

It is hereby declared that the true intent and purpose of this Declaration is that these covenants shall, subsequent to the recording of this Declaration, be the sole applicable covenants restricting and affecting properties in Palmetto Dunes Resort designated as limited residential areas, and such other property in Palmetto Dunes Resort as may be deeded subject to this Declaration of Covenants by specific reference in individual deeds or other instruments, or by subsequent declaration to the extent that there is any variation from and/or addition to the covenants heretofore recorded. To the extent that there is conflict between those restrictions, covenants and affirmative obligations previously recorded, as hereinabove set forth, and the provisions of this Declaration, the provisions of this Declaration shall govern and restrict properties hereafter conveyed or otherwise made subject to this Declaration where reference is made to this Declaration.

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The covenants, restrictions and affirmative obligations hereinafter set forth shall be referred to as the Consolidated Limited Residential Covenants, and shall be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, and will be incorporated by reference in deeds or other instruments applicable to limited residential property in Palmetto Dunes Resort by reference to the Deed Book and Page wherein the same are recorded. Unless or until specifically incorporated or adopted by reference and made applicable as hereinabove provided, these Covenants shall have no application to lands within Palmetto Dunes Resort.

ARTICLE I DEFINITIONS

Section 1-1.1: "Approved by the Architectural Review Board or Greenwood" shall mean and refer any approval required under these Covenants to be made by the Architectural Review Board or Greenwood and which shall be sought and received or denied pursuant to ARTICLES III and VIII of these Covenants.

Section 1-1.2: "Approved by Greenwood" shall mean an approval issued by Greenwood signed by either its President, a Vice President, and attested by its Secretary or an Assistant Secretary, or such individual or individuals as may be designated and authorized for such purpose by Greenwood from time to time in a document recorded in the land records of Beaufort County.

Section 1-1.3: "Common Properties" shall mean and refer to those areas of land or estates in land or otherwise dedicated for use of all or certain groups of Property Owners within Palmetto Dunes Resort with any improvements thereon which are deeded or leased by Greenwood or any other Grantor and which are designated in said recorded deed, lease, plat or other document as "Common Properties".

Section 1-1.4: "County Clerk of Court" shall mean and refer to the Clerk of Court for Beaufort County, South Carolina, and the successors of that office or such other office as may hereafter become responsible for the real property records of Beaufort County.

Section 1-1.5: "Covenants" shall mean and refer to the Consolidated Limited Residential Covenants of February 1, 1982, contained herein, adopted by Greenwood as Declarant for the Property, including all covenants, conditions, equitable servitudes, easements, reservations, restrictions and obligations set forth in this Declaration, together with any appropriate amendments to said Covenants.

Section 1-1.6: The term "Residential Unit" means any portion of any house or structure situated on a lot designed and intended for use and occupancy by a single family, including, but not limited to, lots for detached single-family residences, patio or cluster housing where fee simple title to the land on which the residential structure is situate is actually deeded to the Residential Unit owner.

Section 1-1.7: "Guest" shall mean and refer to any Customer, agent, guest or invitee of Greenwood, or any Property Owner, Lessee or Subowner.

Section 1-1.8: The term "Greenwood" shall refer to Greenwood Development Corporation, its successors and assigns:

Section 1-1.9: The term "Lot", "Residential Lot" or "Property" shall mean a lot or parcel of subdivided and platted land in Palmetto Dunes Resort intended for single family residential use where the fee simple title to the land is vested in the owner of such lot and which has been subjected to the provisions of these restrictions and covenants by reference in deeds to property issued by Greenwood.

Section 1-1.10: The term "Lot Owner" or "Property Owner" shall mean the original owner, or developer of the lot, as well as the owner of such lot as any subsequent owner of such lot and the owner, lessee or occupant of any Residential Unit constructed on said lot.

Section 1-1.11: The term "Limited Residential Area" shall mean those tracts, blocks or parcels of land intended for use as sites designated for the construction of single family residential units, including, but not limited to, detached homes, cluster homes or patio homes.

Section 1-1.12: "Offensive or Noxious" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior or activity which is inconsistent with both the reasonable pleasurable use of the Property area by substantial number of the residents and guests and their reasonable expectations of enjoying normal home life, vacationing, studying, meeting, working, recreating, or enjoying sports, music, food, natural surroundings, and entertainment, free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, racing vehicles, offensive displays of public sexuality, significantly loud radio, hi-fi or other electronic music distractions, or other similar unreasonable behavior curtailing the reasonable pleasure and use of the facilities within the Property. Public musical or other entertainment, parades, concerts, festivals, carnivals, competitions or shows conducted under permit from Greenwood shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by Greenwood, or its terms and conditions violated.

Section 1-1.13: "Palmetto Dunes Resort" shall refer to the lands on Hilton Head Island, Beaufort County, South Carolina which are shown on a boundary survey of Palmetto Dunes prepared by Hussey, Gay & Bell dated November 9, 1979, last revised November 16, 1979, which plat is incorporated herein by this reference and made a part hereof.

Section 1-1.14: "Patio Home Sites" as referred to herein are residential lots shown and so designated on a recorded plat on which a patio wall is designated. 660

Section 1-1.15: The term "Public Service District" or "District" shall refer to the Broad Creek Public Service District, its successors and assigns.

Section 1-1.16: "Recorded" shall mean and refer to a filing of a legal instrument or plat approved by Greenwood with the County Clerk of Court or other appropriate office in Beaufort County, South Carolina with the responsibility of maintaining grantor-grantee, grantee-grantor, torrens system, or other related records pertaining to the sale and disposition of interests in land and realty. A recording shall be deemed proper if it can be shown and so judged by a court of law that such document or plat was left in the custody of the Clerk of Court or other appropriate official.

Section 1-1.17: The Covenants and Restrictions below will be referred to as the Consolidated Limited Residential Covenants of February 1, 1982, for Palmetto Dunes Resort, and will be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, and may be incorporated by reference in deeds or other instruments to residential property within Palmetto Dunes Resort by reference to the Book and Page of recording in the land records in the Office of the Clerk of Court for Beaufort County, South Carolina.

ARTICLE II RESIDENTIAL USE

All lots or parcels of land in limited residential areas shall be used for single-family residential purposes exclusively. No structure or structures shall be erected, altered, placed or permitted to remain on any property other than as provided in these covenants and restrictions, or except as provided for in each Deed of Conveyance. Moreover, the deed transferring a parcel to be used for limited residential purposes may, in the sole discretion of Greenwood, among other things, expressly determine and limit the number or density of lots applicable to that specific single-family limited residential parcel. It may also impose height restrictions and/or minimum parking requirements applicable to that specific parcel as well as other similar specific development constraints.

