

BK N 156 856 *Re Recorded*
BK S 157 835

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

DECLARATION OF COVENANTS AND RESTRICTIONS
OF
HEADQUARTER'S ISLAND PLANTATION
PROPERTY OWNERS ASSOCIATION, INC.

THIS DECLARATION, made on this 1st day of JULY, 1986, by Headquarter's Island Plantation Property Owners Association, Inc., a South Carolina non-profit, non-stock corporation, hereinafter called "Association", and Sea Island Mortgage Corporation, hereinafter called "Company", and L. Douglas Allen as owner of property described in Exhibit "B" attached hereto.

W I T N E S S E T H :

WHEREAS, Company is the owner of the real property described in Article II of this declaration and desires to create thereon a planned development community to be known as Headquarter's Island Plantation.

WHEREAS, Company desires to provide for the preservation of values and for the maintenance of common facilities and services and for a vehicle for the administration and enforcement of covenants and restrictions; and

WHEREAS, Company has caused to be incorporated under the laws of the State of South Carolina, a non-profit corporation, Headquarter's Island Plantation Property Owners Association, for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth;

NOW, THEREFORE, the Company declares that the real property described in Article II and such additions thereto as may hereinafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject to the covenants, restrictions, conditions, easements, changes, assessments, affirmative obligations, and liens (hereinafter sometimes referred to as "the Covenants") hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words are terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

** This instrument, originally recorded on August 8, 1986 in Book N-156 at Page 356 is rerecorded this 18th day of September, 1986 in order to delete Exhibit A which was inadvertently recorded there with and to substitute therefore Exhibit A attached hereto, and to add Exhibit C which was inadvertently omitted.

(a) "Association" shall mean and refer to Headquarter's Island Plantation Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

(b) "Development" shall mean and refer to the lands on John's Island, in the City of Charleston, County of Charleston, State of South Carolina, which are shown as a part of the Headquarter's Island Plantation Master Land Use Plan as revised from time to time.

(c) "Company" shall mean Sea Island Mortgage Corporation, and its successors and assigns.

(d) The "Properties" shall mean and refer to the Existing Property described in Article II hereof, and additions thereto, as are subject to this Declaration or any supplemental declaration under the provisions of Article II hereof.

(e) "Residential Lot" shall mean any subdivided but unimproved parcel of land located within the Properties which is intended for use as a site for a single family detached dwelling, townhouse, or garden home (Patio or Zero lot line) as shown upon any recorded final subdivision map of any part of the Properties. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

(f) "Multiple Family Tract" shall mean any unimproved parcel of land located within the Properties, intended for development of multi-family residential units including Single Family Townhouse Lots for sale, condominiums and apartments as defined and controlled by the applicable zoning for the properties granted by the Charleston City Council. For the purposes of this Declaration, a parcel of land shall not be deemed a "Multiple Family Tract" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property for multiple-family use is placed of Record and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties. Townhouse lots shall become "Residential Lots" at such time as they appear on a plat of Record.

(g) "Development Unit Parcels" shall mean and refer to those parcels or tracts of land conveyed by the Company to third parties under covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Residential Lots or Multiple Family Tracts.

(h) "Unsubdivided Land" shall mean and refer to all land in the existing property described in Article II hereof and additions thereto, as are subject to this Declaration or any supplemental declaration under the provisions of Article II hereof which has not been subdivided into

Residential Lots, Multiple Family Tracts, or Development Unit Parcels, through metes and bounds subdivision plats filed and placed of Record. For the purpose of this Declaration, the following classifications shall be expressly excepted from the definition thereof.

- (1) All lands committed to the Association through express, written notification by the Company to the Association of intent to convey to the Association.
- (2) All lands designated on the Master Plan for intended use, or by actual use if applicable, for outdoor recreation facilities; woodland, marsh and swamp conservancies; maintenance areas; road right-of-ways and drainage easements.
- (3) All lands designated, in any way, as Common Properties.

(i) "Family Dwelling Unit" shall mean and refer to any improved property intended for use as a single family dwelling, including without limitation any single family detached dwelling, garden home (Patio or Zero lot line), condominium unit, townhouse unit, cooperative apartment unit, or apartment unit located within the Properties.

