

**RESTATEMENT AND NINTH MODIFICATION OF
PROTECTIVE COVENANTS FOR
SEABROOK ISLAND DEVELOPMENT
CHARLESTON COUNTY, SOUTH CAROLINA
(Adopted February 18, 2017)**

WHEREAS, by instrument dated November 13, 1972, the Seabrook Island Company, a South Carolina Limited Partnership, placed certain covenants and restrictions upon certain Property at Seabrook Island, Charleston County, South Carolina, said instrument being entitled “Protective Covenants” and recorded in the R.M.C. Office for Charleston County (the “RMC Office”) in Book N100, page 296; which said covenants and restrictions have been modified as follows: (1) by instrument dated October 29, 1976, entitled “Modification of Protective Covenants,” and recorded in the R.M.C. Office in Book Y-110, page 143; (2) by instrument dated March 26, 1985, entitled “Second Modification of Protective Covenants,” and recorded in the R.M.C. Office in Book J-144, page 067; and (3) by instrument dated April 23, 1987, entitled “Restatement and Third Modification of Protective Covenants,” and recorded in the R.M.C. Office in Book I-164, page 487 (collectively “Initial Protective Covenants,”); and

WHEREAS, by instrument dated April 22, 1974, the Seabrook Island Company placed certain covenants and restrictions upon certain Property at Seabrook Island, Charleston County, South Carolina, said instrument being entitled, “Protective Covenants for Multi-Family Residential Areas” and recorded in the R.M.C. Office in Book M-105, page 194, which said covenants and restrictions have been modified as follows: (1) by instrument dated October 29, 1976, entitled “Modification of Protective Covenants For Multi-Family Residential Areas,” and recorded in the R.M.C. Office in Book Y-110, page 145; (2) by instrument dated April 30, 1985, entitled “Second Modification of Protective Covenants For Multi-Family Residential Areas,” and recorded in the R.M.C. Office in Book B-145, page 246; (3) by instrument dated April 16, 1987, entitled “Restatement and Third Modification of Protective Covenants For Multi-Family Residential Areas,” and recorded in the R.M.C. Office in Book E-164, page 340; (4) by instrument dated April 24, 1987, entitled “Corrective Restatement and Third Modification of Protective Covenants For Multi-Family Residential Areas,” and recorded in the R.M.C. Office in Book L-164, page 467, (collectively “Protective Covenants for Multi-Family Residential Areas”); and

WHEREAS, the Initial Protective Covenants and the Protective Covenants for Multi-Family Residential Areas were revised and combined into a single set of covenants and restrictions by instrument dated August 1, 1989, entitled “Restatement and Fourth Modification of Protective Covenants for Seabrook Island Development,” and recorded in the R.M.C. Office in Book L-186, page 697 (“Protective Covenants”); and

WHEREAS, it became appropriate and desirable to further revise the Protective Covenants by reason of: (a) the withdrawal of Seabrook Island Ocean Club from active participation in the affairs of Seabrook Island Planned Unit Development and the acquisition of certain Seabrook Island Ocean Club commercial and recreational properties by the Club at Seabrook Island, Inc., (now known as Seabrook Island Club) (the “Club”); and (b) the desire

formally to acknowledge the transition of certain responsibilities and authorities to the Seabrook Island Property Owners Association, which revisions were accomplished by instrument dated May 31, 1992, entitled "Restatement and Fifth Modification of Protective Covenants For Seabrook Island Development, Charleston County, South Carolina," and recorded in the R.M.C. Office in Book K-215, page 023; and

WHEREAS, it became appropriate and desirable to further revise the Protective Covenants by implementing an Island One concept wherein all new members of the Seabrook Island Property Owners Association (effective on or after January 1, 2005) are required to become members, at some membership level as provided in Section 40, in the Club, which revisions were accomplished by instrument dated November 23, 2004, entitled "Restatement and Sixth Modification of Protective Covenants For Seabrook Island Development, Charleston County, South Carolina," and recorded in the R.M.C. Office in Book C-517, page 815; and

WHEREAS, the Protective Covenants were further amended by instrument dated June 5, 2007, entitled "Restatement and Seventh Modification of Protective Covenants For Seabrook Island Development, Charleston County, South Carolina," and recorded in the R.M.C. Office in Book V639, page 557; and

WHEREAS, the Protective Covenants were further amended by instrument dated March 25, 2011 entitled "Restatement and Eighth Modification of Protective Covenants for Seabrook Island Development, Charleston County, South Carolina," and recorded in the R.M.C. Office in Book 0178, page 834; and

WHEREAS, Section 36 of the Protective Covenants provides that they may be modified, supplemented or new covenants and restrictions added upon being approved by Valid Votes equal to the lower of: (i) two-thirds (2/3) of Valid Votes or (ii) more than fifty percent (50%) of the total number of Valid Votes; and

WHEREAS, the within "Restatement and Ninth Modification of Protective Covenants for Seabrook Island Development" was approved at the annual meeting of the Seabrook Island Property Owners Association on February 18, 2017, as required by Section 36 of the Protective Covenants.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Restatement and Eighth Modification of Protective Covenants for the Seabrook Island Development, Charleston County, South Carolina is hereby further modified and restated and hereinafter set forth; provided, however, that these modifications are not intended to and do not affect those certain Restrictive Protective Covenants recorded in the R.M.C. Office for Charleston County on April 10, 1984, in Book H-136, page 291, or that certain Agreement between the Seabrook Island Club, its successors and assigns and the Seabrook Island Property Owners Association dated June 15, 2010 and recorded in the R.M.C. Office for Charleston County on September 15, 2010, in Book O-143, Page 597, nor that certain Agreement between Andell Bluff Associates and the Seabrook Island Property Owners Association recorded in the R.M.C. Office for Charleston County on January 7, 1982, in Book L-127, page 365, which remain in full force and effect, as such agreements may be amended from time to time.

