Commencement of Annual Assessments; Due Dates: Annual Assessments provided for herein shall commence on

the date (which shall be the first day in a month) fixed by the Board of Directors of the Association to be the date of commencement. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the Annual Assessment against each Lot or Dwelling Unit at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. All assessment bills shall be due and payable thirty (30) days from the date of mailing the same unless established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot or Dwelling Unit have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9: Effect of Non-Payment of Assessments: If the assessment is not paid on or before the due date specified in Section 8 hereof, then such assessment shall become delinquent and shall (together with interest thereon at the rate of one and one-half (1½%) percent per month from the due date and all costs of collection thereof including a reasonable attorney's fee) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, at the hands of the then Owner, his heirs, devisees, personal representatives, tenants and assigns.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property or both. Upon the 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. In either event all costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In the event a judgment is obtained such judgment shall include interest on the assessment at the rate of eighteen (18%) percent per annum or the maximum lawful rate on such judgments.

In addition to the rights of actions set forth above, the Board of the Association may suspend the membership rights of any Member during the period when the assessment remains unpaid. Upon payment of such assessment, the Owner's rights and privileges shall be automatically restored. This provision shall not empower the Board to suspend the rights to use the roads within the Property.

Section 10: Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the

lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a Decree of Foreclosure, or any other proceeding or deed in lieu of foreclosure, and provided, further, that any delinquent assessments which are extinguished pursuant to the foregoing provision may be reallocated and assessed to all Members as an expense of the Association. Such sale or transfer shall not relieve such property from liability for assessment accruing after conveyance by the creditor to a subsequent Owner.

Section 11: Exempt Property: The following property subject to this Declaration shall be exempt from assessments created herein:

- (a) Any portion of the Property dedicated to and accepted by a local public authority;
- (b) The Common Property and Restricted Common Property;
- (c) Any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina.
- (d) Unsubdivided land and/or unsold Lots and/or Dwelling Units owned by the Partnership.

Section 12: Annual Budget: The Board of Directors shall cause to be prepared and make available at the office of the Association 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 such fiscal year. Financial books of the Association shall be available for inspection at the offices of the Association at all reasonable times.

Section 13: Duties of the Board of Directors: The Board of Directors of the Association shall fix the amount of the assessment against each Lot or Dwelling Unit and shall at the 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.

ARTICLE VI FUNCTIONS OF ASSOCIATION

Section 1: Ownership and Maintenance of Common Property: The Association shall be authorized to own and/or maintain (subject to the requirement of any federal, state or local governing body of South Carolina) Common Property and Restricted Common Property,

equipment, furnishings and improvements devoted to the following uses:

- (a) For roads or roadways within Charlestowne Grant;
- (b) For sidewalks, walking paths, walkways or trails, dune crossovers, and bicycle paths within Charlestowne Grant;
- (c) For security services, including security stations, maintenance building and/or guardhouses;
- (d) For lighting, fences, walls, landscaping and sign maintenance and repair;
- (e) For insect control within the Property;
- (f) For drainage facilities serving Charlestowne Grant;
- (g) For lakes, beaches, boardwalks, pools, cabanas, tennis facilities, wildlife areas, fishing facilities, open spaces, wildlife conservancies, and other recreational facilities of any nature;
- (h) For shoreline, erosion abatement measures, beach renourishment programs and dune enhancement and protection programs.

Section 2: Services: The Association shall be authorized (unless prohibited by the requirement of any federal, state or local governing body) but not required to provide the following services:

- (a) Cleanup and maintenance of all roads, roadways, water courses, lakes, sidewalks and beach access structures and other Common Property and Restricted Common Property within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would effect the appearance of the Property as a whole;
- (b) Landscaping of roads and parkways, sidewalks and walking paths, Common Property and Restricted Common Property;
- (c) Lighting of roads, sidewalks and walking paths throughout the Property;
- (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 Property and assistance in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

(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 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 these documents;

(g) Maintenance of all lakes, marshes and beaches located within the Property;

(h) To provide and maintain bulkheads, dune crossovers, seawalls, erosion control devices and/or beach renourishment programs and/or dune irrigation and protection programs;

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

(j) To set up and operate an architectural review board in the event that the Association is designated by the Partnership as the agent of the Partnership for such purpose;

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

(l) To provide landscaping services and maintenance as set forth in Article VII.

(m) To provide fire protection and prevention;

(n) To provide safety equipment for storm emergencies;

(o) To provide garbage and trash collection and disposal;

(p) To construct improvements on Common Property or Restricted Common Property for use for any of the purposes or as may be required to provide the services as authorized in this Article;

(q) To provide administrative services including, but not limited to legal, accounting and financial, and communication services, informing Members of activities, Notice of Meetings, etc., incident to the above listed services;

(r) To provide liability and hazard insurance covering improvements and activities on the Common Property and Restricted Common Property;

(s) 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;

(t) The taking of any and all actions necessary in the discretion of the Board of Directors to enforce these Covenants and all other covenants and restrictions affecting the properties of the Association and to perform any of the functions or services delegated to the Association in this Declaration or other covenants or restrictions authorized by the Board of Directors.

Section 3: 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 the Association shall have an obligation to maintain roadways and drainage facilities in a functional and acceptable condition. The functions and services to be carried out are 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.

Section 4: 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 which loans shall be used by the Association in performing its authorized functions. The Partnership may make loans to the Association, subject to approval by the Partnership of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid.

ARTICLE VII
MAINTENANCE

Section 1: Common Property: The Association shall be responsible for the maintenance of the Common Property and Restricted Common Property and all improvements situated thereon, including any streets, sidewalks, street lights, buildings, signs, structures, dune crossovers swimming pools, houses, shrubbery and walls built around the Property.

Section 2: Landscaping: The Association may, in the discretion of its Board of Directors, provide landscaping, irrigation and landscaping maintenance upon the Lots and/or Dwelling Units. The type of shrubbery, grass and plants, trees, walks, drives and lighting used and the extent of the landscaping, if any, shall be determined by the Association in the full discretion of its Board of Directors.

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**ARTICLE VIII
USE RESTRICTIONS**

Section 1: Residential Purposes: No Lot or Dwelling Unit shall be used except for residential purposes. No trade or business of any kind or character nor practice of any profession, nor any building or structure designed or intended for any purpose connected with any trade, business or profession shall be permitted within any Dwelling Unit or upon any Lot, provided, however that nothing herein shall prevent the Partnership from using any Dwelling Unit as a model or sales office. For the purposes of these restrictions, rental of the property shall be considered a residential purpose.

Section 2: Resubdivision: No Lot shall be subdivided or reduced in size without the prior written consent of the Partnership, its successors and assigns.

Section 3: Delivery Receptacles and Mailboxes: Receptacles for the receipt of mail shall be approved by the Post Office Department and the Architectural Review Board. Said receptacles shall be of uniform construction and appearance as prescribed by the Architectural Review Board and shall be erected in a manner approved by the Architectural Review Board and at such location as the Architectural Review Board may in its discretion designate. The Architectural Review Board may, upon the approval of the Post Office Department, cluster mail receptacles in such locations as the Architectural Review Board may, in its discretion, deem appropriate. No receptacle or any construction for the receipt of newspapers or similar delivery materials shall be erected or permitted except as approved in writing by the Architectural Review Board.

Section 4: Completion of Construction: The exterior of all Dwelling Units and other structures must be completed within one year after the construction of the same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. Dwelling Units may not be temporarily or permanently occupied until the exteriors thereof have been completed. During the continuance of construction the Owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition. Upon completion of construction, Owner shall cause the contractor to immediately remove all equipment, tools and construction is to be completed within ninety days of occupancy or substantial completion, whichever date shall first occur. Nothing contained herein shall preclude a builder of speculative homes from leaving floors, counter tops and wall coverings unfinished until sold.

Section 5: Signs: No signs shall be erected or maintained on or from any portion of the Property except those signs approved by

the Architectural Review Board or signs of the Partnership, its Successors and Assigns, or signs required by law.

Section 6: House Numbers: Each Dwelling Unit shall have a house number with a design and location established by the Architectural Review Board.

Section 7: Exterior Color: The exterior color scheme of the Dwelling Unit, including but not limited to the exterior walls, roofs, fences, patio walls, doors and trim shall be regulated and specified by the Architectural Review Board.

Section 8: Exterior Finish: The exterior finish of all Dwelling Units, including but not limited to exterior walls, roofs, patio walls, doors, foundations and drives and fences shall be regulated by the Architectural Review Board.

Section 9: Exterior Lighting: The design and location of all exterior lighting fixtures shall be subject to the approval of the Architectural Review Board. Neither these nor any other illumination devices located anywhere on a Dwelling Unit or upon any Lot shall be located, directed or of such intensity to effect adversely the night time environment of any adjacent Lot, Dwelling Unit or the nesting areas of logger head turtles.

Section 10: Elevation: No Lot Owner shall change the elevation of his Lot in such a way as to adversely affect adjacent Lots.

Section 11: Setbacks: Setback and building line requirements shall be approved by the Architectural Review Board.

Section 12: Landscaping, Plants and Trees: Plants, trees, shrubs, ground cover and irrigation systems now or hereafter 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 Architectural Review Board. No additional plants, trees or shrubs may be planted upon any Lot without written approval of the Architectural Review Board. 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 Charlestowne Grant, 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 13: Rebuilding Requirement: Any Dwelling Unit or other structure 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 months.

Section 14: Repairing Requirement: Each Owner shall, at his sole cost and expense, repair his Dwelling Unit keeping the same in a condition comparable to the condition of such residence at the time of its initial construction excepting only normal wear and tear.