(j) "Owner" shall mean and refer to the Owner as shown by the real estate records of Record whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot, Family Dwelling Unit, Multiple Family Tract, Development Unit Parcel, or Unsubdivided Land situated upon the Properties but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to the Mortgagee or holder of a deed of trust, its successors or assigns, unless and until such mortgagee or holder of a deed of trust has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is of record a long-term contract of sale covering any lot or parcel of land within the Properties, the Owner of such lot or parcel of land shall be the purchaser under said Contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extended beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(k) "Resident" shall mean and refer to each owner and/or lessee of the Dwelling Unit who resides in Headquarter's Island Plantation at least nine (9) months each year.

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

(m) "Affiliate" shall mean any Corporation of which more than fifty (50%) percent of the voting stock is owned or controlled by the Company and any partnership or joint venture in which the Company has more than a fifty (50%) percent equity interest or an interest in fifty (50%) percent or more of the cash flow from such partnership or joint venture.

(n) "Master Plan" shall mean and refer to the drawing which represents that Master Land Use Plan for the future development of the Development. Since the concept of the future development of the Development is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

(o) "Intended for Use" shall mean the use intended for various parcels within the Properties as shown on the Master Plan of the Development prepared by the Company as the same may be revised from time to time by the Company, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the property.

(p) "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties". The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated a "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Company Owners, Residents, and their guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association, provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such Lease.

(q) "Of Record" shall mean recorded in the Register of Mesne Conveyance of Charleston County, South Carolina.

ARTICLE II

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these covenants is described in Exhibit "A" attached hereto.

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There may from time to time exist a Master Plan for the Development. The Company reserves the right to review and modify the Master Plan at its sole option from time to time based upon its continuing research and design program. The Master Plan shall not bind the Company, its successors and assigns to adhere to the Master Plan in the development of the land shown thereon.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership in the Association. The Members of the Headquarter's Island Plantation Property Owners Association, Inc., (hereinafter referred to as "Association") shall be every Owner of the property subject to the provisions of the Declaration of Covenants and Restrictions of Headquarter's Island Plantation Property Owners Association, Inc., and Covenants for Properties in the Headquarter's Island Plantation Property Owners Association, Inc., (all such covenants, restrictions and affirmative obligations, as the same may be amended from time to time. All such covenants having been made by Sea Island Mortgage Corporation, a South Carolina Corporation.

The Board of Directors of the Association may suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the By-laws, (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice hereof to such member.

Section 2. Membership Classes. There shall be the following three (3) classes of voting Membership in the Association:

(a) Type "A" members shall be all Owners including the Company of Residential Lots, and Family Dwelling Units. A Type "A" Member shall be entitled to two (2) votes for each Family Dwelling Unit which he owns. An Owner of a Residential Lot upon which a Family Dwelling Unit has not been constructed shall be entitled to one vote for each Residential Lot which he owns.

(b) Type "B" Members shall be all those Owners, including the Company, of Multiple Family Tracts as such terms are defined herein. A Type "B" Member shall be entitled to one vote for each \$100.00 in annual assessments paid to the Association pursuant to the covenants. In computing the number of votes to which a Type "B" Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$100.00.

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(c) Type "C" Members shall include all those Owners including the Company, of Unsubdivided Lands and Development Unit Parcels as such terms are defined in the Covenants, held and intended for future development by the Company or a third party. The Type "C" Member shall be entitled to one vote for each \$100.00 of annual assessments paid to the Association pursuant to these Covenants. In computing the number of votes to which a Type "C" Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$100.00.

(d) Type "D" Members shall be the Company. The Type "D" Member shall be entitled to cast votes for the election of the Board of Directors as set forth herein.

Section 3. Voting Rights in the Association. The Members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the Covenants. Each Member of each Membership class shall be entitled to as many votes as equals the number of votes he is entitled to, based on his ownership of, one or more of the various classifications of property as computed by the formula set out hereinabove, multiplied by the number of directors to be elected by the Type "A", "B", and "C" Members. Members may cast all of such votes for any one director or may distribute them among the number to be elected by Type "A", "B" and "C" Members, or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof. Members excepting Type "D" Member, are divided into classes for the sole purpose of computing voting rights and shall, in no event, vote as a class.

