

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made this 5th day of MARCH 1999, by INTRACOASTAL L.L.C. (hereinafter referred to as Declarant), owner of the real property known as Unit 301, Phase II, Somerset Horizontal Property Regime. Litchfield By the Sea, Pawleys Island, South Carolina, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

Declarant proposes to convey an estate for years with an undivided interest in the premises in remainder providing in each Deed that the grantee or grantees shall have the exclusive right to occupy the premises, and as between owners of interest in the premises to use all areas, improvements and other facilities located thereon together with all rights and easements appurtenant to the premises during one or more of the following use periods and reserving to declarant and its successors and assigns, the exclusive right to occupy the premises areas and appurtenant rights and easements during all other use periods.

By this Declaration, declarant intends to establish a common scheme and plan for the use, enjoyment, repair, maintenance, restoration, remodeling and improvement of the premises and the interest therein so conveyed or reserved, and to the payment of taxes, assessments and other expenses pertaining thereto, and declares that the premises are and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and enjoyment of the premises and the interests to be conveyed and reserved. All such limitations, restrictions, covenants and conditions are intended to run with the land, to wit: interests so conveyed or reserved are to enure to the benefit of

and be binding upon each interest so conveyed or reserved and all parties having or acquired any right, title, interest or estate therein.

1. **DEFINITIONS:** The following terms as used in this Declaration shall have the following meanings:

(a) "Declarant" shall mean Intracoastal, LLC or any successor in interest by merger or by express assignment of the rights of declarant hereunder by instrument executed by declarant and recorded in the office of the Register of Deeds for Georgetown County, South Carolina.

(b) "Premises" shall mean the real property described in Exhibit "A" together with all improvements located thereon, and all appurtenances, rights and easements thereon appertaining.

(c) "Unit Week" means a one (1) week use in the premises. Unit weeks are computed as follows: Unit Week #1 is the seven days commencing on the last Sunday in each year. Unit #2 is the seven days succeeding. Additional weeks up to and including Unit Week #51 are computed in a like manner. Unit Week #52 contains the seven (7) days succeeding the end of Unit Week #51 without regard to the month or year plus any excess days not otherwise assigned. Unit Weeks run from four o'clock p.m. (4:00 p.m.) on the first Sunday of the period to twelve noon (12:00 noon) on the last Sunday of the period.

(d) "Use Periods" shall mean a combination of four (4) Unit Weeks as hereinafter designated and shall be numbered Use Periods A through M and shall include the use weeks as shown on the attached, Exhibit B.

(e) "Interval" shall designate ownership of a "four-unit week". There will be thirteen (13) Intervals designated 1 through 13.

(f) "Owner" shall mean and include (i) grantee or grantees named in the Deed to an

Interval by the declarant; (ii) the successor owners of each Interval or (iii) declarant with respect to any Interval not conveyed.

(g) "Common Furnishings" shall mean furniture and furnishings for the premises or other personal property from time to time owned or held for use in common by all owners during their respective Use Periods.

(h) "Agent" shall mean the owner's agent appointed as hereinafter provided.

(i) "Owners Association" shall mean all of the owners of Intervals acting to govern the operation of the premises.

(j) "A Majority in Interest of the Owner" shall mean an owner or owners owning in the aggregated more than fifty (50%) of the Intervals.

2. **EXCLUSIVE USE AND OCCUPANCY:** Each owner shall have the exclusive right to occupy the premises, and as between owners, to use and enjoy all appurtenances, rights, and easements thereto appertaining, during such of the above Use Periods as are set forth in the deed of his Periods not included in any Intervals theretofore conveyed and to authorize other so to do, together with the non-exclusive right in common with all other owners, but only when acting with a majority in interest of owners, to maintain and repair the premises during Service Periods and the Annual Maintenance Period. No owner shall occupy the premises or exercise any other rights of ownership in respect to the premises other than the rights herein provided to him during other Use Period unless expressly so authorized by the owner entitled to occupy the unit during such Use Period or during any Service Period or any Annual maintenance Period except when acting through the agent (or, if no agent be appointed, when acting with a majority in interest of owners). Each owner shall keep the premises and all common furnishings in good condition and repair during his Use Period(s),

vacate the premises at the expiration of his Use Period(s), remove all persons and property therefrom excluding only common furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable check-out and other procedures as may from time to time be contained in rules promulgated by the agent or by a majority in interest of owners.