Section 15: Fire Works and Use of Firearms: The sale and use of fire works of any kind whatsoever on the Property is prohibited. The use or discharge of firearms of any kind whatsoever is prohibited. Hunting of any kind, and by any method, including but not limited to, firearms, traps, snares, bow and arrows, or manually propelled missiles is prohibited.

Section 16: Site Alterations: No site alterations or improvements including, but not limited to, cleaning or selected cutting, landscaping, planting of shrubbery, trees or other vegetation, grading, filling, excavating, drainage work or placement of utilities shall be made without the written approval of the Architectural Review Board.

Section 17: Parking; Private Drives: Each Owner subject to this Declaration shall provide space off of streets or community roads for the parking of at least two automobiles for each Dwelling Unit prior to the occupancy of any building or structure constructed on said property in accordance with reasonable standards established by the Architectural Review Board. Furthermore, the design, location, composition and size of all private driveways and parking aprons shall be approved by the Architectural Review Board.

Section 18: Antenna: No radio or television transmission, receiving tower, antenna, or dish shall be erected on the Property unless or until approved by the Architectural Review Board.

Section 19: Animals: No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling Unit except that no more than three household pets (including no more than two 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 on the Common Property and Restricted Common Property, subject to the rules and regulations of the Association, only if control of such pets is maintained by leashes.

Section 20: Use of Model Dwelling Units: The Partnership or such other entity acting with the Partnership's express written consent, during such time as the Partnership or such designee shall continue to be the Owner of any of the Dwelling Units, may use the same for the purposes of model homes or sample houses and sales and information centers which may be exhibited to the public and to which the Partnership or its designee shall be entitled to invite

the public for purposes of inspection of the said model Dwelling Unit and dissemination of sales information. Such activity shall not be construed as a violation of the residential provisions of this Declaration.

Section 21: Laundry: No clothing or household fabric, bedding, laundry and the like shall be hung out to dry in any position in which it is visible from the exterior of any Dwelling Unit.

Section 22: Garbage: No trash, ashes, garbage or other refuse shall be thrown or dumped on any land within the Property. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse and all such receptacles shall be screened from the public view and from the wind and protected from animal and other disturbances.

Section 23: Unsightly Conditions: It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on his property which shall tend to substantially decrease the beauty of the neighborhood as a whole or of the specific area.

Section 24: Wells: No individual water supply well system shall be permitted. Provisions of this section shall not prohibit the Partnership or the Association from installing wells as it may deem necessary in its discretion.

Section 25: Prohibition of Vehicles on Beach and Sand Dunes: No motor vehicles of any nature shall be allowed on the beach or sand dune areas of the Property except vehicles of the Partnership or public safety and emergency vehicles.

Section 26: Environmental Hazards: To secure the natural beauty of the Property, the Partnership, its successors or assigns, may promulgate and amend from time to time rules and regulations which govern activities which may, in its judgment, be environmentally hazardous, such of the applications of fertilizers and pesticides and other chemicals. Failure of any Owner or tenant to comply with the requirements of such rules and regulations shall constitute a breach of this Declaration.

Section 27: Special Hazards: Each Owner accepts and assumes all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot or Dwelling Unit, including, but not limited to its proximity to any Common Property or Restricted Common Property or bodies of water. Specifically, the Partnership does hereby disclaim any and all liability for any property damage or personal injury resulting from erosion or waive action from any body of water located within the Property or adjacent to the Property.

Section 28: Drainage: No Owner shall do or permit any work, construct any improvements, place any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Architectural Review Board and except for rights reserved by the Partnership to alter or change drainage patterns.

Section 29: Certain Vehicles Prohibited: 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, boat trailers, boats shall be kept, stored or parked overnight within the Property except that the storage of trailers and boats is permitted if parked under a Dwelling Unit and adequately screened from view.

Section 30: Nuisance: No noxious or offensive activity shall be carried upon any Lot or within any Dwelling Unit or Common Property or Restricted Common Property nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, with the exception of the business of the Partnership and the transferees of the Partnership in developing the Property.

ARTICLE IX
EASEMENTS

Restra in BK 493 P. 194

Section 1: Landscaping Easement: Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Partnership, the Association and their respective agents, employees, agents, 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, landscaping maintenance, 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 Charlestowne Grant and for the purpose of carrying out any of the obligations or functions with respect to such Lot or Dwelling Unit as are herein imposed upon or permitted to the Association; provided that such easements shall not impose any duty or obligation upon the Partnership or the Association to perform any such action.

Section 2: Reservation for Expansion: The Partnership hereby reserves to itself, its successors and assigns, a non-exclusive perpetual blanket easement and right-of-way for ingress and egress to, under, through, over and about all Common Property and Restricted Common Property, including roads for access, construction of utilities and drainage for all purposes related to the development and completion of improvements on the Property and for the development of other properties owned by the Partnership, its successors or assigns adjoining Charlestowne Grant.

Section 3: Easement to Facilitate Sales: The Partnership reserves to itself, its agents or assigns, the right to use any portion of the Property owned by the Partnership or any portion of the Common Property or Restricted Common Property as models, management offices, sales offices, construction offices or sales office parking areas.

Section 4: Easement for Utilities: The Partnership reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the Property to erect, maintain and use poles, wires, cables, conduit, sewers, water mains, drainage ways, sprinkler or landscape irrigation systems, pumping stations, tanks, and other suitable equipment for the conveyance and use of electricity, telephone equipment and other utilities, provided, however that: (a) No utility easement shall run across any portion of a Lot 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 an as attractive manner as is reasonably feasible; (c) The Partnership, 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 Partnership, without obligation, reserves the right to transfer such utilities and utility easements and easements to 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. These easements and rights especially include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

Section 5: Easement for Dune Preservation and Irrigation: There is hereby reserved for the benefit of the Partnership and the Association, their respective agents, employees, successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect and use such pipes, irrigation equipment, bulkheads, seawalls, snow fences or erosion control devices in or over such portions of the Property from the mean highwater mark of the Atlantic Ocean to a point 15' West of the baseline as established by the South Carolina Coastal Council on July 1, 1988, pursuant to Sections 48-39-270 through 48-39-360 of the Code of Laws of South Carolina, 1976, as amended. The Partnership and the Association, their successors and assigns, may build, construct, maintain within said easement area seawalls, bulkheads, snow fences, shore revetments, erosion control devices, irrigation systems and dune enhancement devices. Furthermore, the Partnership and the Association, their successors and assigns,

reserve the right to plant, landscape and maintain dune grasses, sea oats and other flora and fauna which grow on the sand dunes. The Partnership and the Association, their successors and assigns, further reserve the right to renourish the beach within said easement area. These easements and rights expressly include the right to cut any bushes or shrubbery, make any gradings of the sand or soil or to take any other similar action necessary to maintain and preserve beach and dune areas. Such rights may be exercised by any licensee of the Partnership or the Association, but this reservation shall not be considered an obligation of the Partnership or the Association to maintain any such service.

Section 6: Easement for Common Sidewalks and Beach Access:

There is hereby reserved for the benefit of the Partnership and the Association, their successors and assigns, a perpetual, alienable and releasable easement and right, on, over and under such portions of the Property as is more fully set forth on that certain map dated May 27, 1991 prepared by Sur-Tech Incorporated and recorded in the Office of the Clerk of Court for Georgetown County in Slide 83 at Page 1, said easement herein being for the purpose of ingress and egress over common walkways, sidewalks, beach access structures and for the repair, replacement and construction of the same.

Section 7: Drainage Easements: An easement is hereby reserved for the benefit of the Partnership and the Association, their respective employees, agents, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Partnership, as applicable to the extent possible to prosecute such easement work properly and expeditiously and to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work.

Section 8: Environmental Easement: There is hereby reserved for the benefit of the Partnership, 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 Property 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 of the Association 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 9: South Carolina Coastal Council Jurisdiction: Notice is hereby given of the restriction that as to any portion of

**ARTICLE XII
INSPECTION**

The books and records of the Association shall at all times be subject to inspection by any Member during reasonable business hours. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection and purchase by any Member at the principal office of the Association.

**ARTICLE XIII
LIABILITY AND INDEMNIFICATION**

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

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

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

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

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

The expense of indemnifying a Board Member or Officer as provided herein shall be a common Expense of the Association, including such Board Member or Officer.

**ARTICLE XIV
CONSTRUCTION**

In the event of a conflict between the Declaration and the Articles of Incorporation or the Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Bylaws that the Declaration do not resolve, the Articles of Incorporation shall control.

**ARTICLE XV
FISCAL YEAR**

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except the first fiscal year shall begin on the date of incorporation.

**ARTICLE XVI
CORPORATE SEAL**

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

**ARTICLE XVII
PARLIAMENTARY RULES**

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Covenants or these Bylaws.

**ARTICLE XVIII
AMENDMENTS**

These Bylaws may be altered, amended, or repealed by, and new Bylaws may be adopted by a majority of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Seal of the Corporation this 23rd day of July, 1991.