"Residential", referring to a mode of occupancy, is used in contradiction to "business" or "commerce" or "mercantile" activity and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant land as well as to buildings constructed thereon. No lot or Residential Unit restricted to "residential"

purposes may be used as a means of service to business establishments on adjacent lots, including but not limited to supplementary facilities or an intentional passageway or entrance into a business house. Use for single household residential purposes shall mean and refer to use as a place of long-term, dwelling or residence, and shall also include unless otherwise expressly prohibited, use for seasonal vacations, and for seasonal and transient lodging for those attending meetings, seminars and conferences. The restriction to use for "residential" purposes is subject to the following qualifications:

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(a) The use of a portion of a Residential Unit as an office shall be considered as a residential use if such use does not create a significant increase in customer or client traffic to and from the Residential Unit, if no sign, symbol, logo or nameplate identifying a business or professional office is affixed to or about the grounds or the entrance to the Residential Unit, if the office is only incidentally used for business or professional purposes, and if Greenwood, after responding to a complaint by a neighboring property owner, has not expressly requested that the subject Residential Unit not be used in whole or in part as an office.

(b) The use of a Residential Unit as a model shall be limited to those granted written temporary permission for such use by Greenwood, and may be deemed a use for residential purposes for a maximum period of six (6) months after the building is newly constructed and is ready for occupancy, and use of said Residential Unit as a model after said six (6) month period shall be prohibited.

ARTICLE III
COVENANTS RESTRICTIONS AND AFFIRMATIVE
OBLIGATIONS APPLICABLE TO ALL LIMITED
RESIDENTIAL AREAS

Section 3-1: Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures and Landscaping. No building, wall, fence, sign, swimming pool, roof, exterior light or other structure or improvement shall be commenced or erected upon the exterior of any structure nor shall any building permit for such structure or improvement be applied for, 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 of roof, siding, etc., materials and exterior finish), plot plan, landscape plan and construction schedule shall have been submitted to and approved by the Architectural Review Board or Greenwood as provided by ARTICLE VIII hereof.

Section 3-2: Siting. To assure that buildings and other structures will be located so that the maximum view, privacy and breeze will be available to each building or structure, and that structures will be located with regard to the topography of each property taking into consideration the location of large trees, structures previously built or approved pursuant to this Article for adjacent lots and other aesthetic and environmental considerations, the Architectural Review Board and Greenwood shall have the right to control and to decide (subject to the provisions of the pertinent land use regulations of public authorities having jurisdiction)

the precise site and location of any building or structures located on the lot. The location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site.

Section 3-3: Tree and Bush Removal. No trees of any kind above five (5") inches in diameter at a point four feet above the ground level may be removed by any Property Owners, their successors and assigns anywhere within the Property, without the written approval of the Architectural Review Board or Greenwood. A tree location plan and location map of adjacent and nearby structures may be required as part of the submission under Section 3-1, 3-2 and this Section.

Section 3-4: Topography and Vegetation. Topographic and vegetation characteristics of the Property shall not be altered by any Property Owners, their successors and assigns, through the removal, reduction, cutting, excavation or any other means without the prior approval of the Architectural Review Board or Greenwood. 662

Section 3-5: Completion of Construction. The exterior of all buildings and other structures must be completed within twelve (12) months after the construction of a particular structure shall have commenced, except where such completion is impossible or would result in great hardship to the Property Owner or builder due to strikes, fires, national emergencies or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. All landscaping shown in plans submitted to the Architectural Review Board or Greenwood must be completed within twelve (12) months of the date of initial occupancy, and, as a condition of approval of proposed plans for all structures, a bond shall be given which guarantees payment of the landscape installation contractor's estimate cost of installation to implement the plan as submitted and approved. During the continuance of construction, the Property Owner shall require the contractor to maintain the structure in a reasonably clean and uncluttered condition, and construction during 90% of the construction days of the project may not commence before 7:00 a.m. or be continued after 7:00 p.m. more than twenty (20) days a year if located within 500' feet of any occupied Residential Unit.

Section 3-6: Service Yards. All garbage receptacles, electric and gas meters, heat pump and air-conditioning equipment, clotheslines, water pumps, household fuel tanks and other unsightly objects and equipment on the Property must be placed or stored in landscaped, fenced or screened-in areas to conceal them from the view on the road and adjacent properties. The design, size, location, texture and appearance of any service yard, and any additions or alterations of any service yard, must be approved by the Architectural Review Board or Greenwood. The Board may require such locations or protective features as will reasonably provide protection against explosions or fires associated with household fuel storage tanks.

Section 3-7: Lights and Signs. No lights, signs or ornaments shall be erected on the Property by anyone including, but not limited to, the Property Owner, a realtor, a contractor or subcontractor except with the written permission of the Architectural Review Board or Greenwood. If such permission is granted, the Architectural Review Board and Greenwood shall have the right to restrict the size, color and content of such signs. No

flashing lights or signs with blinking lights shall be permitted on the Property. During or preceeding construction the identification of firms shall be limited to one single sign structure in harmony with good graphic design standards identifying the various sponsors, designers, builders, etc. of the project. No sign advertising a commercial product (e.g., glass, paint, building materials, furniture or furnishing, roofing, or equipment, etc.) may be displayed on the site.

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Section 3-8: Other Buildings and Vehicles. No mobile home, trailer, tent, barn or other similar out-building vehicle or structure shall be placed on the Property at any time without prior approval from the Architectural Review Board or Greenwood, and such approvals shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No home trailer or residence trailers may be permitted on the Property. No boats, boat trailers, campers, trucks or utility trailers may be maintained on the Property unless or until an attractive screened-in storage facility for such boats, vehicles and trailers is constructed upon the Property and therefore used for such purposes. This section does not create in Greenwood an affirmative obligation to provide such a screened-in storage facility. No such screened-in storage facility may be erected or constructed upon the Property without the approval of the Architectural Review Board or Greenwood.

Section 3-9: Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured on the property; provided, however that a maximum of two dogs, cats or other household pets may be kept in any one Residential Unit. In order to preserve the aesthetic qualities of the Property, to maintain sanitary conditions on the property, to prevent the spread of worms and infectious diseases on the Property, and to maintain a proper respect for other Property Owners and users of the Property, each person who keeps a pet within a Residential Unit shall abide by the following restrictions, conditions, and affirmative obligations: (i) No pets may be kept, bred or maintained for any commercial purpose; (ii) The owner of such pet or pets shall exercise best efforts to not allow the pets to excrete upon the shrubbery or property of Residential Unit owners other than that property owned by the pet's owner or to excrete in any area within the Common Property which are regularly traversed or in which children may be expected to play; (iii) The owner of such pet shall use a scoop or other device to clean up any defecation or solid excrement left by their pet upon the Common Properties or properties of others; (iv) The owner of a pet will not allow the pet to roam unattended on the Property of others or the beach, roads, lagoons, or golf courses; (v) The owner shall muzzle any pet which consistently barks or makes noises which might be reasonably expected to disturb other Property Owners, their Lessees and Guests. The breach of any of these five restrictions, conditions, and obligations and duties shall be a noxious and offensive activity constituting a nuisance.

Section 3-10: Unsightly Conditions. It shall be the responsibility of each Property Owner and his Lessees to prevent and remove the accumulation of litter, trash, packing crates or rubbish, or the development of any unclean, unsightly or unkept conditions of buildings or grounds on the Property either before, during or after construction, and each Property Owner and his Lessee shall prevent and remove accumulations which

tend to substantially decrease the beauty of the specific property or the community as a whole.

Section 3-11: Sound-Devices. No exterior speaker, horn, whistle, bell or other sound device, except devices intended for use and used exclusively (and with reasonable regard for neighbors) for safety or security purposes, shall be located, used or placed upon any part of the Property.

