

# COVENANTS AND RESTRICTIONS

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**AMENDED DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS  
FOR  
PAWLEYS PLANTATION PROPERTY OWNERS ASSOCIATION, INC.**

THIS DECLARATION is made this \_\_\_ day of \_\_\_\_\_, 2001, by Pawleys Plantation Property Owners Association, Inc., a South Carolina Non-Profit Corporation, hereinafter called "PPPOA" which affirms that the real property described in Article II, which is or may be owned by PPPOA, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, reservations, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, and wishes these covenants and restrictions to amend, in full, the covenants and restrictions, filed in Book 246, Pages 1213-1283, in the office of the Register of Deeds, Georgetown County, South Carolina.

WITNESSETH:

WHEREAS, the original Declaration of Restrictions and Protective Covenants for Pawleys Plantation was duly filed in the Georgetown County Clerk of Court's Office on May22, 1987, at Deed Book 246, Page 1213; and

WHEREAS, the members in compliance with Article XVII of PPPOA have voted to amend the Declaration of Restrictions and Protective Covenants and hereby do amend said Declaration as follows:

NOW THEREFORE, the PPPOA declares that the covenants contained herein shall be covenants running with the land and shall apply to the lands described on Exhibit "A" attached hereto. The PPPOA reserves the right to add additional restrictive covenants in respect to any of the said properties, or to limit the application of this Declaration.

**ARTICLE I**

**Definitions**

The following words and terms when used in the Declaration or any supplemental Declaration (unless the Contract shall clearly indicate otherwise) shall have the following meanings:

**Section 1 - "Annual Assessments" or "Assessments"** shall mean an equal assessment established by the Board of Directors for common expenses as provided for herein or by a subsequent amendment which shall be used for the purpose of promoting the recreation, common benefit and enjoyment of the owners and occupants of all Lots.

**Section 2 - "Association"** shall mean and refer to Pawleys Plantation Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

**Section 3 - "Common Area"** shall mean all the real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the

time of the conveyance of the first Lot is described on the attached Exhibit "A".

Further, the recording and reference to said map shall not in and of itself be construed as creating any dedications, rights or easements (negative, reciprocal or otherwise), all such dedications, rights and/or easements being made only specifically by this Declaration, any amendment or supplement hereto or any deed of conveyance from PPPOA, its successors or assigns.

**Section 4 - "PPPOA"** shall mean and refer to the Pawleys Plantation Property Owners Association, Inc., a South Carolina Non-Profit Corporation, Inc., its successors and assigns. The term "PPPOA" can be used interchangeably with the term "Association."

**Section 5 - "Lot"** shall mean and refer to any plot of land, with delineated boundary lines appearing on any recorded subdivision map of the Properties with the exception of any Common Area shown on a recorded map. In the event any Lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a Lot for the purposes of this Declaration. This definition shall not imply, however, that a Lot may be subdivided if prohibited elsewhere in this Declaration. A patio homesite, townhouse villa and condominium shall also be known as Lots.

**Section 6 - "Member"** shall mean and refer to every person or entity who hold membership in the Association, as provided herein.

**Section 7 - "Neighborhood"** shall mean and refer to each separately developed residential area subject to this Declaration whether or not governed by a separate Owners Association. For example, and by way of illustration and not limitation, each single family detached house development, patio home and townhouse community shall constitute a separate Neighborhood. Each townhouse project or condominium project shall constitute a separate neighborhood.

**Section 8 - "Neighborhood Assessment"** shall be imposed by Neighborhoods at the direction of their Board of Directors.

**Section 9 - "Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

**Section 10 - "Patio Homesites"** shall mean and refer to all those parcels or tracts of land subdivided into Lots intended for construction of detached single family patio homes. All Patio Homesites are so designated per the Planned Use Development document on file with Georgetown County, SC.

**Section 11 - "Properties"** shall mean and refer to the "Existing Property" described in Article II, Section 1 hereof, and any additions thereto as are or shall become subject to this Declaration and brought within the jurisdiction of the Association under the provisions of Article II hereof.

**Section 12 - “Special Assessment”** shall mean and refer to assessments levied in accordance with Article IX, Section 3 of this Declaration.

**Section 13 - “Subsequent Amendment”** shall mean an amendment to this Declaration which adds property to this Declaration and makes it subject to the Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of the Declaration.

**Section 14 - “Voting Member”** shall mean and refer to all members who have met current financial obligations. Each voting Member shall cast one (1) vote for each Lot it represents, unless otherwise specified in the By-Laws of this Declaration. With respect to election of Directors, each Voting Member shall be entitled to cast one (1) equal vote for each directorship to be filled, as more particularly described in the By-Laws.

## ARTICLE II

### **Property Subject to this Declaration and Within the Jurisdiction of the Pawleys Plantation Property Owners Association, Inc.**

**Section 1 - Property.** The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association is located in Georgetown County, South Carolina, and described in the attached Exhibit “A”.

**Section 2 - Merger or Consolidation.** Upon a merger or consolidated of any association referred to herein with any other association as provided in its Articles of Incorporation, its Properties, rights and obligations may, be operation of law, be transferred to another surviving or consolidated association or, alternatively, the Properties, rights and obligations of another association may, by operation of law, be added to the Properties, rights and obligations of any association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Properties together with the Covenants and Restrictions established upon any other Properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Properties.

## ARTICLE III

### **Annexation of Additional Property**

**Section 1 - Annexation With Approval of Membership.** The Association may annex real property other than that shown on Exhibit “B”, subject to the consent of the Owner thereof, and upon the affirmative vote of Voting Members or Alternates representing a majority of the

Association, at a meeting duly called for such purpose by the **PPPOA**, so long as **PPPOA** owns property subject to this Declaration.

Annexation of property must be consistent with provisions of the Master Land Use Plan as defined and filed with Georgetown County, SC. The Properties may be submitted to the provisions of this Declaration and the jurisdiction of the Association by filing of record, a subsequent Amendment in respect to the Properties being annexed, in the Public Records of Georgetown County, South Carolina,. Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and the owner of the properties being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section and to ascertain the presence of a quorum at such meeting.

**Section 2 - Acceptance of Additional Undeveloped Property.** To the extent not already conveyed, Pawleys Plantation LLC (**PPPOA**'s predecessor in interest) may convey to the Association additional real estate, improved or unimproved, located within the Properties described in Exhibit "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

## **ARTICLE IV**

### **Membership and Voting Rights**

**Section 1 - Voting Rights.** The voting rights of the Membership shall be appurtenant to ownership in Pawleys Plantation.

