

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HAMPTON HALL CLUB**

THIS AMENDED AND RESTATED DECLARATION of Covenants, Conditions and Restrictions is made this 18th day of SEPTEMBER, 2020, by HAMPTON HALL CLUB, INC. (the "Club").

WITNESSETH:

WHEREAS, Hampton Hall, LLC, a limited liability company organized and existing under the laws of the State of South Carolina (hereinafter referred to as "Declarant" or "Developer"), developed certain lands known as Hampton Hall, located in Beaufort County, South Carolina which property is more particularly described in Exhibit "A" attached hereto and made a part of this Declaration (the "Property"); and

WHEREAS, Developer developed the Property as a primarily residential subdivision with a private club, and by the initial Declaration desired to impose upon the Property beneficial restrictions under a general plan of improvement for the benefit of all owners within the Property; and

WHEREAS, Private controls over the use of the Property are an effective means of establishing, preserving, maintaining and, in some instances, enhancing, the economic or intangible values pertaining to the use and enjoyment of the Property and, to this end, Developer established on the Property certain private land use controls, conditions, protections, restrictions, equitable servitudes, encumbrances, affirmative obligations, burdens, benefits, reservations, easements, assessments, charges and liens (herein collectively referred to as this "Declaration" or these "Covenants"), said Declaration being recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1729 at Page 1965 on March 17, 2003 (the "General Covenants"); and

WHEREAS, prior to the date of this Amended and Restated Declaration, the General Covenants have been amended as follows:

AMENDMENT	DATE	BOOK/PAGE
First	February 25, 2004	1914/1465
Second	March 10, 2004	1922/1377
Third	April 17, 2004	1936/1426
Fourth	July 1, 2004	1985/1541
Fifth	September 20, 2004	2025/800
Sixth	January 14, 2005	2087/1622
Seventh	August 15, 2005	2212/364
Eighth	September 21, 2005	2238/54
Ninth	December 5, 2005	2281/1882
Tenth	January 18, 2006	2308/598
Eleventh	February 4, 2010	
Twelfth	October 26, 2010	3009/714
Thirteenth	February 9, 2015	
Fourteenth	February 20, 2018	3647/257
Fifteenth	December 3, 2018	3727/238

NOW, THEREFORE, All of the Property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration shall be held, transferred, sold, devised, assigned, given, purchased, leased, occupied, possessed, mortgaged, encumbered, used and conveyed subject to this Declaration and the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with title to the Property and any other real property subject to this Declaration. This Declaration shall be binding on all parties having any right, title or interest in the real property, including the Property, now or hereafter subjected hereto, or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof and the Club (as hereinafter defined).

ARTICLE I **DEFINITIONS**

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

1.01 Architectural Review Board. "Architectural Review Board" or "ARB" shall mean and refer to the Architectural Review Board as may be established in Article VI of this Declaration.

1.02 Articles of Incorporation. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation for the Club, as filed with the Secretary of State of the State of South Carolina, as the same may be amended from time to time.

1.03 Assessments. "Assessments" or "assessments" shall mean all assessments, dues, fees, fines, and all other charges that may be imposed and collected by the Club under this Declaration, including but not limited to Club Member Assessments, Golf Member Assessments, Special Assessments, Specific Assessments, Golf Member Specific Assessments, Golf Special Assessments, and, as applicable, Neighborhood Assessments.

1.04 Board of Directors. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Club. The Board shall hear, vote on, and resolve all matters relating to the Club Facilities but shall have no authority to hear, vote on, or resolve matters relating to the Golf Facilities which shall be the exclusive jurisdiction of the Golf Board as set forth below. Any time the term "Board of Directors" or "Board" is referred to in this Declaration, if the matter involved relates to Golf Members and/or Golf Facilities, the term "Board of Directors" or "Board" shall mean the Golf Board. Any indemnifications and/or releases and/or hold harmless of the Board of Directors contained in this Declaration or otherwise shall always automatically include members of the Full Board, the Golf Board, and both.

1.05 Bylaws. "Bylaws" shall mean and refer to the Bylaws of the Club, as the same may be amended from time to time.

1.06 Club. "Club" shall mean and refer to Hampton Hall Club, Inc., a South Carolina nonprofit corporation, and its successors, assigns and successors-in-title, who is or will be the owner of the Common Property and the Limited Common Property. Every Owner of a Homesite by accepting a deed to a Homesite acknowledges that an Owner of the Homesite shall automatically become a Club Member of the Hampton Hall Club and be subject to all rules and regulations of the Hampton Hall Club, and subject to all assessments and dues of the Hampton Hall Club applicable to every Club Member. Every Golf Member by purchasing

and accepting a Golf Membership acknowledges it is subject to all rules and regulations of the Hampton Hall Club, and subject to all Golf Assessments of the Hampton Hall Club applicable to every Golf Member.

1.07 Club Facilities. Club Facilities shall mean and refer to those facilities to be constructed by the Club for the benefit and use of all Club Members. The Club reserves the right, but shall have no obligation, to modify the Club Facilities as described in the Membership Plan, including changing the facilities constructed and providing additional facilities.

1.08 Club Members and Club Membership. The term "Club Members" and "Club Membership" shall mean and refer to an Owner who is a Club Member per Section 1.36 of this Declaration and any other Persons that have purchased or acquired a Club Membership and are permitted to use the Club Facilities but are not permitted to use the Golf Facilities except as otherwise expressly set forth in this Declaration or the Membership Plan. By acquiring a Club Membership, every Club Member automatically agrees to be bound by this Declaration, the Bylaws, the Membership Plan and all rules and regulations of the Club. Except as otherwise specifically allowed under this Declaration, under the Membership Plan, or by the Club, the sale, conveyance or other transfer of a Homesite by a Club Member shall automatically terminate the Club Membership of such Member. ALL PURCHASERS AND, EXCEPT AS OTHERWISE SPECIFICALLY PERMITTED UNDER THIS DECLARATION OR UNDER THE MEMBERSHIP PLAN OR BY THE CLUB, ALL TRANSFEREES OF HOMESITES AT HAMPTON HALL MUST PURCHASE A CLUB MEMBERSHIP AT THE PREVAILING FEES AT THE CLOSING OR OTHER ACQUISITION OF THE HOMESITE. An Owner may only transfer his, her or its Club Membership as part of the transfer of the Owner's Homesite and in accordance with all other requirements of this Declaration.

Class "C" Golf Members shall have use of the roads of the Club but shall not otherwise have access to the Club Facilities except as allowed by the Club.

1.09 Club Member Assessment. "Club Member Assessment" shall mean and refer to the annual assessment levied on Club Members under Article V to fund Common Expenses for the general benefit of all Club Members as determined under Article V of this Declaration. The amount of the Club Member Assessment for a Homesite depends on whether the Club Member owns a Homesite that is an Improved Homesite (as hereinafter defined) or an Unimproved Homesite (as hereinafter defined).

1.10 Common Expenses. "Common Expenses" shall mean and refer to the actual and estimated expenses incurred, or anticipated to be incurred, by the Club in connection with the operation of the Club, the maintenance, repair, replacement, and operation of the Club Facilities for the general benefit of all Club Members, the creation or maintenance of reserves, and any and all other expenses as the Board may find necessary and appropriate pursuant to the provisions of this Declaration, and as more specifically set forth in this Declaration.

1.11 Common Property. "Common Property" shall mean and refer to all real property (together with any and all improvements now or hereafter located on such real property), all personal property whether owned or leased, and all easements now or hereafter owned by the Club or designated by Developer to be eventually owned by the Club for the common use and enjoyment of the Members and/or primarily benefiting certain Members of the Club but not all Members of the Club. Any part of the Common Property may be restricted for the primary benefit of a limited number of Members and such property shall be known as "Limited Common Property." The only "Limited Common Property" are the Golf Facilities. The term "Common Property" shall include the Club Facilities (as defined above) and shall also include all Limited Common Property, including the Golf Facilities (as defined below) and may be referred to collectively as the "Facilities." Certain commercial activities may occur on the Common Property and/or Limited Common

Property as is appropriate or desirable for the operation of the Club including, but not limited to, the operation of restaurants, grills, snack facilities, cart snack services, driving ranges, and pro shops.

1.12 Community-Wide Standard. "Community-Wide Standard" shall mean and refer to the standard of conduct, maintenance or other activity generally prevailing throughout the Property or the minimum standards established pursuant to Board resolutions and/or the Design Standards (as hereinafter defined), whichever is highest. Such minimum standard may be more specifically defined and changed from time to time by the Board of Directors and such standard may include objective and subjective elements.

1.13 Company. "Company" shall mean and refer to Hampton Hall, LLC, a Delaware limited liability company, its successors and assigns.

1.14 Covenants. "Covenants" shall mean the covenants, conditions, restrictions, and easements established by this Declaration, as the same may be amended from time to time.

1.15 Declarant and/or Developer. "Declarant" and/or "Developer" shall mean and refer to Hampton Hall, LLC, a Delaware limited liability company, its successors and assigns. The term shall also be applied to any person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, which lawfully acquires the rights, privileges and options of Declarant and/or Developer as hereinafter provided.

1.16 Declaration. "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hampton Hall Club, as the same may be amended from time to time.

1.17 Design Standards. "Design Standards" shall mean guidelines and standards for architecture, design, construction, and landscaping administered by the Architectural Review Board pursuant to and as more particularly set out in Article VI of this Declaration, as such guidelines and standards may be amended from time to time.

1.18 Development. "Development" shall mean and refer to the Property, the Common Property, Limited Common Property and all improvements located or constructed thereon, and any portion of the Additional Property subjected to this Declaration. The Development is sometimes referred to as "Hampton Hall."

1.19 Founder Members. "Founder Members" shall mean and refer to those Persons, not to exceed twelve (12) designated by the Company as Founder Members in the Club on or before January 1, 2013. Founder Members shall have all of the privileges of Golf Membership and Club Membership, including accessibility with guests to the Club and the facilities of the Club and shall be subject to all Club rules and regulations but shall not ever be obligated to pay any membership fees, annual or special assessments, dues or fees, including, but not limited to, greens fees, golf cart fees, or guest greens fees or cart fees, or any other type of user fees or activity fees, but shall pay charges incurred for food, beverages, golf shop merchandise, and special Club events such as tournaments and/or special events. Provided, however, that subsequent to the Turnover Date, the non-obligation for guest green fees and guest cart fees shall be limited to the equivalent of two (2) foursomes per month for each such Founder Member. Founder Memberships are expressly non-revocable and non-changeable by the Club during the lifetime of the Founder Member and the lifetime of his/her surviving spouse. Upon the death of a Founder Member, his or her surviving spouse shall continue to be considered a Founder Member until his or her death; provided, however, the deceased Founder Member may elect instead to bequest his/her Founder Membership to his/her child. In

the event of such a bequest, the surviving spouse shall no longer have any membership rights and such child shall then be deemed the Founder Member and shall have all rights of any other Founder Member with the exception that no further bequest of such Founder Membership is allowed. Under no circumstances will there be more than twelve (12) Founder Members as described herein. The immediate family members of the Founder Member shall be entitled to use the facilities of the Club without payment of any greens fees, golf cart fees, or guest greens fees or cart fees, or any other type of user fees or activity fees, but shall pay charges incurred for food, beverages, merchandise, and other similar charges, and special Club events such as tournaments and/or special events. Immediate family members shall include the spouse or significant other (as defined in the Club rules and regulations) of the member who is living in the member's home, and their unmarried children who are under the age of twenty-three and either living in the member's home or attending school on a full-time basis. Said Founder Members shall be designated in writing by Company to the Club prior to the earlier of (i) January 1, 2013, or (ii) twelve (12) months after the Turnover Date. Neither this Declaration nor the Membership Plan may be amended or modified in any manner that is adverse to the rights and privileges of the Founder Members as set forth herein unless the amendment or modification is approved by a vote or written consent of the Founder Members who are affected.

1.20 Full Board. "Full Board" shall mean and refer to the Board of Directors of the Club. The Full Board shall hear, vote on, and resolve all matters relating to the Club Facilities, but shall have no authority to hear, vote on, or resolve matters relating to the Golf Facilities which shall be the exclusive jurisdiction of the Golf Board as set forth below. **As provided in the Articles of Incorporation of the Club, as amended, and as provided in Article 8, Sub-article A, Section 33-31-801(c) of the South Carolina Nonprofit Corporations Act, the Full Board is relieved from duties and responsibilities with respect to matters relating to Golf Members and Golf Facilities.**

1.21 Golf Board. "Golf Board" shall mean and refer to those members of the Board of Directors who are Golf Members and who are allowed to hear, vote on, and resolve all matters relating to the Golf Facilities as set forth in Article IV of this Declaration and in the Bylaws. **Pursuant to the Articles of Incorporation of the Club, as amended, all powers of the Club relating to Golf Members and Golf Facilities have been vested in the Golf Board, except for such powers specifically reserved to Golf Members by the Declaration, the By-Laws, or by the South Carolina Nonprofit Corporations Act, as the same may be amended from time to time.**

1.22 Golf Facilities. "Golf Facilities" shall mean and refer to an eighteen-hole golf course designed by Pete Dye and other golf facilities constructed for the primary benefit and use of the Golf Members. The Club reserves the right, but shall have no obligation, to modify the Golf Facilities as described in the Membership Plan, including changing the facilities and providing additional facilities, including, but not limited to, additional holes of golf. However, the Club has not committed to any additional facilities and the Club has only committed to such facilities as outlined in the Property Report.

1.23 Golf Members and Golf Membership. "Golf Members" and "Golf Membership" shall mean a Person who has submitted an Application for Golf Membership Privileges (as defined in the Membership Plan), a Golf Membership Agreement (as defined in the Membership Plan), and applicable Golf Membership fee and has been approved for Golf Membership by the Club. In order to provide continued enjoyment of the Golf Facilities, the maximum number of outstanding dues-paying Golf Memberships is limited to four hundred thirty-eight (438); provided, however, that (i) Sports Memberships (as defined in the Membership Plan) and Founder Memberships shall not count against any limitation on the number of Golf Memberships, and (ii) the Club has reserved the right as set forth in the Membership Plan to increase the number of Golf Memberships if additional holes of golf are developed by the Club beyond the initial eighteen holes. In addition, the Club has the right to designate persons to use the Golf Facilities for any purpose and upon such

terms and conditions as are established from time to time by the Club. The persons designated to use the Facilities may include, without limitation, persons who are prospective Members at Hampton Hall Club, persons who are prospective purchasers of residences or Homesites in Hampton Hall, persons who are involved in special events held at Hampton Hall Club and employees of the Club. The persons designated by the Club are subject solely to approval by the Club. The Club shall have the right at any time to hold promotional and other special events, including golf tournaments and group outings, and to promote Hampton Hall and Hampton Hall Club in advertisements and promotional materials by making reference to Hampton Hall Club and the availability of Memberships. The Club reserves the right, in its sole discretion, to restrict or otherwise reserve in advance the Golf Facilities or any portion thereof, including but not limited to, the golf clubhouse, for maintenance, tournaments, group outings and other special events from time to time. By acquiring a Golf Membership, every Golf Member automatically agrees to be bound by this Declaration, the Bylaws, the Membership Plan and all rules and regulations of the Club.

Golf Members who own Homesites in Hampton Hall may be identified as "property owner Golf Members" or "Class "A" Golf Members." Golf Members who do not own Homesites in Hampton Hall may be identified as "non-property owner Golf Members" or "Class "C" Golf Members." The term Golf Members shall refer to and include both Class "A" Golf Members and Class "C" Golf Members, and the term Golf Memberships shall refer to and include both Class "A" Golf Memberships and Class "C" Golf Memberships. Class "C" Golf Members shall have the same rights and privileges with respect to the Golf Facilities as Class "A" Golf Members and shall be subject to the same Golf Assessments as Class "A" Golf Members under Article V, Section 5.08 of this Declaration.

Notwithstanding any other provision of the Covenants, effective July 1, 2010, with respect to any Golf Member who gives the Club the required written notice that such Golf Member is resigning his/her Golf Membership in accordance with the provisions of the Membership Plan, such resigning Golf Member shall only be liable for Golf Member Assessments, dues, and fees, applicable through the 120-day period (including any outstanding dues, fees and Golf Member Assessments) beginning on the date the Club receives the Golf Member's written notice that such Golf Member is resigning his/her Golf Membership (thus being placed by the Club on the resigned golf membership list) and ending one hundred and twenty (120) days after the date the Club receives such written notice of resignation. Thereafter, the resigned Golf Member will not be liable for any Golf Member Assessments, dues, or fees applicable after the expiration of the aforementioned 120-day period; provided, however, that such resigned Golf Member, after the expiration of the aforementioned 120-day period, will no longer have any Golf Membership use privileges and/or any other privileges of Golf Membership; and further provided, however, if applicable to the resigned Golf Member, such resigned Golf Member will be entitled to receive the Transfer Payment as set out in the Golf Membership Agreement in effect when the member applied, if any, upon re-issuance by the Club of such resigned member's Golf Membership. Resignation of a Golf Membership shall not reduce, eliminate, or otherwise alter the resigning Member's obligation to pay any or all Club Member Assessments or other amounts due under this Declaration by virtue of the ownership of a Homesite or a Club Membership.

1.23(a) Golf Membership Fee. "Golf Membership Fee" shall mean the fee paid by an applicant for optional golf privileges. This fee will be paid to the Golf Club as outlined in the Golf Membership Agreement.

1.24 Golf Member Assessment. "Golf Member Assessment" shall mean and refer to the annual assessment levied on Golf Members under Article V to fund the expenses incurred, or anticipated to be incurred, by the Club in connection with the maintenance, repair, replacement and operation of the Golf Facilities for the primary benefit of all Golf Members, and any and all other expenses as the Golf Board may find necessary and appropriate as determined under Article V of this Declaration.

1.25 Hampton Hall Club. "Hampton Hall Club" shall mean and refer to the Hampton Hall Club, Inc., a South Carolina nonprofit corporation, and its successors, assigns and successors-in-title, who is or will be the owner of the Common Property and the Limited Common Property. Every Owner of a Homesite by accepting a deed to a Homesite acknowledges that an Owner of the Homesite must purchase and become a Club Member of the Hampton Hall Club and be subject to all rules and regulations of the Hampton Hall Club, and subject to all assessments and dues of the Hampton Hall Club applicable to every Club Member.

1.26 Homesite. "Homesite" shall mean and refer to any numbered parcel of land shown as a residential building lot, whether improved or unimproved, of Hampton Hall on any existing and/or future recorded subdivision plat of Hampton Hall, and/or as similarly shown on revised or supplemental recorded subdivision plats of the Property or such tracts or such additional tracts as may be added to the Property from time to time, as provided herein. Provided no portion of the Common Property shall be a Homesite except as may be provided for in Article III. The term "Homesite" shall refer to the land, if any, which is a part of the Homesite as well as any improvements thereon. Except as otherwise provided in this Declaration, an "Improved Homesite" shall mean a Homesite for which a certificate of occupancy has been issued. Except as otherwise provided in this Declaration, an "Unimproved Homesite" shall mean a Homesite for which no certificate of occupancy has been issued. Notwithstanding the foregoing, a Homesite containing a residence shall be deemed an Improved Homesite on the date of sale by a Builder to a third party retail customer whether or not a certificate of occupancy has been issued for the Homesite. For an Owner who builds a residence on his Homesite, the Homesite will be deemed an Improved Homesite effective the first day of the first billing period following the date of issuance of the certificate of occupancy for such Homesite. In case of a structure containing multiple dwellings (including condominiums and town homes), each dwelling shall be deemed to be a separate Homesite. A duplex shall be deemed two Homesites whether or not title to each side of the duplex has been separated. A parcel of land under single ownership shall be deemed a single Homesite until such time as a subdivision plat is filed of record with the Register of Deeds for Beaufort County that subdivides all or a portion of such parcel in which event the parcel shall then contain the number of Homesites as shown on such recorded subdivision plat with any remaining portion of such parcel constituting one Homesite. Subject to the prior written approval of the Club, two or more Homesites may be physically used as a single Homesite but shall continue to be treated as separate Homesites for purposes of voting and assessments and title to such Homesites may not be legally combined unless the Club also consents in writing to such combination, such combination is approved by the Town of Bluffton, and the party requesting such combination pays all costs associated therewith including the costs of a revised or amended plat in a form approved by the Town of Bluffton and by the Club in writing and recorded in the Office of the Register of Deeds for Beaufort County making such Homesites a single Homesite. An Owner of every Homesite must purchase a Club Membership at the Hampton Hall Club and such Club Membership shall, except as otherwise specifically allowed in this Declaration or the Membership Plan, automatically terminate upon sale or other transfer of the Homesite. A purchaser of each Homesite must purchase a Club Membership at the closing of such purchase of the Homesite.