3. **MANAGEMENT:** Management of the premises, maintenance and repair of the improvements, acquisition, maintenance, repair and replacement of common furnishings, administration of the affairs of owners with respect to the use of the premises, occupancy of the premises and payment of expenses and costs enumerated in this Declaration, shall be under the direction and control of an agent initially appointed by the declarant for a period of one (1) year and thereafter appointed by the Management Committee.

(a) To repair, maintain, repaint, remodel, furnish or refurnish the premises or any part thereof; to establish reserves for anticipated costs, including the acquisition and replacement of common furnishings; and to acquire and pay for materials, supplies, furniture, furnishings, labor or services which the agent deems necessary or proper for the maintenance and operation of the premises. The agent shall not, however, make any discretionary capital expenditure which exceeds One Thousand (\$1,000.00) Dollars without the prior approval of a majority in interest of owners, except in case of an emergency.

(b) To pay all taxes and assessments and other costs or charges affecting or relating to the premises; and to discharge, contest or protect liens or charges affecting the premises.

(c) To obtain and pay the cost of electrical, telephone, cable television and other utility services for the premises.

(d) To adopt from time to time and enforce reasonable rules relating to the possession, use and enjoyment of the premises by the owners.

(e) To obtain and pay the costs of legal and accounting services necessary or proper in the maintenance and operation of the premises and the enforcement of this Declaration.

(f) To obtain and pay the costs of insurance covering the premises and common furnishings against loss or damage by fire or other hazards customarily covered by fire insurance policies written with extended coverage, public liability insurance insuring against liability for personal injury or property damage resulting from any occurrence in or about the premises and any other insurance deemed necessary or desirable by the agent or by a majority in interest of owners. The policies of insurance will cover such risk, be written by such insurers, and in such amounts, as the owners shall determine.

(g) To do all of the acts or things necessary or appropriate in the ordinary and necessary operation and maintenance of the premises or to preserve and protect the premises in the event of emergency.

(h) To delegate the authority and responsibilities of agent hereunder to one or more sub-agents for such periods and upon such terms as the agent deems proper.

(i) To collect, either in advance or disbursement or following disbursement if agent advances a sum payment of any of the foregoing each owner's share of the aforesaid costs and any other amounts properly expended by the agent, to estimate any such expenditures in advance and to bill the owners accordingly and to take proper step to enforce the owner's obligations hereunder.

(j) To prepare in advance a budget for each year which shall include an estimate of the next year's expenses. Such budget shall be presented at the annual meeting of owners for

consideration and approval by the owners.

4. **UNIT EXPENSES:** Each owner shall pay:

(a) The cost of long distance telephone charges, special services allocable to the occupancy of the premises during each owner's Use Period(s), the costs of repair of any damage to the unit or to repair or replace any property contained therein on account of loss or damage occurring during his Use Period(s), and the cost to satisfy any expense to any of the other owners due to any intentional or negligent act or omission of such owner, his family, guest, invitees, tenants or lessees or resulting from his breach of any provisions of this Declaration.

(b) A share of the following costs and expenses which bears the same relationship to the whole as the number of weeks in such owner's Use Period(s) bears to the total fifty-two weeks; (i) real property taxes and assessments; (ii) insurance premiums for fire and extended coverage insurance and other casualty insurance from time to time payable and (iii) amounts necessary to establish proper reserves for the foregoing items.

(c) A share of the following costs and expenses which bears the same relationship to the whole as the number of weeks in such owner's Use Period(s) bears to the total fifty-two weeks: (i) basic telephone charges and cost of utility service and other standard services; (ii) cost of ordinary repair, replacement and maintenance of common furnishings; (iii) premiums for liability insurance; (iv) amounts necessary to establish a proper reserve for the foregoing items; and (v) other costs and expenses elsewhere herein provided to be paid including the agent's compensation, agent's reimbursable expenses and professional fees.

(d) Any payment due by an owner which is more than ten (10) days in arrears shall bear interest at the rate of fifteen (15%) percent per annum until date of payment.