**Section 2 - Members.** Members shall be all Owners. Each Member or entity shall be entitled to one (1) vote for each lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot all such persons or entities shall be Members. The voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Lot.

## **ARTICLE V**

### **Property Rights in the Common Areas**

**Section 1 - Members' Easements.** Each Member, and each tenant, agent and invitee of such member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the roadways from time to time laid out in the Common Areas, for use in common with all other such Members, their tenants, agents, and invitees. The portions of the Common Areas not used from time to time for roadways shall be

for the common use and enjoyment of the Members of the Association, and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts as may be regulated by the Association.

**Section 2 - Easements Appurtenant.** The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot.

**Section 3 - Public Easements.** Fire, police, health and sanitation, and other public service personnel and vehicles shall have a permanent and perpetual non exclusive easement for ingress and egress over and across the Common Areas.

**Section 4 - Pawleys Plantation LLC Easement.** Pawleys Plantation LLC retains the right of ingress and egress over all roads and streets within the Properties whether existing or constructed in the future for access to any areas which adjoin or are a part of the Properties for purposes of construction, sales, management, and development.

**Section 5 - Maintenance.** The Association shall at all times maintain in good repair, and shall repair or replace as often as necessary, the paving, drainage structures, street lighting fixtures, landscaping, and amenities (except utilities) situated on the Common Areas. The Board of Directors acting on a majority vote shall order all work to be done and shall pay for all expenses including all electricity consumed by the lighting located in the Common Areas and all other common expenses. All work pursuant to this Section 5 and all expenses hereunder shall be paid for by such Association through assessments imposed in accordance with Article IX. Excluded herefrom shall be paving and maintenance of individual Lot driveways which shall be maintained by each Owner. Nothing herein shall be construed as preventing the Association from delegating or transferring its maintenance obligations to a governmental authority under such terms and conditions as the Board of Directors may deem in the best interest of the Association.

**Section 6 - Utility Easements.** Use of the Common Areas for utility easements, shall be in accordance with the applicable provisions of this Declaration.

**Section 7 - Delegation of Use.**

(a) *Family.* The right and easement of enjoyment granted to every owner in Section 1 of this Article V may be exercised by members of the owners' family who occupy the residence of the owner within the Properties.

(b) *Tenants.* The right and easement of enjoyment granted to every owner in Section 1 of this Article V may be delegated by the owner to his tenants who occupy a residence within the Properties.

(c) *Guests.* Recreational facilities, if any, owned by the Association and situated upon the Properties may be utilized by guests of owners or tenants subject to the rules and regulations of the Association governing said use and as established by its Board of Directors. Provided, however, that this Section shall not give any Owner or guest the right to use any golf course facilities located within the Pawleys Plantation Property.

**Section 8 - Ownership.** Pursuant to the Declarations applicable to the Association prior to this Amendment herein, the Common Areas have been conveyed to the **PPPOA** on or about July 11, 1996. The Association accepted the conveyance. Beginning on the date of the conveyance, the Association became and is responsible for the maintenance of all Common Areas. As a result, all real estate taxes against the Common Areas shall be assessed against and payable by the Association, as shall any personal property taxes on any personal property owned by the Association. The Owner of a Lot shall have no personal liability for any damage for which the Association is legally liable or arising out of or connected with the existence or use of any Common Areas or any other property required to be maintained by the Association. Limited Common Areas may, from time to time be conveyed to the Association subject to the rights of others as set out in Article I.

## ARTICLE VI

### Special Restriction Affecting Golf Fairway Residential Areas

**Section 1 - Golf Fairway Defined.** “Golf Fairway Residential Areas” is defined as all those residential Lots or tracts or blocks of land intended for residential development located adjacent to or overlooking any golf course located at Pawleys Plantation.

**Section 2 - Landscape Requirements.** That portion of any Fairway Residential Lot or residential tract within twenty (20) feet of the Lot or tract line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect. All individual Lot landscaping plans must be approved by the **PPPOA** before implementation.

**Section 3 - Golf Course Maintenance Easement.** There is reserved to the Golf Course ownership, its successors or assigns, a “Golf Course Maintenance Easement Area” on each Lot or tract adjacent to any golf course located in Pawleys Plantation. This reserved Easement shall permit the Pawleys Plantation LLC at its election, to go onto any Golf Course Maintenance Easement Area for the purpose of landscaping or maintaining said area. Such maintenance and landscaping may include regular removal of underbrush, trees less than five (5) inches in diameter, stumps, trash or debris, planting of grass, watering application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such Lots within twenty (20) feet of the Lot line(s) or tract line bordering the golf course, or such lesser area as may be shown as a “Golf Course Maintenance Area.” The described maintenance and landscaping rights shall apply to the entire Lot or tract until there has been filed with the Association a landscaping plan for such Lot or tract by the owner thereof, or alternatively, a residence constructed on the Lot of townhouses constructed on any tract. Once a landscaping plan has been filed with the Association and/or a residence, townhouse or condominium constructed, the Golf Course Maintenance Easement shall be limited to the portion of the Lot within twenty (20') feet of the Lot line(s) or tract line bordering the Golf Course or such lesser area as set out above. The Pawleys Plantation LLC reserves the right to waive the Easement herein reserved in whole or in part in its sole discretion.

**Section 4 - Permissive Easement Prior to Dwelling Construction.** Until such time as a residence is constructed on a Lot, the Association, its successors and assigns, reserves an Easement to permit and authorize registered golf course players and their caddies to enter upon a Lot to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a Dwelling Unit is constructed, the use of such Easement shall be limited to the recovery of balls only. No play shall be permitted in such easement Area. Golfers or caddies shall not be entitled to enter any such Lot with a golf cart or other vehicle, nor spend unreasonable time on such Lot, or in any way commit a nuisance while on such Lot. On a Golf Fairway Lot, "Out of Bounds" markers may be placed on said Lot at the expense of the Golf Course ownership, its successors or assigns.

**Section 5 - Distracting Activity Prohibited.** Owners of Golf Fairway Lots or Dwelling Units adjacent to or overlooking golf fairways shall be obligated to refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as the maintenance of unfenced dogs or other pets on the Lot or residential tract adjacent to the golf course under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play. Any fences, constructed on Lots bordering or overlooking the Golf Course, shall only be allowed upon the Approval of the Association and Golf Course ownership.

**Section 6 - Reserved Approval Rights.** Notwithstanding the provisions of Section 3 of this Article VI, the Pawleys Plantation LLC, for itself, its successors and assigns, has reserved the right to allow an owner to construct a dwelling over a portion of the "Golf Course Maintenance Easement Area" in those cases where it, in its uncontrolled discretion, determined that such construction would not materially lessen the beauty or playing qualities of the adjacent golf course.