1.27 Limited Common Property. "Limited Common Property" shall mean a portion of the Common Property primarily benefiting certain members of the Club but not all members of the Club. The Golf Facilities constitute Limited Common Property primarily benefiting the Golf Members.

1.28 Master Plan. "Master Plan" shall mean and refer to that preliminary development plan of Hampton Hall prepared by J. K. Tiller Associates, Inc. for Declarant, dated March 13, 2002, as last revised November 19, 2002, as the same may be now or hereafter amended from time to time, which plan includes a preliminary layout of the residential community (consisting of approximately 1024 residential dwelling units and an eighteen-hole golf course) upon the Property or upon all or a portion of the Additional Property and

upon the property described on Exhibit "B." Inclusion of property on the Master Plan shall not, under any circumstances, obligate Developer to subject such property to this Declaration. THE MASTER PLAN MAY BE REVISED OR CHANGED IN ANY MANNER AND AT ANY TIME, AND FROM TIME TO TIME, OR THE MASTER PLAN MAY BE DISCARDED ALL TOGETHER.

1.29 Member. "Member" shall mean and refer to a Person entitled to membership in the Club as set forth in this Declaration or the Membership Plan. The term "Member" shall include Club Members, Golf Members and any other membership category issued by the Club. In addition to Club Members and Golf Members, the Club may establish such other memberships in the Club as set forth in the Membership Plan, as the same may be amended from time to time. The Club may have Members who are not Owners of Homesites in Hampton Hall as set forth in this Declaration and the Membership Plan.

1.30 Membership Plan. "Membership Plan" shall mean and refer to that certain Plan for the Offering of Memberships for the Hampton Hall Club dated March, 2003, as the same may be amended from time to time. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY, AND/OR AMBIGUITY BETWEEN THIS DECLARATION AND THE MEMBERSHIP PLAN, THIS DECLARATION SHALL CONTROL.

1.31 Mortgage. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed held by a Mortgagee.

1.32 Mortgagee. "Mortgagee" shall mean and refer to an institutional holder of a Mortgage who makes mortgage loans in the ordinary course of its business.

1.33 Mortgagor. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

1.34 Neighborhood. "Neighborhood" shall mean and refer to a group of Homesites designated as a separate area (which may be a condominium project) either by a supplemental declaration filed or upon the written request of all the owners of Homesites in a particular area through a neighborhood committee or neighborhood association for the purpose of receiving additional benefits and/or a higher level of service not available to all Homesites (which additional benefits and/or higher level of service shall be paid for by the Homesites in the Neighborhood receiving such benefits and/or higher level of service).

1.35 Neighborhood Expenses. "Neighborhood Expenses" shall mean and refer to the actual and estimated expenses which the Club incurs or expects to incur solely for the benefit of Owners within a particular Neighborhood or Neighborhoods that are in addition to any Common Expenses, which shall include a reasonable administrative charge by the Club and may include reserves for capital repairs and replacements.

1.36 Owner. "Owner" shall mean and refer to that record owner whether one or more Persons, of a fee simple title to any Homesite; provided, however, that where fee simple title has been transferred and is being held merely as security for repayment of a loan, the Person who would own the Homesite in fee simple if such loan were paid in full shall be considered the owner. At least one individual who is an owner or co-owner of a Homesite in Hampton Hall is required to be a Club Member in good standing in the Club during the term of ownership of a Homesite in the Development. All Owners of a Homesite by accepting a deed to such Homesite agree to be bound by this Declaration, the Bylaws, the Membership Plan, and all rules and regulations of the Club and agree that all Assessments constitute a lien on the Homesite in its fee simple entirety even though all Owners are not Members.

1.37 Person. "Person" shall mean and refer to a natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.38 Property. "Property" shall mean and refer to that certain real property described in Exhibit "A" attached hereto, together with all Additional Property as may be subjected to the provisions of this Declaration in accordance with the provisions of Article XI hereof.

1.39 Restrictions. "Restrictions" shall mean and refer to all covenants, conditions, restrictions, easements, liens and other obligations created or imposed by this Declaration.

1.40 Structure. "Structure" shall mean:

(a) any material, thing or object of any kind the placement of which upon any Homesite may affect the appearance of such Homesite, including by way of illustration and not limitation, any building or part thereof, garage, porch, out building, greenhouse or bathhouse, pet house, covered or uncovered patio, swimming pool, antennas and satellite dishes, fence, curbing, paving, wall, landscaping, hardscape, lighting, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Homesite, including, but not limited to, paint colors, materials, shutters, windows, railings, columns, or any other items attached to the exterior of any structure or on the Homesite. **Notwithstanding any other provision of this Declaration, fountains visible from the street, play sets and equipment, and dog runs are prohibited without the prior written consent of the Club and/or the Architectural Review Board which consent may not be unreasonably withheld.**

(b) Any grading and/or excavation on a Homesite including any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Homesite, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Homesite.

1.41 Supplemental Declarations. "Supplemental Declaration" and "Supplemental Declarations" shall mean and refer to all amendments or supplements to this Declaration filed pursuant to Article XI which subjects Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

ARTICLE II PLAN OF DEVELOPMENT

2.01 Development of the Property. While Developer has submitted the Property to the terms and provisions of the Declaration, only those lots that are of record and platted on subdivision plats approved by the Town of Bluffton and recorded with the Office of the Register of Deeds for Beaufort County, South Carolina, shall comprise the Homesites.

2.02 Development of the Club. The Hampton Hall Club intends to operate the Common Property that will include the Golf Facilities.

(a) Developer and Hampton Hall Club believe that the residential portions of the Property and the Club can mutually benefit from their respective development as a residential community and a private club. As between themselves, Developer and Hampton Hall Club have agreed to cooperate with each other to ensure the orderly development of the Property and the Club.

(b) ALL MEMBERS/OWNERS ACKNOWLEDGE THAT THE CLUB MAY HAVE MEMBERS AS SET FORTH IN THIS DECLARATION THAT ARE NOT OWNERS OF PROPERTY IN HAMPTON HALL. IN ADDITION, ALL MEMBERS/OWNERS ACKNOWLEDGE THAT THE COMMON PROPERTY WILL INCLUDE CERTAIN LIMITED COMMON PROPERTY KNOWN AS THE GOLF FACILITIES WHICH ARE PRIMARILY FOR THE BENEFIT OF GOLF MEMBERS AND FOR WHICH CLUB MEMBERS SHALL ONLY HAVE SUCH LIMITED ACCESS, IF ANY, AS PROVIDED FOR IN THIS DECLARATION OR IN THE MEMBERSHIP PLAN. ACCESS TO AND USE OF THE COMMON PROPERTY, INCLUDING THE CLUB FACILITIES AND THE GOLF FACILITIES, IS STRICTLY SUBJECT TO THE RULES AND REGULATIONS OF THE HAMPTON HALL CLUB.

(c) ALL MEMBERS/OWNERS ACKNOWLEDGE THAT DEVELOPER AND THE HAMPTON HALL CLUB ARE SEPARATE AND DISTINCT ENTITIES ALTHOUGH DECLARANT MAY OWN AND OR CONTROL THE HAMPTON HALL CLUB FOR A PERIOD OF TIME. DECLARANT AND THE HAMPTON HALL CLUB ARE NOT PARTNERS NOR JOINT VENTURERS.

(d) NEITHER DEVELOPER NOR THE HAMPTON HALL CLUB REPRESENTS OR GUARANTEES IN ANY MANNER THAT ANY VIEW FROM A HOMESITE OVER AND/OR ACROSS ANY PART OF THE COMMON PROPERTY (INCLUDING BUT NOT LIMITED TO THE GOLF FACILITIES OR LAGOONS) WILL BE PRESERVED WITHOUT IMPAIRMENT. NEITHER DEVELOPER NOR THE HAMPTON HALL CLUB WILL HAVE ANY OBLIGATION TO ANY OWNER OF A HOMESITE TO PRESERVE ANY VIEW OVER OR ACROSS THE COMMON PROPERTY (INCLUDING BUT NOT LIMITED TO THE GOLF FACILITIES OR LAGOONS). THE HAMPTON HALL CLUB SHALL NOT HAVE ANY OBLIGATION TO PRUNE OR THIN TREES OR OTHER VEGETATION. THE HAMPTON HALL CLUB SHALL HAVE THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION TO LOCATE, REMOVE, AND RELOCATE ALL BUILDINGS, STRUCTURES, PARKING LOTS, DRIVES, RECREATIONAL AMENITIES, SIGNS, HARDSCAPE, TREES, LANDSCAPING, AND LIGHTING ON THE COMMON PROPERTY (INCLUDING BUT NOT LIMITED TO THE GOLF FACILITIES OR ANY LAGOONS) AS THE HAMPTON HALL CLUB SEES FIT. IN ADDITION, THE HAMPTON HALL CLUB SHALL HAVE THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION WITH RESPECT TO ANY GOLF COURSE DEVELOPED AS PART OF THE GOLF FACILITIES TO CHANGE THE LOCATION, CONFIGURATION, CONTOURS, SIZE, AND ELEVATIONS OF ANY PORTION OF SUCH GOLF COURSE INCLUDING ANY AND ALL CLUB HOUSES, TREES, FAIRWAYS, MOUNDS, BUNKERS, TEE BOXES, HALFWAY HOUSES, RESTROOMS, CART PATHS, LAGOONS, AND GREENS FROM TIME TO TIME AS THE HAMPTON HALL CLUB SEES FIT. ALL OWNERS BY ACCEPTING A DEED TO ANY HOMESITE ACKNOWLEDGE THAT ANY OR ALL SUCH DECISIONS AND/OR CHANGES BY THE HAMPTON HALL CLUB MAY DIMINISH, OBSTRUCT, OR ELIMINATE ANY VIEW OF A HOMESITE OVER AND/OR ACROSS THE COMMON PROPERTY (INCLUDING BUT NOT LIMITED TO THE GOLF FACILITIES). ANY EXPRESSED OR IMPLIED VIEW EASEMENTS AND/OR EASEMENTS FOR THE PASSAGE OF LIGHT OVER, FROM, AND/OR ACROSS THE COMMON PROPERTY (INCLUDING BUT NOT LIMITED TO THE GOLF FACILITIES) ARE HEREBY EXPRESSLY DISCLAIMED.

ARTICLE III **COMMON PROPERTY**

3.01 Conveyance of Common Property.

(a) The Developer may from time to time cause to be conveyed to the Club certain real property (which may include portions of certain Homesites as hereinafter discussed) or grants of easements, as well as personal property, for (i) the common use and enjoyment of the Members and (ii) for the primary use and benefit of a limited number of Members. In addition, the Developer may from time to time cause the conveyance of certain real property or grants of easements to other third parties as may be deemed desirable or advisable by Developer or as required by governing authorities in accordance with this Declaration.

(b) It is contemplated by the Developer that the Developer will convey Common Property to the Club, including the Club Facilities and Golf Facilities, for recreational, scenic and natural area preservation and for general uses associated with residential subdivisions with limited commercial application including but not limited to the operation of a private ownership club, provided, however, the Golf Facilities will be conveyed to the Club for the primary benefit of the Golf Members. The Developer may, at Developer's sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Club in accordance with this subsection (b) of this Section 3.01 and in accordance with Developer's rights under Section 11.05 of this Declaration at any time prior to conveyance of such Common Property to the Club. Developer reserves the right in its sole discretion to convey Common Property to the Club as Limited Common Property for which the primary access and use of may be restricted to a limited number of Owners and which shall not be available for the use and enjoyment of all Owners of the Property; provided, however, only those Persons allowed to use such Limited Common Property shall be assessed for the maintenance, upkeep, repair and replacement of such Limited Common Property. Developer must convey the Common Property to the Club no later than the Turnover Date.

(c) In addition to the property described in subsection (b) of this Section 3.01, the Developer may convey, or cause to be conveyed, to the Club in accordance with this Section 3.01 such other real and personal property as the Developer may determine to be necessary or proper for the completion or operation of the Development.

(d) Notwithstanding any legal presumption to the contrary, the fee title to, and all rights in, any portion of the Property owned by the Developer and designated as Common Property (or which is designated by any words which similarly signify such property is for the common use of the Owners in the Development) whether by recorded plat of survey or otherwise, shall be reserved to the Developer and for its use and subject to its disposition until such time as the same shall be conveyed by grant or deed to the Club or to any municipality or other governmental body, agency or authority.

(e) The Club has agreed and hereby further covenants and agrees to accept all such conveyances of Common Property and all Members by accepting Membership and/or a deed to any Homesite acknowledge the obligation of the Club to do so. Each time the Developer conveys any improved Common Property to the Club, the procedures contained in this Section 3.01(e) shall be followed. Prior to the transfer by the Developer of any Common Property, including any Limited Common Property, to the Club, the Club and its Members shall be responsible for the maintenance and upkeep of all Common Property, notwithstanding the fact that title has not yet been conveyed to the Club. Upon transfer of title of the Common Property or any portion thereof to the Club, the Club shall have the sole responsibility of maintenance, repair, and governing of the Common Property. Turnover of Common Property, including Limited Common Property, shall proceed as follows:

(i) Before the conveyance of any improved Common Property to the Club, the Developer shall appoint a nominating committee, which shall nominate members of a Transition Committee. A majority of the members of the Transition Committee shall be Golf Members. With respect to the conveyance of any of the Golf Facilities, only the members of the Transition

Committee who are Golf Members shall be entitled to act on behalf of the Transition Committee and such Golf Members shall function as the Transition Committee with respect to the conveyance of Golf Facilities. With respect to the conveyance by Declarant of any Club Facilities, all members of the Transition Committee shall act as the Transition Committee. The Declarant has the right to approve or disapprove any individual nominated.

(ii) The Developer may from time to time convey to the Club certain portions of the Common Property. In addition, the Company may from time to time convey real property or grants of easements to the general public as may be required by governing authorities in accordance with the Declaration.

(iii) The Developer may, at the Developer's sole discretion, modify, alter, increase or change the Common Property to be conveyed to the Club in accordance with this Declaration at any time prior to conveyance of such Common Property to the Club.

(iv) In addition to the Common Property, the Developer may convey to the Club such other real and personal property as the Developer may determine to be necessary or desirable for the operation of the Club.

(f) The Club, and each Member by accepting membership, hereby covenants and agrees that the Club must accept all such conveyances of Common Property (including but not limited to the Club Facilities), including all Limited Common Property (including but not limited to the Golf Facilities). If the Developer conveys any improved Common Property to the Club, the procedures contained herein shall be followed. Upon conveyance of any such Common Property or upon completion of the improvements, whichever is later, the Developer shall notify the Transition Committee. Within sixty (60) days after said notification, the Developer or its representative and the Transition Committee shall jointly inspect the Common Property or portion thereof to the extent hereinafter provided. The Developer and the Transition Committee shall each be entitled to designate a qualified engineer and/or architect, or any other such expert to accompany them during the inspection of the Common Property. Such inspection shall not include normal wear and tear since the date such improvements were constructed and shall be limited to a visual inspection of the Common Property, it being understood that under no circumstances shall any latent defects be required to be detected. Promptly after the completion of such inspection, the Transition Committee shall submit a written report (hereinafter "Inspection Report") to the Developer stating whether the Common Property or portion thereof has been constructed in a workmanlike manner in accordance with reasonable building standards and specifying the respects, if any, in which such construction does not conform with such standards (the "Defective Items"). The Inspection Report shall constitute conclusive evidence that, except as otherwise set forth in such report, the Developer has constructed the Common Property or portion thereof in a workmanlike manner in accordance with reasonable building standards and thereafter the Developer shall have no further liability, duty, or obligation with respect to such Common Property or portion thereof except to perform the work called for by the Inspection Report. The reasonable fees and expenses of any experts hired by the Transition Committee in connection with the inspection and re-inspection provided for by this paragraph shall be borne by the Club. If Developer does not agree with the Defective Items as set forth in the Inspection Report, the engineer or architect used by Developer and the engineer or architect used by the Transition Committee shall agree on another engineer or architect to act as an arbitrator (the "Arbitrator"). The Arbitrator shall inspect the Common Property and shall identify any portion of the Common Property that has not been constructed in a workmanlike manner in accordance with reasonable building standards, normal wear and tear excepted. Such items as identified by the Arbitrator as defective shall thereafter constitute the Defective Items and shall be substituted for the Defective Items identified by the Transition Committee, and shall form part of the Inspection Report and Declarant shall be

required to accept such designation of Defective Items as set forth therein. Following the completion of the Defective Items, the Developer shall, after fourteen (14) days notice to the Transition Committee, arrange for a re-inspection of the portion of the Common Property that formerly had Defective Items. The Transition Committee shall then issue a written report to the Developer stating whether the Defective Items have been corrected and specifying the respects, if any, in which such work has not been completed and/or is defective. If Developer agrees with the Transition Committee, Developer shall perform any work called for by such report of re-inspection as promptly as practicable. If Developer disagrees with the Transition Committee, the Arbitrator (or if no Arbitrator has been necessary up to this point, an Arbitrator shall be appointed under the same procedure as set forth above) shall review the corrective work and shall identify the work that has not been completed and/or is defective and such determination by the Arbitrator shall be binding on the Club, the Members, and the Developer and Developer shall correct any such defective work. The reasonable fees and expenses of any experts hired by the Transition Committee, and the fees and expenses of the Arbitrator in connection with the inspection and re-inspection provided for by this paragraph (e) shall be borne by the Club. ONCE COMMON PROPERTY IS ACCEPTED BY THE CLUB THROUGH THE TRANSITION COMMITTEE AND ANY DEFECTIVE ITEMS ARE CORRECTED AS SET FORTH ABOVE, DEVELOPER SHALL HAVE NO FURTHER LIABILITY OR RESPONSIBILITY OF ANY KIND WITH RESPECT TO SUCH COMMON PROPERTY.

3.02 Right of Enjoyment. Except for Common Property designated as "Limited Common Property," every Member shall, subject to requirements and restrictions of other provisions of this Declaration, during the term of membership, subject to all rules and regulations as are adopted by the Board, have a nonexclusive right and easement to use and enjoy the Common Property, excluding any Limited Common Property except as specifically set forth herein or in the Membership Plan; provided, however, that no Member shall do any act which interferes with the free use and enjoyment of such applicable Common Property by all other Members. No Member or Owner may make any use of a pond, lagoon or other portion of the stormwater drainage system of the Development except as expressly allowed in the rules and regulations adopted by the Board.

Class "C" Golf Members shall not have access to the Common Property other than for access to the Golf Facilities, which such Class "C" Golf Members shall have to the same extent as all other Golf Members, the use of the roads of the Club, and such access to the other Club Facilities as allowed by the Club.

3.03 Right of the Club. The rights and privileges conferred in Section 3.02 to Members shall be subject to the right of the Club acting through the Board to:

- (a) promulgate rules and regulations relating to the use, operation and maintenance of the Common Property;
- (b) suspend the voting rights of any Member pursuant to Section 4.05, and the right of enjoyment granted or permitted by Section 3.02;
- (c) grant easements or rights-of-way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system or to any third party that the Board deems necessary or desirable;
- (d) enforce all applicable provisions of valid agreements of the Club relating to the Common Property or any part thereof;

(e) borrow money for the purpose of carrying out the activities of the Club, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, Mortgage or other security interest, any or all of the Club's property, including Common Property and revenues from assessments and other sources (subject to the requirement that proceeds from debt on the Club Facilities may only be used in connection with the Club Facilities and proceeds from debt on the Golf Facilities may only be used in connection with the Golf Facilities), consistent with the provisions of this Declaration;

(f) dedicate or transfer all or any part of the Common Property or interest therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Club and such grantee, including a provision that such property or interest shall cease to be subject to this Declaration or all or any part of the Restrictions while held by any such municipality or other governmental body, agency or authority; and

(g) to sell, lease or otherwise convey all or any part of its properties and interest therein; provided, however, that the Club shall not sell, convey, dedicate or transfer (i) any Common Property (excluding the Golf Facilities) or interest therein without the approval of two-thirds (2/3) of the Class "A" Club Members or (ii) any part of the Golf Facilities or interest therein without the approval of two-thirds (2/3) of the Golf Members.