PROTECTIVE COVENANTS – SEABROOK ISLAND DEVELOPMENT

TABLE OF CONTENTS

Section 1	Definitions	1
	ARC	1
	Board	1
	Bylaws	1
	Club	1
	Company	1
	Declared Domestic Partner	1
	Emergency	1
	Entity	1
	Guest	1
	Lot(s)	1
	Property	1
	Property Owner	1
	Referendum	1
	SID	2
	Seabrook Island Ocean Club (SIOC)	2
	SIPOA	2
	Valid Votes	2
Section 2	Seabrook Island Property Owners Association	2
Section 3	Assessments, Fees and Liens	4
Section 4	Zoning	5
Section 5	Use of Property	6
Section 6	Maintenance of Property	6
Section 7	Right of Entry for Control of Insects, Reptiles, Etc.	6
Section 8	Noxious Activity	7
Section 9	Prohibited Activities for Golf Course, Tennis Court or Equestrian Areas	7
Section 10	Animals, Etc.	7
Section 11	Hunting and Fishing	7
Section 12	Roads and Sight Easements	8
Section 13	Vehicles	8
Section 14	Storage and Parking of Recreational Vehicles, Commercial Vehicles, Trailers, Campers, Trucks, Etc.	8
Section 15	Boathouses, Docks, Boats, Canoes, Etc.	8
	Boathouses, Docks, Etc.	8
	Boats, Rafts, Canoes, Etc.	8
	Personal Watercraft (Jet Skis) or Similar Watercraft	9
Section 16	Subdivision of Properties	9
Section 17	Changes of Topography	10
Section 18	Trees and Nature Growth	10
Section 19	Approval of Plans	10
Section 20	Set-Back Lines	11

Section 21	Easement of View	11
Section 22	Completion of Construction	13
Section 23	Damage and Destruction	13
Section 24	Outbuildings and Storage Receptacles	13
Section 25	Bridges, Walkways, Etc.	13
Section 26	Water System	14
Section 27	Sewerage System	14
Section 28	Easements for Utilities, Etc.	14
Section 29	Permitted Access	15
Section 30	Representation	15
Section 31	Beach as Trust Property	15
Section 32	Condemnation	15
Section 33	Notices	16
Section 34	Term, Land to Which Applicable and Additions to Land	16
Section 35	Violation	16
Section 36	Modification	16
Section 37	Assignment, Etc.	17
Section 38	Invalidation	17
Section 39	Seabrook Island Club	17
Section 40	Seabrook Island Club Membership	18
Section 41	Emergency Extension	21

1. DEFINITIONS

ARC: means the Architectural Review Committee established by and operating under the auspices of the Seabrook Island Property Owners Association (SIPOA).

Board: means the Board of Directors of the Seabrook Island Property Owners Association.

Bylaws: means the Bylaws of the Seabrook Island Property Owners Association as amended from time to time.

Club: means the Seabrook Island Club, its successors and assigns. The Club is a private entity owned by its members and is a separate entity from SIPOA.

Company: means the Seabrook Island Company, its successors and assigns.

Declared Domestic Partner: means a person declared by a Property Owner to SIPOA to have a legal or personal relationship with the Property Owner and to be living together with such Property Owner and sharing with the Property Owner a common domestic life but who is not joined by marriage with the Property Owner.

Emergency: means the occurrence of a catastrophic event or the existence of urgent circumstances that necessitates immediate action by the Board.

Entity: means an association, corporation, partnership, limited liability company, trust (unless a self-trusted revocable trust) or other duly-formed legal entity.

Guest: means a person invited by a Property Owner to visit such Property Owner within the SID.

Lot(s): means any plot or tract of land shown upon any recorded plat or subdivision map of the Property within the SID which is now or hereafter becomes, by express reference or otherwise, subject to these Protective Covenants.

Property(ies): is each parcel, lot or unit of real property, including, but not limited to, single family residences, villas, patio homes, condominiums, apartments or other residential units under horizontal property regimes, within the confines of the SID, which is now or hereafter becomes, by express reference or otherwise, subject to these Protective Covenants.

Property Owner: means the record owner(s) of the fee simple title or that estate or interest which is most nearly equivalent to a fee simple title to any Property.

Referendum: means a written ballot by mail or electronically as provided in the Bylaws to vote on one or more issues or questions initiated by Property Owners or submitted by the Board to Property Owners as provided in the Bylaws.

SID: means Seabrook Island Development, a private development contemplated by and accomplished pursuant to the Amended Planned Unit Development (PUD) previously approved by the County of Charleston, South Carolina and subsequently by the Town Council of the Town of Seabrook Island on November 12, 1987, as the same may be amended from time to time as well as any other Property made a part of the SID in the manner provided in the SIPOA Bylaws and made subject to these Protective Covenants.