Section 4. Election of Board of Directors.

The Directors shall be elected by the Members of the Association of the Company according to the following formula:

The Board of Directors shall be elected in part by the Type A, B and C Members, and in part by the D Members. The percentage of directors to be elected by Type A, B and C Members shall be based on the number of Lots and dwelling units owned by Type A Members as compared to the cumulative maximum number of lots and dwelling units authorized in the Property by Planned Residential Development approved by the Charleston City Council. The Type A, B and C Members shall elect a percentage of the Board of Directors equal to the percentage of cumulative maximum number of dwelling units and lots owned by Type A Members; the Type D Members shall elect the remainder. For the purposes of this formula, the number of lots and dwelling units owned by Type A Members and the cumulative maximum number of lots and dwelling units authorized shall be determined by the Board of Directors as of the date on which notice of the meeting of the Members at which the Board of Directors is to be elected is mailed.

It is the intent of this paragraph that the right to elect a majority of the members of the Board of Directors shall pass from the Company (Type D Member) to the Type A, B and C Members at such times as in excess of one-half (1/2) of the cumulative maximum number of lots and dwelling units authorized in the Property by the Planned Residential Development approved by the Charleston City Council are owned by Type A Members.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have the right of use and enjoyment of the common areas including the roads, rights-of-ways and pedestrian areas subject to the provisions of this Declaration and the By-Laws.

Section 2. Easements of Use and Enjoyment Subject to the Following. Every owner shall take title subject to the following easements and assessments which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the association to charge reasonable assessments for security guards, repairs and maintenance of Common Areas and to establish reserves for major repairs or improvements and assessments for any other Common Area that may be granted to or purchased by the Association.

(b) the right of the Association to suspend the voting rights and assess fines or penalties against an Owner for any period during which an assessment against his lot remains unpaid.

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any person, public or private group, corporation, agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of each class of members has been recorded.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of use and enjoyment to the Common Area and facilities to the members of his family, his tenants, his guests or contract purchasers who reside on the property.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 1. Creations of the Lien and Personal obligations of Assessments. The Company covenants, and each Owner of any Residential Lot, Family Dwelling Unit, Multiple Family Tract, Development Unit Parcel, or Unsubdivided Land, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and pay to the Association: (1) Annual assessments or charges; and (2) Special assessments or charges for the

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purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special assessments together with such interest thereon and costs of collecting therefor as hereinafter provided, shall be charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such real property at the time when the assessment first became due and payable.

Section 2. Purpose of Assessments. The annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement and operation of the Common Properties.

Section 3. Application of "Maximum" Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be as follows:

<u>PROPERTY TYPE</u>	<u>MAXIMUM REGULAR ANNUAL ASSESSMENT</u>
Residential Lots	\$ 191.00
Family Dwelling Units	\$ 191.00
Unsubdivided land, Multiple Family tracts and Development Unit Parcels	\$ 50.00/acre

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen (15%) percent.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased or decreased as determined by a vote of two-thirds (2/3rds) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual regular assessments authorized by Section 3 hereof, the Association may levy special assessments, for the following purposes:

(a) Construction or reconstruction, repair or replacement of capital improvements upon the Common Properties or Restricted Common Properties, but not Purchased Common Properties, including the necessary fixtures and personal property related thereto;

(b) For additions to the Common Properties or restricted Common Properties;

(c) To provide for the necessary facilities and equipment to offer the services authorized herein;

(d) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

Section 5. Reserve Funds. The Association may establish reserve funds from its regular annual assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs, (b) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (c) recurring periodic maintenance, and (d) initial costs of any new service to be performed by the Association.

Section 6. Date of Commencement of Annual Assessments. Due Date. Notwithstanding anything in the foregoing to the contrary, the annual assessments provided for herein shall commence no earlier than June 1, 1985. Persons becoming members subsequent to January 1 of each year shall pay assessments prorated as of the date of initial membership.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment against each Residential Lot, Family Dwelling Unit, Multiple Family Tract, Development Unit Parcel, or Unsubdivided Land, within the assessment schedule as provided hereinabove, and shall at the time, direct the preparation of an index of the properties and assessments applicable thereto which shall be open to inspection by any Member. Written notice of assessment shall thereupon be sent to every Member subject thereto.