Robert R. Phillips
Secretary, Charlestowne Grant
Owner's Association, Inc.

curve having a chord distance of 14.21 feet, an arc distance of 14.21 feet, and a radius of 520 feet to a point; thence running N 17° 0' 40" E along the arc of a curve to the left, said curve having a chord distance of 47.25 feet, an arc distance of 47.27 feet; and a radius of 520 feet to a point; thence running N 13° 36' 07" E along the arc of a curve to the left, said curve having a chord distance of 14.61 feet, an arc distance of 14.61 feet and a radius of 520 feet to a point; thence running N 11° 26' 34" E along the arc of a curve to the left, said curve having a chord distance of 24.58 feet; an arc distance of 24.58 feet, and a radius of 520 feet to a point; thence running N 9° 19' 2" E along the arc of a curve to the left, said curve having a chord distance of 14 feet, an arc distance of 14 feet, and a radius of 520 feet to a point; thence running N 06° 13' 51" E along the arc of a curve to the left, said curve having a chord distance of 42.01 feet, an arc distance of 42.02 feet, and a radius of 520 feet to a point; thence running N 3° 8' 25" E along the arc of a curve to the left, said curve having a chord distance of 14.08 feet, an arc distance of 14.08 feet, and a radius of 520 feet to a point; thence running N 0° 27' 18" E along the arc of a curve to the left, said curve having a chord distance of 34.65 feet, an arc distance of 34.66 feet, and a radius of 520 feet to a point; thence running N 1° 27' 15" W 8.71 feet to a point; thence running N 1° 27' 15" W 14.25 feet to a point; thence running N 1° 27' 15" W 14.25 feet to a point; thence running N 1° 27' 15" W 15.20 feet to a point, which point marks the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

NOW, THEREFORE, the Partnership amends the Declaration as follows:

Article II, Section 1 is hereby amended and restated to read as follows:

Section 1: Property: The real property (the "Property") which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants is located in Litchfield-By-The-Sea, Georgetown County, South Carolina and is described as follows:

All that tract or parcel of land, situate, lying and being in Georgetown County, South Carolina, which is more particularly described in Exhibit A attached hereto and by specific reference made a part hereof.

EXCEPT as amended by this First Amendment to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc., said Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has set its hand and seal the day and year first hereinabove written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Cynthia M. Alford
Camela D. Tyler

THE LITCHFIELD COMPANY OF SOUTH
CAROLINA LIMITED PARTNERSHIP

By: Its General Partner,
Litchfield Enterprises,
Inc., a South Carolina
Corporation

W. Russell Campbell
W. Russell Campbell
Vice President

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BETTY L. WILLIAMS
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SOUTH CAROLINA
BOOK 493 PAGE 192

MCNAIR LAW FIRM, P.A.
James B. Moore, Jr. (rtm)

**SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHARLESTOWNE GRANT
OWNER'S ASSOCIATION, INC.**

THIS SECOND AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "Second Amendment") made as of the 23rd day of September, 1992 by The Litchfield Company of South Carolina Limited Partnership, a limited partnership created pursuant to the South Carolina Uniform Limited Partnership Act, (hereinafter called the "Partnership");

WITNESSETH:

WHEREAS, the Partnership did make and declare that certain Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "Declaration") dated July 23, 1991 and recorded July 23, 1992 in the Office of the Clerk of Court for Georgetown County in Deed Book 434 at Page 299; and

WHEREAS, in Article XI, Section 2 of the Declaration the Partnership reserved the right to unilaterally amend the Declaration until January 1, 2015; and

WHEREAS, the Partnership did amend the Declaration by the filing of that First Amendment to Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "First Amendment") dated November 21, 1991 and recorded December 4, 1991 in the Office of the Clerk of Court for Georgetown County in Deed Book 451 at Page 99; and

WHEREAS, the Partnership desires to amend the Declaration in part to release those properties described in Article II, Section 2(a) of the Declaration, as amended by the First Amendment from the Declaration and subject instead that Property described on Exhibit "A" hereto and incorporated herein by reference; and

WHEREAS, in addition to the amendment to Article II, Section 1 as set forth above, the Partnership further seeks to amend Articles VII, VIII and IX as hereinafter provided.

NOW, THEREFORE, the Partnership amends the Declaration as follows:

Article II, Section 1 is hereby amended and restated to read as follows:

Section 1: Property: The real property (the "Property") which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants is located in Litchfield-By-The-Sea, Georgetown County, South Carolina and is described as follows:

All that tract or parcel of land, situate, lying and being in Georgetown County, South Carolina, which is more particularly described in Exhibit A attached hereto and by specific reference made a part hereof.

Article VII of the Declaration is hereby amended and restated to read as follows:

Section 1: Common Property and Restricted Common Property: The Association shall be responsible for the maintenance of the Common Property and Restricted Common Property and all improvements situated thereon, including but not limited to any streets, sidewalks, street lights, buildings, signs, structures, beaches, dunes, erosion control devices, dune crossovers, swimming pools, houses, shrubbery and walls built around the Property.

Article VII, Section 2 of the Declaration is hereby amended to be deleted in its entirety.

Article VIII, Section 12 of the Declaration is hereby amended to be deleted in its entirety.

Article IX of the Declaration is hereby amended and restated to read as follows:

Section 1: Reservation for Expansion: The Partnership hereby reserves to itself, its successors and assigns, a non-exclusive perpetual blanket easement and right-of-way for ingress and egress to, under, through, over and about all Common Property and Restricted Common Property, including roads for access, construction of utilities and drainage for all purposes related to the development and completion of improvements on the Property and for the development of other properties owned by the Partnership, its successors or assigns adjoining Charlestowne Grant.

Section 2: Easement to Facilitate Sales: The Partnership reserves to itself, its agents or assigns, the right to use any portion of the Property owned by the Partnership or any portion of the Common Property or Restricted Common Property as models, management offices, sales offices, construction offices or sales office parking areas.

Section 3: Easement for Utilities: The Partnership reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the Property to erect, maintain and use poles, wires, cables, conduit, sewers, water mains, drainage ways, sprinkler or landscape irrigation systems, pumping stations, tanks, and other suitable equipment for the conveyance and use of electricity, telephone equipment and other utilities, provided, however that: (a) No utility easement shall run across any portion of a Lot 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, or which is designated as a building site or building envelope on that certain map entitled "Survey of Phases I, II and III, Charlestown Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10; (b) Such easements or installation of utilities therein or thereon shall be maintained in an as attractive manner as is reasonably feasible; (c) The Partnership, 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 Partnership, without obligation, reserves the right to transfer such utilities and utility easements and easements to 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. These easements and rights especially include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

Section 4: Easement for Dune Preservation and Irrigation:

There is hereby reserved for the benefit of the Partnership and the Association, their respective agents, employees, successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect and use such pipes, irrigation equipment, bulkheads, seawalls, snow fences or erosion control devices in or over such portions of the Property from the mean highwater mark of the Atlantic Ocean to a point 15' West of the baseline as shown on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. The Partnership and the Association, their successors and assigns, may build, construct, maintain within said easement area seawalls, bulkheads, snow fences, shore revetments, erosion control devices, irrigation systems and dune enhancement devices. Furthermore, the Partnership and the Association, their successors and assigns, reserve the right to plant, landscape and maintain dune grasses, sea oats and other flora and fauna which grow on the sand dunes. The Partnership and the Association, their successors and assigns, further reserve the right to renourish the beach within said easement area. These easements and rights expressly include the right to cut any bushes or shrubbery, make any gradings of the sand or soil or to take any other similar action necessary to maintain and preserve beach and dune areas. Such rights may be exercised by any licensee of the Partnership or the Association, but this reservation shall not be considered an obligation of the Partnership or the Association to maintain any such service.

Section 5: Easement for Common Sidewalks and Beach Access:

There is hereby reserved for the benefit of the Partnership and the Association, their successors and assigns, a perpetual, alienable and releasable easement and right, on, over and under such portions of the Property as is more fully set forth on that certain map dated entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10, said easement herein being for the purpose of ingress and egress over common walkways, sidewalks, beach access structures and for the repair, replacement and construction of the same.

Section 6: Easement for Irrigation and Utility Easements:

There is hereby reserved for the benefit of the Partnership and the Association, its successors and assigns, a perpetual, alienable and releasable easement and right, on, over and under such portions of the Property as is more fully set forth on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. Said easement being for the purpose of erecting, maintaining and using water lines, sewer lines, electric lines, irrigation systems and other equipment and utilities and for the repair and replacement of the same.

Section 7: Drainage Easements:

An easement is hereby reserved for the benefit of the Partnership and the Association, their respective employees, agents, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Partnership, as applicable to the extent possible to prosecute such easement work properly and expeditiously and to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work.

Section 8: Environmental Easement:

There is hereby reserved for the benefit of the Partnership, 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 Property 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 of the Association 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 9: South Carolina Coastal Council Jurisdiction:

Notice is hereby given of the restriction that as to any portion of the Property 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 and unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters or other critical areas.

Section 10: 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 situate 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, water lines, sewer lines, telephone cable or electricity lines, 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 paths, streets, roads, walkways and the like to travel to and from his Lot and to and from the Common Property or Restricted Common Property and a right of easement of enjoyment in and to the Common Property and Restricted Common Property. All such easements shall be appurtenant to and shall pass with the title to each Lot or Dwelling Unit.

Section 11: Changes in Boundaries; Additions to Common Property or Restricted Common Property: The Partnership expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Property and Restricted Common Property and any Lots or other properties owned by the Partnership, including the realignment of boundaries between adjacent Lots and between Lots and Common Property or Restricted Common Property. In addition, the Partnership reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time such real or personal property as it determines to be conveyed as an addition to the Common Property or Restricted Common Property 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 12: Trespass: Whenever the Association or the Partnership is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on the Property or on the easement areas adjacent thereto, entering the Property and then taking such action shall not be deemed a trespass.

Section 13: Common Driveways: Certain lots may share a common driveway. Each Owner of a Lot using a common driveway shall have an easement for the use, maintenance and enjoyment of the common driveway, including the right of ingress and egress for pedestrians and vehicles over and across the common driveway to the Owner's Lot. The common driveway shall be set forth more fully on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. The

costs of reasonable repair and maintenance of a common driveway shall be shared equally by the Owners who make use of the driveway.