The SID is a private entity with access thereto on a controlled and limited basis through a private SIPOA owned and operated gate. All roads and automotive vehicle ways and associated rights-of-way are owned by or, upon completion in accordance with the requirements of SIPOA, are to be deeded to SIPOA. No obstruction, except the gate at the entrance to the SID, shall be permitted or maintained which prevents the free use of said streets by Property Owners, their Guests, or others as set forth in the deeds of conveyance of the Company to SIOC, recorded with the R.M.C. Office in Charleston County, Charleston, South Carolina.

Seabrook Island Ocean Club (SIOC): means the Seabrook Island Ocean Club, Inc, its successors and assigns, said SIOC being a successor to and assignee of the Company.

SIPOA: means the Seabrook Island Property Owners Association.

Valid Votes: means ballots properly cast in person, by proxy, or by written ballot or electronically in mail referendum by Property Owners in Good Standing (as defined in the Bylaws) who are entitled to vote on the Record Date (as defined in the Bylaws).

2. SEABROOK ISLAND PROPERTY OWNERS ASSOCIATION

Each Property Owner in the SID, including but not limited to Property Owners of unimproved lots, single-family residences, villas, patio homes, condominium units, apartments or other residential units, upon acceptance of title and by virtue of such ownership, is or becomes a member of SIPOA with voting rights as set forth in the Bylaws of SIPOA and obligations as set forth in these Protective Covenants and their derivative rules and regulations.

Except with respect to voting, as addressed in the Bylaws: (i) in the case of a Property that is owned by more than one natural Person, Property Owners shall designate a family unit, i.e., a Property Owner and his/her spouse, Declared Domestic Partner, dependent parents or dependent children, residing with the Property Owner which shall be entitled to exercise the use of privileges afforded to a Property Owner at any one time (“Designated Family Unit”); and (ii) in the case of a Property that is owned by an Entity, the Property Owner shall likewise identify a Designated Family Unit. The names of the Designated Family Unit for the same purpose shall be submitted to SIPOA in written form signed by all of the Property Owners, or, in the case of an Entity Property Owner, by a duly authorized officer of the Entity, and may be changed from time to time in like manner. Persons other than the Designated Family Unit who rely on such multiple-owned or Entity-owned Property

of use of or access to SIPOA facilities will be considered and treated as Guests of the Designated Family Unit and will be subject to all policies and requirements relating to usage by Guests. The Property Owner and all members of Designated Family Units shall be jointly and severally personally liable for all obligations of the Property Owner and their Guests, Family Members and invitees.

The purpose and business of SIPOA is to preserve the Property values and the quality of life in the SID through:

(a) Development and implementation of programs to protect the environment, to facilitate acquisition and maintenance of green space, and to provide for the health, safety, security and welfare of Property Owners;

(b) Protection, operation, maintenance and improvement of such roads, bridges, parks, playgrounds, beaches, open spaces, rights-of-way, easements and other SIPOA properties, as are deeded, leased or otherwise conveyed to or held in trust for the benefit of SIPOA or Property Owners; provided, however, while the provision in this section for the maintenance of beaches shall not be construed as imposing an obligation on SIPOA or its agents to restore, renourish, protect or take any preventive or remedial action against beach or marsh changes occurring as a result of forces of nature, projects of this nature may, however, be undertaken as authorized in the SIPOA Bylaws;

(c) Retention of security forces and implementation and enforcement of security measures to limit access to the SID to Property Owners, and subject to the provisions of these Protective Covenants, the Bylaws and SIPOA Rules and Regulations adopted from time to time, to Property Owner family members, Guests and others;

(d) Acquisition, construction, management, maintenance and care of SIPOA properties, including land, structures, systems and equipment, for the general benefit of Property Owners and others as determined by the Board. The conditions precedent to adding to the land area of the SID are: (i) the agreement by Property Owner(s) of such additional area for himself or herself, his or her heirs, successors and assigns, to become subject to these Protective Covenants and Bylaws; (ii) that all roads and automotive vehicle ways within the added land area shall have been or shall be constructed in accordance with the then current requirements of SIPOA; (iii) that all roads, rights-of-way, walkways, boardwalks, easements and vehicle ways in the added land are deeded or transferred to SIPOA; and (iv) that an appropriate contribution to capital, as set by the Board, be made;

(e) Adoption, distribution and enforcement of rules and regulations for the common good of Property Owners, including but not limited to, rules and regulations pertaining to: (i) planning, construction and design of improvements on Property or alteration thereof; (ii) maintenance of Property; (iii) sanitation; (iv) use of SIPOA properties; (v) responsibilities and obligations of Property Owners and others authorized to access the SID or to use the facilities and properties owned and/or operated by SIPOA; (vi) security, safety and maintenance of good order; and (vii) imposition of monetary and other sanctions for violations thereof;

(f) Establishment of assessments and fees and their collection from the Property Owners and, as applicable, others who use or have the right or permission to use any or all of the facilities and properties owned and/or operated by SIPOA subject to those certain agreements between the Club and SIPOA dated June 15, 2010; and that certain agreement between Bohicket Marina Village Council of Co-Owners Horizontal Property Regime and SIPOA, dated January 1, 2004 as such agreements may be amended from time to time;

(g) Obtaining insurance of such types, in such amounts and with such companies as the Board, in its sole discretion, deems necessary or desirable for the protection of SIPOA, of persons acting for or on behalf of SIPOA, and of the common properties and/or other properties in which SIPOA has an insurable interest; and

(h) Engaging in such other activities as may be of benefit to Property Owners and SIPOA.