3.04 Types of Common Property. At the time of the conveyance of any real property or grant of easement by Developer to the Club to be used as Common Property, Developer shall designate in the deed of conveyance or easement that such real property is to be Common Property and any restrictions on the use thereof, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not, without (i) a two-thirds (2/3) affirmative vote of the Class "A" Club Members with respect to Common Property excluding the Golf Facilities and (ii) a two-thirds (2/3) affirmative vote of the Golf Members with respect to the Golf Facilities, be used for any different purpose or purposes.

3.05 Entrance Easements and Entrance Monuments. It is contemplated that certain easements for landscaping or for the erection and maintenance of entrance monuments, subdivision signs, walls, fences and other structures intended to provide an attractive atmosphere or to provide privacy to Members within the Development may be set forth on plats and/or surveys of the Development recorded in the records of the Office of the Register of Deeds for Beaufort County. Such easements shall be perpetual in duration and shall include the right to erect, maintain, repair, replace and re-erect any such structures within the easement areas, as well as the right to plant grass, plants, flowers, shrubs and trees, to tend and garden the same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance for the benefit of all owners within the Development. All Members taking title to any Homesite upon which such an easement lies will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in any instrument conveying such easements to the Club. Such easements shall be Common Property (or Limited Common Property if so designated). In addition, or alternatively, such entrance monuments and other similar improvements may be constructed within or upon rights-of-way within the Development, in which case, such improvements shall be maintained by the Club as any other Common Property.

3.06 Stormwater Management System Responsibilities and Easement. The effective functioning of the stormwater management system of the Development is essential to the protection of the environment and to the long-term values of all property within the Development. The stormwater management system includes all ponds, lagoons, retention and detention areas, all functional swales and all other features of the

property, whether naturally existing or constructed, that serve as an integral part of collecting, retaining, filtering and the ultimate release of stormwater within the Development. All portions of the stormwater management system will be located upon Common Property, both before and after actual conveyance of Common Property to the Club, and shall be maintained in good condition and in functional working order by the Club as a common expense of the Club at all times including the time period that any such property is owned by Developer prior to being conveyed to the Club as Common Property (with the Full Board and the Golf Board deciding how to allocate on a reasonable basis such costs and expenses between Club Member Assessments and Golf Member Assessments).

ALL MEMBERS BY ACCEPTING A MEMBERSHIP AND/OR A DEED TO A HOMESITE ACKNOWLEDGE THAT (I) ALL PONDS, LAGOONS AND OTHER PORTIONS OF THE STORMWATER SYSTEM OF THE DEVELOPMENT ARE INTERCONNECTED AND THAT THE CLUB WILL BE USING THE PONDS AND LAGOONS OF THE DEVELOPMENT FOR IRRIGATION AND OTHER PURPOSES FOR BOTH THE GOLF FACILITIES AND THE CLUB FACILITIES AND THAT THE LEVEL OF SUCH PONDS AND LAGOONS WILL VARY DEPENDING ON THE AMOUNT OF USE BY THE CLUB AND THE AMOUNT OF RAINFALL, AND (II) THE GOLF FACILITIES WILL REQUIRE MORE IRRIGATION THAN THE CLUB FACILITIES BECAUSE OF THE GOLF COURSE AND RELATED AREAS AND NEITHER ANY MEMBER NOR THE FULL BOARD HAS ANY ABILITY TO CONTROL OR LIMIT THE AMOUNT OF IRRIGATION USED FOR OR BY THE GOLF FACILITIES, AND (III) THE HAMPTON HALL CLUB MAY BE REQUIRED BY THE SEWER AND WATER AUTHORITY HAVING JURISDICTION TO SPRAY TREATED EFFLUENT ON PARTS OF THE COMMON PROPERTY INCLUDING THE GOLF COURSE.

3.07 **Alligators.** All Owners by accepting a deed to a Homesite acknowledge that the ponds and lagoons of the Development may contain alligators since alligators are indigenous to this area. Alligators are a protected species and no Owner may feed, molest, or otherwise physically interact with any alligator. **OWNERS MUST EXERCISE EXTREME CAUTION AROUND ANY POND, LAGOON, OR OTHER WATER FEATURE OF THE DEVELOPMENT. NEITHER THE DECLARANT NOR THE CLUB SHALL BE RESPONSIBLE FOR CAPTURING AND/OR RELOCATING ANY ALLIGATOR ON THE PROPERTY. NEITHER THE CLUB, NOR ITS OFFICERS, MEMBERS, DIRECTORS, OR EMPLOYEES SHALL BE RESPONSIBLE FOR ANY DAMAGE, INCLUDING INJURY AND/OR LOSS OF LIFE TO ANY PERSON AND/OR ANIMAL, CAUSED BY AN ALLIGATOR ON THE PROPERTY.**

3.08 **Wildlife; Nuisance Wildlife.** All Owners by accepting a deed to a Homesite acknowledge that wildlife is abundant and thrives in coastal South Carolina, will be located throughout the Property, and can be very destructive to residential landscaping. Owners are also advised to use caution at night when driving through the Property and to be on the alert for wildlife crossing roadways. All Owners are advised to use a landscape plan for Homesites that contain plants known to be wildlife resistant or tolerant. The Club will not be responsible for any damage caused by wildlife, whether such damage is to landscaping, automobiles, personal injury, or otherwise. Further, the Club cannot be required to at any time or in any way control the wildlife population on the Property; provided, however, the Board reserves the right in its sole discretion to control nuisance wildlife.

ALL MEMBERS BY ACCEPTING MEMBERSHIP ASSUME ALL RISKS ASSOCIATED WITH USING THE COMMON PROPERTY AND HEREBY RELEASE THE CLUB, AND ALL OFFICERS, MEMBERS, DIRECTORS, AND EMPLOYEES OF THE CLUB FROM LIABILITY OF

ANY KIND FOR ANY PROPERTY DAMAGE AND/OR PERSONAL INJURY INCURRED IN THE USE OF THE COMMON PROPERTY BY A MEMBER AND/OR THEIR GUESTS.

ARTICLE IV
THE CLUB

4.01 Purposes, Powers and Duties of the Club. The Club shall be formed as a non-profit organization for the primary purpose of performing certain functions for the common good and general welfare of the members of the Club. To the extent necessary to carry out such purpose, the Club (a) shall have all of the powers of a corporation organized under the South Carolina Nonprofit Corporation Code and (b) shall have the power to exercise all of the rights, powers and privileges of the Club as set forth in this Declaration.

4.02 Membership in the Club by Owners of Homesites. Subject to the provisions of this Article, upon acquisition of title to a Homesite, at least one Person who is an Owner of such Homesite shall be a Club Member and is required to remain a Club Member in good standing with the Club during the entirety of the term of Ownership of a Homesite in Hampton Hall with such Club Membership only terminating as provided for in this Declaration.

4.03 Voting Rights. Subject to the following provisions of this Section 4.03, the Club shall have two classes of membership for voting: Class "A" Members and Class "C" Members.

(a) **Class "A" Members.** Every Person who is a Member of the Club, including Club Members and Golf Members, but excluding all non-property owner Golf Members (the Class "C" Golf Members), shall be a Class "A" Member of the Club and, except as otherwise set forth herein or in the Bylaws, shall be entitled to one vote for each Membership owned. A Golf Member who is a Class "A" Member shall only be entitled to one vote (even though such Golf Member will also be a Club Member) with the vote of such Golf Member automatically covering both the Golf Membership and such Golf Member's accompanying Club Membership. As discussed hereinafter, all Class "A" Members may vote on matters relating to Club Facilities but only Class "A" Golf Members may vote on matters relating to Golf Facilities. Except as otherwise allowed in this Declaration or in the Membership Plan, the Club Membership of a Class "A" Member shall automatically terminate upon the Member's sale or other transfer of his Homesite (with the purchaser or other transferee of such Homesite being required to purchase a Club Membership at the closing), and such Member, if also a Golf Member, must either resign the Golf Membership or, if first approved in writing by the Club, may convert such Membership to a non-property owner Golf Membership (in which event such Person shall automatically become a Class "C" Golf Member instead of a Class "A" Member unless the Club otherwise allows such Person to acquire another Club Membership in which event such Person shall remain a Class "A" Member). However, no termination and/or resignation of Class "A" Membership shall affect such Member's obligation to pay Assessments, fines or penalties as hereinafter provided for, due and payable for any period prior to the date of such termination or resignation, and there will be no refunds by the Club for Assessments paid for periods falling after the date of such termination,

(b) **Class "B" Member.** The Declarant Hampton Hall, LLC has surrendered its Class "B" Membership and is a Class "A" Member for all Homesites owned by Declarant.

(c) **Class "C" Members.** Every Golf Member who does not own a Homesite in Hampton Hall (non-property owner Golf Members) shall be a Class "C" Member of the Club and shall only be allowed to vote on matters relating to the Golf Membership and Golf Facilities. Class "C" Members shall not have any voting rights concerning matters relating to Club Memberships and/or the Club Facilities. Except as otherwise set forth herein or in the Bylaws, each Class "C" Member shall be entitled to one vote for each Membership owned in voting on matters relating to Golf Memberships and Golf Facilities. Any Class "C" Member who either subsequently purchases a Homesite at Hampton Hall and thus acquires a Club Membership shall automatically convert from a Class "C" Member to a Class "A" Member. If such Golf Member acquires a Homesite at Hampton Hall, such Golf Member's Golf Membership shall automatically convert from a non-property owner Golf Membership to a Class "A" Membership.

4.04 Board of Directors and Officers.

(a) Board. Subject to the provisions of the Articles of Incorporation of the Club, as amended, and the provisions of this Declaration concerning Golf Members and/or Golf Facilities, the affairs of the Club shall be managed by a Board of Directors. The number of directors and the method of election of directors shall be as set forth in this Declaration and in the Bylaws of the Club. Except to the extent otherwise expressly required or authorized by the South Carolina Nonprofit Corporation Code or this Declaration, the Club's Bylaws or Articles of Incorporation, the powers inherent in or expressly granted to the Club may be exercised by the Full Board and the Golf Board as applicable, acting through the officers of the Club, without any further consent or action on the part of the Members. The persons elected to the Board of Directors must meet the following:

- (i) all directors must be Members of the Club, and
- (ii) at least three directors must be Golf Members.

The Full Board shall hear, vote on and otherwise resolve matters relating to Club Members and the Club Facilities. Notwithstanding any other provision of this Declaration or the By-Laws, only the Golf Board may resolve matters relating to Golf Members and Golf Facilities and, neither the Full Board nor any Club Members shall in any way have any decision making power concerning matters relating to Golf Members and/or the Golf Facilities. **As provided in the Articles of Incorporation of the Club, as amended, and as provided in Article 8, Sub-article A, Section 33-31-801(c) of the South Carolina Nonprofit Corporations Act, the Full Board is relieved from duties and responsibilities with respect to matters relating to Golf Members and Golf Facilities.**

The Golf Board, as is set forth in the Articles of Incorporation of the Club, as amended, shall hear, vote on, and resolve all matters relating to Golf Members and the Golf Facilities. **Pursuant to the Articles of Incorporation of the Club, as amended, all powers of the Club relating to Golf Members and Golf Facilities are vested in the Golf Board, except for such powers specifically reserved to Golf Members by the Declaration, the By-Laws, or by the South Carolina Nonprofit Corporations Act, as the same may be amended from time to time.** The Golf Board (the "Golf Board") shall mean and shall consist of all directors who are Golf Members as long as such number is an odd number. If such number is an even number, then the Golf Board shall consist of all existing directors who are Golf Members serving terms from previous elections, if any, and the directors who are Golf Members who received the highest number of votes in the current election such that there is an odd number of members of the Golf Board. The director who is a Golf Member who is eliminated from the Golf Board shall still be part of the Full Board but shall not be allowed to hear, vote, or otherwise resolve matters relating to the Golf Facilities. The Golf Board shall have full power and authority of the Club with respect

to all matters relating to Golf Members and Golf Facilities and all decisions and actions of the Golf Board shall be carried out as fully and completely as any actions of the Full Board.

(b) Officers. The number of officers and the method of election of officers shall be as set forth in this Declaration and the Bylaws of the Club.

(c) Votes. By acceptance of a Membership, each Member acknowledges and agrees to the Voting Rights of Section 4.03 above.

(d) Casting of Votes. The votes of the Members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the Bylaws of the Club, as amended from time to time, or by law.

4.05 Suspension of Membership. The Full Board and the Golf Board as applicable may, but shall not be obligated to, suspend the voting rights of any Member and the right of enjoyment of the Common Property of any Person who:

(a) shall be subject to the Right of Abatement, as defined in Section 9.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of these Covenants, the Bylaws, the rules and/or regulations adopted by the Board, and/or the Design Standards within thirty (30) days after having received notice of the same pursuant to the provisions of Sections 6.11, 7.02 or 9.02 of this Declaration.

(b) shall be delinquent in the payment of any Assessment, late charge, fine or penalty levied by the Club pursuant to the provisions of this Declaration; or

(c) shall otherwise be in violation of the Covenants or of rules and regulations adopted by Club and/or shall be in violation of the Declaration and/or the rules and regulations established by the Hampton Hall Club for the Common Property.

Any suspension shall be for the balance of the period in which said Member or Person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 4.05, the suspension may be for a period not to exceed 30 days after the cure or termination of such violation. No such suspension shall prevent a member's ingress to or egress from his Homesite.

4.06 Voting Procedures. The procedures for the election of Directors of the Club and the resolution of such other issues as may be brought before the membership of the Club shall be governed by this Declaration, the South Carolina Nonprofit Corporation Act of 1994, the Articles of Incorporation of the Club, and the Bylaws of the Club, as each shall from time to time be in force and effect. If any vote of the Membership (or the Golf Members as to matters relating to Golf Facilities) ends in a tie, a special meeting shall be called for the sole purpose of resolving the tie with the majority of the votes cast at a special meeting with a quorum present deciding the tie.

4.07 After Control by Declarant and Appointment of the Board. Upon termination of the Class "B" Membership, the Board of Directors shall automatically increase to seven (7) persons with the number in subsequent years to remain at seven (7) persons.

4.08 Rules and Regulations. The Club, through the Full Board and Golf Board as applicable, may make and enforce reasonable rules and regulations governing the use of the Property, dwellings within the Property, and the Common Property, which rules and regulations shall be consistent with the rights and duties

established by this Declaration. The Full Board shall issue all rules and regulations relating to Club Members and the Club Facilities and the Golf Board shall issue all rules and regulations relating to Golf Members and the Golf Facilities. The Club shall furnish copies of such rules and regulations and amendments thereto to all existing Members prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon all existing and future Members, their families, tenants, guests, invitees, servants and agents, until and unless (i) any such rules or regulations with respect to Club Members and/or the Club Facilities are specifically overruled, cancelled or modified by the Full Board of Directors of the Club or in a regular or special meeting of the Club by the vote of the Members, in person or by proxy, holding at least 51% of the total votes of the Membership or (ii) any such rules or regulations with respect to the Golf Members and/or Golf Facilities are specifically overruled, cancelled or modified by the Golf Board of the Club or in a regular or special meeting of the Club by the vote of the Golf Members, in person or by proxy, holding at least 51% of the total votes of the Golf Membership. The rules and regulations of the Club are attached hereto as Exhibit "C" and shall apply until such time as the Board revises, amends, or adopts new rules and regulations.

4.09 Enforcement. The Club shall be authorized to impose sanctions for violations of this Declaration, the Bylaws, or rules and regulations adopted by the Club. Sanctions may include reasonable monetary fines and suspension of the right to vote and to use certain portions of the Common Property. In addition, the Club, through the Full Board and the Golf Board as applicable, in accordance with Article LX of the Declaration, shall have the right to exercise the Right of Abatement to cure violations, and shall be entitled to suspend any services provided by the Club to any Member or such Member's Homesite in the event that such Member is more than thirty days delinquent in paying any Assessment or other charges due to the Club. The Full Board and Golf Board as applicable shall have the power to seek relief in any court for violations or to abate nuisances. The Club, through the Full Board and Golf Board as applicable, by contract or other agreement, shall have the right to enforce county and city ordinances, if applicable, and to permit the Town of Bluffton and/or Beaufort County to enforce ordinances on the Property for the benefit of the Club and its Members.

4.10 Implied Rights. The Club may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws. The Club may also exercise every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

4.11 Security. The Club may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. THE CLUB SHALL NOT IN ANY WAY BE CONSIDERED INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. THE EXISTENCE OF A SECURITY GATE AND/OR SECURITY FORCE AND/OR SECURITY FENCING SHALL IN NO WAY BE AN ASSURANCE THAT SUCH GATE AND/OR SECURITY FORCE WILL BE EFFECTIVE. THE CLUB SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR FOR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL MEMBERS AND OCCUPANTS OF ANY HOMESITE, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY MEMBER, ACKNOWLEDGE THAT THE CLUB, AND ITS BOARD OF DIRECTORS, AND THE ARB DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEM AS MAY BE DESIGNATED BY AND/OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE CLUB OR THE ARB WILL OR MAY NOT BE COMPROMISED OR CIRCUMVENTED; NOR THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE; NOR THAT FIRE PROTECTION OR

BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. ALL MEMBERS AND OCCUPANTS OF ANY HOMESITE, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY MEMBER, ACKNOWLEDGE AND UNDERSTAND THAT THE CLUB, ITS BOARD OF DIRECTORS OR COMMITTEES ARE NOT INSURERS. ALL MEMBERS AND OCCUPANTS OF ANY HOMESITE AND ALL TENANTS, GUESTS, AND INVITEES OF ANY MEMBER ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO HOMESITES AND STRUCTURES LOCATED THEREON, AND TO THE CONTENTS OF DWELLINGS AND FURTHER ACKNOWLEDGE THAT THE CLUB, ITS BOARD OF DIRECTORS OR COMMITTEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY MEMBER, OCCUPANT, OR ANY TENANT, GUEST, OR INVITEE OF ANY MEMBER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY SECURITY GATE, ANY SECURITY FORCE, ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY OTHER SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY. EACH MEMBER ASSUMES FULL RESPONSIBILITY FOR ALL LOSS OR DAMAGE TO HIS HOMESITE CAUSED BY THIRD PARTIES.

4.12 Vehicular Access Limitation. Because of the private nature of the roads within the Property subject to this Declaration and the Club's ownership of such roads, the Club shall be entitled to 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 including commercial vehicular traffic within the Property, thus admitting only Members, lessees or their guests and invitees and such other persons as the Club elects to have access. All Members and Lessees may be required to keep the Club informed of all persons who have overnight accommodations at such Member's or lessee's Homesite in order to allow the Club to enforce its vehicular access rules and regulations appropriately. The Board may prohibit excessively noisy vehicles, may prohibit vehicles with more than four wheels, may restrict or prohibit two-wheel vehicles with engines in excess of one brake horsepower, and may adopt any and all rules and regulations deemed necessary or desirable by the Board concerning vehicular access to and use of the Property. **No golf carts (except as specifically allowed as set forth below), dune buggies, go carts, or other similar vehicles may be allowed on the Property without the prior written consent of the Club, which consent may be withheld for any or no reason, regardless of whether or not such golf carts or similar vehicles are licensed for operation on the roads of the State of South Carolina.** Electric golf carts approved by and displaying a valid permit issued by Hampton Hall Club for Members who own Homesites shall be permitted on roads (subject to South Carolina law and Club rules and regulations), and subject to payment of any annual trail fee as may be established by the Club. Only Members who are Golf Members and own Homesites are permitted on cart paths intended for such purposes. **THE CLUB RESERVES THE RIGHT TO CHARGE A FEE ON SUCH BASIS AS DETERMINED BY THE CLUB (WHETHER A DAILY FEE, YEARLY FEE, OR SOME OTHER BASIS) FOR THE ENTRY OF ALL APPROVED COMMERCIAL VEHICLES INTO THE CLUB, INCLUDING BUT NOT LIMITED TO ALL CONTRACTORS, MOVERS, AND ALL OTHER COMMERCIAL SERVICE PROVIDERS.**

4.13 Neighborhoods. If requested by any Neighborhood, the Club is authorized to provide the services requested (provided the Board determines that such services are services that the Club is capable of providing and/or should be providing) provided the Members of Homesites in each such applicable Neighborhood agree to pay for such services including a reasonable administration fee to be charged by the Club.