EXCEPT as amended by this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc., said Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has set its hand and seal the day and year first hereinabove written.

Witnesses:

[Signature]
Emma Hall-Chidley

THE LITCHFIELD COMPANY OF SOUTH CAROLINA LIMITED PARTNERSHIP

By: Litchfield Enterprises, Inc., a General Partner of the Sole General Partner of The Litchfield Company of South Carolina Limited Partnership

By: [Signature]
President

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN) PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named The Litchfield Company of South Carolina Limited Partnership, a South Carolina Limited Partnership, by its duly authorized officer, sign, seal and as its act and deed, deliver the within written Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc.; and that (s)he with the other witness whose name is subscribed above, witnessed the execution thereof.



SWORN to before me this 23
day of Sept., 1992.

Irma Hall-Chidley
Notary Public for South Carolina
My Commission Expires: 8/14/2001

EXHIBIT "A"

All that certain piece, parcel or tract of land situate, lying and being in the County of Georgetown, State of South Carolina containing 17.65 acres, more or less, as shown on a map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of S. C. Limited Partnership" dated June 18, 1992 prepared by Sur-Tech, Incorporated and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10 and being more particularly described according to said map as follows:

PHASES I, II AND C&I

Commencing at a point located on the eastern edge of the right-of-way of South Dunes Drive, said point being the northwestern most corner of Lot 9, Phase II, Charlestowne Grant, and being a common corner with Shipyard Village Horizontal Property Regime; thence running N 85° 58' 34" E 75.2' to an iron; thence running S 58° 31' 26" E 175.9' to a point; thence turning and running S 1° 11' 52" W 171.46' to an iron; thence turning and running S 81° 35' 8" E 377.71' to a point; thence turning and running S 30° 52' 27" W 371.16' to a point; thence running S 31° 26' 27" W 742' to a point; thence turning and running N 59° 46' 20" W 163.29' to an iron; thence running N 59° 46' 20" W 140.32' to an iron; thence running N 59° 46' 20" W 77.96' to a point on the right-of-way of South Dunes Drive; thence turning and running along the eastern edge of said right-of-way N 64° 9' 16" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 3.62' and a chord distance of 3.62' to a point; thence running N 52° 9' 3" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 17.33' and a chord distance of 17.25' to a point; thence running N 41° 38' 6" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 1.02' and a chord distance of 1.02' to an iron; thence running N 15° 23' 28" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 44.78' and a chord distance of 43.90' to a point; thence running N 10° 12' 6" E along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 21.44' and a chord distance of 20.98' to a point; thence running N 30° 40' 16" E along the eastern edge of the right-of-way of South Dunes Drive 323.61' to a point; thence running N 27° 55' 23" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 49.89' and a chord distance of 49.87' to a point; thence running N 24° 47' 14" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7.03' and a chord distance of 7.03' to a point; thence running N 21° 43' 24" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 48.58' and a chord distance of 48.56' to a point; thence running N 18° 39' 41" E along the arc of a curve

to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 17° 53' 24" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 14° 30' 29" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 54.39' and a chord distance of 54.36' to a point; thence running N 11° 7' 34" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 10° 21' 17" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 7° 37' 27" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 42.56' and a chord distance of 42.55' to a point; thence running N 4° 53' 38" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 4° 7' 21" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 3° 33' 38" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 3.2' and a chord distance of 3.2' to a point; thence turning and running N 88° 32' 45" E 59.85' to a point; thence turning and running N 1° 27' 15" W 50' to a point; thence turning and running N 88° 32' 45" W 50' to an iron located on the eastern edge of the right-of-way of South Dunes Drive; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 21.5' to a point; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 55' to an iron; thence running N 1° 27' 15" W 71.67' to a point; thence turning and running N 88° 32' 45" E 24' to a point; thence turning and running N 1° 27' 15" W 28.83' to a point; thence running N 88° 32' 45" E 42' to a point; thence running S 01° 27' 15" E 10.81' to a point; thence running S 48° 28' 27" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 19.69' and a chord distance of 19.56' to a point; thence running S 62° 18' 38" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 4.46' and a chord distance of 4.46' to an iron; thence running S 70° 21' 37" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 9.59' and a chord distance of 9.57' to a point; thence turning and running N 74° 56' 50" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 50.96' and a chord distance of 48.79' to a point; thence running N 41° 43' 23" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 7.02' and a chord distance of 7.02' to an iron; thence running N 33° 40' 31" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 7.02' and a chord distance of 7.02' to a point; thence turning and running N 19° 26' 55" E along

the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 17.81' and a chord distance of 17.71' to a point; thence running N 1° 11' 52" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 14.05' and a chord distance of 14' to an iron; thence running N 21° 4' 37" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 24.83' and a chord distance of 24.58' to an iron; thence running N 73° 53' 32" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 67.35' and a chord distance of 62.37' to an iron; thence running S 58° 25' 23" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 15.88' and a chord distance of 15.81' to a point; thence running N 72° 12' 35" W along the arc of a curve to the left, said curve having a radius distance of 50.02', an arc distance of 0.94' and a chord distance of .94' to a point; thence running S 60° 5' 42" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 9.40' and a chord distance of 9.37' to a point; thence turning and running N 1° 27' 15" W 10.28' to a point; thence turning and running S 88° 32' 55" W 52' to a point; thence turning and running S 1° 27' 15" E 7.28' to a point; thence turning and running N 29° 17' 58" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 30.96' and a chord distance of 29.60' to an iron; thence running N 4° 45' 48" E along the arc of a curve to the right, said curve having a radius distance of 385', an arc distance of 60.47' and a chord distance of 60.41' to a point; thence running N 9° 15' 47" E 61.13' to an iron which iron marks the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

PHASES III, CA5 AND CA6

Commencing at a point located on the western edge of the right-of-way of South Dunes Drive, said point being the northeastern most point of CA5 and lying at a common corner with other lands of The Litchfield Company of South Carolina Limited Partnership; thence running S 9° 15' 47" W 204.28' to a point; thence running S 5° 26' 19" W along the arc of a curve to the left, said curve having a radius distance of 425', an arc distance of 56.74 feet and a chord distance of 56.70' to a point; thence running S 0° 4' 48" W along the arc of a curve to the left, said curve having a radius distance of 425', an arc distance of 22.76 feet and a chord distance of 22.76' to a point; thence running S 1° 27' 15" E 290.50' to a point; thence turning and running S 89° 56' 34" W 24.84' to a point; thence turning and running S 0° 3' 26" E 15' to a point; thence turning and running N 89° 56' 34" E 24.94' to a point located on the western edge of the right-of-way of South Dunes Drive; thence turning and running S 6° 8' 33" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 88.87' and a chord distance of 88.75' to

a point; thence running S 11° 51' 53" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 7' and a chord distance of 7'; thence running S 18° 59' 53" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 112.52' and a chord distance of 112.26' to a point; thence running S 26° 7' 57" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 7.02' and a chord distance of 7.02'; thence running S 28° 36' 41" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 34.52' and a chord distance of 34.51' to a point; thence running S 30° 40' 16" W 306.50' to a point; thence running S 59° 32' 50" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 30.24' and a chord distance of 28.97' to a point; thence turning and running N 6° 22' 29" W 34.88' to a point; thence turning and running S 83° 37' 31" W 41.92' to a point; thence running S 26° 54' 38" E along the arc of a curve to the left, said curve having a radius distance of 54.09', an arc distance of 4.79' and a chord distance of 4.79' to a point; thence running S 8° 29' 48" W 11.58' to a point; thence running S 25° 38' 16" E along the arc of a curve to the left, said curve having a radius distance of 19.18', an arc distance of 22.85' and a chord distance of 21.52' to a point; thence running S 59° 46' 20" E 3.01' to an iron located on the western edge of the right-of-way of South Dunes Drive; thence turning and running S 30° 13' 40" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 20.14' and a chord distance of 20' to a point; thence turning and running N 59° 46' 20" W 3.01' to a point; thence running N 47° 50' 2" W along the arc of a curve to the right, said curve having a radius distance of 39.18', an arc distance of 16.33' and a chord distance of 16.21' to an iron; thence turning and running S 68° 14' 10" W 12.95' to a point; thence running S 68° 14' 10" W 8.10' to a point; thence running S 68° 14' 10" W 18.62; to an iron; thence turning and running N 59° 46' 20" W 88.91' to an iron; thence running N 59° 46' 20" W 199.22' to a point; thence turning and running N 34° 17' 52" E 747.11' to an iron; thence running N 22° 47' 27" E 549.85' to an iron; thence turning and running S 59° 40' 43" E 55.75' to a point; thence running S 59° 40' 43" E 11.70' to a point located on the western edge of the right-of-way of South Dunes Drive, said point marking the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

Being a portion of the premises conveyed to The Litchfield Company of South Carolina Limited Partnership by deed of Litchfield-By-The-Sea, a Joint Venture recorded December 30, 1988 in the Office of the Clerk of Court for Georgetown County in Deed Book 317 at Page 166.

the Property 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 and unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters or other critical areas.

Section 10: 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 situate 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, water lines, sewer lines, telephone cable or electricity lines, 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 paths, streets, roads, walkways and the like to travel to and from his Lot and to and from the Common Property or Restricted Common Property and a right of easement of enjoyment in and to the Common Property and Restricted Common Property. All such easements shall be appurtenant to and shall pass with the title to each Lot or Dwelling Unit.