The powers enumerated herein are not intended to be limiting, and the Board shall be authorized to perform any of the functions authorized by the Articles of Incorporation, the Bylaws or South Carolina law, except as specifically limited by these Protective Covenants, the SIPOA Bylaws, the Articles of Incorporation or South Carolina law. The powers and authorities provided for herein are not in any way intended to and shall not be deemed to impose on the Board any obligation or duty to perform any of the functions enumerated or referred to herein.

The Board shall be permitted to perform any of the functions authorized to it in the Bylaws except as specifically reserved in the Bylaws to Property Owners. None of the principal functions, responsibilities, or assets of SIPOA may be given or delegated to a municipality or a private entity without approval of the Property Owners as a modification of these Protective Covenants in accordance with Section 36, hereof; provided, however, that the Board may delegate functions to committees in accordance with the Bylaws and may contract with private individuals or entities for the performance of such functions as it deems appropriate.

3. ASSESSMENTS, FEES AND LIENS

The Board may assess all Properties (except those owned by SIPOA) for annual maintenance and service fees, special assessments and usage fees as are authorized by these Protective Covenants or any derivative regulation, determined and payable in accordance with these Protective Covenants and the Bylaws, as each may be amended from time to time.

These fees shall be increased, decreased or adjusted from year-to-year by the Board, to reflect the approved annual budget. The fees, charges, costs and other assessments provided for herein may be set at separate fixed rates for improved, unimproved, and any other class of Property, based upon reasonable cost-sharing principles reflecting access, benefit, and use and/or availability of SIPOA's roads, properties and services.

Each Property Owner of the subject Properties and users of SIPOA properties shall be personally liable for such annual maintenance, service and usage fees, and any special

assessments contemplated by these Protective Covenants and/or imposed pursuant to the Bylaws. Such amounts shall be due and payable within thirty (30) days after the billing date. Other assessments, such as occasional usage fees, shall be payable as determined by the Board. To the extent and in the manner permitted under South Carolina Law, should a Property Owner fail to pay SIPOA, the Board shall also have the right to file liens and/or *lis pendens* against the subject Property owned by the Property Owner in an effort to recover delinquent amounts owed. In addition to the amounts owed to SIPOA constituting a lien on a Property Owner's Property, Property Owners and other users of SIPOA services, facilities or properties shall be personally liable for all amounts owed to SIPOA or assessed by SIPOA during the period in which such Property Owner owns Property within the SID. SIPOA shall be entitled to file an action in any court of competent jurisdiction to enforce its lien on Property for assessments or otherwise, collect the amounts due and owing to it, together with the late fees, interest charges, reasonable collection expenses, attorney's fees and court costs, regardless of their place of residence, Property Owners consent to the jurisdiction of the courts of South Carolina, without regard to its choice of law rules, and to venue of any such action in Charleston County, South Carolina.

Upon conveyance by deed or by operation of law of any Property or part or portion thereof, the new Property Owner and each successive Property Owner shall be and become personally liable for and shall pay all fees, assessments and other charges, past or future, due to SIPOA in accordance with the provisions of these Protective Covenants and the provisions of the Bylaws, as either or both may be amended from time to time. The Board has authority to establish a transfer assessment to be collected upon the initial sale of Property and/or certain transfers of interests in Property and every subsequent resale or transfer thereof. Except for certain sales or transfers exempted hereunder, such assessment shall be applicable to all sales of Property and all transfers of pa privilege of occupancy and beneficial use of Property(ies) deriving from sale or other transfer of an interest in Equity that is the owners of such Property(ies). Such assessment shall be computed as a percentage of the sale price of the Property sold, or interest transferred, as applicable and shall be applied to SIPOA's reserves for capital expenditures. However, such assessment shall not be applied to Property acquired by donation or purchase for transfer to SIPOA for perpetual maintenance as green space.

The establishment and collection of assessments from others who use or have the right to use any or all facilities and properties owned and/or operated by SIPOA shall be as determined by the Board in accordance with the Bylaws.

Undeveloped Lots are subject to the pro rata maintenance and service assessment upon completion of access roads that satisfactorily meet SIPOA requirements. Homes and villas will be subject to a pro rata assessment as improved Property upon the first to occur of: (i) receipt of a certificate of occupancy issued by the Town of Seabrook Island; or (ii) one (1) year after construction has commenced.

4. ZONING

All zoning regulations for the SID are contained in the PUD approved by the Town Council of the Town of Seabrook Island on November 12, 1987, and the Land Use Planning and Zoning Development Standards' Ordinance of the Town of Seabrook Island, as each may be amended from time to time. Property Owners and their Properties are also subject to all zoning ordinances adopted by the Town of Seabrook Island. Such zoning regulations establish the minimum restriction and requirements with respect to land use, density, lot areas, setbacks, height restrictions, off-street parking, signs, etc., the Properties being subject to such additional restrictions and requirements as are imposed by these Protective Covenants, the Bylaws, and SIPOA's rules and regulations adopted pursuant thereto.

5. USE OF PROPERTY

All Property shown in the PUD as residential Property which is now or hereafter becomes, by express reference or otherwise, subject to these Protective Covenants, shall be used for residential purposes only. Businesses may not be publicly advertised as being located at a residence on Seabrook Island, except as may be permitted by SIPOA's rules and regulations. The Protective Covenants recorded in the R.M.C. Office for Charleston County, South Carolina on April 10, 1984, in Book H-136, Page 291, also specify limitations on single- and multi-family residences in the SID. The numbers of villas, townhouses, apartments under a horizontal property regime, or other residence units or groups of units are and shall be limited in accordance with such Restrictive Protective Covenants and with the PUD, as each may be duly amended from time to time.