4.14 Operation of Club. The Club shall be operated in accordance with the terms and provisions of the Membership Plan, the terms and conditions of which are incorporated herein by reference as fully as if set forth in full herein.

4.15 Memberships. The Club will make available three classifications of memberships that will be known as Club Memberships a/k/a Class "A" Club Memberships; property owner Golf Memberships (being Golf Memberships for Persons who own Homesites in Hampton Hall) a/k/a Class "A" Golf Memberships; and, non-property owner Golf Memberships (being Golf Memberships for Persons who do not own Homesites in Hampton Hall) a/k/a Class "C" Golf Memberships. The Golf Memberships (both property owner (Class "A") Golf Memberships and non-property owner (Class "C") Golf Memberships) and the Class "A" Club Memberships are sometimes collectively referred to as the Memberships. A person who obtains either a property owner (Class "A") Golf Membership or a non-property owner (Class "C") Golf Membership is sometimes referred to as a Golf Member or collectively as Golf Members, and a person who obtains a Club Membership is sometimes referred to as a Club Member or collectively as Club Members, and a person who obtains a Membership is sometimes hereinafter referred to as a Member or collectively as Members.

The Club may issue other classifications of Membership, including but not limited to "Founder Memberships" and "Invitational Golf Memberships" and "Sports Memberships" as described in the Membership Plan. If additional classifications of Membership are made available, the Club will establish the use privileges of the additional Membership classifications, the number of Memberships available and the Membership fee, dues, fees, dining minimums (if any), Assessments and other charges to be paid for these additional classifications of Membership. Every Member, including any Membership category issued by the Club including but not limited to Club Members and Golf Members, by accepting a Membership in the Club, expressly and automatically agrees to be bound by the provisions of this Declaration, the Bylaws, all rules and regulations of the Club, and the Membership Plan, as the same may be amended from time to time. Whether or not such Member is an Owner of a Homesite in Hampton Hall, Club Memberships at Hampton Hall Club shall be issued in the name of the individual submitting the Club Member Information Profile (as defined in the Membership Plan). For Members who are Owners of Homesites, the individual applying for the Club Membership must be the/an Owner of the Homesite. The Club may allow a Golf Membership to be held in the name of an entity from time to time but the entity, as the actual Member and owner of the Golf Membership, shall designate one person as designee of the Golf Membership use privileges and, if a property owner Golf Member, such designated person shall also be designee of the Club Membership and an Owner. A Membership allows the Member identified in the Information Profile or Application for Golf Membership Privileges (as defined in the Membership Plan), as applicable, and his or her immediate family members (as defined below) to use the Common Property in accordance with the terms of the classification of Membership selected and upon payment of the required Membership fee and applicable Assessments, fees, dining minimums (if any) and other charges. Immediate family members shall include the spouse or significant other (as defined in the Club Rules and Regulations) of the Member who is living in the Member's home, and their unmarried children who are under the age of twenty-three and either living in the Member's home or attending school on a full-time basis. ALL CLUB MEMBERSHIP FEES ARE NONREFUNDABLE. GOLF MEMBERS HAVE THE OPPORTUNITY IN CONNECTION WITH A RESIGNED GOLF MEMBERSHIP TO RECEIVE SUCH AMOUNTS UPON RE-ISSUANCE OF HIS/HER/ITS GOLF MEMBERSHIP AS SET FORTH IN THE MEMBERSHIP AGREEMENT.

4.16 Golf Memberships. A Golf Membership allows the Golf Member to use all of the Golf Facilities provided at Hampton Hall Club and to attend golf-related club-sponsored events held at the Club as set forth in the Membership Plan. A Golf Membership can be obtained by any Person by submitting a Golf Membership Agreement to the Club for approval and by paying the Golf Membership Fee to the Golf Club. The Club has reserved the right to designate use rights and to create additional categories of Golf

Memberships, for Owners and/or non-owners, in accordance with the provisions of the Membership Plan. Except as otherwise allowed by the Club, Golf Members who are residents of Hampton Hall may only have a privately owned golf cart subject to the requirements of the Rules and Regulations of the Club and payment of the prevailing annual trail fee. Any Class "A" Golf Member who sells, transfers, or otherwise conveys his Ownership interest in a Homesite shall have his Golf Membership automatically convert to a Class "C" Golf Membership. **ALL PURCHASERS OF HOMESITES AT HAMPTON HALL ACKNOWLEDGE THAT THERE ARE MORE HOMESITES AT HAMPTON HALL THAN THERE ARE AVAILABLE GOLF MEMBERSHIPS. EVERY INITIAL PURCHASER OF A PREVIOUSLY UNSOLD HOMESITE IN HAMPTON HALL WHO DOES NOT PURCHASE AN AVAILABLE GOLF MEMBERSHIP ON OR BEFORE SIXTY DAYS AFTER THE CLOSING OF THE PURCHASE OF THEIR HOMESITE IN HAMPTON HALL ACKNOWLEDGES THAT THERE IS NO GUARANTEE OR ASSURANCE THAT SUCH GOLF MEMBERSHIP WILL BE AVAILABLE AT A LATER DATE.**

Golf Members who do not own Homesites in Hampton Hall will be known as non-property owner Golf Members or Class "C" Golf Members.

4.17 Club Memberships. A Club Membership allows the member to use all of the Club Facilities provided at Hampton Hall Club and attend club-sponsored non-golf events held at the Club. Except as otherwise allowed by the Club, Club Members may only own and operate privately owned golf carts (although such golf carts may not have access to the Golf Facilities except as specifically allowed in the rules and regulations of the Club) subject to the Rules and Regulations of the Club. Except as otherwise permitted hereunder or under the Membership Plan, Club Members may not use the Golf Facilities except as a guest of a Golf Member and payment of the required guest fees and compliance with the rules established by the Club from time to time.

ARTICLE V ASSESSMENTS AND MAINTENANCE CHARGES

5.01 Covenant for Assessments and Creation of Lien and Personal Obligations. Each Member, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a Membership and/or a deed for a Homesite, whether or not the covenants contained herein shall be expressed in any such deed, hereby acknowledges the authority of the Club to levy all Assessments provided for in this Declaration and covenants and agrees as follows:

(a) to pay to the Club the membership fee for a Club Member and the annual Club Member Assessment as set out in Section 5.04 hereafter which shall be levied by the Club pursuant to this Declaration against all Club Memberships;

(b) if a Member is a Golf Member, to pay the membership fee for a Golf Member; to pay the annual Golf Member Assessment as set out in Section 5.08 hereafter which shall be levied by the Club pursuant to this Declaration against all Golf Memberships, to pay Golf Member Specific Assessments, and to pay any Golf Special Assessments levied against the Golf Members pursuant to this Declaration;

(c) to pay to the Club Special Assessments as set out in Section 5.05 hereafter, the Specific Assessments as set out in Section 5.06 hereafter, any applicable Neighborhood Assessments as set out in Section 5.07 hereafter, and any fines, penalties or other charges which may or shall be levied by the Club pursuant to this Declaration against all Memberships owned by him;

(d) that there is hereby created a continuing charge and lien upon all Homesites owned by a Member/Owner(s) against which all Assessments, fines, penalties and other charges are made to secure payment of such items and any penalties and interest thereon as provided in Section 5.09 hereof and costs of collection, including reasonable attorney's fees;

(e) that such continuing charge and lien on such Homesites binds such Homesites in the hands of the then Member/Owner(s), and the Member's/Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon such Homesites whether arising from or imposed by judgment or decree or by any agreement, contract, Mortgage, deed to secure debt, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) the lien or charge of all first and second Mortgages of record (meaning any recorded Mortgages with first or second priority over other Mortgages) held by Mortgagees which were made in good faith and for value;

(f) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Homesite or Homesites from liability for any assessment thereafter assessed;

(g) that all Assessments (together with interest thereon and late charges as provided in Section 5.09 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Homesite or Homesites owned by him during the period that he is a Member or an Owner shall be (in addition to being a continuing charge and lien against such Homesite or Homesites as provided in Section 5.01(d) of this Declaration) a personal obligation which will survive any sale or transfer of the Homesite or Homesites owned by him; provided, however, that such personal obligation for delinquent Assessments shall not pass to an Owner's successor-in-title (but the lien shall still attach to the Homesite except as provided in Section 5.10 hereafter) unless expressly assumed by such successor. The Member further acknowledges and agrees that he may not exempt himself or herself from liability for assessments by non-use of Common Property, abandonment of his or her Homesite or any other reasons. The obligation to pay Assessments is a separate and independent covenant on the part of each Member and Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Club or the Full Board or Golf Board as applicable to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action the Club or the Full Board or Golf Board as applicable takes; and

5.02 Purpose of Assessments. The Assessments levied by the Club for Club Member Assessments shall be used for the purpose of providing for the common good and general welfare of the Members of the Club, including, but not limited to, and in addition to all other purposes set forth in this Declaration, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, the enforcement of the Restrictions contained in this Declaration, the enforcement of the Design Standards of the Declarant, or as applicable the ARB, the payment of operating costs and expenses associated with the Club Facilities, the payment of all sums, if any, due and reserves required under this Declaration with respect to the Club Facilities and the payment of all principal and interest when due on all debts owed by the Club with respect to the Club Facilities. Notwithstanding any other provision in this Declaration, no portion of the Club Member Assessment may be used in connection with the Golf Facilities and Club Member Assessments may only be used for purposes relating to Club Members and/or the Club Facilities.

The Assessments levied by the Club for Golf Member Assessments shall be used for the purpose of providing for the common good and general welfare of the Golf Members of the Club, including, but not limited to, and in addition to all other purposes set forth in this Declaration, the acquisition, construction, improvement, maintenance and equipping of Golf Facilities, the payment of operating costs and

expenses associated with the Golf Facilities, the payment of all sums, if any, due and reserves required under this Declaration with respect to the Golf Facilities, and the payment of all principal and interest when due on all debts owed by the Club with respect to the Golf Facilities. Notwithstanding any other provision in this Declaration, no portion of the Golf Member Assessment may be used in connection with the Club Facilities and Golf Member Assessments may only be used for purposes relating to Golf Members and/or the Golf Facilities.

5.03 Accumulation of Funds Permitted. The Club shall not be obligated to spend in any calendar year all the sums collected in such year by way of Club Member Assessments, Golf Member Assessments, Special Assessments, Specific Assessments, Golf Member Specific Assessments, or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Club be obligated to apply such surplus to the reduction of the amount, as applicable, of the Club Member Assessments, Golf Member Assessments, Special Assessments, Golf Member Specific Assessments, or Specific Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial benefit or security of the Club and the effectuation of its purposes.

5.04 Annual Budget; Club Member Assessment; Financial Controls.

(a) At least sixty (60) days before the beginning of each fiscal year of the Club, the Full Board shall prepare a Club Budget of estimated Common Expenses for the coming year. Each Club Member's pro-rata share of the Common Expenses (the "Club Member Assessment") as hereinafter set out for each fiscal year shall depend on the improved nature of the Homesite. The Club Budget shall address all anticipated expenses including, but not limited to, the cost of nonrecurring maintenance, or the reconstruction, repair or replacement of a capital improvement upon any Common Property (excluding the Golf Facilities). The Club Budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Club Budget of Common Expenses adopted an amount as a capital contribution to fund reserves in an amount sufficient to meet the projected needs with respect to both amount and timing for the expected repair and/or replacement costs. The Club Budget shall also reflect the sources and estimated amounts of funds to cover such Common Expenses, which may include any surplus to be applied from prior years and the amounts to be generated through the levy of Club Member Assessments, Special Assessments, and Specific Assessments.

The Board may not increase the full Club Member Assessment on a cumulative yearly basis by more than the greater of: (i) the increase each year in the consumer price index (as published by the U.S. Department of Labor, Bureau of Labor Statistics, All Urban Consumers, U.S. City Average, All Items, 1982-84=100), or (ii) ten (10%) percent without the approval of two thirds ($\frac{2}{3}$) of the Members in attendance, whether in person or by proxy, at a duly called meeting with a quorum present.

The Club Budget shall automatically become effective unless disapproved at a meeting held prior to the effective date of the Club Budget by Members representing at least 75% of the total Class "A" Member votes in the Club. There shall be no obligation to call a meeting for the purpose of considering the Club Budget except on petition of the Members for a special meeting as provided for in the Bylaws. Any such petition must be presented to the Board within 14 days after delivery of the Budget and notice of any assessment. If any proposed Club Budget is disapproved or the Board fails for any reason to determine the Club Budget for any year, then the Club Budget most recently in effect shall continue in effect until a new Club Budget is determined. The Board may revise the Club Budget and adjust the Club Member Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised Club Budget as set forth above.

(b) The Club is authorized to levy Club Member Assessments against Members subject to assessment under this Declaration based on the Club Budget as follows:

With respect to "Improved Homesites", all Improved Homesites shall pay what the Board calculates as a full Club Member Assessment and such full Club Member Assessment shall be the Club Member Assessment applicable equally to all Members with Improved Homesites except as otherwise provided herein. A Homesite containing a residence shall be deemed an Improved Homesite on the date of settlement by a Builder to a third party retail customer whether or not a certificate of occupancy has been issued. For a Member who builds a residence on his Homesite, the Homesite will be deemed an Improved Homesite effective the first day of the first billing period following the date of issuance of the certificate of occupancy for such Homesite.

With respect to Members with an "Unimproved Homesite", all such Members with Unimproved Homesites shall pay eighty (80%) percent of the prevailing full Club Member Assessment applicable to an Improved Homesite except as otherwise provided herein and such amount shall be the Club Member Assessment for Members with Unimproved Homesites. With respect to any non-property owner Golf Member that is also a Club Member, such non-property owner Golf Member shall pay the same Club Member Assessment as paid by Club Members with an Unimproved Homesite.

After termination of the Class "B" Membership, Declarant shall pay Club Member Assessments on its unsold Homesites in the same manner as any other Club Member. Founder Members shall not be subject to any Club Membership fee or to the Club Member Assessment or to Special Assessments but shall be subject to Specific Assessments to cover all charges incurred by a Founder Member for food, beverages, merchandise, and other like charges incurred with respect to Club Facilities.

(c) The Club Member Assessment as to each Club Member shall commence upon obtaining of a Club Membership. At each closing of a Homesite, every purchaser of a Homesite shall pay the prevailing Club Membership fee at the closing of the Homesite and every purchaser of a Homesite shall pay the applicable Club Member Assessment to the Club which shall be pro-rated based on the number of days remaining in the calendar year from and including the date of closing of the Homesite.

(d) Club Member Assessments may be used by the Club to provide for, by way of clarification, and not limitation, any and all of the following in connection with Club Members and/or the Club Facilities: normal, recurring maintenance of the Common Property (excluding the Golf Facilities) (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for the existing landscaping and maintaining and repairing the Common Property (excluding the Golf Facilities)) and the acquisition and installation of capital improvements to such areas (if funds are available); provided that the Club shall have no obligation (except as expressly provided in this Declaration) to make capital improvements to the Common Property (excluding the Golf Facilities); payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions, and conditions affecting the Property to which said assessments apply; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employment of security guards or watchmen, if any; paying the applicable acquisition fees, including monthly service fees, of any leased improvements such as street lights; payment of any admission taxes due; and doing any other thing or things necessary or desirable in the opinion of the Board to keep the property neat and in good order, or which is considered of general benefit to the Members, or occupants of the Property, it being understood that when and if presented to the Board, the judgment of the majority of the Board in the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Board in its discretion may (i) include as an expense in calculating the Club

Member Assessment for all Club Members its anticipated cost each quarter (based on the number of existing vacant Homesites existing at the time the budget is prepared) for the cost of underbrushing such vacant Homesites on a periodic basis so as to prevent unsightly conditions or (ii) may elect to charge each applicable Member/Owner of a vacant Homesites as a special assessment such Member/Owner's pro-rata share of the Club's actual cost each quarter for underbrushing such Member/Owner's vacant Homesite on a periodic basis so as to prevent unsightly conditions.

(e) *Financial Controls.* The Club Board of Directors shall approve and maintain financial policies that establish definitions, limits, and required member communications to assure Club Members that the Club has adequate financial controls to mitigate any inappropriate or excessive use of Club resources. These policies will be overseen by the Club Board and utilized by the Club management. The range and scope of the policies will be determined by the Club Board but will, at a minimum, include the following:

(1) **Reserve Policy.** The Club Board shall adopt a Reserve Policy that establishes a definition of appropriate reserve spending; incorporates approval levels based on total expenses of the Club; requires the Club Board conduct periodic reviews of the Club's reserve plan; mandates that the Club obtain periodic reserve study updates within a set time frame; and, adequately defines what constitutes a reserve expenditure in comparison to capital investments and expenditures related to operating maintenance.

(2) **Capital Policy.** The Club Board shall adopt a Capital Policy that governs the Club's investment in new assets or significant investment in existing assets; establishes graduated approval levels based on total investment in the asset, with the lowest investments being approvable by Club Management, higher investments being approvable by the Club Board, and the highest investments requiring the approval of a certain percentage of a quorum of the Club Members; and, defines what constitutes a capital investment in comparison to reserve expenditures and expenditures related to operating maintenance. The Capital Policy and the Reserve Policy are intended to be complimentary.

(3) **Borrowing Policy.** The Club Board shall adopt a Borrowing Policy that governs the acceptable terms and limits of the Club's ability to borrow funds. Borrowing of any nature shall be approved by the Board of Directors and shall be consistent with the Borrowing Policy. The Borrowing Policy shall specify borrowing limitations on the use of any borrowed funds, the term of any loans, and the collateral that may be used to secure the repayment of any borrowed funds. Any and all loans entered into by the Club, whether unsecured or secured by property of the Club and/or secured by a collateral assignment of assessments, shall be for the benefit of the Club to maintain or enhance its assets and/or its operations.

The Club Board shall provide sixty (60) days' notice to the Membership prior to any meeting of the Club Board at which the Club Board plans to consider the adoption of or a material amendment to the Reserve Policy, the Capital Policy, or the Borrowing Policy; provided, however, in the event of an emergency, the Borrowing Policy can be amended upon fifteen (15) days' notice to the Membership.

5.05 Special Assessments for Working Capital Fund. In addition to the Club Member Assessments authorized by this Article V, the Club is hereby authorized to levy (hereinafter all special assessments authorized hereunder referred to as "Special Assessments") on all Club Members the following:

(a) upon each sale of a Homesite a special assessment shall be payable by the purchaser at the closing of the Homesite which shall be equal to three (3) months estimated or prevailing Club Member

Assessment (at the rate applicable to an Improved Homesite), which shall be collected at the closing of each such sale for the benefit of the Club which may be used by the Club as part of its working capital for recurring and/or nonrecurring expenses with respect to Club Members and/or Club Facilities as determined by the Board in its sole discretion; and

(b) in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, any Club Facilities expenses not covered by the annual Club Budget or in excess of the amounts budgeted, including, but not limited to, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Property (excluding the Golf Facilities), including fixtures and personal property related thereto, provided that any such Special Assessment shall have been approved by a two-thirds (2/3) vote of the votes of the Class "A" Members of the Club who are present in person or by proxy at a meeting with the required quorum and duly called for such purpose. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

5.06 Specific Assessments. The Club is hereby authorized to levy Specific Assessments against a Member as follows:

(a) to cover all charges incurred by the Member at the Club including but not limited to for food, beverages, merchandise, guest green and cart fees, and/or all other services offered by the Club;

(b) to cover the costs, including overhead and administrative costs, of providing services to a Homesite upon request of an Owner pursuant to any menu of special services which may be offered by the Club. Specific Assessments for special services may be levied in advance of the provision of the requested service;

(c) to cover costs incurred in bringing the Homesite into compliance with this Declaration, the Design Standards, the Bylaws, or the rules and regulations adopted by the Board or costs incurred as a consequence of the conduct of the Member or Owner or occupants of the Homesite, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Member who owns the Homesite prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection; and

(d) to cover the costs of underbrushing such Homesite while vacant to prevent unsightly conditions.