All such payments shall be made through the agent unless the agent or a majority of the interest of the owners otherwise directs. The agent shall be under no obligation to, but may in his discretion, advance sums required to pay the obligations of any one or more of the owners to make the aforesaid payments or incur obligations within the agent's authority, notwithstanding the failure of any one or more of the owners to provide funds therefor. The agent shall not be responsible for the acts or conduct of any of the owners or for the breach of any of the obligations of any of the owners hereunder. The agent shall not be liable to the owners in the absence of bad faith or negligence but shall hold the owners harmless from and against any and all claims, expenses, liabilities, demands, causes of action, awards or judgments rendered against the agent or the owners arising out of in connection with negligent conduct of the agent, its officers, employees or sub-agents.

The agent may, in its discretion, estimate the amount to be paid by each owner in advance and provide procedures for payment thereof, equal periodic payments or otherwise, and may require additional or supplemental payments of amounts, subject to the approval of the owners, promptly payable by the owners in addition to any estimated payments and may include and any such estimated or supplemental payments provisions for payment of the agent's compensation. Each owner shall prepay the agent the quarterly payment specified in the budget on the date indicated thereon.

5. **THE AGENT:** Declarant shall appoint an agent to serve for a period of one (1) year from the date of recording of this Declaration and that appointment shall be automatically renewed for successive one (1) year periods until terminated by a majority in interest of the owners. The appointment of a successor agent shall be evidenced by a written agreement executed by a majority

in interest of owners and by the successor agent. During any period when no agent is acting, a majority in interest of owners shall have all the rights herein conferred upon the agent.

6. **SEPARATE MORTGAGES:** Each owner shall have the right to mortgage or otherwise encumber his Interval. No owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the premises or any part thereof except his Unit Period, nor shall any owner have the right or authority so to do. Any mortgage, deed of trust or other encumbrance for the Interval shall be subordinate to all provisions of this Declaration and in the event of foreclosure, provisions of this Declaration shall be binding upon the owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

Notwithstanding any other provisions of this Declaration, no breach of the provisions herein contained nor the enforcement of any lien created pursuant to provisions hereof shall defeat or render invalid the lien of any mortgage or deed of trust of any owner's Interval if such mortgage or deed of trust is recorded in the records of the Clerk of Court for Georgetown County and is given in good faith and for value.

7. **WAIVER OF PARTITION:** No owner or entity acquiring any right, title or interest in the premises shall seek or obtain through any legal procedures judicial partition of the premises or sale of the premises in lieu of partition at any date prior to the expiration of Unit Week #52 which begins in the year 2028. Such right to partition shall likewise be postponed during any extension of this Declaration as hereinafter provided. If, however, any Interval shall be owned by two (2) or more persons as tenants in common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Interval in lieu of partition as between such co-tenants or joint tenants.

8. **MERGE:** The estate for years and the remainder of the undivided interest shall not

merge.

9. **ESTABLISHING OF INTERVALS:** Any Interval conveyed by Declarant, and any Interval from time to time retained by the declarant, shall consist of the right exclusively to occupy the premises, as between owners to use and enjoy the rights and easements appurtenant to the premises, during one or more Use Periods as herein provided.

The transfer of any Interval shall operate to transfer to the new owner the interest of the prior owner in funds in the hands of the agent and in common furnishings without further instrument or transfer.

10. **DAMAGE OR DESTRUCTION:** In the event of any damage or destruction to the premises or the common furnishings, except as otherwise provided in this Declaration, the agent shall forthwith cause such damage to be repaired and shall apply any available insurance proceeds to the payment thereof. If the damage is not covered by insurance, or if available insurance proceeds are insufficient, the agent shall assess and the owner shall pay the costs thereof or deficiency in proportion to their undivided ownership interest in the Premises unless the damage was caused by the intentional or negligent act or omission of any owner, his family, guests, invitees, or lessees, in which event the cost of the repair or deficiency shall be paid by such owner.

Any proceeds allocable to the Premises and payable to the owners as a result of (i) any excess insurance proceeds of the cost of repair or restoration; or (ii) any similar cause, not required to repair or restore the premises or the common furnishings or any part thereof or paid to compensate any one or more of the owners for loss or damage to their individual person or properties (in which case such distribution shall be with due regard to the loss or damage incurred), shall be distributed to the owners in proportion to their respective undivided ownership interest in the Premises, subject to

paragraph 14 hereof.