Section 3-12: Offensive Activity. No noxious or offensive activity as defined in Section 1-1.12 shall be carried on upon the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any substantial number of users or owners of neighboring dwellings.

Section 3-13: Laundry. In order to preserve the aesthetic features of the architecture and landscaping, each Property Owner, his or her family, his or her guests, or his or her tenants shall not hang laundry from any area within or outside a Residential Unit if such laundry is within the public view, nor hang laundry in full public view to dry, such as on balcony and terrace railings. This provision, however, shall be temporarily waived by Greenwood upon publication, during periods of severe energy shortages or other conditions making the enforcement of this section contrary to the national or local interests.

Section 3-14: Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic value and economic value of all individual properties within the Property, each Property Owner and Greenwood (with respect to improved property owned by Greenwood), shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building structure, improvement or significant vegetation which shall be damaged or destroyed by Act of God, fire, or other casualty other than war. Variations and waivers of this provision may be made only upon Greenwood establishing that the overall purpose of these Covenants will be best effected by allowing such a variation. Variations to this Section 3-14 are to be strictly construed and the allowance of a variance by Greenwood shall not be deemed to be a waiver of the binding effect of this Section on all other Property Owners.

Section 3-15: Subdivision of Property. No lot or property within the Property shall be subdivided except with the written and recorded permission of Greenwood.

Section 3-16: Prohibition of Automotive Fuel Tanks. No automotive fuel tanks of any type whatsoever shall be permitted on the property. Moreover, tanks for the storage of heating or cooking fuels shall be permitted only if they are not exposed to view, and the same may be installed only within the main Residential Unit, within any approved accessory building, or within a screened area built in accordance with plans approved by Greenwood.

Section 3-17: Prohibition of Private Wells. No private water wells may be drilled or maintained on any residential property so long as Greenwood or the Public Service District or its licensees, agents, successors

or assigns, maintains a water distribution line within two hundred and fifty (250') feet of such residential property with an average daily water pressure in such line adequate for normal household use in Residential Units served by such distribution line.

Section 3-18: Prohibition of Exterior Antennas. No television antenna, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Residential Unit or on the lot or parcel provided, however, that the provisions of this paragraph shall not apply to Greenwood for the installation of equipment necessary for a master antenna system, CATV and mobile radio systems or other similar systems within Palmetto Dunes Resort.

Section 3-19: All Streets Private; Owners Easement. All roads and streets within Palmetto Dunes Resort are private and the ownership of such roads and streets is vested in Greenwood. Said roads are subject to a non-exclusive easement running in favor of all owners of real property within Palmetto Dunes Resort, their families and invitees. In order to provide for safe and effective regulation of traffic, Greenwood has filed with the Clerk of Court for Beaufort County, the appropriate Consent documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976) applicable to all of the streets and roadways within Palmetto Dunes Resort. Moreover, Greenwood may promulgate from time to time additional parking and traffic regulations which shall supplement the above mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in Palmetto Dunes Resort. These supplemental regulations shall initially include but shall not be limited to those set out hereinafter and Greenwood reserves the right to adopt additional regulations or to modify previously promulgated regulations from time to time and to make such adoption or modification effective thirty (30) days after mailing notice of same to the record owners of all lots, parcels or dwelling units within Palmetto Dunes Resort as of January 1 of the year in which such regulations are promulgated:

(a) No golf carts may be operated on the roads and streets in Palmetto Dunes Resort except those being transported between golf cart maintenance or storage areas and the golf pro shop area.

(b) No motorcycles or motorbikes may be operated on the roads and streets within Palmetto Dunes Resort. Mopeds (or other motor-powered bicycles) with no more than one-brake horse power may be operated so long as they abide by all other traffic regulations and so long as they are not required to be registered by the State of South Carolina.

(c) Greenwood may post "no parking" signs along the streets and roadways within Palmetto Dunes Resort where it, in its sole discretion determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicle towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicle shall not be deemed a trespass or a violation of the owners' property rights, because the owner shall be deemed to have consented to such action by accepting the right to use the roads and streets within Palmetto Dunes Resort.

Section 3-20: Parking. Unless a greater requirement is established by the deed from Greenwood to its grantee, in all new construction each lot or parcel owner shall provide space off the street for parking of at least two (2) automobiles for each Residential Unit constructed on the lot or parcel prior to the occupancy of any Residential Unit constructed on said lot or parcel in accordance with reasonable standards established by Greenwood.

Section 3-21: Sewer Connection. Prior to the occupancy of any Residential Unit proper and suitable provision shall be made for the disposal of sewage by connection with the sewer mains within Palmetto Dunes Resort maintained by the Public Service District and this shall be the sole permissible means of sewage disposal.

Section 3-22: Limitations As To Use of Bodies of Water. The lagoons, lakes, ponds and other bodies of water within the boundaries of Palmetto Dunes Resort are intended for the use and enjoyment of Palmetto Dunes Resort property owners, their guests and invitees and the enhancement of the entire Palmetto Dunes Resort property. To provide for the full enjoyment of the aforementioned water courses and bodies of water and to preserve water quality and to minimize erosion due to water turbulence, no combustion type engines shall be operated in said water courses or bodies of water within Palmetto Dunes Resort without the express written permission of Greenwood which permission may be arbitrarily withheld.

Greenwood retains ownership of all bodies of water referred to above and expressly reserves unto itself, its successors and assigns, every reasonable use and enjoyment of said lagoons, water courses and bodies of water in a manner not inconsistent with this Declaration. It is further expressly recognized that many of said bodies of water perform valuable drainage functions requiring water levels to be raised and lowered from time to time in connection with which Greenwood expressly retains all rights to adjust water levels as drainage requirements dictate.

Section 3-23: Beachfront Open Space. Greenwood covenants and agrees that it will hold in trust all lands, if any, located between the front property lines of any ocean front property and the high water mark of the Atlantic Ocean directly in front of each property for the use and benefit of residents of Palmetto Dunes Resort and that it will not subdivide, sell or otherwise dispose of such land under conditions which would permit its use for the erection of any structure whatsoever without the written permission of the owner of the ocean front property contiguous to and immediately behind such portion of the trust property involved.

Section 3-24. Height and Number of Structures. On each residential lot, there shall only be constructed one (1) detached single-family Residential Unit not to exceed two (2) habitable stories in height above the minimum first floor elevation prescribed by the National Flood Insurance Administration and one (1) small one-story accessory building which may include a detached private garage and/or servant's quarters; provided, however, that the construction or use of such dwelling or accessory building does not overcrowd the site and further provided that such building is not used for activity normally conducted as a business. Such accessory building may not be constructed prior to the construction of the main building.

A guest suite or like facility without a kitchen may be included as a part of the main dwelling or accessory building, but such suite may not be rented or leased except as a part of the entire premises including the main dwelling, and such guest suite may not result in overcrowding the site.