## ARTICLE VII

### Special Restrictions Affecting All Waterfront and Woodland Areas

**Section 1 - Restricted Zone Established.** In order to preserve the natural beauty of Pawleys Plantation and to provide a "cover" for animals which habitually move along the marsh edges, there is hereby established a construction and clearing restricted zone on all Lots or other residential tracts fronting on wetlands. That portion of any wetland Lot or other residential tracts located within twenty (20') feet of the mean high water mark shall be preserved substantially in its present natural state except for moderate clearing for view and breeze. Construction of improvements and major clearing of trees and underbrush is hereby restricted. For the purpose of this paragraph "wetland Lot or other residential tract" is defined as any Lot or other residential tract fronting on the marsh and wetlands located between the highlands of Pawleys Plantation and Pawleys Salt Marsh Creek, one of the four sides of which is within twenty (20') feet of the mean or average high water line. Notwithstanding the foregoing the Association hereby reserves the right to exempt Lots or portions of Lots or other residential tracts from said construction and clearing restrictions in those cases where it, in its uncontrolled discretion,

determines that such exemption will not materially lessen the natural appearance and beauty of Pawleys Plantation or is determined to be necessary to protect the shoreline from erosion.

**Section 2 - Conditions of Limited Dock Construction.** The provisions of Section 1 of this Article VII shall not absolutely prohibit the construction of docks and decks over the wetlands of Pawleys Plantation. All dock permits must first receive approval from the Architectural Review Board (A.R.B.) Prior to any required submission to the Army Corps of Engineers or Coastal Council or other applicable government agencies. However, in order to avoid an unsightly proliferation of docks along the banks of the small tidal creek and along the banks of lakes or ponds within the Property, the general rule is established that owners of Lots fronting on those water bodies may not erect docks within the Property without permission for such construction being obtained from the Architectural Review Board which approval may be denied in its sole discretion, unless the owner obtained specific written permission to construct such dock or deck at the initial time of the purchase of the Property from the Developer. No docks are permitted on internal lakes, ponds or lagoons. If permission for such construction is granted, any such grant shall be conditioned upon compliance with the following requirements:

(a) Complete plans and specifications including site, materials, color and finish must be submitted to the Architectural Review Board in writing;

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

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

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

**Section 3 - Maintenance of Dock.** All owners who obtain permission and construct docks, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings and to maintain such paint or preservative in an attractive manner. The Architectural Review Board shall be the judge as to whether the docks and/or boathouse are safe, clean, orderly in appearance and properly painted or preserved in accordance with reasonable standards; and, where the Architectural Review Board notified the particular owner in writing that said dock and/or boathouse fails to meet acceptable standards, aid owner shall thereupon remedy such condition with thirty (30) days to the satisfaction of the Association, and that failing to remedy such condition, the owners hereby covenant and agree that the Association, upon the recommendation of the Architectural Review

Board, make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock and/or boathouse up to acceptable standards. All such repairs and actions to be at the expense, solely, of the owner in question.

**Section 4 - Entry Not Trespass.** Whenever the Architectural Review Board is permitted to these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any owner, or on the easement areas adjacent thereto entering the property and taking such action shall not be deemed a trespass by the Association or its agents.

## **ARTICLE VIII**

### **Special Restrictions Affecting Patio Homesites**

**Section 1 - Patio Wall Construction.** Residences constructed on Residential Lots known as “Patio Homesites” must be construction so as to utilize a patio wall or a blank wall, the location of which shall be designated by the Architectural Review Board. Such wall shall be constructed simultaneously with a Patio Home and shall be located so that the exterior of the same shall be located three (3) feet inside of and parallel to the Lot line designated by the Architectural Review Board.

**Section 2 - Location of Patio Home.** The Patio Home shall utilize a portion of the wall as one of its exterior walls (unless an alternative location of the Patio Home is approved pursuant to the provisions of Section 3 of this Article VIII) and shall be constructed so that neither the wall nor the Patio Home provides any window or view opening looking into or over viewing the adjacent Lot and provides no access way or entry way into said adjacent Lot.

**Section 3 - Alternative Location of Dwelling.** An owner of a Patio Homesite may, if approved, locate his Patio Home on a portion of the Lot other than contiguous to the patio wall. A site plan showing the proposed location shall be submitted to the Architectural Review Board for approval. The Architectural Review Board’s approval of the location shall not relieve the owner of its responsibility to construct a patio wall as required by Section 1 of this Article VIII. Approval or disapproval of an application of the location of a Patio Home may be based by the Architectural Review Board on purely aesthetic considerations.

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

**Section 5 - Cost of Patio Wall.** The cost of construction, maintenance and repair of a patio wall shall be the sole responsibility of the Lot owner on whose Lot the same is situated.

**Section 6 - Easement Adjacent to Blank Wall.** There shall be reserved a five (5') foot easement on the adjoining Lot between the exterior of the patio wall and/or Patio Home and the parallel Lot boundary line for the use and enjoyment of the adjacent Lot owner, only as hereinafter provided. Said five (5') foot easement area and the exterior of the patio wall and/or

Patio Home may be used by an adjacent Lot owner only for the planting and care of shrubbery and other landscaping, providing the same does not interfere with the structural integrity of the patio wall and/or Patio Home.

**Section 7 - Gutters Required on Patio Home.** Each Patio Home shall be constructed with gutters to insure that no excessive rain water is discharged upon the adjoining Lot.

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

**Section 9 - Front Lot Line Easement.** There is a fifteen (15') foot easement along the front Lot line facing the street on each Patio Home.

## ARTICLE IX

### Covenant for Maintenance Assessments

**Section 1 - Creation of the Lien and Personal Obligation of Assessments.** The Association hereby covenants and each owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided and fines imposed upon offenders for the violations of the rules and regulations of the Association.

**Section 2 - Purposes of Assessments.** The assessments levied by the Association shall be used to promote the comfort and livability of the residents of the properties and for the acquisition, improvement and maintenance of properties, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Area, including but not limited to, the cost of repair, replacement and additions to the Common Areas, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance, the employment of attorneys to represent the Association when necessary, and such other needs as may arise. The owner shall maintain the structures and grounds on each Lot at all time in a neat and attractive manner. Upon the owner's failure to do so, the Association may at its option after giving the owner ten (10) days' written notice sent to his last known address, or to the address of the subject premises, have the grass, weeds, shrubs and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs an plants removed from such Lot, and replaced, and may have any portion of the Lot resodded or landscaped, and all expenses of the Association for

such work and material shall be a lien and charge against the Lot on which the work was done and the personal obligation of the then owner of such Lot. Upon appearance, the Association may, at its option, after giving the owner thirty (30) days' written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the owner's failure to do so shall be immediately due and owing from the owner of the Lot and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum and secured by a lien against the Lot as herein provided. The Association's right to maintain a Patio Homesite upon the owner's failure to maintain shall not be constructed as an obligation. Any entry upon the property for maintenance purposes shall not be deemed a trespass.