11. **RESTRICTION OF OWNERS** is amended as follows:

Except as otherwise provided in the Declaration, unless required to prevent damage or injury to persons or property in an emergency, no Owner shall make improvements, decorations or repairs to the premises or to the common furnishings or contract so to do or subject the premises or the common furnishings to any liens for the making of improvements, decorations or repairs. No owner shall create or permit to exist any nuisance in or on the premises or commit waste with respect to the premises or the common furnishings. No pets of any sort may be kept or allowed in the Unit and no smoking will be allowed within the Unit..

12. **OWNER'S ASSOCIATION:** The management and operation of the premises shall be governed by the owners acting pursuant to this Declaration through an unincorporated association, hereinafter referred to as "Association" as follows:

(a) "Membership". Every owner shall be a member of the Association. Transfer of Interval ownership, either voluntary or by operation of law, shall terminate membership and said membership is to become vested in the transferee.

(b) "Voting". The owner(s) of each Interval shall be entitled to one (1) vote. If owner owns more than one (1) Interval, he shall be entitled to one (1) vote for each Interval owned. The vote of an Interval shall not be divisible. If an Interval is owned by more than one (1) person, the person entitled to cast the vote for the Interval shall be designated in a certificate, signed by all of the record owners of the Interval filed with the Agent. If an Interval is owned by a corporation, the office or employee thereof entitled to cast the vote of the Interval for the corporation shall be designated in a certificate for this purpose and likewise filed. If such a certificate is not on file for an Interval

owned by more than one person or a corporation, the vote of the Interval concerned shall not be considered in determining the requirement for a quorum, or for purpose requiring the approval of a person entitled to cast the vote for the unit. Such certificate shall be **valid until revoked**.

(i) A majority of Interval votes shall decide any question, unless this Declaration provides otherwise.

(ii) "Quorum". Unless otherwise provided in this Declaration, the presence in person or by proxy of a majority of the Interval owners total votes shall constitute a quorum.

(iii) "Proxies". Votes may be cast in person or by proxy. All proxies shall be in writing, dated and signed by the person entitled to vote.

(c) "Meetings". Meetings may be called at any time by a majority of Interval votes and upon thirty (30) days written notice to all Owners. There shall be an annual meeting held each year on the third Saturday of February at a place designated in the notice.

(d) "Agent". The Agent shall be given notice of all meetings, may attend same and may be heard but shall not be entitled to vote.

(c) By-Laws shall be adopted by the Association at the first annual meeting.

13. **USE RESTRICTIONS:** The owner of an Interval shall occupy and use the Premises as a single family private dwelling for himself and the members of his family, his social guests, lessees, licensees and invitees.

14. **INSURANCE PROVISIONS:** The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements, furniture, fixtures and equipment located in or on the premises, together with such other insurance as the Association deem necessary in an amount equal to the maximum insurable

replacement value as determines annually; and the premiums for such coverage and other expenses associated therewith shall be included in the budget as a common expense. The named insured shall be the Agent and as trustee for the owners, without naming them, and as trustee for their mortgages.

Provisions shall be made for the insurance of mortgagee endorsements and memoranda of insurance to the mortgagees of Interval Owners. Such policies shall provide that payments for losses thereunder by the insurer shall be made to the agent and all policies and endorsements thereon shall be deposited with the Agent. All such proceeds shall be used for the purpose of repair or replacement of any loss, or in the event such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all owners. Any deficit or overage in such proceeds, after repair or replacement, shall be divided among all such owners. Deficits shall be treated as part of the assessment next due.

In addition to the above, public liability insurance in such amounts and with such coverage as shall be required by the Association shall be maintained. Such policies shall have cross liability and endorsement to cover liabilities of the owners as a group to an Interval.

The Agent, in the absence of direction by the Association, shall maintain such insurance as it may deem prudent.

Proceeds of insurance policies received by the Agent shall be distributed to or for the benefit of the owners as follows:

(a) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the owners, remittance to owners and their mortgages being payable jointly to them or if a majority of the owners so decide, the remaining

proceeds may be placed in the maintenance escrow account.

(b) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the owners, remittances to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

All insurance policies shall be for the benefit of the Association as a group, the individual owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Agent. The agent shall not be liable for sufficiency of policies. The duty of the Agent shall be to receive such proceeds as are paid to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the owners and their mortgagees.