Section 3-25. Square Footage Requirement. The minimum square footage for the residential buildings constructed on the various residential lots within Palmetto Dunes Resort shall be as follows:

(a) For all lots in Beach Residential Areas and the Lagoon Residential Areas the minimum requirement shall be two thousand (2,000) square feet of enclosed dwelling area. "Beach Residential Areas" shall be defined as those lots in the Mariner Section of Palmetto Dunes which abutt on those areas known as "Tee Roads"; and in those areas in Palmetto Dunes lying south of the Queens Folly Road, it shall include lots any portion of which is within five hundred (500') feet of the centerline of the primary dune along the beaches of the Atlantic Ocean. "Lagoon Residential Areas" shall be defined as those lots, all or a portion of which abutt on a lake, lagoon, pond or tidal or marsh area within Palmetto Dunes Resort.

(b) For all lots in the Inverness Area or any area hereafter designated as Patio Lot Area, the minimum requirement shall be eighteen hundred (1,800) square feet of enclosed dwelling area, whether water, woodland or golf oriented; provided, however, that Greenwood reserves the right, in its sole and absolute discretion, to grant a variance to the minimum square footage in the event the characteristics of a particular lot warrant a variance from such minimum square footage requirement. In no event, however, shall approval be given by a dwelling containing less than fifteen hundred (1,500) square feet of enclosed dwelling area. Reference to the various plats shall determine whether a particular lot is within the definition of "Inverness Area" or Patio Lot".

(c) For all lots in the Golf Fairway and Woodland Residential Areas the minimum requirement shall be eighteen hundred (1,800) square feet of enclosed dwelling area. Golf Fairway and Woodland Residential Areas shall include all areas within Palmetto Dunes not included in any of the areas defined in Paragraphs (a) and (b) above.

Section 3-26. Time-Share Prohibition. The property subject to these Covenants shall, as previously indicated hereinabove, be used and occupied for single-family Residential Units and such Residential Units shall not be utilized for purposes of time-sharing or interval ownership or similar license, lease or other plans of the time-share type as those terms are currently generally utilized in the real estate industry or as those or similar terms are expressed or defined in Chapter 32, Code of Laws of South Carolina, 1976, as amended.

ARTICLE IV
ANNUAL MAINTENANCE ASSESSMENT APPLICABLE
TO ALL LIMITED RESIDENTIAL AREAS

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In order to provide a permanent fund to maintain, landscape and repair private streets (except those located within a privately owned lot), walkways and like community areas, maintain the beachfront, lagoons and other bodies of water in a clean and orderly condition, repair damage caused by beach erosion, provide for pest control when needed and in general provide those services important to the development and preservation of an attractive community appearance, and further, to maintain the privacy, security and general safety of the residential communities in Palmetto Dunes Resort, each owner of a residential lot shall pay annually to Greenwood the sum of Two Hundred Twenty and No/100 (\$218.00) Dollars per residential lot, said sum to be placed in an account and to be used exclusively for the purposes hereinabove noted. From and after January 1, 1983, this annual payment may be increased each year by the percentage of increase in the Consumer Price Index for the previous year, or, at the option of Greenwood, may be increased each year up to ten (10%) percent of the maximum authorized payment for the previous year. GREENWOOD ASSUMES THE OBLIGATION TO PROVIDE MAINTENANCE AND ALL OTHER SERVICES STATED HEREIN ONLY TO THE EXTENT SUCH MAINTENANCE AND SERVICES CAN BE PROVIDED WITH THE PROCEEDS OF THE ASSESSMENTS HEREIN ESTABLISHED. Greenwood further reserves the right to assign the rights under this paragraph to a community association or Public Service District created to undertake the services set forth herein. The assessment herein established shall be due and payable on or before March 1st of the calendar year for which it is applicable. If said assessment is not paid within thirty (30) days of said due date and within fifteen (15) days after receipt by said property owner or owners of an invoice setting forth the amount of such assessment, a late charge of one and one-half (1 1/2%) percent per month shall accrue on the delinquent amount from the date of such invoice to the date payment is received by Greenwood. Said property owner or owners shall also be liable for costs of collection including reasonable attorneys' fees, and court costs incurred by Greenwood in any proceeding or collection effort undertaken to collect the unpaid assessment. Acceptance of a partial payment of an assessment or late charge, which is due or past due shall not act as a waiver of the unpaid portion of such assessment or late charge and such amount paid shall be applied first against the late charge due and then against assessment due with any remaining balance continuing to be due and owing and subject to the above indicated late charge, lien and collection rights.

ARTICLE V
SPECIAL RESTRICTIONS AFFECTING GOLF FAIRWAY RESIDENTIAL AREAS

Section 5-1: Definition of Golf Fairway Residential Areas. "Golf Fairway Residential Areas" are defined as all those residential lots or parcels of land located adjacent to any golf course located in Palmetto Dunes Resort.

Section 5-2: Landscaping. That portion of any Golf Fairway Residential lot within thirty (30) feet of the lot line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect.

All individual lot landscaping plans must be approved by Greenwood before its implementation.

Section 5-3: Golf Course Maintenance Easement Area. There **669** reserved to Greenwood, its successors or assigns, a "Golf Course Maintenance Easement Area" on property adjacent to the fairways or greens of any Golf Courses located within the boundaries of Palmetto Dunes Resort. This reserved easement shall permit Greenwood, its agents, successors and assigns, at its election, to go on to any said fairway property at any reasonable hour and maintain or landscape the golf course maintenance easement area. Such maintenance and landscaping shall include the regular removal of underbrush, trees less than six (6) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the easement area. This Golf Course Maintenance Easement Area shall be limited to the portion of such adjoining property within thirty (30) feet of the property line bordering the fairway, or such lesser area as may be shown as a "Golf Course Maintenance Easement Area" on the recorded plat of such property.

Section 5-4: Reservation of Easement Prior to Construction. Until such time as a Residential Unit structure is constructed on a lot or parcel, Greenwood reserves an easement to permit and authorize registered golf course players and their caddies to enter upon a lot or parcel to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a Residential Unit is constructed on said lot or parcel, such easement shall be limited to that portion of the lot or parcel included in the Golf Course Maintenance Easement Area, and recovery of balls only, not play, shall be permitted in such Easement Area. Golfers or their caddies shall not be entitled to enter on any such lot or parcel with a golf cart or other vehicle, nor spend unreasonable time on such lot or parcel, or in any way commit a nuisance while on such lot or parcel. After construction of dwelling units on a Golf Fairway lot or parcel, "Out of Bounds" markers may be placed on said lot or parcel at the expense of Greenwood.

Section 5-5: Conduct or Action Distracting Golf Play Prohibited. Owners of golf fairway property or residential units shall be obligated to refrain from any actions which would detract from the playing qualities of the Golf Courses within the boundaries of Palmetto Dunes Resort or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as burning trash on property when the smoke would cross onto the fairway, and the maintenance of dogs or other pets on the property under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

Section 5-6: Discretion to Grant Variance of Section 5-3. Notwithstanding the provisions of Section 5-3 of this Article V Greenwood hereby reserves the right to allow a lot or parcel owner to construct a Residential Unit over a portion of the "Golf Course Maintenance Easement Area" in those cases where it, in its uncontrolled discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course.

ARTICLE VI
SPECIAL RESTRICTIONS AFFECTING ALL
BEACHFRONT, LAGOON AND MARSHLAND AREAS
WITHIN THE LIMITED RESIDENTIAL AREA

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Section 6-1: Prohibition as to Alteration of Dunes. Owners of beachfront property may not remove, reduce, cut down or otherwise lower the elevation of sand dunes and ridges located on the rear (oceanside) portions of any beachfront properties to a level lower than fourteen (14) feet above mean low water, except with the written permission of Greenwood.