**Section 3 - Capital Improvements.** Funds necessary for capital improvements and other designated purposes relating to the Common Areas under the ownership of the Association may be levied by such Association as special assessments, upon the approval of a majority of the Board of Directors of such Association and upon approval by the Voting Members representing two-thirds of the Members of such Association voting at a meeting or by ballot as may be provided in the By-Laws of such Association. The Board may levy a special assessment of no more than Five Thousand and No/100 (\$5,000.00) Dollars in full from the Membership or Five (5%) percent of the annual budget, whichever is greater, without the approval of the Membership.

**Section 4 - Capital Contribution.** When lot ownership transfers, the new owner shall be assessed at closing an amount equal to one-sixth (1/6) of the annual assessment budgeted for that lot and shall be used for start-up costs which shall be designated as Capital Contribution.

**Section 5 - Annual Assessments.** The Annual assessments provided for in this Article IX commenced on the first day of January, 1988, and have commenced on the closing of each Lot, whichever is later.

The Annual Assessments shall be payable in monthly installments, or in annual or quarter-annual installments if so determined by the Board of Directors of the Association. Each Lot shall be assessed an equal Annual Assessment.

The assessment amount may be changed at any time by said Board from any other assessment that is adopted. The assessment shall be for the calendar year, but the amount of the Annual Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year.

The due date of any Special assessment under Section 3 hereof shall be fixed by the Board.

**Section 6 - Neighborhood Assessments.** Neighborhood Assessments may be imposed by the Neighborhoods of Pawleys Plantation; and, in the event neighborhood assessments are imposed, they shall be levied equally against all Lots in the Neighborhood with any assessments for the use and benefit of a particular Lot or Lots levied on a pro-rata basis among the benefited Lots.

**Section 7 - Duties of the Board of Directors.** The Board of Directors of the Association shall fix the date of commencement and the amount of assessment against the Lots subject to the

Associations' jurisdiction for each assessment period at least thirty (30) days in advance of such date or period, and shall, at the time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner. Any increase in the Annual Assessment applicable to the Lots which is less than an increase of thirty (30%) percent over the immediately preceding year's assessment may be made by the Board of Directors without the consent or approval of the Members and any such increase that exceeds such thirty (30%) percent, excluding insurance, reserves, utilities and Acts of God, shall be effective only if approved by at least two-thirds (2/3) of the Voting Members.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

The Association through, the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporation for management services. The Association shall have all other powers provided in its Article of Incorporation and By-Laws.

**Section 8 - Effect of Non-Payment of Assessment; the Personal Obligation of the Owner, the Lien, Remedies of the Association.** If the assessments are not paid on the date when due (being the date specified in Section 5 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representative, successors and assigns. Every Purchaser of a Lot shall be required to determine the status of the Lot assessment at the of purchase and shall be deemed to assume any outstanding assessment not paid by the Seller at the time of closing.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date when due at the rate of one and one-half (1 ½%) percent per month of interest and the Association may bring an action at law against the owner personally obligated to pay the same or may record a claim of lien against the property on which the assessment is unpaid, or may pursue on or more of such remedies at the same time or successively, and there shall be added to the amount of such assessment attorneys' fees and cost of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys fee to be fixed by the Court together with the costs of the action, and the Association shall be entitled to attorneys' fees in connection with an appeal of any such action.

In addition to the rights of collection of assessments stated in this Section 8, the owner and all persons acquiring the title to or an interest in a Lot as to which the assessment is

delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the enjoyment and use of recreational facilities, if any, until such time as all unpaid and delinquent assessments due and owing from the selling owner have been fully paid.

It shall be the legal duty and responsibility of the Association to enforce payment of the assessments hereunder.

**Section 9 - Subordination of the Lien to Mortgages.** The lien of the assessments provided for in this Article IX shall be subordinate to the lien of any mortgage recorded prior to recordation of the claim of lien, which mortgage encumbers the Lot to any institutional lender and which is now or hereafter placed upon any property subject to assessments; provided, however that any mortgagee when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgagee shall hold title subject to the liability and lien of any assessment becoming due after such foreclosure (or conveyance in lieu foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section 9, shall be deemed to be an assessment divided equally among, payable by, and a lien against all Lots subject to assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

**Section 10 - Access at Reasonable Hours.** For the sole purpose of performing the maintenance authorized by this Article, including without limitation all of the maintenance and work permitted under Section 2 of this Article, the Association, through its duly authorized agents or employees or independent contractors, shall have the right to enter upon any Lot at reasonable hours on any day except Sunday or at any time in case of an emergency. Such entry shall not be deemed a trespass.

## ARTICLE X

### Architectural Review

No building, wall, fence, ornamentation or other structure or improvements of any nature shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping as may be required by the Architectural Review Board have been approved in writing by the Architectural Review Board. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specification and plat plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Review Board seem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area) shall be deemed an alteration requiring

approval. With approval by the Board of Directors, the Architectural Review Board shall have the power to promulgate such rules and regulation as it deems necessary to carry out the provision and intent of this paragraph. Such ARB guidelines, rules and regulations shall be submitted to the Board of Directors for approval. Approval shall be by a majority vote. The Architectural Review Board shall be appointed by and report to the Board of Directors of the Association.

A majority of the Architectural Review Board may take any action said Board is empowered to take, may designate a representative to act for the Architectural Review Board and with approval by the Board of Directors for the Association, may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Review Board, the Board of Directors of the Association shall have full authority to designate a successor. The Members of the Architectural Review Board shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Review Board shall act on submission to it within thirty (30) days after receipt of same, or else the request shall be deemed approved. Requests and submission shall, however, be in such form and contain such information as the Architectural Review Board may require prior to its being required to act.

Action by the Architectural Review Board shall be transmitted to the Board of Directors of the Association at the same time as an opinion is rendered or decision is reached in its review of submissions. Every official minutes shall be transmitted to the Board. All Requests for Review shall be communicated to the Board.