In making distribution to owners and their mortgagees, the Agent may rely upon the records of the Association as to the owners and mortgagees.

The Agent is hereby irrevocably appointed Agent for each owner, each mortgagee and all interested parties to adjust all claims arising under insurance policies and to execute and deliver releases upon payment of claims.

In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the owners, the Agent will give notice of the exposure within ten (10) days to all owners and they shall have the right to intervene and defend.

A copy of each insurance policy obtained shall be kept in the Agent's office and be available for inspection by owners at reasonable times.

15. **DAMAGE:** If any part of the Premises is damaged or destroyed, the following shall apply:

(a) Estimate of Costs: Immediately after discovery, the Agent shall obtain two (2) reliable and reasonably detailed estimates of the cost to rebuild or repair.

(b) Responsibility: If the damage results from actions of an owner or owners which would make repair their responsibility (as hereinbefore set forth), then such owner or owners shall deposit with the Agent funds which together with available insurance proceeds will pay for such repairs or rebuilding. In all other cases, the responsibility of reconstruction or repair after damage shall be that of the Association.

(c) Assessments: The amount necessary to repair or rebuild after damage in excess of the amount available from insurance proceeds shall be assessed against each owner (each Interval being assessed 1/13).

(d) Construction Funds: The funds for payment of costs of reconstruction and repair after damage, which shall consist of proceeds of insurance and funds collected by the agent from the owners shall be disbursed upon direction by the Agent.

(e) The amount of assessment shall not be levied unless approved by a majority in interest in writing. Should such approval not be obtained within ninety (90) days of discovery of this damage, this Declaration may be terminated by a majority in interest by a certificate of such vote signed by such majority filed in the office of the Register of Deeds for Georgetown County, South Carolina. If such approval has not been obtained within one hundred twenty (120) days this Declaration shall automatically terminate.

(f) Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building which shall remain on file with the Agent; or if not, then according to plans and specifications approved by the Association.

16. SERVICE PERIODS AND MAINTENANCE PERIODS: From twelve o'clock noon (12:00) until four o'clock p.m. (4:00 p.m.) each Sunday is hereby designated as a Service Period. Unit Week Number Three (3) is hereby designated the Annual Maintenance Period. The Agent shall have the exclusive right to the Premises during Service Periods and the annual Maintenance Period for the purpose of maintenance, repair, cleaning, etc.

Unit Week Number Three (3) is a portion of the Use Period C. The Interval Owner having Use Period C in any given year shall be notified not less than thirty (30) days in advance of such Annual Maintenance Period as to the amount of time during said week the Agent will use for service. The owner of said Interval may use such portion of Unit Week Number Three (3) that is not required by the Agent for service purposes.

17. ENFORCEMENT OF RESTRICTIONS: In the event that any owner shall fail to comply with any of the provisions of this Declaration, the Agent or any other owner or owners may bring an action for damages, or to enjoin the violation of specifically enforce the provisions of this Declaration, or to enforce any statutory or contractual lien or liens provided herein, including foreclosure or any such liens, and the appointment of a receiver for any owner or to take possession of the Use Period of any owner. The Agent may, by and with the authorization of the Association suspend an owner's right to usage by said owner for failure to comply with or obey the Restrictions, Rules and/or Pay Assessments. In any such legal proceedings, the prevailing parties shall be entitled to costs and reasonable attorney's fees. All sums payable hereunder by any owner shall bear interest at fifteen (15%) percent per annum from the due date, or advanced or incurred by any other owner or by the Agent to be provided herein to be repaid, within ten (10) days after repayment is required.

The aforesaid remedies shall be cumulative in addition to all other remedies which may be

available at law or in equity; provided, however, that no breach of any provision hereof shall permit or empower any other owner to terminate any such provision or excuse any such breach or failure, and each owner shall continue to conform and comply with and hold his Interval subject to all the provisions of this Declaration notwithstanding any such breach or failure.