No residential Property within the SID may be used for, subject to, rented or sold under any type of "Vacation Time Sharing Plan" as that term is defined in Section 27-32-10, Code of Laws of South Carolina, 1976, as amended, or "Vacation Multiple Ownership Interests" as that term is defined in Section 27-32-250, Code of Laws of South Carolina, 1976, as amended.

6. MAINTENANCE OF PROPERTY

It shall be the responsibility of each Property Owner to prevent the development of any unclean, unsightly or unkempt conditions of building or grounds, including excessive undergrowth, which shall tend to detract from the beauty or safety of the neighborhood as a whole. If a Property Owner allows the development of any unclean, unsightly or unkempt condition of buildings or grounds or both on such Property, the unsatisfactory condition shall be corrected by the Property Owner at his or her expense upon notification by SIPOA. If the Property Owner fails to correct such condition within a reasonable period of time following notification by SIPOA, SIPOA shall have the right, but not the obligation, to correct the unsatisfactory condition, and the expense of such correction to correct the deficiency shall be billed to and borne by the Property Owner.

7. RIGHT OF ENTRY FOR CONTROL OF INSECTS, REPTILES, ETC.

In order to implement effective insect, reptile and woods fire control, SIPOA reserves and establishes for itself and its agents the right to enter upon any Property on which a

residence has not been constructed and for which no approved landscaping plan has been implemented. Such entry may be made by personnel with tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other growth which in the opinion of SIPOA detracts from the overall livability and/or safety of the SID. The cost of such operations may be billed to and, if so, shall be borne by the Property Owner. The provisions in this paragraph shall not be construed as imposing an obligation on SIPOA to mow, clear, cut or prune on any Property or to provide garbage or trash removal services.

8. NOXIOUS ACTIVITY

No noxious or offensive activity shall be carried on, in or upon any Property, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals or device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of such nature as may diminish or destroy the enjoyment of other Property in the neighborhood by the Property Owners thereof. With the exception of controlled wildlife management as set forth in paragraph 10, there shall be no discharging of firearms, pellet guns, air guns or pistols, sling shots and bows and arrows of any kind, type or method of propulsion. Discharge of any type of fireworks is prohibited except for special events authorized by SIPOA. The playing of audio equipment in a manner which disturbs the quiet enjoyment of occupants of neighboring residences is prohibited.

9. PROHIBITED ACTIVITIES FOR GOLF COURSE, TENNIS COURT OR EQUESTRIAN AREAS

Owners of Property abutting golf, tennis or equestrian property shall refrain from any actions which would detract from the playing qualities or the recreational use of such areas or from the development of an attractive overall landscaping plan therefore. Such prohibited action shall include, but not be limited to, activity such as the maintenance of dogs or other domestic animals on the Property which interfere with the recreational enjoyment of the fairways, courts or horse trails.

10. ANIMALS, ETC.

No animals, livestock or poultry of any kind shall be raised, bred or maintained on any Property, except household pets (in reasonable numbers) of the Property Owners or occupants of the Property. Such household pets must not constitute a nuisance or cause unsanitary conditions or any undesirable situation for the Property Owners in the SID. Household pets must be leashed when off the Property owned or occupied by their owners. Boarding of horses shall be restricted to the equestrian center. All wildlife conservation measures and management shall be as prescribed or recommended by the South Carolina Wildlife and Marine Resources Department.

11. HUNTING AND FISHING

With the exception of controlled wildlife management as set forth in Paragraph 10, no hunting of any kind will be permitted in the SID. Fishing will be allowed in accordance with rules established by SIPOA.

12. ROADS AND SIGHT EASEMENTS

SIPOA will maintain all general access roads within the SID which are paved, from and after the time when such roads are conveyed to SIPOA in a condition acceptable to it. Structures, tree branches, or other vegetation shall not be permitted to obstruct the view at intersections of roads and streets in the SID, and upon failure of a Property Owner to clear such structures, branches, or other vegetation within ten (10) days after request in writing by SIPOA, SIPOA shall have the right to enter said Property and to take such action as is necessary, the cost of which shall be the responsibility of and shall be billed to the Property Owner.

13. VEHICLES

No cars, dune buggies, motorcycles or other motorized vehicles shall be permitted on the beach or sand dune areas, except vehicles for maintenance or official business or except as authorized in writing by SIPOA. Except as specifically authorized by the Board, golf cart type vehicles, motorbikes, motorcycles, all-terrain vehicles (ATV) and unlicensed vehicles shall not be operated on any road within the SID except for golf carts crossing from one part of the golf course to another in the ordinary course of play.

14. STORAGE AND PARKING OF RECREATIONAL VEHICLES, COMMERCIAL VEHICLES, TRAILERS, CAMPERS, TRUCKS, ETC.

No recreational vehicles, trailers, travel trailers or mobile homes, campers, or other habitable motor vehicles of any kind, whether self-propelled or not, buses, trucks in excess of three-quarters (¾) ton capacity, or commercial trucks/vehicles of any type, construction equipment/trucks or boats, and/or boat trailers, shall be kept, stored or parked overnight, either on any street or any Property, except within enclosed garages or carports or within storage or parking areas, if any, approved by SIPOA for such purpose, or such areas as the Club, within its property, may designate.