Section 6-2: Construction and Clearing Restricted Zone. In order to preserve the natural appearance and scenic beauty of Palmetto Dunes Resort and to minimize erosion to the greatest extent possible, there is hereby established a construction and clearing restricted zone on all lots or parcels fronting on marshlands or the Atlantic Ocean. That portion of any marshland or oceanfront lot or parcel located within thirty (30) feet of the average high water mark shall be preserved substantially in its present natural state except for moderate clearing for view and breeze. Construction of improvements and major clearing of trees and underbrush is hereby restricted. For the purpose of this paragraph "marshland or oceanfront lot or parcel" is defined as any lot or parcel fronting on the salt marshland or ocean beach located between the high lands of Palmetto Dunes Resort and the water of the Atlantic Ocean, Broad Creek or Folly Creek, one of the four sides of which is within twenty (20) feet of the mean high tide line. Notwithstanding the foregoing Greenwood hereby reserves the right to exempt lots or parcels or portions thereof from said construction and clearing restrictions in those cases where it, in its uncontrolled discretion, determines that such exemption will not materially lessen the natural appearance and scenic beauty of Palmetto Dunes Resort or where it determines that such construction and clearing restrictions are not necessary to protect the shoreline from erosion.

Section 6-3: Docks and Decks not Absolutely Prohibited. The provisions of Section 6-2 of this ARTICLE VI shall not prohibit the construction of docks and decks over the marsh in compliance with Section 6-4 of this Article VI.

Section 6-4: Conditions for Erection of Docks and Decks. Owners of lots or parcels fronting on the navigable water (other than the ocean beach) may erect docks (and boathouses where appropriate) which are approved by Greenwood upon the property located between the outer boundary of their lots or parcels and contiguous to same and the low water mark upon complying with the following terms and conditions:

(a) Complete plans and specifications including site, color or finish must be submitted to Greenwood in writing;

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

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

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

Section 6-5: Maintenance of Docks and Decks. All lot or ⁶⁷¹parcel owners who construct or cause to be constructed said docks and/or boathouses, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings and to maintain such paint or preservatives in an attractive manner. Greenwood shall be the judge as to whether the docks and/or boathouses are safe, clean, and orderly in appearance, and properly painted or preserved in accordance with reasonable standards. Where Greenwood notifies the particular lot or parcel owner in writing that said dock and/or boathouses fail to meet acceptable standards, said lot or parcel owner shall thereupon remedy such conditions within thirty (30) days to the satisfaction of Greenwood, and that failing to so remedy such conditions, the lot or parcel owners hereby covenant and agree that Greenwood may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock and/or boathouse up to acceptable standards, all such repairs and actions to be at the expense, solely, of the lot or parcel owner in question and Greenwood shall be entitled to reimbursement for such expenditure in the same manner and under the same terms as is provided in Section 8-10 hereof.

Section 6-6: Entry by Greenwood No Trespass. Whenever Greenwood is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action on the property of any lot or parcel owner, or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

ARTICLE VII
SPECIAL RESTRICTIONS AFFECTING PATIO HOME SITES
(ZERO LOT LINE PROVISIONS)

Section 7-1. Residential lots shown on recorded plats and on which a patio wall is designated are referred to herein as "Patio Home Sites." Residential Units constructed on Patio Home Sites must be constructed so as to utilize a Patio Wall as designated on the recorded Subdivision plat. Said Patio Wall shall be constructed simultaneously with a Patio Home and shall be located so that the exterior of the same shall be located two (2) feet inside of and parallel to the designated lot line on the recorded subdivision plat.

Section 7-2. The Residential Unit shall utilize a portion of the Patio Wall as one of its exterior walls (unless an alternative location of the Residential Unit is approved pursuant to the provisions of Paragraph 7.3 of this Article VII) and shall be constructed so that neither the Patio Wall nor the Residential Unit provides any window or view openings looking into or over-viewing the adjacent lot and provides no access way or entry way into said adjacent lot.

Section 7-3. Should an owner of a Patio Lot desire to locate his Patio Home on a portion of the lot other than contiguous to the Patio Wall, he may apply to Greenwood for approval of the alternative location. A site plan showing the proposed alternative location shall accompany such application. Greenwood's approval of the alternative location shall not relieve the owner's responsibility to construct a Patio Wall as required by Section 7-1 of this Article VII. Approval or disapproval of an application for alternative location of a Patio Home may be based by Greenwood on purely aesthetic considerations.

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Section 7-4. The first floor enclosed area of a Patio Home may not be constructed so as to cover or occupy in excess of forty (40%) percent of the entire area of the Patio Lot.

Section 7-5. The cost of construction, maintenance and repair of a Patio Wall shall be the sole responsibility of the lot owner on whose lot the same is situated.

Section 7-6. There shall be reserved a two-foot easement on each lot between the exterior of the Patio Wall and/or Residential Unit and the parallel lot boundary line for the use and enjoyment of the adjacent lot owner, only as hereinafter provided. Said two-foot easement area and the exterior of the Patio Wall and/or Residential Unit may be used by an adjacent lot owner only for the planting and care of shrubbery and other landscaping, providing the same does not interfere with the structural integrity of the Patio Wall and/or Residential Unit.

Section 7-7. Said Patio Home shall be constructed with gutters to insure that no excessive rain water is discharged upon the adjoining lot.

Section 7-8. An eight-foot easement is further reserved along the boundary line of each lot, opposite the boundary line along which the Patio Wall is to be constructed, for the construction, maintenance, and repair of the Patio Wall and/or Residential Unit on the adjoining lot. The use of said easement area by an adjoining lot owner shall not exceed a reasonable period of time during construction nor shall it exceed a period of thirty (30) days each year for essential maintenance. Any shrubbery or planting in the eight-foot easement area that is removed or damaged by the adjoining lot owner during the construction, maintenance or repair of his Patio Wall and/or Residential Unit, shall be repaired or replaced at the expense of the said adjoining lot owner causing such damages.

Section 7-9. Notwithstanding the foregoing, owners of two (2) contiguous Patio Home Sites may apply to Greenwood for approval to construct and maintain a party wall along their common boundary line, provided that:

(a) Such party wall shall constitute an integral part of each owner's Patio Home.

(b) Greenwood's approval of the construction of a party wall will not relieve an owner's responsibility to construct a patio wall which is designated to be located two (2) feet from a boundary line other than that over which the party wall is to be constructed.

(c) Provisions of this Section 7-9 which are in conflict or inconsistent with provisions of the preceeding eight (8) Sections shall control.

ARTICLE VIII
RIGHTS RESERVED BY GREENWOOD, ITS SUCCESSORS
AND ASSIGNS

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Section 8-1: Other Rights and Reservations. The omission of any right or reservation in this Article shall not limit any other right of or reservation by Greenwood which is expressly stated in or implied from any other provision in these Covenants.

Section 8-2: No Affirmative Obligation Unless Stated. Any reservation or right of Greenwood which is stated in or implied from these Covenants shall not give rise to any affirmative obligation or duty on the part of Greenwood unless expressly stated in these Covenants.