The Club may also levy a Specific Assessment against the Members who own Homesites within any Neighborhood to reimburse the Club for costs incurred in bringing the Neighborhood into compliance with this Declaration, the Bylaws, and/or the Design Standards, provided the Board gives prior written notice to the Members who are Owners of Homesites in the Neighborhood and an opportunity for such Members to be heard before levying any such Specific Assessment.

5.07. Neighborhood Assessments. Upon the request of a Neighborhood for the Club to provide additional services as set forth in this Declaration, the Club is hereby authorized to levy Neighborhood Expenses as hereinafter provided. If the Board in its sole discretion has agreed to provide such neighborhood services, at least 60 days before the beginning of each applicable fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood, if any, on whose behalf Neighborhood Expenses are expected to be incurred by the Club during the coming year. Each such

neighborhood budget shall include any costs for additional services or a higher level of services that the Members who are Owners of Homesites in such Neighborhood have requested, including any contributions needed for reserves. The budget shall also reflect the sources and estimated amounts of funds to cover such Neighborhood Expenses, which may include any surplus to be applied from prior years. Any such Neighborhood Assessments shall be in addition to the Club Member Assessments, Specific Assessments, and/or Special Assessments against the Members who own Homesites in such Neighborhood. The Club is hereby authorized to levy Neighborhood Assessments equally against all Members who own Homesites in the Neighborhood which are subject to assessment under this Declaration to fund Neighborhood Expenses; provided, if so specified in the applicable supplemental declaration or if so directed by petition signed by a majority of the Members who are Owners of Homesites within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Members who own Homesites in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget and notice of the amount of the Neighborhood Assessments for the coming year to be delivered to each Member who is an Owner in the Neighborhood at least 60 days prior to the beginning of the fiscal year. Such budget and assessment shall automatically become effective unless the Board is notified in writing by the Neighborhood Association or other governing body having authority at least 30 days prior to the effective date of the budget that the budget was disapproved. The Board shall in no way be responsible for calling or attending any such meeting with the terms and ability of such meeting being determined solely by the supplemental declaration applicable to the Neighborhood. This right to disapprove the budget of Neighborhood Expenses shall only apply to those line items in the Neighborhood budget that are attributable to additional or a higher level of services requested by the Neighborhood and shall not apply to any amounts assessed as a Club Member Assessment, Specific Assessment, or Special Assessment. If the proposed budget of Neighborhood Expenses for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to notice requirements and the right of the Members who are Owners of Homesites in the affected Neighborhood to disapprove the revised budget as set forth above. All amounts collected by the Club as Neighborhood Assessments shall be held in trust for and expended solely for the benefit of the Neighborhood for which they were collected and shall be accounted for separately from the Club's general funds. **Notwithstanding any other provision of this Declaration, the Club shall only be required to provide services for the Neighborhood for which and to the extent it actually receives Neighborhood Assessments. If the Club has or experiences problems collecting Neighborhood Assessments, the Club in its sole discretion at any time may terminate the services and shall deliver any balance of the Neighborhood Assessments held by the Club to the Neighborhood Association or any other governing body.**

5.08. Annual Golf Budget; Golf Member Assessment; Golf Specific Assessments; Golf Special Assessments.

(a) At least sixty (60) days before the beginning of each fiscal year of the Club, the Golf Board shall prepare a Golf Budget of estimated expenses for the coming year in connection with Golf Members and the Golf Facilities. Each Golf Member's pro-rata share of the Golf Budget as hereinafter set out for each fiscal year shall be the golf member assessment (the "Golf Member Assessment") for such Golf Member. The Golf Member Assessment will constitute dues of the Member to the Club. The Golf Budget shall address all anticipated expenses including, but not limited to, the cost of nonrecurring maintenance, or the reconstruction, repair or replacement of a capital improvement in connection with or upon the Golf

Facilities. The Golf Budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Golf Board shall include in the Golf Budget of expenses adopted an amount as a capital contribution to fund reserves in an amount sufficient to meet the projected needs with respect to both amount and timing for the expected repair and/or replacement costs of Club Facilities. The Golf Budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years and the amounts to be generated through the levy of Golf Member Assessments and Golf Special Assessments. Founder Members shall not be subject to any golf membership fee or to the Golf Member Assessment or to Special Golf Assessments but shall be subject to Golf Member Specific Assessments to cover all charges incurred by a Founder Member for food, beverages, merchandise, and other like charges incurred with respect to Golf Facilities.

The Golf Board may not increase the Golf Member Assessment on a cumulative yearly basis by more than the greater of: (i) the increase each year in the consumer price index (as published by the U.S Department of Labor, Bureau of Labor Statistics, All Urban Consumers, U.S. City Average, All Items, 1982-84=100), or (ii) ten (10%) percent without the approval of two thirds ($\frac{2}{3}$) of the Golf Members in attendance, whether in person or by proxy, at a duly called meeting of Golf Members with a quorum present.

The Golf Budget shall automatically become effective unless disapproved at a meeting held prior to the effective date of the Golf Budget by Golf Members representing at least 75% of the total Golf Membership votes in the Club. There shall be no obligation to call a meeting for the purpose of considering the Golf Budget except on petition of the Golf Members for a special meeting as provided for in the Bylaws. Any such petition must be presented to the Golf Board within 14 days after delivery of the Budget and notice of any assessment. If any proposed Golf Budget is disapproved or the Golf Board fails for any reason to determine the Golf Budget for any year, then the Golf Budget most recently in effect shall continue in effect until a new Golf Budget is determined. The Golf Board may revise the Golf Budget and adjust the Golf Member Assessment from time to time during the year, subject to the notice requirements and the right of the Golf Members to disapprove the revised Golf Budget as set forth above.

(b) The Club through the Golf Board is authorized to levy Golf Member Assessments against all full dues paying Golf Members on an equal basis.

(c) The Golf Member Assessment as to each Golf Member shall commence upon obtaining of a Golf Membership and shall be in accordance with the provisions of the Membership Plan.

(d) In addition to Golf Member Assessments, the Club is hereby authorized to levy specific assessments against a Golf Member ("Golf Member Specific Assessments") to cover all charges incurred by a Golf Member for food, beverages, merchandise, and/or all other services offered by the Club.

(e) In addition to the Golf Member Assessments and Golf Member Specific Assessments authorized by this Article V, the Golf Board is hereby authorized to levy (hereinafter all special assessments authorized hereunder referred to as "Golf Special Assessments") on all Golf Members in any assessment year, a Golf Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, any Golf Facilities expenses not covered by the annual Golf Budget or in excess of the amounts budgeted, including, but not limited to, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any of the Golf Facilities, including fixtures and personal property related thereto, provided that any such Golf Special Assessment shall have been approved by a two-thirds ($\frac{2}{3}$) vote of the votes of the Golf Members of the Club who are present in person

or by proxy at a meeting with the required quorum and duly called for such purpose. Golf Special Assessments shall be payable in such manner and at such times as determined by the Golf Board, and may be payable in installments extending beyond the fiscal year in which the Golf Special Assessment is approved.

5.09 Effect of Nonpayment of Assessment and Other Charges. If any Assessment or installment or fine is not paid within fifteen (15) days after the due date, the Board, through the Full Board with respect to Club Member Assessments, Special Assessments, Specific Assessments, and Neighborhood Assessments and through the Golf Board with respect to Golf Member Assessments, Golf Member Specific Assessments, and Golf Special Assessments, in its sole discretion may impose a late or delinquency charge in the amount of the greater of Twenty Five Dollars (\$25.00) or five percent (5%) of the amount of each assessment or installment or fine not paid when due. Any Assessment or installment or fine, and any late charge imposed by the Board (either by the Full Board or the Golf Board, as applicable) in connection therewith, which is not paid within thirty (30) days after the due date of the Assessment or installment or fine shall bear interest (from the due date with respect to the assessment or installment, and the date such charge was imposed with respect to the late charge), at the rate of eighteen percent (18%) per annum or at such other rate as the Board, through the Full Board with respect to Club Member Assessments, Special Assessments, Specific Assessments, and Neighborhood Assessments and through the Golf Board with respect to Golf Member Assessments, Golf Member Specific Assessments, and Golf Special Assessments, in its sole discretion, may from time to time establish; provided, however, that in no event shall the Full Board or the Golf Board as applicable have the power to establish a rate of interest in violation of the laws of the State of South Carolina. If any one or more installment of any Assessment is not paid within thirty (30) days after the due date, the Full Board or the Golf Board as applicable may declare any remaining balance of the Assessment at once due and payable. The Board, through the Full Board with respect to Club Member Assessments, Special Assessments, Specific Assessments, and Neighborhood Assessments) and through the Golf Board with respect to Golf Member Assessments, Golf Member Specific Assessments, and Golf Special Assessments, in its sole discretion shall have the right to waive any late charge and/or interest charge. In event that a Member shall fail to pay fully any portion of any Assessment or installment or fine on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with any delinquency charges, interest, costs of collection, including court costs, the expenses of sale, any expense required for the protection and preservation of the Homesite, and reasonable attorney's fees, shall be a binding personal obligation of such Member, as well as a lien on such Member's Homesite enforceable in accordance with the provisions of this Declaration. In addition to the above, if any Member has not paid any Assessment or installment or fine, or any late charges or expenses related thereto, within sixty (60) days after the due date of the Assessment or installment, the Club shall have the right to notify any or all Mortgagees having a security interest in such Member's Homesite or Homesites that such Member is in default in the performance of his obligations under these Restrictions, and of those actions taken or proposed to be taken by the Club as a result of the default. In addition to all other remedies as may be allowed under the Membership Plan, the Full Board may suspend the right of a Member in default to use the Club Facilities and the Golf Board may suspend the rights of a Golf Member in default to use the Golf Facilities.

5.10 Certificate of Payment. Upon written demand by a Member, the Club shall, within a reasonable period of time, issue and furnish to such Member a written certificate stating that all Assessments (including penalties, interest and costs, if any) have been paid with respect to any Homesite owned by said Member as of the date of such certificate, or that all assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Club may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Club and any bona fide purchaser of, or lender on, the Homesite in question. If any error or mistake occurs in connection with such certificate of payment, the Club

may not proceed against any bona fide purchaser or his lender or seek to enforce a lien against the Homesite with respect to mistaken amounts but such mistake or error shall in no way release the defaulting Member for his/her personal obligation to pay all assessments and the Club may pursue such personal obligation notwithstanding any mistake or error in connection with a certificate of payment.

5.11 Declarant Surrender of Rights. After Turnover and the Developer surrenders its right to appoint Board Members, Declarant shall pay Club Assessments on the same basis as other Members.

5.12 Exempt Property. Notwithstanding anything in these Covenants that is or may be construed to be to the contrary, the following property or Persons subject to this Declaration shall be exempt from the assessments, charges and liens created herein:

- (a) The grantee in conveyances made for the purpose of granting easements;
- (b) All Common Property;
- (c) All Property that is dedicated and/or otherwise conveyed to a governmental body and/or a public or private utility; and
- (d) All common property owned for common use by a Neighborhood Association, condominium project, duplex project, or town house project.

5.13. Payment of Assessments. All Assessments shall be payable by Members on such basis as determined by the Full Board and Golf Board as applicable from time to time in their discretion, whether on an annual basis, quarterly basis, monthly basis, or otherwise. The Full Board and the Golf Board as applicable may elect to have different Assessments paid on a different basis (for example, Club Member Assessments and Golf Member Assessments may be billed on a quarterly basis whereas Specific Assessments and Golf Member Specific Assessments for food, beverage, merchandise, and other club charges may be billed on a monthly basis).

ARTICLE VI ARCHITECTURAL CONTROL AND DESIGN REVIEW

6.01 Architectural Review Board. Each Owner, by accepting a deed or other instrument conveying a Homesite, acknowledges and agrees that the Club has a substantial interest in ensuring that all improvements within the Property meet the Club's standards and do not impair the ability of Members to market, sell or lease their Homesites. Therefore, each Owner agrees that no activity of any kind, as more specifically discussed in Section 6.06 below, shall commence without the prior written consent of the Club acting through the Architectural Review Board (the "ARB"). The ARB has been established for the purpose of reviewing and approving those activities that are made subject to development and architectural approval by these Covenants. The ARB shall have such powers as delegated to the ARB by the Board.

6.02 Objectives. Architectural and design review shall be directed towards attaining the following objectives for the Club:

- (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 landforms.

(b) Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Homesite and with surrounding Homesites and structures and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.

(c) Ensuring that the architectural design of structures and their materials and colors are aesthetically and visually harmonious with the Club's overall appearance, history and cultural heritage, with surrounding development, with natural landforms and native vegetations, and with development plans, officially approved by the Club or any governmental or public authority, if any, for the areas in which the structures are proposed to be located.

(d) Ensuring the plans for landscaping provide aesthetically and visually pleasing settings for structures on the same lot and on adjoining or nearby Homesites, and blend harmoniously with the natural landscape.

(e) Ensuring 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 consideration such as heat loss, air emissions, and run-off water quality.

6.03 Architectural Review Board, Powers and Duties.

(a) The ARB shall consist of five (5) Members of the Club, all of whom shall be appointed by the Club Board. Each such Member shall be a Class "A" Member and a full-time resident of Hampton Hall. The regular term of office for each member of the ARB shall be three (3) years. Any member of the ARB may be removed with or without cause by the Club Board at any time by written notice to such appointee. A loss of Class "A" Membership and/or the loss of an Ownership interest in a Homesite by an ARB member shall be deemed an automatic resignation from the ARB. Furthermore, any ARB member that fails to maintain their status as a member in good standing shall be disqualified from membership on the ARB. A successor or successors appointed by the Club Board to fill such vacancy shall serve the remainder of the term of the former member.

(b) The ARB shall select its own Chairman and in the Chairman's absence, the Vice-Chairman shall be the presiding officer of its meetings. All meetings shall be held at least once in each calendar month or upon call of the Chairman; all meetings shall be held at the Club Administration Office or at such other places as may be designated by the Chairman. Three (3) members shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members of the ARB shall constitute the action of the ARB on any matter before it. The ARB shall operate in accordance with its rules of procedure, including holding regularly scheduled meetings, preparing and adopting minutes of each meeting, and preparing documentation of any changes in policy or procedure, all of which shall be timely communicated to the Membership and the Full Board.

(c) The ARB is hereby authorized to retain the services of one or more consulting architects, landscape architects, an ARB administrator, and/or attorneys, who need not be licensed to practice in the State of South Carolina, to advise and assist the ARB in performing the design review functions herein prescribed. The individual or firm retained shall be determined by a majority vote of the ARB and the selection and compensation of such individual or firm is subject to the approval of the Board.

6.04 Architectural Review Board Responsibility and Authority.

(a) Establish and implement procedures to assure that all construction, alterations, remodeling and landscape plans are completed and maintained in accordance with plans heretofore approved by the ARB.

(b) Establish and publish from time to time uniform objective standards, including design and color standards in accordance with the Declaration, which standards shall be collectively known as the "Design Standards" and shall be approved by the Board. The Design Standards will provide standards for architectural design, landscaping requirements, color standards and other requirements to assure that a consistent, harmonious environment is maintained within Hampton Hall. The Design Standards shall also include the procedures, policies, and practices that will govern the actions of the ARB, including but not necessarily limited to the processes for approving and denying applications, considering variance requests, and establishing reasonable fee schedules for services provided.

(c) Consult, cooperate and act jointly with various committees established by the Board.

6.05 Review and Approval of Plans for Additions Alterations or Changes to Structures and/or Landscaping. No building, wall, fence, swimming pool, roof, exterior light or other Structure or improvement of any kind shall be commenced, constructed, installed, altered or erected upon any Homesite or upon the exterior of any Structure or upon the Common Properties or Open Spaces, nor shall any landscaping be done, other than routine upkeep, maintenance and /or restoration, nor shall any addition to any existing Structure or alteration or change therein be made until the proposed building plans, specifications, (including height, materials, and exterior finish), plot plan, drainage plan, landscape plan, and construction schedule shall have been submitted to and approved by the ARB.

6.06 Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans. Two copies of all plans and related data shall be furnished to the ARB. One copy shall be retained in the records of the ARB. The other copy 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. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. Refusal of approval of plans, location or specification by the ARB shall be in the sole and absolute discretion of the ARB and may be based upon any ground which is consistent with the objectives of this Declaration, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious. All review and approvals shall be on a case-by-case basis. An applicant receiving a negative decision from the ARB is advised to revise the submitted plans in accordance with the recommendations and resubmit them to the ARB for approval.

6.07 Appeals and Variances.

(a) Appeal. Any Owner may appeal a denial decision of the ARB by submitting to the Club's General Manager, or his/her designee, no later than fifteen (15) days after the delivery of the ARB's decision to the Applicant, a letter requesting a review of the ARB's decision by the Club's ARB Appeals Committee. The appeal request shall also contain, at a minimum, a copy of the decision of the ARB, a copy of the application submitted to the ARB, and the specific grounds for the appeal. All applications pending before the ARB must be posted on Hampton Hall Community Website by the Applicant before the ARB hearing shall commence.

- (i) **ARB Appeals Committee.** The ARB Appeals Committee shall consist of three (3) to five (5) Class "A" Members in good standing; provided, however, that no member of the Club Board may serve on the ARB Appeals Committee while she/he continues to serve on the Club Board.
- (a) *Appointment.* The Club recognizes that continuity of experience is preferential for the operation of the ARB Appeals Committee; therefore, the Club intends to have the members of the ARB Appeals Committee serve staggered two-year terms with new appointments to be made by the Club Board at the Annual Meeting at which any such terms may expire. To accomplish this objective, the Club Board shall appoint the initial ARB Appeals Committee and shall designate two members of the ARB Appeals Committee to serve a one year term, which term shall expire at the next Annual Meeting, and three members of the ARB Appeals Committee to serve a two-year term, which two-year term shall expire at the Annual Meeting immediately following the next Annual Meeting.
- (b) *Term.* Except for the appointment of the initial ARB Appeals Committee as provided for in Section 6.07(a)(1) herein, the members of the ARB Appeals Committee shall serve for a term of two years or until his/her successor is appointed. For the purpose of this Section 6.07, a term shall be deemed to have commenced on the date of the Annual Meeting of the Club at which the member is appointed to the ARB Appeals Committee and shall expire at the Annual Meeting held two years after the Annual Meeting at which the ARB Appeals Committee member was appointed.
- (c) *Resignation, Removal and Vacancies.* A member of the ARB Appeals Committee may resign at any time by tendering a resignation in writing to the Club Board Secretary. The resignation shall become effective upon the date specified therein, or if no date is specified therein, upon receipt by the Secretary. Any ARB Appeals Committee member appointed by the Club Board may be removed at any time with or without cause by a majority vote of the Club Board. Any vacancy in an ARB Appeals Committee membership because of death, resignation, disqualification, or removal shall be filled by appointment of the Club Board for the unexpired term of such membership.
- (ii) **Hearing.** Upon receipt of an ARB Appeal, the Club's General Manager shall schedule a hearing on the appeal before the ARB Appeals Committee with such hearing to take place no later than thirty (30) days from the date of receipt of the written request for an appeal of the ARB's decision. The ARB Appeals Committee, in its reasonable discretion, may postpone a hearing for an additional fifteen (15) days. All supporting documentation

for any appeal shall be provided to the ARB Appeals Committee no later than ten (10) days prior to the scheduled date for the hearing.

(a) *Presentation by Appellant.* The Appellant shall have fifteen (15) minutes to present the facts and any applicable legal principles supporting the Appellant's appeal request. During such presentation, members of the ARB Appeals Committee may ask any such questions to the Appellant that such members deem necessary. At the discretion of the ARB Appeals Committee Chair (or Vice Chair if the Chair is unavailable), the Appellant's time may be extended to provide the Appellant with additional opportunity to fully present the appeal.