Section 11: Changes in Boundaries; Additions to Common Property or Restricted Common Property: The Partnership expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Property and Restricted Common Property and any Lots or other properties owned by the Partnership, including the realignment of boundaries between adjacent Lots and between Lots and Common Property or Restricted Common Property. In addition, the Partnership reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time such real or personal property as it determines to be conveyed as an addition to the Common Property or Restricted Common Property 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 12: Trespass: Whenever the Association or the Partnership is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on the Property or on the easement areas adjacent thereto, entering the Property and then taking such action shall not be deemed a trespass.

ARTICLE X
ARCHITECTURAL CONTROL

Section 1: Architectural Review: In order to preserve the natural beauty of Charlestowne Grant and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the Property, and to protect and promote the value of the property, no building, fence, wall, decks, walks, driveways, parking apron, sign, swimming pool, roof, exterior or other structure shall be erected, placed, added to or altered until the proposed building plans, specifications (including height, color and composition of roof, siding, or other exterior materials and finish), plot plan showing the proposed location of such building or structure (drives and parking areas), landscape plans and construction schedules shall have been submitted and approved in writing as hereinafter provided.

Section 2: Objectives: Architectural and design reviews shall be directed towards obtaining the following objectives for Charlestowne Grant:

(a) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;

(b) Insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Lot or Dwelling Unit and with surrounding Lots or Dwelling Units and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;

(c) Insuring that the architectural design and structures and their materials and colors are visually harmonious with Charlestowne Grant's overall appearance, with surrounding development, with natural landforms and native vegetations, and with development plans approved by the Partnership or any governmental or public authority, if any, for the area in which the structures are proposed to be located;

(d) Insuring the plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots, and blend harmoniously with the natural landscape;

(e) Insuring that any development, structure, building or landscaping complies with the provisions of this Declaration;

(f) Promoting building design and construction techniques that respond to energy consumption and environmental quality, considerations such as heat loss, air omissions and runoff water quality.

(g) Insuring that any structure, building or landscaping complies with the applicable architectural guidelines.

Section 3: Architectural Review Board: At the direction of the Board of Directors of the Association, an Architectural Review Board shall be formed and shall be composed of at least three (3), but not more than five (5) persons, all of whom shall be appointed by the Board of Directors of the Association. The Architectural Review Board shall have the general rights of enforcement as set forth in Article XI, Section 4 of these Covenants, including without limitation, the right to enjoin violations.

Section 4: Architectural Review and Approval: No building, wall, fence, deck, walk, driveway, parking apron, sign, roof, color and composition of roof, siding and other exterior materials and finishes, exterior light or other structure or improvements of any kind shall be commenced or erected upon any Lot or upon the exterior of any Dwelling Unit, nor shall any landscaping be done, nor shall any addition to any existing building or alteration or change therein be made until the proposed building plans, specifications (including height, color and composition of roof, siding or other exterior materials and finish) site plan (showing the location of such building or structure, drives and parking area) landscape plan, and construction schedule shall have been submitted to and approved by the Architectural Review Board.

Section 5: Submission, Approval and Refusal of Architectural and Landscaping Plan: Three copies of all plans and related data shall be furnished the Architectural Review Board. One copy shall be retained in the records of the Architectural Review Board. The other two copies shall be returned to the Owner marked "approved" or "disapproved". Approvals shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within forty-five (45) days following receipt by the Architectural Review Board of written requests for approval, the provisions of this section shall be thereby waived. Refusal of approval of plans, location or specification may be based by the Architectural Review Board upon any ground which is consistent with the objectives of this Declaration, including purely aesthetic conditions, so long as such ground is not arbitrary or capricious. Furthermore, the Architectural Review Board may require the Owner to provide such performance bonds or deposits as it may deem necessary in its discretion to insure the timely completion of structures, installation of landscaping and the removal of materials and trash upon completion of construction. In the event the Owner desires to make any alterations to plans which have been approved by the Architectural Review Board, said Owner shall

resubmit a plan showing the alterations to the Architectural Review Board for review of said changes prior to commencing any work.

Section 6: Approval Not a Guarantee or Representation of Proper Design or Good Workmanship: No approval of plans, location or specifications and no publication or architectural standards, bulletins shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. Neither the Partnership nor the Architectural Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved under this Declaration, nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to the property subjected to this Declaration, agree to hold the Architectural Review Board and the Partnership harmless for any failure thereof caused by the Owners, architect or builder.

ARTICLE XI GENERAL PROVISIONS

Section 1: Duration: This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Partnership 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 renewal period for an additional ten (10) year period; 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 (3/4ths) of the votes cast at a duly held special meeting of the Association are cast in favor of terminating this Declaration at the end of its then current term. 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 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 required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a Resolution terminating this Declaration, and the total number of votes cast against such Resolution. Said Certificate shall be made 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 Partnership, its successors and assigns specifically reserve the right to amend this Declaration, or any portion hereof, in any particular, by an instrument in writing filed and recorded in the Office of the Clerk of Court for Georgetown County, South Carolina with or without the approval of any Owner or mortgagees from the date hereof until January 1, 2015. Each Owner, by acceptance of a deed or other conveyance to a Lot or Dwelling Unit agrees to be bound by such amendments as are permitted by this section. Thereafter, the procedure for amendment shall be as follows. All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendments shall be deemed approved if three-fourths (3/4ths) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date that notice of such meeting was given, the total number of votes required to constitute a forum at a meeting of the Association, the total number of votes cast against the amendment. Such Addendum shall be placed Of Record.

So long as the Partnership is a Class B Member, no amendment of this Declaration shall be made without the consent of the Partnership.

Section 3: Rule Against Perpetuities: The Partnership herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then and in that event, such terms shall be reduced to a period of time which shall not violate the Rule Against Perpetuities or any other law of the state of South Carolina, and such provisions shall be fully effective for such reduced period of time.

Section 4: Enforcement: This Declaration shall be enforceable by the Association, the Partnership, or any Member of the Association 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 to enforce any lien created by this Declaration; and failure by the Association or any Member or the

Partnership 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 of any of the foregoing to enforce the same thereafter.

Section 5: Interpretation: The Board of Directors of the Association shall have the right to determine all questions arising in connection with the 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 improvement.

Section 6: 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 effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 7: 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 8: 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 of a Lot or Dwelling Unit 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 9: Limited Liability: In connection with all reviews, acceptances, inspections, permissions, consents, or required approvals by or from the Partnership contemplated under this Declaration, the Partnership 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 reacting to the

subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld.

Section 10: Termination of Association: In the event that this Declaration be declared to be void, invalid, illegal or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any Court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording this Declaration, all Common Property and Restricted Common Property belonging to the Association at the time of such adjudication shall be conveyed to the Litchfield-By-The-Sea Community Association, Inc. and the Litchfield-By-The-Sea Community Association, Inc. would thereafter own and operate said Common Property and Restricted Common Property as trustee for the use and benefit of Owners 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 the Declaration as provide for in Article XI, Section 1, all Common Property and Restricted Common Property owned by the Association at such time shall be transferred to a trustee appointed by the circuit court of Georgetown County, South Carolina, which trustee shall own and operate said Common Property and Restricted Common Property for the use and benefit of the Owners within the Property as set forth below.

(a) Each Lot located within the Property shall be subject to an Annual Assessment which shall be paid by the Owner of each such Lot to the Litchfield-By-The-Sea Community Association, Inc. 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 Litchfield-By-The-Sea Community Association, Inc. or the trustee, as the case may be.

(b) Any past due Annual Assessment together with interest thereon at 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 became 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 Litchfield-By-The-Sea Community Association, Inc. or 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 Charlestowne Grant Owner's Association, Inc., or the 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 Litchfield-By-The-Sea Community Association, Inc. nor the Trustee shall have the obligations to provide for operation, maintenance, repair, and upkeep of the Common Properties and Restricted Common Properties once the funds provided by the Annual Assessment have been exhausted.

IN WITNESS WHEREOF, The Litchfield Company of South Carolina Limited Partnership has 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.

Witnesses:

Rhonda M. Howell
Rhonda I. McDaniel

THE LITCHFIELD COMPANY OF SOUTH CAROLINA LIMITED PARTNERSHIP, A SOUTH CAROLINA LIMITED PARTNERSHIP
By: Its General Partner, Litchfield Partners, a South Carolina General Partnership

By: Litchfield Enterprises, Inc.
By: Douglas D. Richardson
Douglas D. Richardson
President

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)

PROBATE

PERSONALLY appeared before me the undersigned witness, who first being duly sworn, deposes and says that (s)he saw the within named The Litchfield Company of South Carolina Limited Partnership, a South Carolina Limited Partnership, by its General Partner, Litchfield Partners, a South Carolina General Partnership by Litchfield Enterprises, Inc., by Douglas D. Richardson, President, execute the foregoing Declaration of Covenants, Conditions, and Restrictions for Charlestowne Grant Owner's Association, Inc. and that (s)he with the other witness whose name is subscribed above, witnessed the execution thereof.

Rhonda M. Howell

SWORN to before me this 23rd
day of July, 1991.