The Architectural Review Board, with approval of the Board of Directors of the Association, may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

Any Owner may appeal the decision of the Architectural Review Board provided that all parties involved comply with the decision of the Architectural Review Board until such time, if any, as the Board of Directors amends, or reverses the Architectural Review Board's decision. Appeals petitions must be legibly written, state the grounds for appeal and be submitted to the Board of Directors within seven (7) days of the decision of the Architectural Review Board. The Board of Directors shall act upon the appeal by amending, reversing or confirming the decision of the Architectural Review Board within fifteen (15) days of receipt of the petition. The Board of Directors' decision shall be by majority vote. Any owner must exhaust this avenue of appeal prior to resorting to a court of law or equity for relief.

The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed without prior approval of the Architectural Review Board, but prior approval by the Architectural Review Board shall be necessary before any such exterior finishing color is changed. No building shall be more than three (3) stories or a height of thirty-five (35') feet.

## **ARTICLE XI**

## **Use Restrictions**

**Section 1 - Land Use.** Except for areas designated for commercial use, all Lots shall be used for residential purposes only. No Lot may be subdivided or its boundaries changed where the result would be a decrease in the size of any Lot. Pawleys Plantation LLC may maintain a sales office, models, property management office, design center office, and construction office upon one or more Lots.

**Section 2 - Nuisance.** No noxious, illegal or offensive activity shall be conducted upon any Lot or in any dwelling nor shall anything be done thereon or therein which may be or may become an annoyance or nuisance to the neighborhood.

**Section 3 - Pets.** Owners May Keep as Pets: Companion pets such as birds, domesticated cats, fish, dogs and other small mammals. No Owners may keep exotic cats, non-human primates, horses or other farm livestock or zoo type animals on the Property. Pets must be on a leash or carried when on Common Property. Pets are not allowed on Golf Course Property. It shall be the Owner's obligation to dispose of waste material from pets. The Board of Directors of the Association shall have the right to order the removal of any pet which, in the Board's sole discretion, is considered a nuisance, and the same shall be done without compensation to the owner. In such event, the Board shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Property. A pet not on a leash shall be deemed a nuisance. Failure to clean the waste material from a pet shall be deemed a nuisance.

**Section 4 - Gardens.** No fruit or vegetable gardens shall be permitted to be planted in the front or side yard areas of any Lot.

**Section 5 - Temporary Structures.** No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission of the same has been granted by the Architectural Review Board or its designated agent or representative.

**Section 6 - Use of Common Area.** The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association.

**Section 7 - Access to Lot.** In addition to easements elsewhere, the Association, its agents or employees shall have access to all Lots from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair or replacement of any portion of the Common Area or facilities situate upon such Lot which serve another Owner's Lot. The Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Area or another Lot.

**Section 8 - Recreational Vehicles, Boats, and Trailers.** No campers, trucks, recreational vehicles, trailers, boats, racing cars, motorbikes, motorcycles or tractors may be parked or kept within the Properties unless parked within an enclosed garage or with area(s)

designated for such use by the Association and subject to the rules of the Association. Provided, however, that this section shall not be implied to obligate the Association to provide such areas.

**Section 9 - Signs.** No signs or other advertising devices shall be displayed upon any Lot which are visible from the exterior of the dwelling thereon or on the Common Area, or in the facilities thereon, without prior written permission of the **PPPOA**. ARB approved temporary signs designating mortgage lenders and construction companies may be placed on Lots being financed or improved by them until construction is completed.

**Section 10 - Mailboxes.** Mailboxes must conform in type and size to those generally in use by surrounding homeowners.

**Section 11 - Garbage Disposal.** All garbage shall be kept within containers provided by a garbage collection entity and stored inside the residence or garage of each Owner or in storage facilities provided for said residence until collection day. The emptied garbage containers shall be returned to the residence, garage, or storage area upon collection. The storage area must be visually screened in order to conceal it from view from the road, golf course and adjacent properties. No Owner may change or supplement the garbage disposal facilities provided for such Owner's residence on the date of completion of construction thereof unless the Board of Directors of the Association shall first approve in writing the change or addition to the method of storage. It is provided, however, that if the public health authorities or other public agency shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with obligatory public rules and regulations.

**Section 12 - Antennas and Satellite Dishes.** No exterior television or citizen band radio antennas, nor "Satellite Dishes" greater than 2' (feet) in diameter, shall be permitted on any Lot or home without the express written permission of the Architectural Review Board. "Satellite Dishes" 2' or less in diameter are permitted upon any home subject to the review by the Architectural Review Board for purposes of aesthetic considerations for its placement.

**Section 13 - Regulations.** Reasonable regulations governing the use of the Common Areas shall be promulgated by the Board of Directors of the Association and they shall be amended from time to time by the Board of Directors of the Association. Copies of such regulations and amendments thereto shall be furnished to each Member by the Association upon request.

**Section 14 - Fences.** No chain link fences shall be permitted on any Lot or any part thereof. Or fences of any kind may be located on any Lot without the prior written permission of the Architectural Review Board.

**Section 15 - Vehicle Storage.** No inoperative vehicle or vehicle in a state of noticeable disrepair shall be kept or stored upon any Lot or Common Area nor may any repair work be done to any motor vehicle, boat or trailer upon any Lot or Common Area except for very minor repair work.

**Section 16 - Parking.** Each Owner shall provide paved space for off-street parking. No

parking shall be allowed on any unpaved space. No overnight parking on streets shall be allowed.

**Section 17 - Water and Sewer Systems.** No individual water or sewer system shall be installed on any Lot. Each Lot must be connected to a public water and/or sewer system in lieu of any individual systems whatsoever. Water may not be diverted or taken from lagoons for yard maintenance or for any other purpose. Irrigation wells and portable water systems may be used for all lots and common areas.

**Section 18 - Oil and Mining Operations.** No oil drilling, oil development operations, oil refining or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

**Section 19 - Lighting.** No mercury vapor or similar lights which are situated upon poles similar to street lights shall be permitted on any Lot without the prior written consent of the Architectural Review Board which may decline such permission in its sole discretion and may, but shall not be obligated to, consider the feelings of adjoining Lot Owners.

**Section 20 - Waterfront Property.** No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the Pawleys Island Salt Marsh Creek, unless the construction plans have been approved by the Architectural Review Board pursuant to Article VII of this Declaration. Any approval by the Architectural Review Board shall be subject to any and all government approvals and permits that may be required.

**Section 21 - Trees.** Except as may be approved by the Architectural Review Board, no tree greater than four (4") inches in diameter or ten (10') feet in height shall be cut, removed or intentionally damaged on any Lot unless such tree interferes with construction of improvements, is dead or diseased or presents a hazard to persons and property.