Section 8. Effect of Non Payment of Assessment; The Personal Obligation of the Owner, the Lien; Remedies of the Association. If the assessment is not paid on or before the past due date specified herein, then such assessment shall become delinquent and shall (together with interest thereon at the maximum annual rate permitted by law from the due date and cost of collection thereof as hereinafter provided) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representative, tenants, and assigns.

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If the assessment is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Owner personally and there shall be added to the amount of such assessment the cost of preparing and filing 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 attorney's fee together with the costs of the action

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any deed or mortgage now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or any other proceeding or deed in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for an assessment accruing after conveyance by the creditor to a subsequent owner, provided, however, that the creditors shall not be liable for assessments until it has held title to the property for more than one (1) year.

Section 10. Exempt Property. The following property, individuals, partnerships, or corporations, subject to this Declaration shall be exempted from assessment, charge and lien created herein:

- (a) The grantee in conveyances made for purposes of granting utility easements;
- (b) All Common Properties;
- (c) Property used for the maintenance and service of facilities within Common Properties;
- (d) Water and Sewer Facilities.

Section 11. Annual Budget. The Board of Directors shall prepare and make available to all Members at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. The financial books of the association shall be available for inspection by all Members at all reasonable times.

ARTICLE VI

FUNCTIONS OF THE ASSOCIATION

Section 1. Ownership and Maintenance of Common Properties and Restricted Common Properties. The Association shall be authorized to own and/or maintain (subject to the requirements of any Federal, State or Local

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Governing body of South Carolina) Common Properties, equipment, furnishings and improvements devoted to the following use:

- (a) For roads or roadways, and parkways along said roads or roadways throughout the Properties;
- (b) For sidewalks, walking paths or trails, bicycle paths, and bridle paths throughout the properties;
- (c) For security services including security stations, maintenance building and/or guardhouses;
- (d) For providing any of the services which the Association is authorized to offer under Section 2 of this Article.

Section 2. Services. The Association shall be authorized (unless prohibited by the requirements of any Federal, State or Local governing body) but not required to provide the following services:

- (a) Cleanup and maintenance of all roads, roadways, roadway medians, parkways, lakes, marshes, and other Common Properties within the properties and also all public properties which are located within or in a reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole;
- (b) Landscaping of roads and other Common Properties;
- (c) Lighting of roads and other Common Properties;
- (d) Security provisions including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the properties and assistance of the City of Charleston Police Department in the apprehension and prosecution of persons who violate the laws of South Carolina within the Properties;
- (e) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;
- (f) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;

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(g) Maintenance of all lakes and lagoons located within the Properties, including the stocking of such lakes and lagoons;

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

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

(j) Improvement of fishing available to Members within the properties;

(k) To provide safety equipment for storm emergencies;

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

(m) To provide liability and hazard insurance covering improvements and activities on the Common Properties, Restrictive Common Properties, and Purchased Common Properties;

(n) To provide any or all of the above listed services to another association or owners of real property under a contract, the terms of which must be approved by the Board of Directors.

Section 3. Obligations of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association.

Section 4. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to mortgage the property of the association and to pledge the revenues of the association which loans shall be used by the Association in performing its authorized functions. The Company may make loans to the Association, subject to approval by the Company of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the regular annual assessment at any time there are outstanding any amounts due the Company as repayment of any loans made by the Company to the Association.

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ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. If the Architectural Review function is assigned to the Community Association by the Company the Board shall be composed of at least three (3) but not more than eleven (11) Members, all of which shall be appointed by the Board of Directors of the Association. At least one (1) Member of the Association other than the officers, employees or agents of the Company shall be a member of the Architectural Review Board at all times.