Rhonda I. McDaniel (s.)
Notary Public for S.C.
My Commission Expires: 4-11-93

curve to the left, said curve having a chord distance of 14.21 feet and an arc distance of 14.21 feet and a radius of 520 feet; thence running N 17° 00' 40" E along the arc of a curve to the left, said curve having a chord distance of 47.25 feet and an arc distance of 47.27 feet and a radius of 520 feet to a point; thence running N 13° 36' 7" E along the arc of a curve to the left, said curve having a chord distance of 14.61 feet and an arc distance of 14.61 feet and a radius of 520 feet to a point; thence running N 11° 26' 34" E along the arc of a curve to the left, said curve having a chord distance of 24.58 feet and an arc distance of 24.58 feet and a radius of 520 feet to a point; thence running N 9° 19' 2" E along the arc of a curve to the left, said curve having a chord distance of 14 feet and an arc distance of 14 feet and a radius of 520 feet; thence running N 6° 13' 51" E along the arc of a curve to the left, said curve having a chord distance of 42.01 feet and an arc distance of 42.02 feet and a radius of 520 feet to a point; thence running N 3° 49' 17" E along the arc of a curve to the left, said curve having a chord distance of 1.72 feet and an arc distance of 1.72 feet and a radius of 520 feet to a point; thence running N 3° 43' 37" E 12.35 feet to a point; thence running N 3° 43' 37" E 43 feet to a point; thence running N 3° 43' 37" E 14.07 feet to a point; thence running N 3° 43' 37" E 14.07 feet to a point; thence running N 3° 43' 37" E 14.07 feet to a point; thence running N 3° 43' 37" E 15 feet to a point which point marks the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

Being a portion of the premises conveyed to The Litchfield Company of South Carolina Limited Partnership by deed of Litchfield-By-The-Sea, a Joint Venture recorded December 30, 1988 in the Office of the Clerk of Court for Georgetown County in Deed Book 317 at Page 166.

BYLAWS

OF

CHARLESTOWNE GRANT OWNER'S ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Section 1. Name: The name of the corporation is Charlestowne Grant Owner's Association, Inc. (hereinafter referred to as the "Association") which was created and exists as a nonprofit corporation under the laws of the State of South Carolina.

Section 2. Office of Association: The office of the Association shall be at the offices of The Litchfield Company of South Carolina Limited Partnership, (hereinafter referred to as the "Partnership") or at such other place as may be subsequently designated by the Board of Directors of the Association.

ARTICLE II
DEFINITIONS

Section 1. General: All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain Declaration of Covenants, Conditions and Restrictions for the Charlestowne Grant Owner's Association, Inc. dated July 23, 1991 and recorded in the Office of the Clerk of Court for Georgetown County, South Carolina, (the "Declaration") certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

ARTICLE III
MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership: Every Owner of a Lot or Dwelling Unit which is subject to the Declaration shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot or Dwelling Unit which is subject to assessments.

Section 2. Membership Rights Subject to Assessment; Suspension of Membership: The rights of membership are subject to the payment of Annual and Special Assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon, the Lot or Dwelling Unit against which such assessments are made as provided by Article V of the Declaration. The Board of Directors of the Association may suspend any Owner from membership in the Association during any period of time when such Owner is in default of any of his obligations under the Declaration (including without limitation, the failure to pay any assessments), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such Member. The obligation for assessments is

not abated by suspension of a Member and cannot be waived by non-use or abandonment of the Association or facilities or properties.

Section 3. Voting Rights: The Association shall have two classes of voting membership.

(A) CLASS A: Class A Members shall be all Owners (excluding the Partnership) and shall be entitled to one (1) vote for each Lot or Dwelling Unit owned. The Partnership may become a Class A Member upon the expiration of its Class B membership status as hereinafter set forth. When one or more persons holds title to any Lot or Dwelling Unit, all such persons shall be Members and the one vote for such Lot or Dwelling Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot or Dwelling Unit.

(B) CLASS B: The Class B Member shall be the Partnership, its Successors and Assigns. The Class B Member shall be entitled to fourteen (14) votes for each Lot or Dwelling Unit in which it is an Owner, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs later.

(a) When the total votes outstanding in the Class A membership equal to the total votes outstanding in the Class B membership, or

(b) on January 1, 2015.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meeting: Meetings of the Members shall be held at Litchfield-By-The-Sea, Litchfield Beach, South Carolina, or at such other place as may be designated by the Board of Directors, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time as determined by the Board of Directors, to be designated in the notice of the meeting.

Section 2. Membership Special Meetings: Special meetings of the Members for any purpose may be called at any time by the President, Secretary or Treasurer or by any two or more Members of the Board of Directors or upon written request of members holding one-fourth of the total votes of the Association.

Section 3. Notice: Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or

special, shall be mailed not more than forty-five (45) days, and not less than in ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declaration applicable to the properties, or any action for which other provision is made in these Bylaws, notice of such meeting shall be given or sent as therein or herein provided.

Section 4. 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 5. 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 a meeting of the Association (as distinguished from a Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action, the presence at the meeting of Members or proxies entitled to cast fifty-one (51%) per cent of the total vote of the membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such second meeting.

Section 6. Manner of Acting: Unless otherwise provided herein or the Declaration, a majority of the total votes cast in person or by proxy at a duly called meeting of the Association shall be the vote required to adopt and make decisions.

ARTICLE V PROXIES

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

Section 2. Proxies. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date.

**ARTICLE VI
BOARD OF DIRECTORS**

Section 1. General Powers: The Association shall be governed and the business and affairs of the Association shall be managed by a Board of Directors. The Directors need not be Members of the Association.

Section 2. Number and Tenure: The Board of Directors shall consist of three (3) members. The initial Board of Directors shall be appointed by the Partnership and shall hold office until the election of their successors as provided herein. Beginning with the first annual meeting of the Association, the Partnership shall elect one (1) Director for a term of one year and two (2) Directors for a term of two years and at each annual meeting thereafter, the members shall elect upon majority vote, one (1) Director for a term of two years. Each Director shall hold office until his successor is elected or until his death or until he shall resign or be removed from office.

Section 3. Vacancies. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, and any such appointed Director shall hold office until his successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

Section 4. Annual Meetings: Annual meetings of the Board of Directors shall be held immediately following the annual meeting of the Association. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 5. 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 to the members of the Board as provided herein.

Section 6. Notice: When notice of any meeting of the Board of Directors is required, such notice shall be given at least four (4) 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. 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 notice of such meeting, unless

specifically required by law, the Articles of Incorporation, these Bylaws or the Declaration.

Section 7. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8. 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 9. 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 as Director. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 10. 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 Association's records.

Section 11. Removal of Directors: Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created or the vacancy may be filled by the Board of Directors.

ARTICLE VII 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 Property, Restricted Common Property, and the conduct of the Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations;

(b) suspend the voting rights of a Member and his right to use the Common Property and Restricted Common Property 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) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(d) to grant utility and ingress/egress easements on, over and across the Common Property and Restricted Common Property of the Association as provided in the Declaration;

(e) to sell, transfer and convey portions of Common Property 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.

(f) exercise on behalf of the Association all other powers, duties and authority vested in or delegated to the Association as set forth in the Declaration and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declaration;

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 corporate affairs, have the same available for inspection at the offices of the Association, and present a statement thereof to the Members at the annual meeting of the Members or any special meeting when such statement is requested in writing by one-fourth (1/4th) vote of the Class A Members who are entitled to vote;

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

(c) perform all duties set forth in the Declaration, including without limitation:

(1) 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, foreclosing the lien against any property for which assessments are not paid within thirty (30) days after the due date or bringing an action at law against the Owner personally obligated to pay the same;

(4) providing for an Architectural Review Board;

(5) issuing or causing 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(6) causing the Common Property and Restricted Common Property to be maintained or repaired; and

(d) procure and maintain adequate liability and hazard insurance on property owned or leased by the Association; and

(e) cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; to provide directors and offices liability insurance, errors and omission insurance or similar insurance for officers and directors as it may deem appropriate;

(f) to cause the Common Property, Restricted Common Property and facilities to be maintained, replaced or improved and properly landscaped;

(g) to cause the adjoining beach and/or Common Property or Restricted Common Property to be renourished and to levy assessments therefor, should the Board of Directors determine that such beach is in need of renourishment;

(h) to prepare an annual budge for the Association outlining anticipated receipts and expenses for the following fiscal year;

(i) to carry out the reconstruction of Common Property or Restricted Common Property, improvements after casualty, and to carry out the further improvement of such Common Property or Restricted Common Property;

(j) to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Property or Restricted Common Property as may be necessary or convenient in the operation and management of the Association;

(k) to enforce by legal means the provisions of the Certificate of Incorporation, Declaration and Bylaws of the Association and the regulations promulgated by the Board;

(l) to pay all taxes and assessments which are liens against any part of the Common Property and Restricted Common Property or other property, real or personal, belonging to the Association;

(m) to pay all costs of power, water and sewer and other utility services rendered to the Association and not billed to the Owners;

(n) to borrow money on behalf of the Association and to pledge/mortgage the property of the Association as security for such loan(s);

(o) to exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration and not reserved to the membership by other provisions of these Bylaws or the Certificate of Incorporation.

ARTICLE VIII 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 officers to have the Authority and to perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. 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 an 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. The President shall be the 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. 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. 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 7. 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 8. 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 Bylaws and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 9. 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 IX MERGER

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other nonprofit associations organized for the same purposes, provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3rds) of the Members 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, including, without limitation,

the maximum limits on assessments of the Association, or any other matter substantially affecting the interest of Members of the Association.

**ARTICLE X
AUTHORITY TO MORTGAGE**

To the extent provided by law and by the Declaration 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.

**ARTICLE XI
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 (2) 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; (b) the amendment of the Articles of Incorporation of the Association; (c) the sale, lease or exchange of all or substantially all of the property of the Association; (d) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (e) the amendment or appeal of these Bylaws or the adoption of new Bylaws; and (f) the amendment or appeal 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 and the management of the affairs of the Association may be designated by a resolution adopted by the Board of Directors. Such committees may include or be entirely composed of Members who are not Directors and 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.

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GEORGETOWN COUNTY, S.C.