(b) *Other Presentations.* Following the Appellant's presentation, the ARB and/or any affected Owner may present the facts and any applicable legal principles supporting their position on the Appeal. During such presentation, members of the ARB Appeals Committee may ask any such questions to the Presenter that such members deem necessary. At the discretion of the ARB Appeals Committee Chair (or Vice Chair if the Chair is unavailable), the Presenter's time may be extended to provide the Presenter with the opportunity to fully present his/her position on the appeal.

(iii) **Decision.** Following the hearing, the ARB Appeals Committee shall affirm the decision of the ARB unless the ARB Appeals Committee determines that the decision of the ARB should be modified or reversed for one or more of the following reasons:

(a) *Error by ARB.* The ARB made an error in determining whether a requirement of the Declaration or the ARB Guidelines was met, or the ARB made an error in applying the Declaration or the ARB Guidelines to the application; or,

(b) *Unique Circumstances.* Due to circumstances outside of the control of the Appellant, such as when topography, natural obstructions, hardship, or aesthetic or environmental considerations may require, or when architectural merit warrants such a decision. Any decision made by the ARB Appeals Committee hereunder shall be effective only as to the application, Lot and/or Unit at issue and shall have no precedential effect as to any other application, Lot or Unit in Hampton Hall.

(iv) **Notice of Decision.** The ARB Appeals Committee shall provide the Appellant with written notice of its decision within ten (10) days of the hearing and shall post a copy of the ARB Decision on the Hampton Hall website within ten (10) days of the hearing.

(b) Variances. All applications for a Variance by any Owner shall require the applicant to notify the Hampton Hall General Manager and all Owners within 200 feet of the applicant's Homesite

(as measured from the Homesite's corners) by certified mail return receipt requested, of the nature and purpose of the requested variance, by inclusion within the notice a copy of the owner's application and the date the applicant's variance will be heard by the ARB. Said notice shall be served no less than ten (10) days before the hearing date. Before proceeding with a variance application, the ARB shall be satisfied that all Owners within 200 feet of the applicable Homesite have been duly notified as required by this Section and that a copy of the application for the variance has been posted on the Hampton Hall website prior to hearing the applicant.

- (i) **Publication of Variance Order.** Any decision of the ARB granting or permitting a variance must be reduced to writing and published on the Hampton Hall website within ten (10) day of the granting of the variance. The granting of a variance by the ARB shall not be considered finalized until the publication of the variance order by the ARB on the Hampton Hall website.
- (ii) **Appeal of ARB Variance Decision.** Any Owner located within 200 feet of a Homesite that has been granted a variance by the ARB may appeal the granting of any such variance by filing an appeal with the General Manager of Hampton Hall, as provided herein, within fifteen (15) days of the posting of the variance order on the Hampton Hall website.

6.08 Application Fees and Compliance Deposits. The ARB shall establish and publish a Fee/Compliance Deposit Schedule as a part of the Design Standards that will include, but not be limited to, application fees or compliance deposits for new construction, major additions, tree and brush removal and repainting ("Fee Schedule"). Such Fee Schedule is designed to cover, among other things, the expenses for reviewing plans and related data and to compensate any consulting architects, landscape architects or attorneys in accordance with Section 6.03(c) above. The Fee Schedule, as approved by the ARB, shall be subject to the review and approval of the Board of Directors of the Club from time to time. The ARB shall have the right to adjust such Fees and/or Compliance Deposits included within the Fee Schedule not more than once in any subsequent twelve (12) month period.

6.09 Approval of Plans and Specifications. Approval for use, in connection with any Homesite or Structure, of any plans and specifications shall not be deemed a waiver of the ARB's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Homesite or Structure. Approval of any such plans and specifications relating to any Homesite or Structure shall be final only as to that Homesite or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval. It is recognized that plans may be submitted and approved by the ARB in preliminary form or final form at any time. Preliminary or partial plans approved shall be deemed approved plans only to the extent of the matters covered therein; however, no construction, except as specifically authorized in writing by the ARB, shall begin on a Homesite until the entire plan has been approved by the ARB for all matters covered in Section 6.06 and/or the Design Standards. **EACH MEMBER/OWNER ACKNOWLEDGES AND AGREES THAT APPROVALS BY THE ARB INVOLVE SUBJECTIVE DETERMINATIONS AND THAT OPINIONS MAY VARY AS TO THE DESIRABILITY OR ATTRACTIVENESS OF PARTICULAR IMPROVEMENTS. EACH OWNER ACKNOWLEDGES AND AGREES THAT PRIOR APPROVAL OF ANY IMPROVEMENT DOES NOT GUARANTEE FUTURE APPROVAL OF A LIKE IMPROVEMENT AND THAT THE DESIGN STANDARDS MAY BE CHANGED TO PROHIBIT**

IN THE FUTURE IMPROVEMENTS SIMILAR OR LIKE IMPROVEMENTS PREVIOUSLY APPROVED. THE ARB MAY IN ITS SOLE DISCRETION AUTHORIZE VARIANCES FROM COMPLIANCE WITH THE DESIGN STANDARDS, INCLUDING BUT NOT NECESSARILY LIMITED TO ALL SETBACK REQUIREMENTS AS SET FORTH THEREIN OR AS SHOWN ON A SUBDIVISION PLAT, AND PROCEDURES WHEN THE ARB IN ITS DISCRETION DETERMINES THAT CIRCUMSTANCES SUCH AS TOPOGRAPHY, NATURAL OBSTRUCTIONS, HARDSHIP, OR AESTHETIC CONSIDERATIONS, ENVIRONMENTAL CONDITIONS, OR OTHER CONSIDERATIONS SO REQUIRE BUT NO VARIANCE SHALL BE EFFECTIVE UNLESS IN WRITING.

6.10 Community-Wide Standard. "Community-Wide Standard" shall mean and refer to the standard of conduct, maintenance or other activity generally prevailing throughout the Property or the minimum standards established pursuant to Board resolutions and/or the Design Standards (as hereinafter defined), whichever is highest. Such minimum standard may be more specifically defined and changed from time to time by the Board of Directors and such standard may include objective and subjective elements.

6.11 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 and other aesthetic and environmental considerations, the ARB reserves unto itself, its successors and assigns, the right to control and to decide solely (so long as (a) its decisions are not arbitrary and capricious and (b) 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 on any Homesite or other property in Hampton Hall.

The location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Property. The Club through the ARB reserves the right to have specimen trees preserved and that site planning provide for their preservation.

6.12 Parking. Each Owner shall provide space for the parking of automobiles off public streets and community roads prior to the occupancy of any building or structure constructed on said property in accordance with reasonable standards established by the ARB.

6.13 Completion of Construction. The exterior of all houses and other structures must be completed within twelve (12) months after the construction of 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 natural calamities or design complexities. Houses and other dwelling structures 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 Residential Lot in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools and construction material from the Lot. Any damage to roads, bike paths, Common Properties or property owned by others caused by the Owner's contractor or other parties providing labor or services to the Owner shall be repaired by the Owner or by the Club at Owner's expense. The landscaping plan for all Homesites and all Structures must be completed within ninety (90) days of occupancy or substantial completion, whichever date shall first occur.

6.14 Service Yards. Each Owner shall provide a visually screened area to serve as a service yard and an area in which garbage receptacles, fuel tanks or similar storage receptacles, electric and gas

meters, air conditioning equipment, clothes lines, and other unsightly objects must be placed or stored in order to conceal them from view from the road and adjacent properties.

Plans for such visually screened area delineating the size, design, texture, appearance and location must be approved by the ARB prior to construction. Garbage receptacles and fuel tanks may be located outside of such screened areas only if located underground.

6.15 Other Buildings and Vehicles. No mobile home, trailer, tent, barn, or other similar out-building or structure shall be placed on any Homesite at any time, either temporarily or permanently without prior approval from the ARB. No boats, boat trailers, campers, privately owned golf carts, motor cycles, motor bikes, recreation vehicles, trucks, or utility trailers may be maintained on the Property, unless garaged, without prior written approval of the ARB.

6.16 Unsightly Conditions. It shall be the responsibility of each Owner and tenant thereof to prevent the accumulation of litter, trash, packing crates or rubbish or the development of any unclean, unsightly or unkempt condition of buildings or grounds on his property either before, during or after construction, nor to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area.

6.17 Lights. The design and location of all exterior lighting fixtures shall be subject to the approval of the ARB. Neither these nor any other illumination devices, including but not limited to Christmas ornaments, located anywhere on the Structures or grounds of any Homesite shall be located, directed, or of such intensity to affect adversely the night-time environment of any adjacent property.

6.18 Inspection Rights. Any employee or agent of the ARB may, at any reasonable time or times, enter upon any Homesite and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Homesite or Structure is in compliance with the provisions of the approved plans and this Declaration; and neither the ARB nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this Section. Except in the case of emergency or when the Homesite has been abandoned, the ARB shall provide reasonable advance notice, in writing, of any proposed inspection, with at least forty-eight (48) hours being deemed reasonable advance notice. This notice may be provided to the Owner of the Homesite via the means set forth in Section 12.05 of this Declaration, as well as via facsimile, electronic mail, and/or posting of a notice on the Homesite.

6.19 Violations. If any Structure shall be erected, placed, maintained or altered upon any Homesite, otherwise than in accordance with the plans and specifications approved by the ARB pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If, in the opinion of the ARB, such violation shall have occurred, the ARB shall notify the Club. The Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action with thirty (30) days after the mailing of the aforesaid notice of violation, then the Club shall have the right to issue a Stop Work Order and/or Right of Abatement as provided in Section 9.02 hereof.

6.20 Fees for Inspections. The ARB may impose and collect a reasonable and appropriate fee to cover the cost of inspections performed pursuant to Section 6.18. The fee may be established from time to

time by the ARB as part of the Fee Schedule that is to be published in the Design Standards as required by Section 6.08 of this Declaration.

6.21 Nondiscrimination by ARB. The ARB shall not discriminate against any applicant requesting its approval of plans and specifications because of such applicant's race, color, sex, religion, age or national origin. Further, the ARB in the exercise of its powers granted pursuant to this Declaration shall not take any action the intent or effect of which is to discriminate against persons or a particular race, color, sex, religion, age or national origin.

6.22 Building Height. No structure shall be constructed which has a height exceeding three (3) stories. The third story of a three-story home shall be located in the attic above the first two floors. The garage area below the flood zone regulation height shall not be considered a story.

6.23 Certain Controls. To implement effective and adequate erosion control and protect the beauty of the Property, the Club, its successors, assigns, and agents shall have the right to enter upon any property before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon the properties for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices, the Club shall give the Owner the opportunity to take any corrective action required by giving the Owner notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by such Owner. If the Owner fails to take the corrective action specified immediately, the Club may then exercise its right to enter upon the property in order to take the necessary corrective action. The cost of such erosion prevention measures when performed by the Club, its successors or assigns, on an improved property, shall be paid by the Owner thereof.

To implement effective insect, reptile and woods fire control, the Club, its successors, assigns, and agents have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented. In any case which, in the opinion of the Club, detracts from the overall beauty, setting and safety of the Club, the Club, its successors, assigns, and agents shall have the aforementioned rights of entry, for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds or other unsightly growth, removing trash, draining standing water or dispensing pesticides.

The cost of this vegetation, trash and drainage control shall be kept as low as reasonably possible and shall be paid by the respective Owner. Such entry shall not be made until thirty (30) days after such Owner has been notified in writing of the need of such work and unless such Owner fails to perform the work within said thirty (30) day period.

The provisions of this Section shall not be construed as an obligation on the part of the Club to mow, clear, cut or prune any property, to provide garbage or trash removal services, to perform any grading or landscaping work, construct or maintain erosion prevention devices, or storm drainage improvements, or to provide water pollution control on any privately owned property.

Entrance upon property pursuant to the provisions of this Section shall not be deemed a trespass.

The rights reserved unto the Club in this Section shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purposes of this Declaration. In the event

the Owner does not pay the costs incurred by the Club, as authorized herein, the Club shall have the same collection rights and remedies as set forth for the collection of delinquent assessments.

6.24 Environmental Hazards. To secure the natural beauty of the Club, the Club, its successors or assigns, may promulgate and amend from time to time rules and regulations which shall govern activities which may, in its judgment, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals. Failure of any Owner or tenant of property in the Club to comply with the requirements of such rules and regulations shall constitute a breach of these Covenants.

The Club hereby reserves unto itself, its successors, assigns, and agents a perpetual, alienable and releasable easement and right on, over and under all property in the Club for the purpose of taking any action necessary to effect compliance with such environmental rules and regulations. The cost of such action by the Club shall be paid by the respective Owner of the property upon which the work is performed.

6.25 Further Siting Authority. To prevent excessive "run-off" or drainage resulting from any improvements to residential lots, the Club hereby reserves to itself, its successors and assigns, the right to establish a maximum percentage of property, which may be covered by a building, patio, driveway or other structures. In the establishment of such maximum percentage the Club shall consider topography, percolation rate of the soil, soil types and conditions, vegetation cover and other relevant environmental factors. Neither this nor any other right reserved herein by the Club shall be construed, however, to be an obligation of the Club to take any action.

6.26 Standard of Reasonableness. The rights reserved unto the Club in this Article shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purposes of this Declaration.

ARTICLE VII GENERAL COVENANTS AND RESTRICTIONS

7.01 Application. The covenants and restrictions contained in this Article VII shall pertain and apply to all Homesites and to all Structures erected or placed thereon. These covenants and restrictions shall be in addition to all rules and regulations that are adopted by the Board.

7.02 Maintenance. Each Owner shall keep and maintain each Homesite and Structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all Structures; (ii) the seeding, watering and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not unsightly and/or not obstructive of a view by motorists or pedestrians of street traffic. If, in the opinion of the ARB, any Owner shall fail to perform the duties imposed by this Section, the ARB shall notify the Club. The Board or its designee shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such conditions. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Club shall have the Right of Abatement as provided in Section 9.02 hereof. Guidelines relating to the maintenance of Homesites, whether vacant or improved, including Structures and landscaping, may be included in the Design Standards of the Declarant or, if established, the ARB.

7.03 Restriction of Use. Homesites may be used for single-family residential purposes only, or if conveyed or dedicated to the Club as Common Property, for such purposes as the Club sees fit (subject to such restrictions as may be contained in grant or conveyance of said Common Property) and for no other purposes.

7.04 Resubdivision of Property. No Homesite may be split, divided, or further subdivided for any purpose, including sale, resale, gift, transfer, or otherwise, without the prior written approval of the Club.

7.05 Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Homesite without the prior written approval of the ARB of plans and specifications for the prevention and control of such erosion or siltation. The ARB may, as a condition or approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices of controlling the run-off and drainage of water, silt fence, special precautions in grading and otherwise changing the natural landscape, and required landscaping as provided for in Section 7.06.

7.06 Landscaping. No construction or alteration of any Structure shall take place without the prior written approval by the ARB of plans and specifications for the landscaping to accompany such construction or alteration.

7.07 Trees. Except as otherwise expressly agreed to in writing by the Club and subject to any applicable restrictions of the Town of Bluffton, no living tree having a diameter of six (6) inches or more (measured from a point two (2) feet above ground level) shall be removed from any Homesite unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of Sections 6.06, 7.05 and 7.06 hereof. Guidelines relating to the preservation of trees and other natural resources and wildlife upon the Property may be included in the Design Standards issued by the ARB. Notwithstanding the foregoing, an Owner, in the event of an emergency situation in which a tree is dead, diseased, or posing an imminent danger to life or a Structure, may remove such a dangerous tree from a Homesite without the written approval of the Club; provided, however, the Owner must provide the Club with written notice of the removal of the dangerous tree and such other information as the Club may require.

7.08 Temporary Buildings. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Homesite except as may be approved in writing by the ARB.

7.09 Signs.

(a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the prior written approval of plans and specifications therefor by the ARB, be installed, altered or maintained on any Homesite, or on any portion of a Structure visible from the exterior thereof, except for such signs as may be required by legal proceedings.

(b) In no event during approved construction of any Structure shall more than one job identification sign be approved by the ARB.

(c) All Owners acknowledge and agree that no "For Sale" signs of any kind will be allowed on any Homesite without the prior written consent of the Club, which consent may be withheld for any reason.

7.10 Setbacks.

(a) Each dwelling which is erected on a Homesite shall be situated on such Homesite in accordance with the building and setback lines shown on any subdivision plat recorded by Developer, unless the ARB, require stricter setbacks in the Design Standards. For purposes of this requirement, all reasonable shutters, awnings, eaves, gutters and other such overhangs will not be considered in violation thereof, even though such parts of a Structure may extend beyond the building and setback lines, unless the ARB has established such a requirement as part of its approval of a Structure or has otherwise established setback requirements. HVAC equipment may be located in the setbacks (but all HVAC equipment must be located in a service yard with screening as provided by the Design Standards) unless the Design Standards require otherwise; however, the ARB, may require large, packaged HVAC systems (where the air handler and compressor are in one unit) to be located outside any setback lines and/or to have additional screening satisfactory to the ARB.

(b) In approving plans and specifications for any proposed Structure, the ARB, may establish setback requirements for the location of such Structure which may be stricter than the setbacks shown on any recorded plat.

(c) The ARB may in its discretion authorize variances from compliance with all setback requirements when the ARB in its sole discretion determines that circumstances such as topography, natural obstructions, hardship, or aesthetic considerations, environmental conditions, or other considerations deemed appropriate by the ARB, so require but no variance shall be effective unless in writing.

7.11 Fences. No fence or wall of any kind shall be erected, maintained, or altered on any Homesite without the prior written approval of the ARB, of the location, materials, design, and plans and specifications for such fences and walls.

7.12 Roads and Driveways. No entrance or driveway shall be constructed or altered on any Homesite without the prior written approval of the ARB of plans and specifications for such entrance and driveways.

7.13 Clotheslines, Garbage Cans, Etc. No clotheslines shall be permitted. All equipment and garbage cans shall be kept in a garage, service yard or screened by adequate planting or approved fencing so as to conceal them from view by neighboring residences and streets.

7.14 Parking and Related Restrictions.

(a) No vehicles of any type whatsoever shall be permitted to park on the streets of the Property except on a temporary basis as may be permitted in writing by the ARB or as permitted in the Design Standards.

(b) No school bus, truck or commercial vehicle over one (1) ton capacity, house trailer, mobile home, motor home, recreational vehicle, camper, habitable motor vehicle of any kind, boat or boat trailer, trailers of any kind, or like equipment shall be permitted on any Homesite except as may be permitted in writing by the ARB or as permitted in the Design Standards.

(c) Any trash, firewood, wood scraps, building materials (excluding during construction of a Structure), or other such materials shall be covered from view as required in writing by the ARB or as permitted in the Design Standards.

(d) The purpose of this Section is to help maintain the neat and attractive appearance of the Property by requiring the streets of the Property to remain cleared and in an attractive condition. In effectuating the purpose of this Section, the ARB, may adopt Design Standards, guidelines, rules and regulations which shall give greater substance to these provisions.

7.15 Recreational Equipment. Recreational and playground equipment may not be placed or installed upon a Homesite unless otherwise approved in writing by the ARB, or as otherwise permitted in the Design Standards.

7.16 Non-Discrimination. No Owner or person authorized to act for an owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Homesite to any persons because of race, color, religion, sex, age or national origin. Anything in this Declaration to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

7.17 Animals. No animals, including birds, insects, and reptiles, may be kept on any Homesite unless kept thereon in a reasonable number solely as household pets and not for commercial purposes. No livestock shall be kept on any Homesite. No animal shall be allowed to become a nuisance. Excessive barking by dogs (whether such barking can be heard from the street on which the Homesite is located or by the Owners of surrounding Homesites) may be deemed a nuisance by the Board in its sole discretion. No Structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Homesite unless the ARB allows such Structure and the plans, specifications and location for said Structure have been approved in writing by the ARB or as permitted in the Design Standards. No pets shall be walked or allowed off any Homesite except on a leash. Owners shall be responsible for cleaning up all solid waste of their pets at the time of elimination and shall carry bags, scoopers, and other materials on each walk sufficient for such purposes.