18. **LIEN ON USE PERIODS AND INTEREST:** Each owner shall have a lien, in the nature of a mortgage on the interest of each other owner in the Premises and common furnishing as security for the prompt and faithful performance by such other owner of the obligations under this Declaration and payment of costs of enforcement and reasonable attorney's fees; provided, however, that as against any transferee, mortgage or beneficiary of any owner's interest in acquiring all or any interest in such owner's interest by deed, mortgage or deed of trust by such owner for valuable consideration and accepted by the transferee, mortgagee or beneficiary without notice or default of the payment or performance secured, no such lien shall be effective to secure any past due payment or performance in default to the time of recording such deed, mortgage or deed of trust except to the extent that notice of default of the payment or performance has been given at the time of recording such deed, mortgage or deed of trust by the prior recording of a notice of lien in the office of the Register of Deeds for Georgetown County, South Carolina, which notice of lien describes the Interval affected and sets forth the name of the record owner thereof and recites that a particular payment or performance is or may be in default. The lien herein created may be enforced by sale of any owner, or by the agent, as agent, and attorney-in-fact for the owner and the delinquent owner's interest in the premises and common furnishings may be sold in any manner permitted by law. The purchaser in any foreclosure sale shall obtain title subject to the provisions of this Declaration. Either the Agent or any owner or owners may bid at the foreclosure sale and may hold, lease, mortgage or convey any

interest in the Premises and/or common furnishings acquired at such sale. The aforesaid lien and right of foreclosure shall be in addition to and not substitution for all of the rights and remedies which the owners which the owners or agents may have hereunder.

19. PROTECTION OF INTEREST: No owner shall permit his interest in the premises or common furnishings to be subject to any lien (other than the lien of current real property taxes and the current and future installments of special assessments), claim or charge, the enforcement of which may result in a sale or threatened sale of the interest of any other owner in the Premises or common furnishings or any part of any thereof, or in any interference with the use or enjoyment thereof of any other owner.

No owner shall permit his interest in any funds from time to time in the possession of the Agent to be subjected to any attachment, lien, claim or charge or other legal process and shall promptly restore any funds held by the Agent in respect of his Use Period to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge or other legal process and reimburse the Agent for all reasonable attorney's fees or other costs incurred in respect thereof.

20. BUY BACK PROVISION: Prior to agreeing to convey an Interval, the owner of said Interval agrees to give the other owners a thirty (30) day written notice option to purchase said Interval at a price equal to the bonafide price which he shall have received from the prospective purchaser. The written option must include the name and address of the prospective purchaser together with the written offer to the owner. In the event the owner conveys his Interval without compliance with this restriction, the other owners or any one of them shall have the right, at any time within three (3) months after receiving actual notice of said sale, to tender an amount equal to the price received by the selling owner and demand from the then title holder the conveyance of the

Interval to the offering owner or owners. This provision shall not apply to sales between family members.

21. **TERMINATION:** Termination of this Declaration and the result thereof shall be as follows:

(a) It is understood that at the end of Unit Week #52, which begins in the year 2028, the owners shall become tenants-in-common unless this Declaration is extended as hereinafter provided.

(b) Not less than thirty (30) days nor more than sixty (60) days prior to the actual date of conversion to tenants-in-common, as called for in subparagraph (a) above, the Agent, or a majority in interest of the owners, shall call a meeting of all owners. At such meeting, a vote shall be taken to decide the disposition of the Premises. A quorum at such meeting shall be a majority of the votes of all Intervals. At such meeting, the owners, by a majority vote, may vote to continue this Declaration and Interval Ownership for a period of thirteen (13) years. The same procedure shall be followed at the end of such extension (and each subsequent extension). Should the requisite majority vote not be obtained, this Declaration shall terminate and the owners shall become tenants-in-common.

(c) Should the Premises be damaged and funds not be approved to restore the premises in accordance with subparagraph (e) of Paragraph 15 of this Declaration, this Declaration shall terminate and the owners shall become tenants-in-common.

(d) Prior to the termination date specified above in subparagraph (a), the termination may be had only upon a unanimous vote of all owners and with the consent of mortgages. Provided, however, this provision shall not affect the provisions of subparagraph (c) (damage).

(e) Upon termination, the owners shall become tenants- in-common under the laws of the State of South Carolina, and each owner shall have the right to take such action as may be permitted by law, including but not limited to, partition. Sufficient evidence of such termination shall be the recording of a Certification of Termination executed by the requisite number of owners. Provided, however, should a like certificate not be recorded evidencing the renewal of this Declaration at the original termination date (2028) or at the end of any renewal date within ninety (90) days or such date, the termination shall be completed without any recorded document.