**FIRST AMENDMENT TO BYLAWS
OF
CHARLESTOWNE GRANT OWNER'S ASSOCIATION, INC.**

WHEREAS the Board of Directors of the Charlestowne Grant Owner's Association, Inc., by unanimous vote at a Special Meeting of the Board of Directors held on February 1, 1995, in accordance with meeting and voting requirements pursuant to the Articles of Incorporation, elected to amend and restate the Bylaws of the Charlestowne Grant Owner's Association, Inc. as recorded in the office of the Clerk of Court for Georgetown County in Book 434 at page 335, in the manner herinafter set forth,

NOW THEREFORE, the Bylaws of Charlestowne Grant Owner's Association, Inc. is amended as follows:

Article VI Section 2 is herewith deleted and the following provision inserted in its place so that as restated it shall read:

The initial Board of Directors shall be appointed by the Partnership and shall hold office until the election of their successors as provided herein. Initially the number of Directors shall be three (3) and in subsequent years the number shall be set by the Board of Directors at three (3), five (5), seven (7) or nine (9) members as the Board of Directors deems appropriate. Each Director shall hold office until his successor is elected or until his death or until he shall resign or be removed from office.

The Bylaws of Charlestowne Grant Owner's Association, Inc., except as amended hereinabove, is hereby reaffirmed and restated as originally executed and recorded.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Seal of the Corporation this 1st day of February, 1995.

Signed, Sealed and Delivered
in the Presence of:
Bronda M. Howell
Glenda J. McDaniel

Robert R. Phibbs
Secretary, Charlestowne Grant
Owners' Association, Inc.

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF GEORGETOWN)

PERSONALLY appeared before me the undersigned witness, who first being duly sworn, deposes and says that (s)he saw the within named Robert R. Phillips, Secretary of Charlestowne Grant Owner's Association, Inc., sign, seal and as its act and deed deliver the within written First Amendment to Bylaws of Charlestowne Grant Owner's Association, Inc. and that (s)he with the other witness whose name is subscribed above, witnessed the execution thereof.

Phonda M Howell

SWORN to before me this 1st day of February, 1995.

Phonda M. McDaniel (L.S.)
Notary Public for S. C.
My Commission Expires: 2-26-2003

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CCCP & GS

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BOOK 493 PAGE 192

MCNAIR LAW FIRM, P.A.
James B. Moore, Jr. (rtm)

**SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHARLESTOWNE GRANT
OWNER'S ASSOCIATION, INC.**

THIS SECOND AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "Second Amendment") made as of the 23rd day of September, 1992 by The Litchfield Company of South Carolina Limited Partnership, a limited partnership created pursuant to the South Carolina Uniform Limited Partnership Act, (hereinafter called the "Partnership");

WITNESSETH:

WHEREAS, the Partnership did make and declare that certain Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "Declaration") dated July 23, 1991 and recorded July 23, 1992 in the Office of the Clerk of Court for Georgetown County in Deed Book 434 at Page 299; and

WHEREAS, in Article XI, Section 2 of the Declaration the Partnership reserved the right to unilaterally amend the Declaration until January 1, 2015; and

WHEREAS, the Partnership did amend the Declaration by the filing of that First Amendment to Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc. (the "First Amendment") dated November 21, 1991 and recorded December 4, 1991 in the Office of the Clerk of Court for Georgetown County in Deed Book 451 at Page 99; and

WHEREAS, the Partnership desires to amend the Declaration in part to release those properties described in Article II, Section 2(a) of the Declaration, as amended by the First Amendment from the Declaration and subject instead that Property described on Exhibit "A" hereto and incorporated herein by reference; and

WHEREAS, in addition to the amendment to Article II, Section 1 as set forth above, the Partnership further seeks to amend Articles VII, VIII and IX as hereinafter provided.

NOW, THEREFORE, the Partnership amends the Declaration as follows:

Article II, Section 1 is hereby amended and restated to read as follows:

Section 1: Property: The real property (the "Property") which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants is located in Litchfield-By-The-Sea, Georgetown County, South Carolina and is described as follows:

All that tract or parcel of land, situate, lying and being in Georgetown County, South Carolina, which is more particularly described in Exhibit A attached hereto and by specific reference made a part hereof.

Article VII of the Declaration is hereby amended and restated to read as follows:

Section 1: Common Property and Restricted Common Property: The Association shall be responsible for the maintenance of the Common Property and Restricted Common Property and all improvements situated thereon, including but not limited to any streets, sidewalks, street lights, buildings, signs, structures, beaches, dunes, erosion control devices, dune crossovers, swimming pools, houses, shrubbery and walls built around the Property.

Article VII, Section 2 of the Declaration is hereby amended to be deleted in its entirety.

Article VIII, Section 12 of the Declaration is hereby amended to be deleted in its entirety.

Article IX of the Declaration is hereby amended and restated to read as follows:

Section 1: Reservation for Expansion: The Partnership hereby reserves to itself, its successors and assigns, a non-exclusive perpetual blanket easement and right-of-way for ingress and egress to, under, through, over and about all Common Property and Restricted Common Property, including roads for access, construction of utilities and drainage for all purposes related to the development and completion of improvements on the Property and for the development of other properties owned by the Partnership, its successors or assigns adjoining Charlestowne Grant.

Section 2: Easement to Facilitate Sales: The Partnership reserves to itself, its agents or assigns, the right to use any portion of the Property owned by the Partnership or any portion of the Common Property or Restricted Common Property as models, management offices, sales offices, construction offices or sales office parking areas.

Section 3: Easement for Utilities: The Partnership reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the Property to erect, maintain and use poles, wires, cables, conduit, sewers, water mains, drainage ways, sprinkler or landscape irrigation systems, pumping stations, tanks, and other suitable equipment for the conveyance and use of electricity, telephone equipment and other utilities, provided, however that: (a) No utility easement shall run across any portion of a Lot 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, or which is designated as a building site or building envelope on that certain map entitled "Survey of Phases I, II and III, Charlestown Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10; (b) Such easements or installation of utilities therein or thereon shall be maintained in an as attractive manner as is reasonably feasible; (c) The Partnership, 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 Partnership, without obligation, reserves the right to transfer such utilities and utility easements and easements to 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. These easements and rights especially include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

Section 4: Easement for Dune Preservation and Irrigation:

There is hereby reserved for the benefit of the Partnership and the Association, their respective agents, employees, successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect and use such pipes, irrigation equipment, bulkheads, seawalls, snow fences or erosion control devices in or over such portions of the Property from the mean highwater mark of the Atlantic Ocean to a point 15' West of the baseline as shown on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. The Partnership and the Association, their successors and assigns, may build, construct, maintain within said easement area seawalls, bulkheads, snow fences, shore revetments, erosion control devices, irrigation systems and dune enhancement devices. Furthermore, the Partnership and the Association, their successors and assigns, reserve the right to plant, landscape and maintain dune grasses, sea oats and other flora and fauna which grow on the sand dunes. The Partnership and the Association, their successors and assigns, further reserve the right to renourish the beach within said easement area. These easements and rights expressly include the right to cut any bushes or shrubbery, make any gradings of the sand or soil or to take any other similar action necessary to maintain and preserve beach and dune areas. Such rights may be exercised by any licensee of the Partnership or the Association, but this reservation shall not be considered an obligation of the Partnership or the Association to maintain any such service.

Section 5: Easement for Common Sidewalks and Beach Access:

There is hereby reserved for the benefit of the Partnership and the Association, their successors and assigns, a perpetual, alienable and releasable easement and right, on, over and under such portions of the Property as is more fully set forth on that certain map dated entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10, said easement herein being for the purpose of ingress and egress over common walkways, sidewalks, beach access structures and for the repair, replacement and construction of the same.

Section 6: Easement for Irrigation and Utility Easements:

There is hereby reserved for the benefit of the Partnership and the Association, its successors and assigns, a perpetual, alienable and releasable easement and right, on, over and under such portions of the Property as is more fully set forth on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. Said easement being for the purpose of erecting, maintaining and using water lines, sewer lines, electric lines, irrigation systems and other equipment and utilities and for the repair and replacement of the same.

Section 7: Drainage Easements:

An easement is hereby reserved for the benefit of the Partnership and the Association, their respective employees, agents, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Partnership, as applicable to the extent possible to prosecute such easement work properly and expeditiously and to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work.

Section 8: Environmental Easement:

There is hereby reserved for the benefit of the Partnership, 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 Property 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 of the Association 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 9: South Carolina Coastal Council Jurisdiction:

Notice is hereby given of the restriction that as to any portion of the Property 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 and unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters or other critical areas.

Section 10: 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 situate 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, water lines, sewer lines, telephone cable or electricity lines, 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 paths, streets, roads, walkways and the like to travel to and from his Lot and to and from the Common Property or Restricted Common Property and a right of easement of enjoyment in and to the Common Property and Restricted Common Property. All such easements shall be appurtenant to and shall pass with the title to each Lot or Dwelling Unit.

Section 11: Changes in Boundaries; Additions to Common Property or Restricted Common Property: The Partnership expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Property and Restricted Common Property and any Lots or other properties owned by the Partnership, including the realignment of boundaries between adjacent Lots and between Lots and Common Property or Restricted Common Property. In addition, the Partnership reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time such real or personal property as it determines to be conveyed as an addition to the Common Property or Restricted Common Property 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 12: Trespass: Whenever the Association or the Partnership is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on the Property or on the easement areas adjacent thereto, entering the Property and then taking such action shall not be deemed a trespass.