7.18 Solid Waste.

(a) No person shall dump rubbish, garbage, or any other form of solid waste on any Homesite or on Common Property.

(b) Except for building materials employed during the course of construction of any Structure approved by the ARB, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Homesite unless screened or otherwise handled in manner approved in writing by the ARB.

(c) If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day persons making such pick-up. At all other times such containers shall be screened or enclosed.

(d) No burning of any trash, debris, or materials of any kind shall be allowed on a Homesite except as otherwise approved in writing by the ARB, or as permitted in the Design Standards.

7.19 Nuisances. No noxious or offensive activity shall be carried on upon any Homesite, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the community.

7.20 Landscape and Monument Easements. For any Homesites subject to a landscape or monument easement as set forth on any recorded plat or survey of the Property, such Homesites are subject to those easements rights set forth in Section 3.05.

7.21 Buckwalter P.U.D. Zoning and Environmental Covenants. The Property described in Exhibit "A" attached hereto is a portion of the Buckwalter P.U.D. under the Town of Bluffton zoning ordinances and is subject to a Development Agreement between SP Forests, LLC and the Town of Bluffton, as each may be amended from time to time. This P.U.D. zoning and the Development Agreement impose certain restrictions on the use of the Property. Each Owner shall keep and maintain each Homesite and Structure as well as all of the landscaping located thereon in compliance with the Buckwalter P.U.D. zoning and the aforementioned Development Agreement, as each may be amended from time to time. Any violation of the requirements of either the Buckwalter P.U.D. Zoning or the aforementioned Development Agreement shall be deemed to be a violation of these Covenants hereunder and, as such, shall give rise to all remedies and any and all rights of Declarant to enforce these Covenants.

7.22. Wells; Irrigation. Subject to obtaining permits required from all governmental entities having jurisdiction, private shallow wells will be allowed on Homesites for irrigation purposes only unless the Club otherwise decides to prohibit or restrict wells. Notwithstanding any other provision of this Declaration, the Club is allowed to have wells of any type on any portion of the Property. No Owner may access any ponds and/or lagoons and/or any other water features adjacent to a Homesite for irrigation or for any other purpose.

ARTICLE VIII **EASEMENTS, ZONING AND OTHER RESTRICTIONS**

8.01 Easements.

(a) There is expressly reserved to the Club, its successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property or the Additional Property for any purpose which the Club deems necessary, including, by way of example, and not limitation, the following:

(i) the erection, installation, construction and maintenance of wires, lines, conduits and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television and other utilities and similar facilities;

(ii) the erection, installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas, water and heat, and for any other public or quasi-public facility, service or function;

(iii) slope control purposes, including the right to grade and plant slopes and to prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow;

(iv) the planting or re-planting of hedges, shrubbery, bushes, trees, flowers and plants or any nature;

(v) the erection, installation, construction and maintenance of fences, walls, monuments, signs, etc. along streets in, around and along, and at entrances to the Development, and the right to landscape such areas, plant, re-plant and prune hedges, shrubbery, bushes, trees, flowers, grass and plants of any nature;

(vi) an easement for grading and/or regrading areas deemed necessary or desirable by the Club; and

(vii) an easement for the operation, maintenance, repair, and replacement of the Club Facilities and the Golf Facilities.

(b) No Owner or Member shall have any right to use any easement created by Section 8.01 in, on or over any portion of the Property unless such easement has been specifically conveyed or assigned by the Declarant to the Club for the benefit of Members.

(c) The Club hereby expressly reserves to itself, its successors and assigns, across the Property, and across each portion of any Additional Property subsequently submitted to this Declaration by annexation as provided in Article XI hereof, perpetual easements appurtenant to all or any portion of the Property and to all or any portion of the Additional Property for the following uses and purposes:

(i) an easement for ingress and egress by vehicular and pedestrian traffic over (1) such drives, roadways, walkways and paths as are shown on the plat or plats recorded in connection with each phase of the Property and such portions of the Additional Property as are submitted to this Declaration, and (2) such drives, roadways, walkways and paths as may be constructed in the future;

(ii) an easement for the purpose of installing, operating, maintaining and replacing wires, pipes, conduits and other structures and facilities necessary to the furnishing of gas, water, sewage, storm drainage, electricity, street lights, telephone, and other utilities and services, including the right to connect with and to use in common with the Owners in each phase of the Property and portions of the Additional Property subsequently submitted to this Declaration, the wires, pipes, conduits, and other structures and facilities furnishing such utilities and services to such owners;

(iii) easements for the purpose of utilities and/or creating and maintaining satisfactory drainage across Homesite's in the development, being ten (10) feet along the front boundary line, seven and one half (7.5) feet wide along each side line and ten (10) feet wide along rear boundary line; provided, however, (1) said easements shall not include any portion of a Homesite upon which the foundation of any dwelling is located and (2) such easements shall be limited to five (5) feet for any Homesite with a front, side and/or rear set back of five feet as approved in writing by the Declarant, or if established, the ARB, and (3) said easements shall be limited to 7.0 feet on one side of any Homesite with approved zero lot lines; and

(iv) an easement over the Homesites for the spraying of treated effluent which treated effluent will be sprayed primarily on the golf course to be developed as part of the Golf Member Facilities but which may end up on a portion of the Homesites due to wind and/or the location of certain sprinkler heads and/or other factors.

(d) The Club, subject to the provisions of Section 8.04, further reserves for itself, its successors and assigns, and its members, immediate family of members, guests, visitors, employees, contractors, and users of the Club Facilities and Golf Facilities a perpetual nonexclusive easement over all streets located or to be located in the future on the Property and/or the Additional Property for access of ingress and egress to the Club Facilities and the Golf Facilities, including access as is needed for the construction, installation, maintenance, repair, and replacement of all or any part of the Club Facilities and/or the Golf Facilities.

(e) In addition to the above, the Club hereby grants a general easement in favor of utility, cable television and other such service companies across the Property, and across each portion of any Additional Property subsequently submitted to this Declaration by annexation as provided in Article XI hereof to maintain, repair, replace and service wires, pipes, conduits, street lights and other structures and facilities provided for the benefit of the Owners and Members.

(f) The easements created in this Article VIII are in addition to any easements or rights created elsewhere in this Declaration or in other easements of record. .

8.02 Easement Area. The words "Easement Area" as used herein shall mean those areas on any Homesite with respect to which easements are shown on a recorded deed or grant of easement, or on any filed or recorded map or plat relating thereto, or as otherwise set forth in Section 8.01.

8.03 Entry. The Club and its employees, agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes. The Club and its employees, agents, successors and assigns shall be responsible for leaving each Homesite in good condition and repair following any work or activity undertaken by the same in an Easement Area pursuant to the provisions of Section 8.01.

8.04 Roads. Declarant hereby reserves for the benefit of the Club and all members of the Club, their guests and invitees and has granted, bargained, sold and released and by these presents does hereby grant, bargain, sell and release to the Club and all members of the Club, their guests and invitees a perpetual non-exclusive easement appurtenant to the Property for vehicular and pedestrian access of ingress and egress to and from Buckwalter Parkway (and any other access points to the Property established the Club) to all or any portion of the Property over all roads constructed on the Property, whether now existing or hereafter built. The easement granted by herein shall be subject to the right of the Club to adopt, enforce, and amend from time to time, reasonable, non-discriminatory rules and regulations pertaining to the use of all roads; provided, however, in no event will the Club be permitted to charge Members (in their capacity as members) or their guests and invitees any charge for use of such roads other than a reasonable charge for vehicle decals. THE CLUB RESERVES THE RIGHT TO CHARGE A FEE ON SUCH BASIS AS DETERMINED BY THE CLUB (WHETHER A DAILY FEE, YEARLY FEE, OR SOME OTHER BASIS) FOR THE ENTRY OF ALL APPROVED COMMERCIAL VEHICLES INTO THE CLUB, INCLUDING BUT NOT LIMITED TO ALL CONTRACTORS, MOVERS, AND ALL OTHER COMMERCIAL SERVICE PROVIDERS. Furthermore, Declarant does hereby reserve for the benefit of the Golf Facilities and the Club facilities and has granted, bargained, sold and released and by these presents

does hereby grant, bargain, sell and release to the Club, its members, employees, agents and contractors a perpetual non-exclusive easement for vehicular and pedestrian ingress and egress over all roads, whether now existing or hereafter built, on the Property for the purposes of constructing, installing, operating, repairing, replacing and maintaining any and all Golf Facilities and Club Facilities, including irrigation lines across, along and under roads on the Property and for the construction, operation, maintenance, replacement or repair of all Golf Facilities and Club Facilities. The Golf Members will be responsible for repairing any damage to any roads on the Property or damage to other areas of the Property caused by the Club or its contractor or other agents in exercising its easement rights hereunder with respect to the Golf Facilities and the Club Members will be responsible for repairing any damage to any roads on the Property or damage to other areas of the Property caused by the Club or its contractor or other agents in exercising its easement rights hereunder with respect to the Club Facilities.

8.05 Golf Members. Declarant reserves for the exclusive benefit of the Club with respect to Golf Facilities, the Golf Members and permitted users and guests of the Golf Facilities perpetual, exclusive easements for vehicular (carts and maintenance equipment) and pedestrian ingress and egress and for construction, use, operation, repair and maintenance of irrigation lines and cart paths over, thorough and under the areas of the Property in the locations where such irrigation lines and cart paths are actually constructed.

8.06 Other Golf Course Easements. Declarant grants to the Club with respect to Golf Facilities, the Golf Members and permitted guests of the Golf Facilities, together with the Club's employees, servants, independent contractors, agents, guests, and invitees (collectively the "Golf Course Users") a non-exclusive easement over and across the Property and over and across any Homesite and/or other Common Property located adjacent to the golf course for the following purposes:

(a) Retrieval of golf balls, including the right to enter on the Homesite and any other Common Property for that purpose, provided the right to retrieve golf balls shall only extend to portions of the Homesite not enclosed by a fence, wall, or structure, and the person retrieving the golf balls shall do so in a reasonable manner and will repair any damage caused by entry onto the Homesite or other Common Property to retrieve the golf ball.

(b) Flight of golf balls over, across, and upon a Homesite and other Common Property.

(c) Doing every act necessary and incident to playing golf on the golf course, including, but not limited to, the creation of usual and common noise levels associated with golf play, and the ability for a Golf Course User to play his/her golf ball while standing out of bounds if said golf ball lies within bounds as permitted by the rules of golf as are from time to time applicable, and the operation of lighting facilities for operation of driving range, and golf practice facilities during hours of darkness.

(d) Creation of noise related to normal maintenance and operation of the golf course, including, but not limited to, the operation of mowing, raking and spraying equipment, which noise may occur from early morning until late evening.

(e) An easement for the overspray of herbicides, fungicides, pesticides, fertilizers, and water over portions of Homesites and other Common Property located adjacent to the golf course.

(d) The existence of these easements shall not relieve golfers of liability, if any, for damage caused by errant golf balls. However, each Owner of a Homesite by accepting a deed to a Homesite hereby acknowledges and agrees that the location of a Homesite on the golf course on the Property, while

beneficial and highly desirable, subjects the Owner of said Homesite to the risk of damage or injury due to golf balls. Each Owner by accepting a deed to a Homesite hereby assumes the risk of such damage and injury. Under no circumstances shall the Club, its directors, officers or employees, be held liable for any damage or injury resulting from errant golf balls or the exercise of these easements. Each Owner by accepting a deed to a Homesite agrees to indemnify and hold the Club, its directors, officers and employees, harmless from any and all claims, actions, costs or liability arising from any damage or injury caused, directly or indirectly, by golf balls flying, landing, hitting, or resting in or around the Homesite. The obligation to indemnify, defend, and hold harmless shall pass with title to each Homesite adjacent to the golf course, and once an Owner of a Homesite adjacent to the golf course has conveyed title to the Homesite, the obligation ceases as to that Owner for all subsequent occurrences and that obligation passes to the new owner or lessee.

8.07 Encroachment Easements.

(a) If, after completion of the construction of the golf course and other Golf Facilities, minor encroachments exist of the golf course or other Golf Facilities onto a Homesite, the Owner of the applicable Homesite or Homesites hereby grants to the Club easements which shall allow said encroachments to exist, so long as such easements are not expanded in any way. However, should any improvement constituting an encroachment ever be abandoned for a period of six (6) months or destroyed, the easement for that particular encroachment shall be automatically terminated. The Club and the Owner of any applicable Homesite shall cooperate with each other to locate and accommodate said minor encroachments.

(b) If any structures or other improvements initially constructed by Developer on any of the Homesites (including without limitation any eaves, roof overhangs, balconies, siding, porches, or other equipment and/or structures which may be attached to the walls or roofs of such buildings) encroach onto or over or extend into the air space or any portion of the Common Property, or, conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Homesite, a valid easement for the encroachment and for the maintenance, repair and replacement thereof, shall exist so long as the encroachment exists.

8.08 Prohibited Homesite Improvements. For Homesites adjacent to the golf course, unless waived by the Club in writing in its sole discretion, Owners of said Homesites are prohibited, within 20 feet of the boundary line of said Homesite, from (i) constructing improvements including, but not limited to, buildings (temporary or permanent), fences, walls, swimming pools, and (ii) the planting or removal of landscaping and trees, except as specifically allowed in the Design Standards.

8.09 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control. Notwithstanding the foregoing, if these Covenants are included as part of any zoning ordinance or resolution, the adoption of the same shall not prevent the later modification or amendment of these Restrictions in accordance with the provisions for amendment contained in this Declaration.

ARTICLE IX
ENFORCEMENT

9.01 Right of Enforcement. This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Club, and (ii) subject to the limitations as set forth below, each Owner or Member, his legal representatives, heirs, successors and assigns; provided, however, no Owner or Member shall have the right to enforce any provision of this Declaration for which the Club is seeking the enforcement of and no Owner or Member shall interfere in any way with such enforcement efforts of the Club. In all enforcements of the provisions of this Declaration, the Club shall have the exclusive right to handle such enforcement proceedings without interference from any other party.

No Member or Owner shall have the right to object, to challenge, and/or to commence any legal proceeding concerning this Declaration, the Bylaws, or any rules and regulations of the Club under any act, power, or authority now in force or hereafter to be enacted except after following such procedures as may be established by the Full Board or Golf Board as applicable by rule or regulation consistent with the provisions of this Declaration. The Full Board or Golf Board as applicable, or a committee as may be appointed by the Full Board or Golf Board as applicable, shall hear claims from Members and Owners regarding alleged violations of the Declaration, Bylaws, and any rules and regulations (except for violations with respect to assessment obligations) of the Club. The Full Board or Golf Board as applicable or such committee shall hold a hearing on any such claim within forty-five (45) days after receipt by the Full Board or Golf Board as applicable of a written notice of claim and request for a hearing from a Member or Owner. A decision shall be issued in writing by the Full Board or Golf Board as applicable or such committee (which decision may at the Full Board or Golf Board as applicable or committee's discretion, but shall not be required, to include the rationale supporting the decision) within twenty (20) days after the conclusion of the hearing, unless the parties involved agree to extend the timeframe for the decision. Unless the internal remedies provided by this section, or by any rules and regulations as may be promulgated by the Full Board or Golf Board as applicable, shall be expressly waived by the Club, or the Club fails or refuses to act, no legal proceeding shall be commenced by any Member or Owner until such internal remedy is pursued to exhaustion.

9.02 Right of Abatement.

(a) Except where different notice provisions are provided in Sections 6.11 and 7.02, in the event of a violation or breach of any covenants, conditions or restrictions contained in this Declaration, the Club shall give written notice by certified mail to the Member setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach; provided, however, notwithstanding any other provision of this Declaration, the Club may take immediate action without notice for any condition which the Full Board or Golf Board as applicable deems to be an immediate threat to the health, safety and welfare of the Membership and the costs of such actions shall be payable by such Member and a lien upon such Member's Homesite. Upon such notice, if the Member shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of such written notice, then the Club shall have the Right of Abatement. If any assessment, interest, cost or charge required by this Declaration is not paid within sixty (60) days after such assessment is due or such charge is imposed, the Club shall have the right to notify any or all Mortgagees having a security interest in the Member's Homesite or Homesites that such Member is in default in the performance of his obligations under these Covenants, and of those actions taken or proposed to be taken by the Club as a result of the default.

(b) The Right of Abatement, as used in this Section and Sections 6.11 and 7.02 hereof, means the right of the Club, through its agents and employees, to enter at all reasonable times upon any

Homesite or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Member/Owner(s) to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions of this Declaration or the rules and regulations adopted by the Club, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof, including the costs of collection and reasonable attorneys' fees, together with interest thereon at the lower of the highest rate permitted by law or 18% to be a binding personal obligation of such Member/Owner(s) enforceable in law, as well as a lien on such Member/Owners' Homesite enforceable pursuant to the provisions of Section 9.05 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Homesite after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 5.01 hereof, and (iii) the lien or charge of all first and second Mortgages of record held by Mortgagees made in good faith and for value.

9.03 Fines and Penalties and Creation of Lien.

(a) Except for nonpayment of any Club Member Assessments, Golf Member Assessments, Special Assessments, Neighborhood Assessments, Specific Assessments, Golf Member Specific Assessments or Golf Special Assessments which violation of the Restrictions is controlled by Section 5.09, in addition to all other remedies set forth in this Declaration, the Club, acting through the Full Board or the Golf Board as applicable, may establish fines and penalties for any or all violations of the Restrictions.

(b) The Club, acting through the Full Board, the Golf Board, or the Architectural Review Board (with ARB fines to be set forth in the ARB Guidelines) as applicable, shall have the authority to establish different degrees or categories of violations and to further establish fines or penalties which vary in amount, or method of application, from category to category. All fines within any one category shall be set at a standard amount and shall be applied by a standard method. Members shall be responsible for the conduct of their guests and invitees and shall be responsible for paying any fines not paid by such guests or invitees.

(c) Except for violations of rules governing the use, operation and maintenance of the Common Property, no fine or penalty provided for herein shall begin to accrue unless the Member has been given notice in accordance with Section 9.02 (a). This provision shall not supersede any other provision or this Declaration requiring different notice. No notice need be given for fines imposed for violations of the rules governing the use, operation, and maintenance of Common Property.

(d) Due to the recognition that fines and penalties are often not established until after a violation has occurred, the Club, acting through the Full Board or the Golf Board as applicable, shall have the authority to assess any fines or penalties established in accordance with these provisions against any and all violations of the Restrictions referred to herein, regardless of when the violation occurred; however, no fines or penalties can begin accruing until after they are adopted and notice of the penalty has been given to the Member. The Full Board and the Golf Board as applicable shall also have the authority in its sole discretion to waive any fines or penalties as it deems appropriate.

(e) Any fines or penalties assessed pursuant to this Section 9.03 for violations of the Restrictions, including any fines or penalties assessed for violation of rules and regulations relating to the use, operation and maintenance of the Common Property, together with the cost of collection and reasonable attorneys' fees, shall be a binding personal obligation of the Member enforceable in law, as well as a lien on

such Member/Owners' Homesite enforceable pursuant to the provisions of Section 9.05 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Homesite after their assessment, whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 5.01 hereof, and (iii) the lien or charge of all first and second Mortgages of record held by Mortgagees made in good faith and for value.

9.04 Specific Performance. Except for the restrictions on enforcement by Members/Owners as set forth on Section 9.01 above, nothing contained in this Declaration shall be deemed to affect or to limit the rights of the Club or any Member to enforce the Covenants and seek damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of or failure to perform any of the obligations provided by this Declaration; and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

9.05 Collection of Assessments and Enforcement of Lien. If any Assessment, interest, cost, fine, or other charge is not paid as required by this Declaration, the Club may bring either an action at law against the Member personally obligated to pay the same, or an action to foreclose any lien created by this Declaration against the Homesite or Homesites subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorneys' fees.

9.06 No Waiver. The failure of the Club or the Member/Owner of any Homesite, his or its respective legal representatives, heirs, successors and assigns, to enforce any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

9.07 Litigation. Notwithstanding any other provision of this Declaration, no judicial or administrative proceeding shall be commenced or prosecuted by the Club or its Members, derivately, unless approved by at least five (5) of the seven (7) directors of the Full Board. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles or the By-Laws to the contrary, neither the Club nor its Members shall bring or prosecute any such proceeding unless authorized to do so by approval from the Board. Section shall not apply, however, to (a) actions brought by the Club to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Club in proceedings instituted against it.