**Section 22 - Fires.** No open fires are permitted on the Plantation.

**Section 23 - Firearms.** No firing, meaning a discharge of a firearm, said term being given its broadest possible meaning to include but not be limited to handguns, revolvers, bb-guns, shotguns, and automatic and semi-automatic weapons, is permitted upon the Plantation.

**Section 24 - Traffic Regulation.** Vehicular traffic shall be monitored and enforced by the Association through all reasonably practicable measures available by both public and private measures.

**Section 25 - Two Wheel and Special Purpose Vehicles.** Two wheel vehicles (such as motorcycles, scooters, mopeds, dirt bikes, etc.) and three and four wheel special purpose vehicles (such as dune buggies, or All Terrain Vehicles) are NOT permitted within the Plantation. These vehicles must be parked at the security gate.

## ARTICLE XII

### Easements

**Section 1** - Easements for the installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, cable television, electric power line, sanitary sewer and drainage facilities and for other utility installations are reserved as outlined on the recorded plat and/or may be granted by **PPPOA**, its successors and assigns, and in addition the Association may reserve and grant easements for the installation and maintenance of sewerage, cable, utility and drainage facilities over the Properties. Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition the Association shall have the continuing right (but not obligation) and easement to maintain all sewer and water lines located on the Lots.

**Section 2** - There is reserved across the front of each Lot an "Easement Area" as stated in the notes to the plats of the Properties which such area represents the additional area needed for a street right-of-way should the Association elect to dedicate the abutting Common Area street or road to the public authorities. By acceptance of a deed to a Lot, every Owner, for him, her and/or itself and him/her/itself, their respective heirs, successors and assigns, herein and hereby appoints the Association as such Owner(s) attorney-in-fact for the purpose of deeding, transferring and/or dedicating said "easement Area" to the property public authorities, their successor and assigns, for street dedication purposes pursuant to, and subject to, such terms and conditions, if any, as may be contained in the dedication agreement respecting the portion of the street or road which is comprised of a Common Area.

**Section 3** - Pawleys Plantation, LLC further reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right on, over and under the ground to erect, maintain and use poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, CATV, security cable equipment, telephone equipment, gas, sewer, water or other private or public convenience or utilities on, in or over the rear ten (10') feet of each Lot, and five (5') feet along one side of each Lot and fifteen (15') feet in width along each front Lot line and such other areas as are shown on the applicable plats. Moreover, the **PPPOA** may cut, at its own expense, drainage ways for surface water wherever and whenever such action may appear to the **PPPOA** to be necessary in order to maintain reasonable standards of health, safety and appearance utilizing the easements outlined above. The use of these easement areas by the **PPPOA**, its successors and assigns, shall not be deemed a trespass.

## ARTICLE XIII

## **Insurance and Casualty Losses**

**Section 1 - Insurance.** The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area and an Property Owners Association owned dwelling and may, but shall not be obligated to, by written agreement with any Neighborhood (as defined in the By-Laws), assume the responsibility for providing the same insurance coverage is not reasonable available, then, at a minimum, an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for one hundred (100%) percent of the replacement cost of all structures on Lots. If the Association elects not to obtain such insurance, then an individual Neighborhood may obtain such insurance as a common expense of the Neighborhood to be paid by Neighborhood Assessments as defined in Article IX hereof. In the event such insurance is obtained by either the Association or a Neighborhood, the provisions of this Article shall apply to policy provision, loss adjustment and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance for each Member insured to be furnished to the Association or Neighborhood, as applicable.

If reasonably available, the Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. If reasonably available, the public liability policy shall have at least a One Million and No/100 (\$1,000,000.00) Dollars single person limit as respect to bodily injury and property damage, a Three Million and No/100 (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand and No/100 (\$500,000.00) Dollar minimum property damage limit.

Unless higher insurance requirements are contained in any covenants or restrictions for any Neighborhood, the following shall apply: insurance obtained on the Properties contained within any Neighborhood, whether obtained by such Neighborhood or the Association, shall meet the requirements of this Section 1. Cost of such coverage shall be a charge to the Member residing within such Neighborhood.

Premiums for all insurance on the Common Area shall be common expenses of the Association: premiums for insurance provided to Neighborhoods shall be charged to those Neighborhoods. This policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. Deductibles on damage caused by

errant golf balls shall be allocated either to the Owner or golfer as provided by law, but under no circumstances shall the Association be responsible.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the Assessment, as described in Article IX, Section 2.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provision hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in South Carolina which hold a rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonable available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of Owners and their Mortgagees as their interest may appear; all policies secured at the required of a Neighborhood shall be for the benefit of the Owners and their Mortgagees of Lots within the Neighborhood.

(c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified person, at least one of whom must be in the real estate industry and familiar with construction in the Georgetown County, South Carolina area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agent and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be concealed, invalidated or suspended on account of any one or more individual Owner;

(iv) that no policy may be canceled, invalidated or suspended on account of the conduct of any Director, Officer, or Employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be canceled or substantially modified without a least ten (10) days prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, workers' compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on the Directors, Officers, Employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the Directors' best business judgment but may not be less than three (3) months assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association.

The Association shall purchase Officers' and Directors' liability insurance, if reasonably available, and every Director and every Officer of the Property Owners Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement of indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

**Section 2 - Individual Insurance.** By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on his Unit(s) and structure constructed thereon, unless the Neighborhood Association in which the Lot is located or the Property Owner's Association carries such insurance (which they are not obligated to do). Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consisting with the original construction. In the event that the structure is totally destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

A Neighborhood Association may impose more stringent requirements regarding the standard for rebuilding or reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

**Section 3 - Disbursement of Proceeds.** Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or construction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners(s) and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section 3(a) of this Article XII.

**Section 4 - Damage and Destruction.**

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of such repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraphs, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area or to the Common Property of any neighborhood shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association, if Common Area, or the Neighborhood whose common property is damaged, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or construction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Area damaged or destroyed shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the

damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then, and in that event, the affected portion of the Properties shall be restored to their natural state and maintained by the Association, as applicable, in a neat and attractive condition.

**Section 5-Repair and Reconstruction.** If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Lots owned, provided, if the damage or destruction involves a Lot or Lots, only Owners of the affected Lots shall be subject to such assessment, additional assessment may be made in like manner at any time during or following the completion of any repair or reconstruction.