Section 13: Common Driveways: Certain lots may share a common driveway. Each Owner of a Lot using a common driveway shall have an easement for the use, maintenance and enjoyment of the common driveway, including the right of ingress and egress for pedestrians and vehicles over and across the common driveway to the Owner's Lot. The common driveway shall be set forth more fully on that certain map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of South Carolina Limited Partnership" by Sur-Tech Incorporated, said map being dated June 18, 1992 and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10. The

costs of reasonable repair and maintenance of a common driveway shall be shared equally by the Owners who make use of the driveway.

EXCEPT as amended by this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Charlestowne Grant Owner's Association, Inc., said Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has set its hand and seal the day and year first hereinabove written.

Witnesses:

[Signature]
Emma Hall-Chidley

THE LITCHFIELD COMPANY OF SOUTH CAROLINA LIMITED PARTNERSHIP

By: Litchfield Enterprises, Inc., a General Partner of the Sole General Partner of The Litchfield Company of South Carolina Limited Partnership

By: [Signature]
President

EXHIBIT "A"

All that certain piece, parcel or tract of land situate, lying and being in the County of Georgetown, State of South Carolina containing 17.65 acres, more or less, as shown on a map entitled "Survey of Phases I, II and III, Charlestowne Grant prepared for The Litchfield Company of S. C. Limited Partnership" dated June 18, 1992 prepared by Sur-Tech, Incorporated and recorded in the Office of the Clerk of Court for Georgetown County in Slide 105 at Page 10 and being more particularly described according to said map as follows:

PHASES I, II AND CA1

Commencing at a point located on the eastern edge of the right-of-way of South Dunes Drive, said point being the northwestern most corner of Lot 9, Phase II, Charlestowne Grant, and being a common corner with Shipyard Village Horizontal Property Regime; thence running N 85° 58' 34" E 75.2' to an iron; thence running S 58° 31' 26" E 175.9' to a point; thence turning and running S 1° 11' 52" W 171.46' to an iron; thence turning and running S 81° 35' 8" E 377.71' to a point; thence turning and running S 30° 52' 27" W 371.16' to a point; thence running S 31° 26' 27" W 742' to a point; thence turning and running N 59° 46' 20" W 163.29' to an iron; thence running N 59° 46' 20" W 140.32' to an iron; thence running N 59° 46' 20" W 77.96' to a point on the right-of-way of South Dunes Drive; thence turning and running along the eastern edge of said right-of-way N 64° 9' 16" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 3.62' and a chord distance of 3.62' to a point; thence running N 52° 9' 3" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 17.33' and a chord distance of 17.25' to a point; thence running N 41° 38' 6" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 1.02' and a chord distance of 1.02' to an iron; thence running N 15° 23' 28" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 44.78' and a chord distance of 43.30' to a point; thence running N 10° 12' 6" E along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 21.44' and a chord distance of 20.98' to a point; thence running N 30° 40' 16" E along the eastern edge of the right-of-way of South Dunes Drive 323.61' to a point; thence running N 27° 55' 23" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 49.89' and a chord distance of 49.87' to a point; thence running N 24° 47' 14" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7.03' and a chord distance of 7.03' to a point; thence running N 21° 43' 24" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 48.58' and a chord distance of 48.56' to a point; thence running N 18° 39' 41" E along the arc of a curve

to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 17° 53' 24" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 14° 30' 29" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 54.39' and a chord distance of 54.36' to a point; thence running N 11° 7' 34" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 10° 21' 17" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 7° 37' 27" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 42.56' and a chord distance of 42.55' to a point; thence running N 4° 53' 38" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 4° 7' 21" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 7' and a chord distance of 7' to a point; thence running N 3° 33' 38" E along the arc of a curve to the left, said curve having a radius distance of 520', an arc distance of 3.2' and a chord distance of 3.2' to a point; thence turning and running N 88° 32' 45" E 59.85' to a point; thence turning and running N 1° 27' 15" W 50' to a point; thence turning and running N 88° 32' 45" W 50' to an iron located on the eastern edge of the right-of-way of South Dunes Drive; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 21.5' to a point; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 7' to a point; thence running N 1° 27' 15" W 55' to an iron; thence running N 1° 27' 15" W 71.67' to a point; thence turning and running N 88° 32' 45" E 24' to a point; thence turning and running N 1° 27' 15" W 28.83' to a point; thence running N 88° 32' 45" E 42' to a point; thence running S 01° 27' 15" E 10.81' to a point; thence running S 48° 28' 27" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 19.69' and a chord distance of 19.56' to a point; thence running S 62° 18' 38" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 4.46' and a chord distance of 4.46' to an iron; thence running S 70° 21' 37" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 9.59' and a chord distance of 9.57' to a point; thence turning and running N 74° 56' 50" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 50.96' and a chord distance of 48.79' to a point; thence running N 41° 43' 23" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 7.02' and a chord distance of 7.02' to an iron; thence running N 33° 40' 31" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 7.02' and a chord distance of 7.02' to a point; thence turning and running N 19° 26' 55" E along

the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 17.81' and a chord distance of 17.71' to a point; thence running N 1° 11' 52" E along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 14.05' and a chord distance of 14' to an iron; thence running N 21° 4' 37" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 24.83' and a chord distance of 24.58' to an iron; thence running N 73° 53' 32" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 67.35' and a chord distance of 62.37' to an iron; thence running S 58° 25' 23" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 15.88' and a chord distance of 15.81' to a point; thence running N 72° 12' 35" W along the arc of a curve to the left, said curve having a radius distance of 50.02', an arc distance of 0.94' and a chord distance of .94' to a point; thence running S 60° 5' 42" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 9.40' and a chord distance of 9.37' to a point; thence turning and running N 1° 27' 15" W 10.28' to a point; thence turning and running S 88° 32' 55" W 52' to a point; thence turning and running S 1° 27' 15" E 7.28' to a point; thence turning and running N 29° 17' 58" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 30.96' and a chord distance of 29.60' to an iron; thence running N 4° 45' 48" E along the arc of a curve to the right, said curve having a radius distance of 385', an arc distance of 60.47' and a chord distance of 60.41' to a point; thence running N 9° 15' 47" E 61.13' to an iron which iron marks the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

PHASES III, CA5 AND CA6

Commencing at a point located on the western edge of the right-of-way of South Dunes Drive, said point being the northeastern most point of CA5 and lying at a common corner with other lands of The Litchfield Company of South Carolina Limited Partnership; thence running S 9° 15' 47" W 204.28' to a point; thence running S 5° 26' 19" W along the arc of a curve to the left, said curve having a radius distance of 425', an arc distance of 56.74 feet and a chord distance of 56.70' to a point; thence running S 0° 4' 48" W along the arc of a curve to the left, said curve having a radius distance of 425', an arc distance of 22.76 feet and a chord distance of 22.76' to a point; thence running S 1° 27' 15" E 290.50' to a point; thence turning and running S 89° 56' 34" W 24.84' to a point; thence turning and running S 0° 3' 26" E 15' to a point; thence turning and running N 89° 56' 34" E 24.94' to a point located on the western edge of the right-of-way of South Dunes Drive; thence turning and running S 6° 8' 33" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 88.87' and a chord distance of 88.75' to

a point; thence running S 11° 51' 53" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 7' and a chord distance of 7'; thence running S 18° 59' 53" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 112.52' and a chord distance of 112.26' to a point; thence running S 26° 7' 57" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 7.02' and a chord distance of 7.02'; thence running S 28° 36' 41" W along the arc of a curve to the right, said curve having a radius distance of 480', an arc distance of 34.52' and a chord distance of 34.51' to a point; thence running S 30° 40' 16" W 306.50' to a point; thence running S 59° 32' 50" W along the arc of a curve to the right, said curve having a radius distance of 30', an arc distance of 30.24' and a chord distance of 28.97' to a point; thence turning and running N 6° 22' 29" W 34.88' to a point; thence turning and running S 83° 37' 31" W 41.92' to a point; thence running S 26° 54' 38" E along the arc of a curve to the left, said curve having a radius distance of 54.09', an arc distance of 4.79' and a chord distance of 4.79' to a point; thence running S 8° 29' 48" W 11.58' to a point; thence running S 25° 38' 16" E along the arc or a curve to the left, said curve having a radius distance of 19.18', an arc distance of 22.85' and a chord distance of 21.52' to a point; thence running S 59° 46' 20" E 3.01' to an iron located on the western edge of the right-of-way of South Dunes Drive; thence turning and running S 30° 13' 40" W along the arc of a curve to the left, said curve having a radius distance of 50', an arc distance of 20.14' and a chord distance of 20' to a point; thence turning and running N 59° 46' 20" W 3.01' to a point; thence running N 47° 50' 2" W along the arc of a curve to the right, said curve having a radius distance of 39.18', an arc distance of 16.33' and a chord distance of 16.21' to an iron; thence turning and running S 68° 14' 10" W 12.95' to a point; thence running S 68° 14' 10" W 8.10' to a point; thence running S 68° 14' 10" W 18.62; to an iron; thence turning and running N 59° 46' 20" W 88.91' to an iron; thence running N 59° 46' 20" W 199.22' to a point; thence turning and running N 34° 17' 52" E 747.11' to an iron; thence running N 22° 47' 27" E 549.85' to an iron; thence turning and running S 59° 40' 43" E 55.75' to a point; thence running S 59° 40' 43" E 11.70' to a point located on the western edge of the right-of-way of South Dunes Drive, said point marking the point of beginning. All of which will more fully and in detail appear by reference to the aforesaid map which map is incorporated herein by reference.

Being a portion of the premises conveyed to The Litchfield Company of South Carolina Limited Partnership by deed of Litchfield-By-The-Sea, a Joint Venture recorded December 30, 1988 in the Office of the Clerk of Court for Georgetown County in Deed Book 317 at Page 166.