ARTICLE X DURATION AND AMENDMENT

10.01 Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein 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 Declarant for a period of forty (40) years from the execution of this Declaration. After the initial forty (40) year period of duration, all said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Members of the Club has been recorded, agreeing to change said Covenants in whole or in part. Notwithstanding any other provision of this Declaration, termination of these Covenants

shall not terminate any easements granted hereunder which easements shall be perpetual unless this Declaration otherwise specifically provides.

10.02 Amendment. These Restrictions may be amended at any time from time to time by the affirmative vote of Members holding at least three fourths (¾) of the total votes in person, by proxy, or by written ballot of the Class "A" Members at a duly called meeting with a quorum present. No amendment to the provisions of these Restrictions shall materially and adversely alter, modify, change or rescind any right, title, interest or privilege herein granted or accorded to the holder of any Mortgage encumbering any Homesite affected thereby unless such holder shall consent in writing thereto. Any such amendment shall not become effective until the instrument evidencing such change with all required signatures has been filed for record in the Beaufort County Register of Deeds Office. Every Member by acceptance of a Membership and every Owner by acceptance of a deed to a Homesite or other conveyance therefor, hereby and thereby agrees that these Restrictions may be amended as provided in this Section.

Further, notwithstanding any other provision of this Declaration, after the Turnover Date, this Declaration may not be amended in any way that affects the rights of Golf Members and/or affects the Golf Facilities without the affirmative vote of at least fifty-one (51%) percent of the total vote of all Golf Members.

Amendments or changes to the Membership Plan that are materially adverse to the rights of the existing Members must be approved in the same manner as set forth above for the amendment of this Declaration.

10.03. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor or the now living descendants of the now living descendants of Elizabeth II, Queen of England.

ARTICLE XI LEASES

11.01 Application. In order to assure a community of congenial Owners and thus protect the value of Homesites within the Development, the leasing of a Homesite, or any portion thereof, by any Owner (other than as provided herein for certain Mortgagees and Declarant) shall be subject to the provisions contained in this Article so long as the Property is subject to the Restrictions.

11.02 Notice and Regulation. Any Owner intending to lease his improved Homesite, or any portion thereof, shall give written notice of such intention to the Board of Directors, stating the name and address of the intended lessee, the terms of the proposed lease and such other information as the Board may reasonably require. The Board of Directors shall have the authority to make and enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the Homesite being leased.

11.03 Required Lease Provisions. Subject to the rights of Declarant as set forth below, the Board of Directors may set the minimum lease term for all Owners; however, said minimum term shall not be set for less than six (6) months (i.e., all Owners may only rent Homesites for periods of six months or greater and may not rent Homesites for periods of less than six months). All leases and lessees are subject to the provisions of the Declaration and Bylaws. The Owner must make available to the tenant a copy of this Declaration. Any leases of a Homesite, or a portion thereof, shall be deemed to contain the provisions of Sections 11.03 (a), (b),

(c) and (d), whether or not said provisions are expressly stated therein, and each Owner covenants and agrees that any lease of his Homesite shall contain the language of said provisions, and further, that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of these Covenants on the Homesite. Any lessee, by occupancy of a Homesite, agrees to the applicability of this covenant and its incorporation as part of the lease along with the following provisions:

(a) Lessee acknowledges and agrees that all promises deemed made by the lessee to the lessor of the leased premises under this Article XI, Sections 11 .03 (a), (b), (c) and (d) of the Declaration are incorporated by reference and made a part of the applicable lease agreement and are made for the benefit of the Club for the purpose of discharging lessor's duties to the Club through lessee's performance. In order to enforce those provisions made for the benefit of the Club, the Club may bring an action against lessee for recovery of damages or for injunctive relief, or may impose any other sanctions authorized by the Declaration and Bylaws, as they may be amended from time to time, or which may be available at law or equity, including but not limited to, all remedies available to a landlord upon breach or default of a lease agreement by a lessee. Failure by the Club to enforce any of its rights shall in no event be deemed a waiver of the right to do so thereafter.

(b) Lessee shall comply strictly with all provisions of the Declaration, Bylaws, and with the rules and regulations adopted by the Club pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold lessor and the Club harmless for any such person's failure to comply. Lessee acknowledges the violation by lessee or any occupant or person living with lessee of any provision of the Declaration, Bylaws, or rules and regulations adopted thereunder shall constitute a default under this lease. Lessee further acknowledges that the Club has the right to act on its own behalf, or where necessary on behalf of lessor, as lessor's attorney-in-fact, to seek any remedies which are available to a landlord upon breach or default of a lease agreement by lessee.

(c) Upon request by the Club, lessee shall pay to the Club all unpaid Club Member Assessments, Specific Assessments, Special Assessments, and, as applicable, Golf Member Assessments, Golf Member Specific Assessments, and Special Golf Member Assessments as lawfully determined and payable during and prior to the terms of the lease agreement and any other period of occupancy by lessee; provided, however, that lessee need not make such payments to the Club in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Club's request. All payments made to the Club shall reduce by the same amount lessee's obligation to make monthly rental payments to lessor under the lease.

(d) Lessee's right shall be subject to all rights of the Club and any bona fide Mortgage or deed to secure debt which is now or may hereinafter be placed upon the premises by lessor.

(e) The requirements and obligations of any Member/Owner who leases a Homesite with respect to the obligations of the lessee to apply for, obtain, and pay for use privileges of the Club Facilities, or if applicable the Golf Facilities and the parties entitled to use the Club Membership, and, if applicable, the Golf Membership of such Member/Owner shall be governed by the provisions of Membership Plan.

11.04 Enforcement. For the purpose of enforcing the provisions of Section 12.03, which shall be incorporated in the provisions of any leases of a Homesite, each Owner (excluding Declarant and its Members and their affiliates), by acceptance of a deed or other conveyance of a Homesite, hereby irrevocably appoints the Club, which may act by any one of its authorized officers, as his attorney-in-fact, to enforce said provisions and to take action, at law or equity, which could be taken by said owner against the lessee should lessee default

in performance under the lease agreement. Each Owner hereby further acknowledges that this power of attorney shall only apply in the event of noncompliance by a lessee with the provisions of Section 12.03, and that the Club, its Board of Directors, employees and agents shall be held harmless by each Owner in exercising the power of attorney herein granted to the Club. Further, each Owner acknowledges and agrees that any unpaid fines by a lessee shall constitute a lien against the Homesite of the Owner/lessor.

11.05 Rights of Lessee. Any lessee charged with a violation of the Declaration, Bylaws, or rules and regulations of the Club is entitled to the same rights to which the Member/Owner is entitled as provided in the Club's Bylaws.

11.06 Rights of First Mortgagees. Notwithstanding anything to the contrary herein contained, the provisions of this Article shall not impair the right of any first mortgagee to:

- (a) foreclose or take title to the Homesite pursuant to remedies contained in any mortgage;
- (b) take a deed or assignment in lieu of foreclosure; or
- (c) sell, lease, or otherwise dispose of a Homesite acquired by the mortgagee.

ARTICLE XIII MISCELLANEOUS

12.01 No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

12.02 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provisions hereof.

12.03 Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

12.04 Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

12.05 Notices. All notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or consent or any kind made pursuant to this Declaration, whether by the Club, the ARB, a Member, an Owner, or any other Person, shall be in writing and sent by U.S. mail, postage prepaid or as set forth in the By-Laws. All notices to Members/Owners may be sent to the Member/Owner's Homesite unless and until the Member/Owner notifies the Club in writing of a different address for notice purposes (if a Member is a nonresident of Hampton Hall, then notices shall be sent to the address in the Application for Golf Membership Privileges unless and until the Member notifies the Club in writing of a different address for notice purposes). Unless and until a different address is provided in writing to the party seeking to provide notice, all such writings to the Club shall be delivered, as may be appropriate, to the following address:

Club: Hampton Hall Club, Inc.
Attn: General Manager
170 Hampton Hall Blvd.

Bluffton, SC 29910

Any written communication transmitted by the United States Mail, with sufficient postage affixed, shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail.

12.06 No Liability. Subject to the restrictions on enforcement of these Covenants by Members/Owners as set forth in Section 9.01 above, the Club has prepared and recorded this Declaration in anticipation that each and every Member/Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Member/Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by a Member/Owner (or any other person) in a court of law or otherwise, the Club shall have no liability of any kind as a result of such unenforceability, and each and every Member/Owner, by acceptance of a Membership and/or by acceptance of a deed conveying a Homesite, acknowledges that the Club shall have no such liability.

{Remainder of Page Intentionally Omitted. Signature Page(s) and Exhibit(s) to Follow.}

IN WITNESS WHEREOF, the Club has caused this Declaration to be duly executed and sealed this 18 day of September, 2020.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CLUB:
HAMPTON HALL CLUB, INC., a South Carolina
nonprofit corporation

Evette W. Augg
(Signature of First Witness)

Sheri L. Kroupa (L.S.)
Name: Sheri L. Kroupa
Title: PRESIDENT

Kayla Rickett
(Signature of Second Witness or Notary Public)

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I HEREBY CERTIFY that on this 18 day of September, 2020, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared Sheri L. Kroupa as PRESIDENT for HAMPTON HALL CLUB, INC., a South Carolina nonprofit corporation, known or satisfactorily proven to me to be the person whose name is subscribed to the within instrument, who, on behalf of the corporation, acknowledged the execution thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above mentioned.

Kayla Rickett
(Signature of Notary Public)
Kayla Rickett
NOTARY PUBLIC
State of South Carolina
My Commission Expires 2/20/2030 (SEAL)

Notary Printed Name: Kayla Rickett
Notary Public for South Carolina
My Commission Expires: 2/20/2030

EXHIBIT "A"
PROPERTY DESCRIPTION

All those certain pieces, parcels or lots of land lying and being in the Town of Bluffton, Beaufort County, South Carolina, consisting of 48.379 acres as shown on that certain subdivision plat entitled "A Plat of Hampton Hall Phase I-A Lots," said plat dated October 29, 2002 as prepared by Thomas & Hutton Engineering Co., certified by Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 90 at Pages 63-65.

-AND-

Also, all those certain pieces, parcels or lots of land lying and being in the Town of Bluffton, Beaufort County, South Carolina, consisting of 82.434 acres as shown on that certain subdivision plat entitled "A Plat of Hampton Hall Phase I-B Lots," said plat dated February 19, 2003 as revised February 24, 2003 as prepared by Thomas & Hutton Engineering Co., certified by Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 91 at Pages 168-171.

-AND-

All those certain pieces, parcels or lots of land lying and being in Hampton Hall, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase I-C Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated July 28, 2003, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 94 at Pages 109. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Hampton Hall, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2A-1 Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated October 3, 2003, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 96 at Page 58. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2A-2 Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated October 14, 2003, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 97 at Page 57. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2B-1 Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated December 9, 2003, last revised June 16, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 100 at Pages 19-21. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2C Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated June 16, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 100 at Pages 22-25. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2C Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated June 16, 2004, last revised August 25, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 101 at Pages 66-69. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 3A Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated August 10, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 103 at Pages 73-76. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 3B Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated August 10, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County,

South Carolina in Plat Book 103 at Pages 77-80. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2D Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated March 8, 2005, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 106 at Pages 111. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 4B Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated January 25, 2005 said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 106 at Pages 112-117. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 3C Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated June 17, 2005, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 108 at Pages 195-196. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 4A Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated June 24, 2005, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 108 at Pages 197-200. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

-AND-

All those certain pieces, parcels or lots of land lying and being in Town of Bluffton, Beaufort County, South Carolina; said property having dimensions, metes and bounds as shown on the Plat entitled "A Plat of Hampton Hall Phase 2B-2 Lots, Hampton Hall, Beaufort County, South Carolina," said plat being dated December 14, 2004, said plat prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce

L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 105 at Page 179. For a more detailed description as to the courses, metes and bounds of the above-mentioned property, reference is had to said plat of record.

EXHIBIT "B"
ADDITIONAL PROPERTY
(As Defined Within Original Declaration)

All those certain pieces, parcels and tracts of land known as a portion of the Sand Hill Tract and as the Western Tract located in the Town of Bluffton, the Buckwalter PUD, being respectively, 669.10 acres and 338.48 acres as more particularly shown on that certain survey entitled "An ALTA Survey of The Western Tract and The Sand Hill Tract" dated 9/25/2001 prepared by Thomas & Hutton Engineering Co. and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 83 at page 03.

AND:

ALL those certain pieces, parcels, and tracts of land (the "Property"), situate, lying and being in Beaufort County, South Carolina being in total 11.721 acres comprised of Parcel 1 of which 3.540 acres is uplands and 2.822 acres is wetlands and Parcel 2 of which 3.316 acres is uplands and 2.043 acres is wetlands, with said parcels being more specifically shown and described on a survey entitled "A Plat Of Parcel 1 (6.362 Acres) And Parcel 2 (5.359 Acres), Being A Portion The Grande Oaks PUD Located Near The North End Of Old Miller Road, Bluffton Township, Beaufort County, South Carolina" prepared for Buckwalter JV, LLC by Thomas & Hutton Engineering Co. which is dated October 4, 2001, as last revised November 14, 2001, and is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 86 at Page 38.

AND:

ALL that certain piece, parcel, and tract of land situate, lying and being in Beaufort County, South Carolina being 19.00 acres consisting of 17.96 acres of uplands and 1.04 acres of wetlands, with said parcel being more specifically shown and described on a survey entitled "A Boundary And Wetland Survey Of The Johnson Tract Eastern Side Of Old Miller Road," prepared for Buckwalter JV, LLC by Thomas & Hutton Engineering Co. which is dated March 8, 2002 and is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 86 at Page 121.

Save, Excepting & Excluding:

All those certain pieces, parcels or lots of land lying and being in the Town of Bluffton, Beaufort County, South Carolina, consisting of 48.379 acres as shown on that certain subdivision plat entitled "A Plat of Hampton Hall Phase I-A Lots," said plat dated October 29, 2002 as prepared by Thomas & Hutton Engineering Co., certified by Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 90 at Page 63.

Also Save, Excepting & Excluding:

Also, all those certain pieces, parcels or lots of land lying and being in the Town of Bluffton, Beaufort County, South Carolina, consisting of 82.434 acres as shown on that certain subdivision plat entitled "A Plat of Hampton Hall Phase I-B Lots," said plat dated February 19, 2003 as revised February 24, 2003 as prepared by Thomas & Hutton Engineering Co., certified by Boyce L. Young, S.C.R.L.S. No. 11079, with said plat recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 91 at Pages 168-171.

EXHIBIT "C"
RESTRICTION AND RULES

The following restrictions shall apply to all of the Property subject to this Declaration until such time as they are amended, modified, repealed, or limited pursuant to Article IV of Section 4.08 of the Declaration.

1. General. The Property (excluding any property owned by Developer which fronts directly on Buckwalter Parkway) subject to the Declaration shall be used only for residential, recreational, and related commercial purposes (which may include, without limitation, restaurants, bar facilities, grills, pro shops, driving ranges, an information center and/or a sales offices or leasing offices or construction offices or offices established by the Club to assist in the management and operation of the Property, offices for any property managers and/or other employees retained by the Club, and business offices for the Club consistent with this Declaration.

2. Restricted Activities. The following activities are prohibited within Hampton Hall unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking any vehicles (excluding vehicles owned by the Club) on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Homesite or the Common Property;

(b) Except as provided by the Declaration, raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in an Improved Homesite; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Homesites shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Owners shall clean up after their dogs and properly dispose of any waste. Pets shall be registered, licensed and inoculated as required by law;

(c) Any activity that emits foul or obnoxious odors outside the Homesite or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Homesites;

(d) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures of the Homesite;

(f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Homesites;

(g) Outside burning of trash, leaves, debris, or other materials, except by Declarant and/or its contractors;

(h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Homesites, except alarm devices used exclusively for security purposes;

(i) Use and discharge of firecrackers and other fireworks;

(j) Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within Hampton Hall, or dumping or burying rocks or any other debris, except that usual and customary fertilizers may be applied to landscaping on Homesites provided care is taken to minimize runoff;

(k) Accumulation of rubbish, trash, or garbage except between regular garbage pickups, and then only in approved containers;

(l) Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Club shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Homesite without the affected Owner's consent;

(m) Swimming, boating, use of personal flotation devices, fishing, or other active use of lakes, ponds, or other bodies of freshwater within Hampton Hall, except as may be permitted by the Board in designated areas. The Club, its successors and assigns, shall be permitted and shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Area. The Club shall be permitted and shall have the exclusive right and easement to draw water from lakes, ponds, and streams within Hampton Hall for purposes of irrigation and such other purposes as Declarant and/or the Club shall deem desirable. The Club shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or other bodies of water within Hampton Hall;

(n) Use of any Homesite for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Homesite rotates among participants in the program on a fixed or floating time schedule over a period of years.

(o) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop the unauthorized discharge of firearms;

(p) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Homesite for emergency generator purposes and operation of lawn mowers and similar tools or equipment. The Club shall be permitted to store fuel for operation of maintenance equipment and vehicles, generators, and similar equipment. This provision shall not apply to any lawful underground fuel tank as established by the Club;

(q) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Homesite may conduct business activities within the Homesite so long as: (i) the existence or operation of the business activity is not apparent or detectable by

sight, sound, or smell from outside the Homesite; (ii) the business activity conforms to all zoning requirements for Hampton Hall; (iii) the business activity does not involve door-to-door solicitation of residents of Hampton Hall; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked at the applicable Homesite which is noticeably greater than that which is typical of Homesites in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Hampton Hall and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Hampton Hall, as may be determined in the Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. Leasing of a Homesite shall not be considered a business or trade within the meaning of this subsection.

(r) Capturing, trapping, or killing of wildlife within Hampton Hall, except in circumstances posing an imminent threat to the safety of persons using Hampton Hall as determined by the Board in its sole discretion and then only with the written approval of the Board;

(s) Any activities which materially disturb or destroy the vegetation, wildlife, or air quality within Hampton Hall or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution and any activities which violate any restrictions on wetlands or wetland buffers;

(t) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Homesite without the prior approval of Declarant;

(u) Operation of motorized vehicles off of roadways, and operation of golf carts on roadways, except that electric golf carts approved by and displaying a valid permit issued by the Club shall be permitted on roads (subject to such Club rules and regulations as may be adopted) and, for Golf Members, on cart paths intended for such purposes, subject to payment of an annual trail fee as required by the Club; and

(v) Any construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Homesite, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article VI of the Declaration and the Design Standards. This shall include, without limitation, signs, basketball hoops, clotheslines, garbage cans, woodpiles; above-ground swimming pools, hedges, walls, animal pens, or fences of any kind; satellite dishes and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

- (iii) an antenna that is designed to receive television broadcast signals;

(collectively, "Permitted Antennas") shall be permitted on Homesites, subject to such reasonable requirements as to location and screening as may be set forth in the Design Standards, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Club shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of Hampton Hall, should any master system or systems be utilized by the Club and require such exterior apparatus.

3. Prohibited Conditions. The following shall be prohibited at Hampton Hall:

- (a) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Hampton Hall, all as determined by the Board in its sole discretion;

- (b) Structures, equipment, or other items on the exterior portions of a Homesite which have become rusty, dilapidated, or otherwise fallen into disrepair (including mailboxes); and

- (c) Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, ponds, wetlands, canals, or other ground or surface waters within Hampton Hall, except that the Club shall have the right to draw water from such sources. Notwithstanding the foregoing, Owners may submit to the ARB plans and specifications for use of water-source heating and cooling systems and such plans will be considered provided they meet all requirements of the South Carolina Department of Health and Environmental Control, the South Carolina Water Resources Commission and other agencies or other governmental bodies having jurisdiction in such matters and provided such installation otherwise meets the usual aesthetic considerations of the architectural review process as herein provided.

4. Conflicts; Ambiguities; Inconsistencies. To the extent of any conflicts, ambiguities, or inconsistencies between these rules and regulations and the provisions of the Declaration, the provisions of the Declaration shall control.