Section 2. Architectural Review and Approval. No building, wall, fence, swimming pool, or other structure shall be commenced, erected, or maintained upon the Common Properties, nor shall any landscaping be done, nor shall any exterior addition to any existing structure or change or alteration therein, be made until the plans and specifications therefor showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location, with the surrounding structures and topography, by the Architectural Review Board. This paragraph shall not apply to any property utilized by a governmental entity or institution.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Duration. The Covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period this Declaration shall be automatically renewed and extended for successive ten (10) year periods, unless terminated or amended by fifty one (51%) percent of the vote.

Section 2. Amendments. The Company specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion, from the date hereof until January 1, 1998, so long as the voting power of existing Members is not diluted thereby, nor the amounts of assessments of such existing Members raised or changed in any manner which would adversely affect such Members.

So long as the Company, as the Type D Member, is entitled to elect a majority of the Members of the Board of Directors of the Association, no amendment of this Declaration shall be made without the consent of the Company.

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Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or person violating or attempting to violate or circumvent any covenants or restrictions, either to restrain violation or to recover damages, and; against the lands and to enforce any lien created by these covenants; and failure by the association or any Member or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 4. Interpretation. The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration of Covenants and Restrictions and to construe and interpret its provisions, and its determination, construction or interpretation, shall be final and binding. In all cases, the provisions of this Declaration of Covenants and Restrictions shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 5. Severability. Should any covenant or restriction contained herein, or any Article, Section, Subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the Bylaws of the Association, unless the terms of this instrument provide otherwise.

Section 7. Notices. Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the address appearing on the Association's Membership list.

Section 8. Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Company contemplated under this Declaration, the Company shall not be liable to an Owner or to any other person or account of any claim, liability, damage, or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way reacting to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted, or withheld.

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Section 9. Termination of Association. In the event that this Declaration be declared to be void, invalid, illegal, or unenforceable in its entirety, or in such significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording this Declaration, all Common Properties belonging to the Association at the time of such adjudication shall revert to the Company, and the Company shall own and operate said Common Properties as Trustee for use and benefit of Owners within the Properties as set forth below. If said adjudication shall occur on a date more than ten (10) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Article VIII, Section 1, all Common Properties owned by the Association at such time shall be transferred to a properly appointed Trustee which Trustee shall own and operate said Common Properties for the use and benefit of Owners within the properties.

ARTICE XI

EXISTING RESIDENCE OF L. DOUGLAS ALLEN

The existing residence of L. Douglas Allen is situate on a parcel of land or island briefly described as 16.75 acres, more or less, together with the causeway, more fully described on Exhibit "B" attached hereto.

The owner of that tract or parcel of land and his heirs, successors and assigns are hereby declared to "Owners" under Article I and "Type A Members" under Article III of Headquarters Island Plantation Property Owners Association notwithstanding the fact that they may not otherwise qualify as owners or members under the terms of this Declaration, and are entitled to all the rights, titles, privileges and hereditaments of owners and members as set forth in this Declaration including, but not limited to, the right of use and enjoyment of the roads and common areas and shall also be subject to the annual and special assessments and rules and regulations of the Association with regard to the use of common properties. The "Maximum" regular annual assessment to which the Owner of said parcel shall be subject shall be the same as that for other "Family Dwelling Units" as set forth in Article V, Section 3.

The Owner of said tract shall be solely responsible for the maintenance of the driveway or causeway leading from Headquarters Island Plantation to said parcel. Said parcel shall not be subject to Article VII hereof nor shall there be any limitation whatsoever on the owner's use of said parcel of land, including the right to subdivide, construct additional residences, and/or convert the existing residence or future construction to

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a PUD or condominium. Any activities which create more than one residence on said parcel shall cause an automatic increase in the assessment equal to the cost of one membership for each residence complete thereon. The owner of each additional residence shall be an "Owner" and a "Type A Member" of the Association as is provided in this Article.

In the event that all Common Properties belonging to the Association revert or are transferred to a trustee under the provisions of Article VIII, Section 9, then and in that event said trustee shall own and operate said Common Properties for the use and benefit of the owner of said tract, his heirs, successors and assigns, as well as for the use and benefit of the owners within the properties.

All of the rights, titles, privileges, hereditaments and memberships as stated in this article shall be appurtenant to the title and shall be a covenant running with the land and such shall be binding upon and inure to the benefit of the heirs, successors or assigns of the Company or L. Douglas Allen.