## **ARTICLE XIV**

### **No Partition**

Except as is permitted in this Declaration or any amendment hereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition, unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

## **ARTICLE XV**

### **Financing Provision**

**Section 1 - Books and Records.** Any Owner or holder, insurer or guarantor of a first mortgage on any Lot will have the right to examine the books and records of the Association, current copies of this Declaration, the By-Laws of the Association and Rules and Regulations during any reasonable business hours and upon reasonable notice.

## **ARTICLE XVI**

### **Rules and Regulations**

**Section 1 - Compliance by Owners.** Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time-to-time may be adopted by the Board of Directors of the Association.

**Section 2 - Enforcement.** Failure of an Owner to comply with such restrictions, covenants or rules and regulations shall be ground for action which may include, without

limitation, an action to recover sums due for damages, injunctive relief or any combination thereof. Failure of the Association to enforce any covenant or restriction shall not be deemed a waiver of the right to do so thereafter.

**Section 3 – Fines.** In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, Lessees or employees to comply with any covenant, restriction, rule or regulations, provide the following procedure are adhered to:

(a) *Notice:* The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors meeting at which time the Owner shall present reasons why penalty(ies) should not be imposed.

(b) *Hearing:* The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why penalty(ies) should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by no later than twenty-one (21) days after the Board of Director’s meeting.

(c) *Penalties:* The Board of Directors may impose special assessments against the Lot owned by the Owner as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred and No/100 (\$100.00) Dollars.

(2) Second non-compliance or violation: a fine not in excess of Three Hundred and No/100 (\$300.00) Dollars.

(3) Third and subsequent non-compliance or violation or violations which are of a continuing nature: a fine not in excess of Five Hundred (\$500.00) Dollars.

(d) *Payment of Penalties:* Fines shall be paid no later than thirty (30) days after notice of the imposition or assessment of the penalties. Payment of a fine does not limit a subsequent fine from being considered as a second (or subsequent) non-compliance for a recurring or temporarily cured violation.

(e) *Collection of Fines:* Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in Article IX.

(f) *Application of Penalties:* All monies received from fines shall be allocated as directed by the Board of Directors.

(g) *Non Exclusive Remedy:* These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitle to recover by law from such Owner.

## ARTICLE XVII

### General Provisions

**Section 1 - Severability.** Invalidation of any one of these covenants or restriction by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

**Section 2 - Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land from the date this Declaration is recorded. This Declaration may be amended by an instrument signed by the representative of Owners of not less than sixty-seven (67%) percent of a quorum of the membership. Any amendment must be properly recorded.

**Section 3 - Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of sixty-seven (67%) percent of the voting membership duly noticed and a majority of the Board of Directors. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Article of Incorporation or By-Laws of the Association to the contrary, a Board member shall not vote in favor of bringing or persecuting any such proceeding unless authorized to do so by a vote of sixty-seven (67%) percent of all members of the Neighborhood represented by the Board member. This section shall not apply, however, to (a) actions brought by the Association to enforce the provision of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of personal assessments, (c) proceedings involving challenges to ad-valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the **PPPOA** or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

## ARTICLE XVIII

### Amendment of Declaration Without Approval of Owners

The **PPPOA**, without the consent or approval of other owners, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental or quasi-governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by or under the substantial control of, the United States Government or the State of South Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency,

including, without limitation, the Veterans Administration (VA), U. S. Department of Housing and Urban Development (HUD), the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment, shall be sufficient evidence of the approval of such amendment of VA, HUD and/or such corporation or agency and permit **PPPOA** to amend in accord with such letter.

No amendment made pursuant to this Section shall be effective until duly recorded in the Office of the Clerk of Court for Georgetown County.

## **ARTICLE XIX**

### **Lenders' Notices**

**Section 1** - Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number upon which it holds, insures or guarantees a first mortgage, any holder, owner or insurer of a first mortgage shall be provided with timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the project or the lot securing its mortgage.

(b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any lot which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owner's association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

## **ARTICLE XX**

### **PPPOA's Rights**

Any or all of the special rights and obligations of the **PPPOA** may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the **PPPOA** and duly recorded in the Official Records of Georgetown County, South Carolina.

## **ARTICLE XXI**

### **The Golf Course**

**Section 1 - Conveyance of Golf Course.** All persons, including all Owners, are hereby

advised that no representations or warranties have been or are made by the **PPPOA**, Pawleys Plantation LLC, or any other person or entity with regard to the continuing ownership or operation of the Golf Course as depicted upon the Master Land Use Plan. The Golf Course is not owned by the Association. Any purported representation or warranty in such regard shall not be effective without an amendment hereto executed or joined into by the owner of the Golf Course. Further, the ownership or operational duties of and as to the Golf Course may change at any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operations of the Golf Course by/to an independent person or entity, (b) the conversion of the Golf Course membership structure to an “equity” club or similar arrangement whereby the members of the Golf Course or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Golf Course, (c) the conveyance, pursuant to contract, option, or otherwise, of the Golf Course to one or more affiliates, shareholders, employees or independent contractors of the Golf Course ownership, or (d) the conveyance of the Golf Course to the Pawleys Plantation Property Owners Association, Inc., with or without consideration and subject or not subject to a mortgage(s) or other encumbrance. The Golf Course ownership and its successors and assigns, may restrict the property depicted on the Master Land Use Plan as Golf Course property to use as a golf course.

**Section 2 - Rights of Access and Parking.** The Golf Course and its members (regardless of whether such members are Owners hereunder), employees, agents, contractors, and designers shall at times have a right and non-exclusive easement of access to use over all roadways located within the Properties reasonably necessary to travel from/to the entrance within the Properties to/from the Golf Course, and further, over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair and replacement of the Golf Course and its facilities. Without limiting the generality of the foregoing, members of the Golf Course and permitted members of the public, shall have the right to park their vehicles on the roadways located within the Common Areas at reasonable times before, during, and after golf tournaments and other approved functions held by/at the Golf Course.

**Section 3 - Assessments.** In consideration of the fact that the Golf Course will perform certain functions within the Properties which will be of benefit to the community at large, the costs of which may not be allocable, neither the Golf Course nor any of its property shall be subject to assessment hereunder or under any declaration or similar document from any association. The foregoing shall not prohibit, however, the Association from entering into a contractual arrangement with the Golf Course whereby the Golf Course will contribute funds for, among other things, Common Area maintenance; provided however, no lien hereunder on the Golf Course’s property shall be deemed to exist as a means of enforcing any such obligations.

**Section 4 - Limitations on Amendments.** In recognition of the fact that the provisions of this Article are for the benefit of the Golf Course, no amendment to this Article, and no amendment in derogation hereof to any other provisions of the Declaration, may be made without the written approval thereof by the owner(s) of the Golf Course, or in the case of a corporation owner, by its Board of Directors.