Section 8-3: Modification and Revision of the Master Plans. Greenwood reserves the right to modify at regular or irregular intervals the Master Plan with respect to any parcel, lot or area within Palmetto Dunes Resort which has not been developed unless by recorded declaration this flexibility prior to actual construction or dedication taking place has been expressly waived as to a specifically designated parcel. No implied reciprocal equitable servitudes or easements shall arise with respect to lands retained by Greenwood. The right of Greenwood to modify the Master Plan shall not include the right to do any act inconsistent with respect to these Covenants or any amendment or supplemental declaration of covenants, conditions and restrictions which may hereafter be filed by Greenwood, its successors and assigns with respect to Palmetto Dunes Resort.

GREENWOOD EXPRESSLY DISCLAIMS THAT ANY RIGHTS SHALL ARISE OR ANY RESTRAINTS BE CREATED BY ANY REFERENCE OR DEPICTIONS OF LAND USE AS SHOWN ON ANY MASTER PLAN.

Section 8-4: Certain Easements. Greenwood reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right in, on, over and under property upon which Residential Units are constructed and such other areas as are shown on an applicable plat to erect, maintain, and use electrical, cable television, and telephone poles, wires, cables, conduits, drainage ways, sewers, wells, microwave transmission and reception equipment, garbage collection facilities, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, data, drainage or other public conveniences or utilities on, in or over those portions of such property as may be reasonably required for utility line purposes; provided, however, that:

(a) no utility easement shall run across any portion of the land which is covered by an existing building or other improvement other than roads, or across any land for which written approvals to construct an improvement thereon have been obtained within the past year from Greenwood or the Architectural Review Board;

(b) such easement or installation of utilities therein or thereon shall be maintained in as attractive a state as is commercially and technologically feasible;

(c) Greenwood without obligation reserves the right to transfer such utilities and easements, in whole or in part, to the Public Service District, at which time the Public Service District shall be responsible for and shall have the obligations to operate and maintain such utility easements or corridors;

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

These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Property Owner caused by such utility installation shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by Greenwood or prompt and reasonable remuneration for such repair shall be made to such Property Owner by Greenwood. Greenwood further reserves to itself, its successors and assigns the right to locate wells, pumping stations, siltation basins and tanks within any residential areas (other than on a residential lot) or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Property Owner.

Section 8-5: Bridges and Walkways. Greenwood retains, without obligation, a twelve (12') foot easement along, but not necessarily bordering, the road edge, parking lot edge, or lagoon edge of all lots or parcels for the purpose of constructing bikeways, jogging paths, bridges or riding trails. Greenwood also retains the right, without obligation to do so, to transfer any bikeways or jogging paths, or easements for bikeways or jogging paths to the Public Service District or to a Property Owners' Association formed and representing the majority of the property owners subject to these covenants, at which time the Public Service District shall have the obligation to maintain easement of access to said bikeways or jogging paths for the purpose of maintaining the same for access thereto as Common Properties. Nothing in this Section shall be construed as placing an affirmative obligation on Greenwood to provide or construct any such improvement.

Section 8-6: Pest Control. Greenwood reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on and over and under the Residential Lot or parcel to dispense pesticides and take other action which in the opinion of Greenwood is necessary or desirable to control insects and vermin, to cut fire breaks and other activities which in the opinion of Greenwood are necessary or desirable to control fires on the lot or parcel or any improvements thereon.

Section 8-7: Repurchases by Greenwood. In consideration of the affirmative obligations of and benefits to all Property Owners provided by Greenwood under these Covenants, and in consideration of Greenwood's active ongoing interest and participation in the promotion, development and enhancement of the accommodations, services, facilities and amenities available within Palmetto Dunes Resort, when any Residential Unit or land restricted for use as such is offered for sale by a Property Owner, Greenwood shall have the exclusive option to purchase such property at the price and on the terms of any bona fide offer for such property made in writing to the Property Owner at such time and submitted to Greenwood for verification. Each Property Owner shall notify Greenwood of his intent to sell his property. Greenwood shall have thirty (30) days after presentation of such notice to Greenwood to exercise this purchase option. If Greenwood has not executed a contract for purchase during this period, the record owner may freely convey the property to the subject offeror. Should, however, such sale to a third party not be consummated within four (4) months of the date the offer is transmitted to Greenwood, the terms and limitations of this Section shall again be imposed upon any sale by the Property Owner. If Greenwood shall elect to purchase such property, the transaction shall be consummated within sixty (60) days following delivery of notice by Greenwood to the Property Owner of its decision to purchase.

Section 8-8: Subdivision of Property. Notwithstanding the provisions of Section 3-15, Greenwood expressly reserves unto itself, its successors or assigns the right to replat any two or more adjacent lots which are owned by Greenwood, or which are owned by others who request Greenwood to approve such replatting, and Greenwood may take such other steps as are reasonably necessary to make such replatted lot suitable and fit for use for a structure or structures permitted under its land use classification as if originally platted as one parcel, such steps including, but not limited to, the relocation of easements, walkways, bike tracts and rights-of-way to conform to the new boundaries of said replatted lots, provided that no lot originally shown on a recorded plat is reduced to a size smaller than the smallest lot in such recorded subdivision plat, except that any such lot may be reduced in size to a minimum of one acre whether or not such reduction in size is smaller than the smallest lot in the recorded subdivision plat.

Section 8-9: Recording of Additional Restrictions on Land Use by the Owner Thereof. Each owner of Property, including Greenwood, which is subject to these Limited Residential Covenants, and any grantee (or successors to such grantee) of Greenwood may impose as Declarant additional restrictive covenants on land then owned by Declarant further limiting or restricting the uses of lands of Declarant's beyond those contained in these Covenants, without the consent of any other owner or of Greenwood, but no such additional Declarations of Land Use Restrictions may remove or lighten the burden of land use restrictions placed on such land by these Covenants.

Section 8-10: Enforcement. Greenwood shall have the right, but shall not be obligated, to proceed at law or in equity to complete compliance to the terms of this Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse Greenwood in full for all its direct and indirect costs, including but not limited to legal fees incurred by Greenwood in maintaining compliance with this Declaration, and such obligation shall constitute a lien upon the violator's property in accordance with Section 9-8.

Greenwood also retains an easement and license to enter upon any part of the Property, after reasonable notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall constitute a lien upon the Site and shall be a personal obligation of the Property Owner in accordance with Article VIII.

Section 8-11: No Trespass. When Greenwood is permitted by these covenants to correct, repair, clean, preserve, clear out, or do any action on the property of any Property Owner, entering the property and taking such action shall not be deemed a trespass.

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ARTICLE IX
COMMUNITY FUNCTIONS

Section 9-1: Limitations on Duties and Obligations. Greenwood or its agent will strive to carry out and put into effect the Functions and services specified or reasonably implied in this Declaration within the limits determined by the availability of funds generated through the assessments prescribed in this Declaration as provided in ARTICLE IV. Greenwood shall have no obligation to provide any services for which funds are not so available.