15. BOATHOUSES, DOCKS, BOATS, CANOES, ETC.

(a) **Boathouses, Docks, Etc.:** No seawalls, bulkheads, boathouses, docks, piers, walkways or wharves shall be constructed on or abutting any Property without prior approval of the ARC and appropriate governmental entities.

(b) **Boats, Rafts, Canoes, Etc.:** No boats, rafts, canoes, or other water vehicles in excess of fourteen feet (14') in length, shall be permitted on those areas designated as lakes, lagoons or marshes on any plat or plats of any section of the SID; nor shall any boats, rafts, canoes or other water vehicles on said lakes, lagoons or marshes be propelled by any means

other than oar, paddle, sail or electric motor, without the express written consent of SIPOA and the owner of such lake or its designated representative.

(c) **Personal Watercraft (Jet Skis) or Similar Watercraft:** No launching of jet skis or similar watercraft shall be allowed from any section of the beach in the SID, except in those areas, if any, designated therefore by SIPOA. Additionally, no jet skis or similar watercraft may be launched into or operated on any of the lagoons, lakes or marshes within the SID nor launched from the SID into Cap'n Sams Creek or Privateer Creek. Surfboards are allowed only in those sections of the beach so designated, if any, by SIPOA.

16. SUBDIVISION OF PROPERTIES

No Property within the SID shall be subdivided, or its boundary lines changed, except with the written consent of SIPOA. SIPOA hereby expressly reserves and establishes to itself, its successors or assigns, the right to approve or disapprove the replatting of any two or more existing Properties shown on the plat of any portion of the SID or the dividing of any existing Property for the purpose of adding to the Properties on either side, in order to create a modified building Lot or Lots. As a condition of approval, SIPOA shall have the right to require that such other steps be taken by Property Owners as are reasonably necessary to make such replatted Lots suitable and fit as building sites including, but not limited to, the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of such replatted lots. Assessments, regular and special, imposed on combined or modified Lots shall be determined as follows: In any case in which two or more Lots are acquired by a single Property Owner, individual assessments will be paid for each Lot until the Lots are replatted as one, and approved by the Town of Seabrook Island, improvements completed, and a Certificate of Occupancy issued by the county or other authorized authority. When these requirements are fulfilled, the combined Properties will be subject to assessments, in accordance with the Bylaws, as a single improved Lot.

If, however, the Property Owner applies for and receives authority to reconstitute the additional Property as a separate Lot or Lots, it not having been built upon or had its original setback lines encroached upon, the Property Owner will be assessed for the reconstituted unimproved Lot beginning with the date of the first assessment which was imposed on the combined Lots.

In the case in which a Property is partitioned and each of the resulting Property fractions is added to an adjoining Property, the same procedure as outlined for joining two Properties will apply. If such Property fractions are not built upon and the respective Property Owners recombine them, the Property Owners will be assessed for the resulting single unimproved Lot beginning with the date of the first reduced assessment.

Arrangements may be made with SIPOA to make such back payments over a period equal to the time during which only a single assessment was levied on each Property Owner.

The Board may also (i) cause SIPOA to accept title to Property transferred to SIPOA for perpetual maintenance as "green space" and (ii) declare inapplicable the assessment payback provision in this Article 16 if a Lot, previously combined with one or more Lots into

a single Lot and then reconstituted as a single Lot is subsequently transferred to SIPOA for perpetual maintenance as “green space.”

17. CHANGES OF TOPOGRAPHY, ETC.

No Property shall be increased in size by filling, by any method, the water or marsh area on which that Property abuts. No Property Owner shall excavate or extract earth by any method for any purpose unless written approval is first obtained from the ARC. No elevation or topography changes shall be permitted on any Property which materially affects the surface grade of surrounding Properties unless first approved in writing by the ARC. Owners of oceanfront Properties may not remove, reduce, cut down or otherwise lower the elevation of sand dunes and ridges between the front Property line of any oceanfront Property and the high water mark; nor may they alter, raise or lower seawalls or revetments without approval of the ARC. Any and all Property changes must be in compliance with applicable state, county, town and federal law.

18. TREES AND NATURE GROWTH

Trees and distinctive flora shall not be intentionally destroyed, radically pruned or removed without the prior written permission of the ARC, or as may otherwise be permissible under regulations and guidelines established by SIPOA. Any Property Owner removing or radically pruning such trees or flora without such approval may be required, at his or her cost, to replace same.

19. APPROVAL OF PLANS

No building of any kind or description, fence, swimming pool, dock, walkway, or other structure shall be erected, placed or the exterior altered on any Property in the SID, until the proposed building plans, specifications, exterior color or finish, plat plan (showing the proposed location of such building or structure, drives and parking areas, and accessory buildings), landscaping plan and the construction schedule for such building or other structures shall have been approved in writing by the ARC. All building plans must be prepared and sealed, or reviewed and sealed, by an architect who is currently registered to practice in South Carolina. All construction must be by a contractor properly licensed as determined by the Town of Seabrook Island, Charleston County and State of South Carolina regulations. Refusal of approval of plans, location or specifications by the ARC may be based upon any reasonable ground, including aesthetic conditions. No alterations in the exterior appearance of any building or structure shall be made without like approval. In the event the ARC fails to approve or disapprove such design, location and material within sixty (60) days after plans and specifications have been submitted to it, such approval will not be required, and the terms of this Protective Covenant will be deemed to have been fully satisfied. The ARC shall not be entitled to any compensation for services performed pursuant to this Protective Covenant except for a reasonable fee to cover administrative costs as determined by the Board.