**Section 5 - Jurisdiction and Cooperation.** It is Association’s intention that the

Association and the Golf Course shall cooperate to the maximum extent possible in the operation of the Properties and the Golf Course. Each shall reasonably assist the other in upholding the Architectural Review Board Standards.

**Section 6 - Applicability.** The Golf Course shall not be deemed to be an Owner or Member as those terms are defined in this Declaration and shall only be subject to the provisions of Articles IX, X and this Article XXI of this Declaration. The Association shall have all enforcement powers afforded by this Declaration and at law to enforce those articles.

IN WITNESS WHEREOF, the undersigned Pawleys Plantation Property Owners Association, a South Carolina Non-Profit Corporation, **PPPOA**, by virtue of the provisions of Article I, Section 3 of the aforesaid Amended Declaration of Covenants, Conditions and Restrictions, has caused this instrument to be executed by its venturers the day and year first above written.

By:

**PAWLEYS PLANTATION  
PROPERTY OWNERS ASSOCIATION  
a South Carolina Non-Profit Corporation**

_____	BY: _____ President
_____	BY: _____ Vice President
_____	BY: _____ Secretary
_____	BY: _____ Treasurer
_____	BY: _____ Director
_____	BY: _____ Director
_____	BY: _____ Director
_____	BY: _____ Director
_____	BY: _____ Director



## **EXHIBIT "A"**

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described as Lots 1 through 67 inclusive, Tract A as shown upon a plat prepared for Pawleys Plantation Development Company, a South Carolina Joint Venture, by Southeastern Surveying, Inc., dated November 10, 1986, revised January 13, 1987, and recorded on March 12, 1987, in Plat Book 8 at Page 243, in the office of the Clerk of Court for Georgetown County, South Carolina.

-and-

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described as Lots 1 through 32 inclusive, Tract C as shown upon a plat prepared for Pawleys Plantation Development Company, a South Carolina Joint Venture, by Southeastern Surveying, Inc., dated November 10, 1986, revised January 29, 1987, and recorded on March 12, 1987, in Plat Book 8 at Page 245, in the office of the Clerk of Court for Georgetown County, South Carolina.

-and-

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described as Lots 1 through 40 inclusive, Tract D as shown upon a plat prepared for Pawleys Plantation Development Company, a South Carolina Joint Venture, by Southeastern Surveying, Inc., dated January 14, 1986, revised April 13, 1987, and recorded on April 22, 1987, in Plat Book 8 at Page 328, in the office of the Clerk of Court for Georgetown County, South Carolina.

-and-

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described as Lots 1 through 33 inclusive, Tract E as shown upon a plat prepared for Pawleys Plantation Development Company, a South Carolina Joint Venture, by Southeastern Surveying, Inc., dated November 10, 1986, revised January 13, 1987, and recorded on March 12, 1987, in Plat Book 8 at Page 247, in the office of the Clerk of Court for Georgetown County, South Carolina.

-and-

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described as Lots 1 through 20 inclusive, Tract I as shown upon a plat prepared for Pawleys Plantation Development Company, a South Carolina Joint Venture, by Southeastern Surveying, Inc., dated November 14, 1986, revised February 19, 1987, and recorded on March 12, 1987, in Plat Book 8 at Page 249, in the office of the Clerk of Court for Georgetown County, South Carolina.

This being a portion of the property conveyed to Pawleys Plantation Development Company, a South Carolina Joint Venture, by deeds of:

1) Frank J. Tyson a/k/a F.J. Tyson, Jr. dated and recorded December 10, 1986, in Deed Book 242 at Page 81, records of the Clerk of Court for Georgetown County, South Carolina.

2) Margaret Tyson Marsh dated and recorded December 10, 1986, in Deed Book 242 at Page 85, records of the Clerk of Court for Georgetown County, South Carolina.

3) Dorothy T. Bridger dated and recorded December 10, 1986, in Deed Book 242 at Page 89, records of the Clerk of Court for Georgetown County, South Carolina.

4) Frankie T. Blalock dated and recorded December 10, 1986, in Deed Book 242 at Page 93, records of the Clerk of Court for Georgetown County, South Carolina.

5) Nell T. Jernigan dated and recorded December 10, 1986, in Deed Book 242 at Page 97, records of the Clerk of Court for Georgetown County, South Carolina.

6) Frank J. Tyson, a/k/a F.J. Tyson, Jr., Margaret Tyson Marsh, Dorothy T. Bridger, Frankie T. Blalock, Nell T. Jernigan and Lilla Dale T. Plowden dated and recorded December 10, 1986, in Deed Book 242 at Page 101, records of the Clerk of Court for Georgetown County, South Carolina.

7) Robert L. Lumpkin dated and recorded December 10, 1986, in Deed Book 242 at Page 108, records of the Clerk of Court for Georgetown County, South Carolina.

## **EXHIBIT "B"**

All those certain pieces, parcels or lots of land situate, lying and being in Pawleys Island, Georgetown County, South Carolina and being more particularly described in the following deeds to Pawleys Plantation Development Company, a South Carolina Joint Venture:

1) Frank J. Tyson a/k/a F.J. Tyson, Jr. dated and recorded December 10, 1986, in Deed Book 242 at Page 81, records of the Clerk of Court for Georgetown County, South Carolina.

2) Margaret Tyson Marsh dated and recorded December 10, 1986, in Deed Book 242 at Page 85, records of the Clerk of Court for Georgetown County, South Carolina.

3) Dorothy T. Bridger dated and recorded December 10, 1986, in Deed Book 242 at Page 89, records of the Clerk of Court for Georgetown County, South Carolina.

4) Frankie T. Blalock dated and recorded December 10, 1986, in Deed Book 242 at Page 93, records of the Clerk of Court for Georgetown County, South Carolina.

5) Nell T. Jernigan dated and recorded December 10, 1986, in Deed Book 242 at Page 97, records of the Clerk of Court for Georgetown County, South Carolina.

6) Frank J. Tyson, a/k/a F.J. Tyson, Jr., Margaret Tyson Marsh, Dorothy T. Bridger, Frankie T. Blalock, Nell T. Jernigan and Lilla Dale T. Plowden dated and recorded December 10, 1986, in Deed Book 242 at Page 101, records of the Clerk of Court for Georgetown County, South Carolina.

7) Robert L. Lumpkin dated and recorded December 10, 1986, in Deed Book 242 at Page 108, records of the Clerk of Court for Georgetown County, South Carolina excluding the lots described on Exhibit "A" herein.