Section 9-2: Property Maintenance Function. Subject to the limitations provided in Section 9-1, Greenwood will provide for or cause to be provided: the care, operation, management, maintenance, repair and replacement of all Common Properties, including parking areas, roads, walks, bridges, drives, bike or jogging paths and other similar Common Properties, as necessary for their customary use and enjoyment; maintenance and care of all Open Space or unimproved areas included in the Common Properties, if any, and of plants, trees, shrubs and wildlife in such Open Space or unimproved areas; maintenance of other areas as may be necessary for access to the boundary of or full utilization of any land or any improvements within the Property which is subject to this Declaration; maintenance of the beachfront area and protective dunes.

Section 9-3: Operation Function. Greenwood or its designee may perform all functions within the power of the Broad Creek Public Service District which are not being performed by that organization which may be reasonably necessary or desirable to keep or maintain the Property which is subject to this Declaration, as a safe, attractive, desirable residential area.

Section 9-4: Security Function. Greenwood or its designee may provide security and fire protection within the Property which is subject to this Declaration and provide and maintain a fire and watch system which may include periodic fire prevention inspections and equipment certifications, cable, microwave, telephone or radio-based fire monitoring and television security electronics which do not unreasonably offend the privacy of the Property Owners, or their residents, guests, employees or invitees.

Section 9-5: Parking Function. Greenwood or its designee may care for, operate, manage, maintain, repair or replace parking areas to accommodate Property Owners, Lessees and Guests, and such parking areas may include, but not be limited to, signs, landscaping or other facilities appurtenant to parking areas; and clean any of said parking areas. All parking areas shall be constructed, kept and maintained in an efficient and proper manner.

Section 9-6: Vehicular Access Limitation Function. Because of the private nature of the roads within the areas subject to this Declaration and the retained ownership of such roads by Greenwood, until such time as Greenwood transfers said roads to the Public Service District or to a Property Owners Association composed of a majority of the owners of property subject to these Covenants, Greenwood shall be entitled to and will provide control over vehicular access to various sections of the Property which it deems necessary or desirable for the health, safety or welfare of persons within the Property. Said functions may include without limitation, constructing, operating and maintaining access road control gates restricting vehicular traffic within the Property except for Property Owners, Lessees or their guests who have overnight accommodations at the Property and restricting commercial vehicular traffic within the Property. All Property Owners and Lessees may be required to keep Greenwood informed of all persons who have overnight accommodations at such Property Owner's or Lessee's property in order to enforce its vehicular access rules and regulations appropriately. To facilitate this and other functions described herein, Greenwood may operate directly or through service bureaus, appropriate computerized or other electronic record keeping, automatic data processing and cable transmission systems. Greenwood may prohibit excessively noisy vehicles, and restrict or prohibit two-wheel vehicles with engines in excess of one brake horsepower.

Section 9-7: Domestic Animal Control Function. Greenwood shall be authorized but not obligated to provide regulations, facilities and manpower to enforce dog (and other pet) control in a manner consistent with the applicable provisions of this Declaration.

Section 9-8: Enforcement of Covenants Function.

(a) If any Property Owner fails to maintain or keep in repair any property subject to these Covenants in the manner herein required, Greenwood may provide exterior maintenance and repair upon such property and improvements thereon. In addition, Greenwood may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such emergency exterior maintenance and repair shall be assessed against the Property Owner and an obligation of the Property Owner and shall become due and payable within fifteen (15) days after receipt by said Property Owner or owners of an invoice setting forth the amount due. If said invoice is not paid when due, a late charge of one and one-half (1½%) percent per month shall accrue on the delinquent amount from the date of such invoice to the date payment is received by Greenwood. Said Property Owner or owners shall also be liable for costs of collection including reasonable attorneys' fees and court costs incurred by Greenwood in any proceeding or collection effort undertaken to collect the unpaid invoice. For the purpose of performing the emergency exterior maintenance authorized by this Section, Greenwood, through its duly

authorized agents or employees, shall have the right, after reasonable notice to any Property Owner, to enter upon the respective property during reasonable hours on any day except Saturday or Sunday. Greenwood is given an irrevocable license or easement over all the Property to inspect in order to determine whether any repair is necessary under this Section.

(b) Neither Greenwood nor any of their respective directors,⁶⁷⁸ officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any site or improvements or portion thereof or to repair or maintain the same. Greenwood, or any other person, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or property damage or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any site, improvements or portion thereof.

(c) Whenever Greenwood undertakes, pursuant to these Covenants, to correct, repair, clean, preserve, clear out or perform any action on the property or on easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

(d) Greenwood may designate a person or persons to respond to complaints received as to violations of the Covenants and shall be authorized to inform the violators of such complaint. If the violation is not expeditiously terminated, Greenwood may but shall not be obligated to engage legal counsel to bring an appropriate injunctive action, including any appeals, to enforce these Covenants. After adjudication by the initial court of equity jurisdiction, violators shall be obligated to reimburse Greenwood in full for all its direct and indirect costs, including but not limited to legal fees incurred by Greenwood in maintaining compliance with these Covenants.

Section 9-9: Architectural, Siting, Vegetation and Building Control Function. Greenwood shall have the ultimate authority for decisions and actions made pursuant to Article III of these Covenants pertaining to architectural, siting, landscaping, vegetation and building controls. In order to carry out this Function, Greenwood shall appoint on annual terms a three to seven-member Architectural Review Board, which shall function as an agent of Greenwood for the purpose of establishing and enforcing architectural, siting, landscaping, vegetation and building controls in conformity with these Covenants and pertinent law.

Greenwood may compensate the members of the Architectural Review Board in a manner and to the extent that is deemed prudent, desirable and reasonable in the judgment and discretion of the Board of Directors of Greenwood, and Greenwood may engage or contract with such consultant or professional services as may be necessary to carry out this Function.

Section 9-9.1: Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans. Two 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 copy shall be returned to the Property Owner, and both copies shall be marked "approved" or "disapproved" with the signature of the Chairman or Executive Director of the Review Board. The Architectural Review Board may require payment of a cash fee, not to exceed \$100.00 other than adjustments in this

maximum to reflect any increase in the U.S. Government's Consumer Price Index, to partially compensate for the expense of reviewing plans and related data at the time they are submitted for review, for site inspections, etc. This paragraph shall not apply to any property utilized by a governmental entity or institution.

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Approvals shall be dated and shall not be effective for construction commenced more than twelve months after such 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 sixty (60) days following receipt by the Architectural Review Board of written request for approval, the applicant may send a demand for action by certified mail, and if the application is neither granted nor denied within ten (10) days of receipt of such demand, the provisions of this Section shall be thereby waived by the Architectural Review Board and Greenwood.

Refusal of approval of plans, location or specification may be based by the Architectural Review Board or Greenwood upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such review is not administered in an arbitrary and capricious fashion. To assist Property Owners, reasonable standards in bulletin form for structures, etc. may be promulgated by the Architectural Review Board from time to time at its option. If such standards are published, the Architectural Review Board will adhere to such standards for owners who purchased property in reliance on the published standards.

Section 9-9.2: Building Standards. The Architectural Review Board or Greenwood within twelve (12) months of adoption of these Covenants shall promulgate standards through bulletins making reference to various national building standards, fire safety standards and other building codes which must be followed in architectural designs submitted to Greenwood. Said standards shall be published by the Architectural Review Board and shall be made available to any Property Owner at the cost of publication. Modifications may be made by the Board in like fashion .