IN WITNESS WHEREOF, the Company, and the Association have caused this instrument to be executed the day and year first above written pursuant to a resolution duly and unanimously adopted by its Board of Directors.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

SEA ISLAND MORTGAGE CORPORATION

Harrell H. Dordane
Carleen R. Keys

BY L. Douglas Allen (SEAL)
Its: PRESIDENT

HEADQUARTER'S ISLAND PLANTATION
PROPERTY OWNERS ASSOCIATION, INC.

Harrell H. Dordane
Carleen R. Keys

BY William M. Lee (SEAL)
Its: PRESIDENT

Harrell H. Dordane
Carleen R. Keys

BY L. Douglas Allen (SEAL)
L. Douglas Allen

Re Recorded

3K S 157 PG 851

3K N 156 PG 872

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me MARY ELLEN G. DONOHUE
and made oath that (s)he saw the within named Sea Island Mortgage
Corporation, by the above named officer, sign, seal and, as its act and
deed, deliver the within written instrument, and that (s)he with
CAROLYN R. KEYS witnessed the execution thereof.

Mary Ellen G. Donohue (SEAL)

SWORN to before me this

25 day of July, 1986.

Carolyn R. Keys (SEAL)
Notary Public for South Carolina
My Commission Expires: 12/8/92

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me MARY ELLEN G. DONOHUE
and made oath that (s)he saw the within named Headquarter's Island
Plantation Property Owners Association, Inc., by the above named officer,
sign, seal and, as its act and deed, deliver the within written instrument,
and that (s)he with CAROLYN R. KEYS witnessed the execution
thereof.

Mary Ellen G. Donohue (SEAL)

SWORN to before me this

25 day of July, 1986.

Carolyn R. Keys (SEAL)
Notary Public for South Carolina
My Commission Expires: 12/8/92

Re Recorded
BK S 157 1852

BK N 156 PG 827

EXHIBIT A

Plat entitled "Plat of Headquarters Island Plantation Subdivision, Johns Island, City of Charleston, SC" dated December 11, 1984, and revised July 8, 1986, by Alpha Surveying, Inc., which plat was recorded on July 9, 1986, in Book BJ at Page 105 in the RMC Office for Charleston County, South Carolina.

Plat entitled "Plat of Headquarters Island Plantation Subdivision, Johns Island, City of Charleston, SC" dated December 11, 1984, and revised June 23, 1986, by Alpha Surveying, Inc., which plat was recorded on June 26, 1986, in Book BJ at Page 84 in the RMC Office for Charleston County, South Carolina.

Re Recorded

3K S 157-853

3K N 156-874

EXHIBIT B

ALL that piece, parcel or tract of land with the buildings and improvements thereon located on Johns Island in Charleston County, South Carolina and known as Doug's Island containing 16.75 acres more or less of highland and marshland and more fully shown and described on a plat entitled "Survey of Land in the name of L. Douglas Allen located on Johns Island, Charleston County, South Carolina the property now known as Doug's Island" by Forrest G. Calvert, R.L.S. 4175, dated July 25, 1981, and recorded on August 14, 1981, in Plat Book AT at Page 148 in the RMC Office for Charleston County, South Carolina.

SAID piece, parcel or tract of land having such buttings, boundings, courses and distances as shown on said plat.

ALSO

All that lot, piece, parcel or strip of land with the improvements thereon, situate, lying and being on Johns Island in the City of Charleston, County of Charleston, State of South Carolina, shown as being included within the lines marked AB, BC, CD, DE, EF and FA on a plat entitled, "Plat Showing A Strip of Land Designated By A, B, C, D, E, F, & A. Located Near Headquarters Plantation Subdivision On Johns Island, City of Charleston, Charleston Co., SC. owned by Sea Island Mortgage Corp. to be conveyed to L. Douglas Allen" by Alpha Surveying, Inc. dated May 2, 1985 and recorded July 25, 1985 in Book BE at Page 166 in the RMC Office for Charleston County, South Carolina.

Said lot, piece, parcel or strip of land having such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully and at large appear.