Except where specifically superseded or modified by policies in *Policies & Procedures for Residential Development* (a SIPOA publication, available to all Property Owners, containing all the specific Board-approved rules and criteria applicable to planning, construction and alteration in the SID), all guidelines for single family residences are equally applicable to multi-family dwellings as may be determined by the ARC and the zoning ordinances of the Town of Seabrook Island. In areas restricted to single-family residential use, except as may otherwise be herein provided, no structure shall be erected, altered, placed or permitted to remain on a Property other than one (1) detached single-family dwelling not to exceed two (2) stories in height, and not to exceed a maximum height of thirty-six feet (36') above the base flood elevation for a particular Lot, and one detached two-car garage; provided, however, that a ground-level garage or storage space beneath an elevated dwelling and/or attic/storage space atop a dwelling shall not be considered to be a story of the dwelling for purposes of this provision so long as it is not used as living spaces.

There is no minimum size or price range requirement in the SID, except as specifically set forth by deed, but all structures must be compatible with the surrounding neighborhood, the community at large and the natural environment, as determined in the sole discretion of the ARC. The ARC, with approval of the Board, shall have the power to establish regulations and guidelines for external planning, construction and alteration on all Properties (SIPOA's Architectural Review Committee, *Policies & Procedures for Residential Development*).

20. SET-BACK LINES

Because the establishment of standard, inflexible building setback lines for location of single-family houses on Lots tends to force construction of houses with possible detrimental effects on privacy, view of the ocean, preservation of important trees, etc., no specific set-back lines are established by these Protective Covenants. In order to assure, however, that the location of the houses will be staggered, where practical, to preserve the view and breeze to each house, and so that the structures will be sympathetically located with regard to the topography of each individual lot, taking into consideration the height of the dunes, the location of large trees and similar considerations, notwithstanding and in addition to any other requirements and/or guidelines otherwise imposed, the ARC has and shall have the right to control absolutely and solely to decide the precise site and location of any house or dwelling, or other structure upon all Properties in the SID. However, such locations shall be determined only within limits prescribed in the applicable PUD, appropriate town ordinances and South Carolina DHEC/Bureau of Ocean and Coastal Resource Management Regulations and only after a reasonable opportunity is afforded the Property Owner to recommend a specific site.

21. EASEMENT OF VIEW

There shall be reserved for the use and benefit of the Owners of adjacent second-row beach Properties an easement of view running along the side boundary lines of oceanfront Properties for a width of five feet (5') on each side of such oceanfront Properties. The purpose of this easement is to enable Property Owners of second-row beach Properties to

maintain permanently an open area sufficiently unobstructed to afford a direct view of the ocean and direct circulation of ocean breezes. Owners of oceanfront Properties may not erect any fence, wall or other structure interfering with such easements. SIPOA, acting at the request of the Property Owners of second-row beach Properties, shall notify the Property Owner of any condition which in the sole discretion of SIPOA interferes with the easement of view. If the Property Owner fails to correct the condition within ten (10) days after written notice has been given by SIPOA, SIPOA may, but is not obligated to, enter oceanfront Properties and cut or trim any trees, limbs, bushes or shrubs, or remove other obstructions located within such easement areas which interfere with the view from a second-row beach Property. Such clearing maintenance shall be at the expense of and billed to the Property Owner of the oceanfront Property who obstructed or permitted the obstruction of the easement of view. Any correction of vegetation interference seaward of the setback lines as defined in the South Carolina Coastal Zone Management Act, as amended from time to time, must have been approved by appropriate governmental authority, it being the responsibility of the Property Owner or SIPOA performing such correction to obtain such approval. Such side boundary line easements of view shall not be applicable, however, to the center dividing line between two Lots combined to form one building site.

22. COMPLETION OF CONSTRUCTION

Except where such completion is impossible or would result in great hardship to the Property Owner or builder because of strikes, fires, national emergency or natural calamity, unless otherwise extended by the ARC, the exterior of all houses and other structures on Properties in the SID must be completed within one (1) year after construction has commenced. The date of construction commencement shall be the date a valid building permit is issued with respect to subject Property.

23. DAMAGE AND DESTRUCTION

In the event of a partial loss or damage and destruction resulting in less than total destruction of structures located on Property subject to these Protective Covenants other than property owned by SIPOA, the Property Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner determined by the ARC to be consistent with the original construction or in such other manner as may be approved pursuant to Section 19 of these Protective Covenants. In the event that the structure is totally destroyed and the Property Owner determines not to rebuild or reconstruct, the Property Owner shall clear the Property of all debris and return the Property to substantially the natural condition in which it existed prior to the beginning of construction of the structure thereon. Should reconstruction or rebuilding to any extent be precluded by state or federal statute or regulation, the Property Owner shall clear the Property of all debris, or adapt or restore any remaining portion of the structure on the Property to a condition and appearance acceptable to the ARC. If the Property Owner fails to correct such condition within ten (10) days after written notice has been given by the ARC, SIPOA shall have the right, but not the obligation, to correct the unsatisfactory condition and the expense of such correction shall be billed to and borne by the Property Owner.

24. OUTBUILDINGS AND STORAGE RECEPTACLES

No structure of a temporary nature shall be allowed on any Property, and no trailer, motor home, mobile home, camper, shack, tent, barn, or other structure of a similar nature shall be used as a residence or for any other purpose, either temporary or permanent; except that, where a need is demonstrated, the ARC, in its discretion, may permit those engaged in construction to use such structures. Property Owners may, with the written permission of SIPOA, erect tents for special social occasions.