Section 9-9.3: 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 the Architectural Review Board or Greenwood shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence or that such standards comply with pertinent law. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence will be built in a good workmanlike manner. NO IMPLIED WARRANTIES OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR PURPOSE OR MERCHANTABILITY SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS, OR APPROVALS MADE BY GREENWOOD, OR THE ARCHITECTURAL REVIEW BOARD, THEIR SUCCESSORS OR ASSIGNS.

Section 9-9.4: Liabilities for Approvals Granted by the Architectural Review Board or Greenwood. Neither the Architectural Review Board nor Greenwood shall be liable to a Property Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against a Property Owner or such other person arising out of or in any way relating to the subject matter of any review, acceptances,

inspections, permissions, consents or required approvals which must be obtained from the Architectural Review Board or Greenwood whether given, granted or withheld.

Section 9-10: Other Utilities Functions. Greenwood may regulate the installation of any utilities, including but not limited to water, sewage, power lines, cable television, satellite communications, radar and microwave transmission facilities on the property.

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ARTICLE X
ADDITIONS, LIMITATIONS, MODIFICATIONS,
DURATION AND ASSIGNMENT

Section 10-1: Covenants Run With Land. All Covenants, Restrictions, and Affirmative Obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of Greenwood for a period of twenty (20) years from the execution date of this Declaration after which time, all said Covenants shall be automatically extended for an unlimited number of successive periods of ten (10) years, unless an instrument signed by a majority of the then lot or parcel owners subject to the Covenants, has been recorded, agreeing to change said Covenants in whole or in part.

Section 10-2: Modification. Greenwood reserves the right to modify at any time in its sole discretion the restrictive covenants as contained herein and to impose additional covenants upon the areas within the limited residential areas in Palmetto Dunes Resort. Such modified covenants shall be made applicable by reference in conveyances of property made subsequent to such modification or addition.

Section 10-3: Assignment. Greenwood reserves the right to assign to the Broad Creek Public Service District or to a property owners' association whose membership consists of at least seventy-five (75%) percent of the property owners in Palmetto Dunes Resort as determined by the total of all persons owning property within Palmetto Dunes Resort as shown on the tax records of Beaufort County as of January 1st of the year in which the proposed assignment would occur, its rights reserved in these covenants to approve (or disapprove) improvements proposed in Palmetto Dunes Resort including but not limited to the right to approve (or disapprove) plans, specifications, color, finish, plot plans and construction schedules.

Section 10-4: Additional Provisions in Deed. Greenwood reserves the right to include in any contract or deed hereafter made, modifications and/or additions to the restrictive covenants as contained in this Declaration, with such modified covenant being made applicable by reference to conveyances of land made subsequent to such modifications.

ARTICLE XI
VIOLATION OF COVENANTS

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Section 11-1: Owner Enforcement. In the event of a violation or breach of any of the restrictions contained herein by any lot or parcel owner, or agent of such owner, in addition to the enforcement rights of Greenwood as provided herein the owners of lots or parcels in the neighborhood or subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

Section 11-2: Cost of Enforcement. Any person or entity entitled to file a legal action for the violation of these covenants shall be entitled to recover costs and reasonable attorneys' fees as a part of such action.

Section 11-3: Inaction Not Waiver. The failure to enforce any rights, reservations, restrictions or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement.

Section 11-4: Continuing Effect. The invalidation by any court of any restrictions of these covenants shall in no way effect any of the other restrictions, but they shall remain in full force and effect.

ARTICLE XII
AFTERWORD

It is the true intent and purpose of Greenwood that the covenants and restrictions contained herein shall be the sole applicable covenants restricting and affecting Limited Residential Area properties conveyed by Greenwood to its grantees subsequent to the date of the Declaration adopting these covenants, with these covenants and restrictions being made applicable to such conveyances by specific reference in individual deeds, or by subsequent declaration to the extent that there is any variation from and addition to, covenants herein recorded; however, those properties in Palmetto Dunes Resort conveyed or contracted to be conveyed prior to the effective date of this instrument are not governed or otherwise restricted by the consolidated uniform provisions of this Declaration, but are so governed and restricted by those covenants and restrictions previously recorded as set forth above and to which specific reference was made in the particular and appropriate deed of conveyance unless and until said properties are reacquired by Greenwood or are expressly made subject to the provisions of this Declaration at the time of transfer from the existing owner to a new owner or otherwise.

IN WITNESS WHEREOF, GREENWOOD DEVELOPMENT CORPORATION has caused this instrument to be executed in its corporate name by John W. Davis its Sr. Vice President and John E. Eck its Secretary, this 1st day of February, 1982.

IN THE PRESENCE OF:

GREENWOOD DEVELOPMENT CORPORATION (SEAL)

Loutrelle C. Jones

By: John W. Davis 682

Maree M. McManus

Attest: John E. Eck

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

PROBATE

PERSONALLY appeared before me Loutrelle C. Jones who, on oath, says that s/he saw the within named GREENWOOD DEVELOPMENT CORPORATION by John W. Davis its Sr. Vice President sign the within instrument, and John E. Eck its Secretary, attest the same, and the said Corporation, by said officers, seal said instrument and, as its act and deed, deliver the same, and that s/he with Maree M. McManus witnessed the execution thereof.

Loutrelle C. Jones

SWORN to before me this 1st day of February, 1982.

Maree M. McManus (L.S.)
Notary Public for South Carolina
Commission Expires: 3/11/90

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Nancy H. Lowry, Dep. CLERK OF COURT OF COMMON PLEAS		

IN WITNESS WHEREOF, GREENWOOD DEVELOPMENT CORPORATION has caused this instrument to be executed in its corporate name by John W. Davis its Sr. Vice President and John E. Eck its Secretary, this 1st day of February, 1982.

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IN THE PRESENCE OF:

GREENWOOD DEVELOPMENT CORPORATION
(SEAL)

[Handwritten signature]

By:

[Handwritten signature]

682

[Handwritten signature]

Attest

[Handwritten signature]

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

PROBATE

PERSONALLY appeared before me Lourelle C. Jones who, on oath, says that s/he saw the within named GREENWOOD DEVELOPMENT CORPORATION by John W. Davis its Sr. Vice President sign the within instrument, and John E. Eck its Secretary, attest the same, and the said Corporation, by said officers, seal said instrument and, as its act and deed, deliver the same, and that s/he with Marce M. McManus witnessed the execution thereof.

[Handwritten signature]

SWORN to before me this 1st day of February, 1982.

[Handwritten signature] (U.S.)
Notary Public for South Carolina
Commission Expires: 3/11/90

B94

FILED AT 9:20 O'CLOCK APR 8 1982
BEAUFORT COUNTY S. C.
RECORDED IN BOOK 344 PAGE 1250
Nancy H. Lowry, Rep.
CLERK OF COURT OF COMMON PLEAS

B94

FILED AT 10:45 O'CLOCK FEB 8 1982
BEAUFORT COUNTY S. C.
RECORDED IN BOOK 341 PAGE 657
Nancy H. Lowry, Rep.
CLERK OF COURT OF COMMON PLEAS