(f) This Declaration may be terminated by the Declarant until such time as the deed to the first estate for years and undivided interest in remainder is executed and delivered.

22. **NOTICES:** Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally or when deposited in the United States Mails addressed to any owner at the last address such owner designated to the Agent for delivery of notices or in the event of no such designation, at such owner's last known address or, if there be none, to the address of the unit, certified mail, return receipt requested.

23. **SEVERABILITY AND RULE AGAINST PERPETUITIES:** If any provision of this Declaration shall be held invalid, it shall not affect the validity of the remainder of this Declaration. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation or the duration of the provisions contained herein, then such provision shall be deemed to remain in effect only for the maximum permissible period by law or until twenty-one (21) years after the death of the last survivor of the now living relatives of the Queen of England.

24. **SUCCESSORS:** The provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in the Premises or any part thereof and shall be for the

benefit of each owner and his heirs, successors and assigns. Each owner (including Declarant) shall be fully discharged and relieved of liability on the covenants hereunder insofar as the same relate to each Interval upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder in respect to such Interval to the time his ownership interest terminated.

25. **NO EXEMPTION:** No owner may exempt himself from liability for any obligations set forth herein by any waiver of the use or enjoyment of the unit or by any other action.

26. **NO WAIVER:** The failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision hereinafter.

27. **INTERPRETATION:** The section titles at the beginning of each numbered section this Declaration are for convenience only and the words contained herein shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural and the masculine or neuter gender shall include the other genders.

28. **AMENDMENT:** This Declaration may be amended by written instrument executed by owners holding or record seventy-five (75%) percent or more of the undivided interest in the premises and recorded in the office of the Clerk of Court for Georgetown County, South Carolina; provided, however, that no such amendment may affect or alter the right of any owner exclusively to occupy the unit, and as between the owners to use and enjoy the premises and the rights and easements appurtenant thereto, during the heretofore established Interval or Intervals as set forth in the Deed to his interest unless such owner shall expressly so consent. Subject to the foregoing provision, any amendment shall be binding upon every owner and every Interval whether the burdens thereon are increased or decreased.

29. MISCELLANEOUS PROVISIONS:

(a) All provisions of this Declaration and amendments thereto shall be construed as covenants running with the land, and every owner and occupant of the premises or any part thereof, or any interest therein and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration and amendments hereto.

(b) If any of the provisions of this Declaration, or the Management Agreement or any section, clause, phrase, word, or the application thereof, in any circumstances is held invalid, the remainder of said documents shall not be affected thereby.

(c) The Declarant shall have the right so long as one Interval is being held by the Declarant for sale in the ordinary course of business to use a portion of the Premises for the purpose of aiding in the sale of Intervals including the right to use parking.

(d) The Developer specifically disclaims any intent to have made any warranty or representations in connection with the premises or documents, except as specifically set forth therein, and no person shall rely on any warranty or representation not so made. Maintenance fees, expenses, taxes or other charges are estimates only, and no warranty is made or intended nor may one be relied upon.

(e) The owners by virtue of their acceptance of the Deed of Conveyance as to their

Interval and other parties by virtue of their occupancy of the premises hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration and Management Agreement.

(f) The Interval conveyance consists of an estate for years, together with a remainder over as tenants-in-common with all other purchasers or then owners of Intervals. No owner shall have the right to separate the estate for years from the remainder interest.

IN WITNESS WHEREOF, the undersigned has executed this Declaration of the day and year first above set forth.

Signed, Sealed & Delivered
in the Presence of:

Silvia Spilliards
Mary Ann King

INTRACOASTAL L.L.C.

By: J. Matthew Solana (L.S.)
J. MATTHEW SOLANA
Its: President

STATE OF GEORGIA)
)
COUNTY OF Chatham)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 5 day of March, 1999 by Intracoastal L.L.C., by its duly authorized officer.

Sworn to before me this 5
day of March, 1999.

Silvia Spilliards

Notary Public for Georgia

SILVIA SPILLIARDS

Notary Public, Chatham County, Ga.

My Commission Expires:

My Commission Expires Nov. 2, 2001