Clotheslines, garbage cans (when not set out for pickup on the scheduled pickup day), yard equipment, air conditioning units, or storage piles shall be screened to conceal them from the view of neighboring Properties, roads, streets, waterfront, golf course, and common areas. All such screening shall be approved by the ARC.

25. BRIDGES, WALKWAYS, ETC.

SIPOA has, by express reservation and as herein established, the right to build any bridges, walkways or fixed spans across any or all natural or man-made canals, creeks, dunes

or lagoons in the SID to which it holds title. The design and location of such structure on Property which is now or hereafter becomes subject to these Protective Covenants, must be approved by the ARC. Nothing in this paragraph shall be construed as placing an affirmative obligation on SIPOA to provide or construct any bridge, walkway or fixed span.

26. WATER SYSTEM

No private water wells may be drilled or maintained on any Property so long as the local authorized utility company, its agents, successors or assigns, has installed or plans to install a potable water distribution line within fifty (50') feet of such Property. Property Owners may seek a waiver of this provision from the ARC. This section shall not be construed as imposing an obligation on SIPOA to provide a water system, services or water.

27. SEWERAGE SYSTEM

Prior to the occupancy of a residence on any Property, proper and suitable provision shall be made for the disposal of sewerage by connection with the sewer mains of the authorized utility company. All sewerage shall be discharged into the sewer main. The provisions in this section shall not be construed as imposing an obligation on SIPOA to provide a sewerage system or services.

28. EASEMENTS FOR UTILITIES, ETC.

SIPOA, by deed from the Club as successor to the Company, 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 electric and telephone wires, cables, conduits, sewers, water mains and other suitable equipment, for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities, including cable TV, on, in, or over: (i) as to single-family residential Lots, the rear six (6') feet of each residential Lot and six (6') feet along one (1) side of each residential Lot and such other areas as are shown on the plat mentioned in the preamble to the Protective Covenants dated November 13, 1972, and recorded in the office of the R.M.C. for Charleston County in Book N-100, Page 296 and on the other plats recorded with respect to the SID, and (ii) as to multi-family residential areas, portions of each Lot, as may reasonably be required for the purpose above; provided, however, that no such easement shall be applicable to any portion of such Lot, as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Protective Covenants by the Company or the ARC, as appropriate, or (b) such portion of the Lot as may be designated as the site for building on a plot plan for erection of a building which has been approved in writing by the ARC. It is further provided, however, that all residential utility service and lines to residences shall be underground; and provided, further, that SIPOA may cut drain-ways or install drainage pipes for surface water wherever and whenever it deems such action to be necessary in order to maintain reasonable standards of health, safety, welfare and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, to make any grading of the soil, or to take any similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety,

welfare and appearance. SIPOA further reserves the right to locate wells, pumping stations and tanks within residential areas or any walkway or any residential Lot designated for such use on the aforementioned plats, or to locate same upon any Property with the permission of the Property Owner. Such rights may be exercised by any licensee of SIPOA but this reservation shall not be considered an obligation of SIPOA to provide or maintain any such utility or service. SIPOA reserves the right to approve the necessary construction, installation and maintenance of utility facilities on Properties which it owns, including, but not limited to, water, telephone, electricity and sewerage systems within the area subject to these Protective Covenants even though it may be at variance with these Protective Covenants.

29. PERMITTED ACCESS

SIPOA is permitted by these Protective Covenants to correct, repair, clean, preserve, clear or take any action on Property in the SID, entering Property and taking such action shall not be deemed a trespass. Entering a Property for inspection purposes to assure compliance with these Protective Covenants also shall not be deemed a trespass.

30. REPRESENTATIONS

SIPOA is not bound by any representations touching or affecting any Lot as shown on any recorded plat of the SID, or any portion thereof, which are not expressly set forth herein.

31. BEACH AS TRUST PROPERTY

Pursuant to the initial Protective Covenants and Protective Covenants for Multi-Family Residential Areas each as defined in the preamble hereto, all as recorded in the R.M.C. Office for Charleston County, South Carolina, the Company covenanted and agreed that it would hold in trust all lands, if any, located between the front Property lines of any oceanfront Lot and the high water mark of the Atlantic Ocean and the North Edisto River, directly in front of each such Lot, for the use and benefit of the residents of the SID, and covenanted and agreed that it would not subdivide, sell or otherwise dispose of such land under conditions which would permit its use for the erection of any structure whatsoever, without the written permission of the Property Owner of the one ocean-front lot contiguous to and immediately behind such portion of the trust Property involved. By terms of this trust, the Company or its heirs, successors or assigns could deed this Property to a property owners association to continue to be held in trust in accordance with the terms of this section. The Club, as successor to the Company, has, in fact, so deeded the beach trust to SIPOA, and SIPOA now serves as trustee.

32. CONDEMNATION

Whenever all or any part of the common properties owned by or held in trust for the benefit of SIPOA or the members of SIPOA shall be taken (or conveyed in lieu of and under threat of condemnation, upon action by SIPOA) by any authority having the power of condemnation or eminent domain, SIPOA shall represent the Property Owners in connection therewith, if and to the extent that individual Property Owners might have or claim an

interest in such common properties. The award made for such a taking of common Property shall belong solely to SIPOA.

33. NOTICES

All papers or instruments, plans and specifications, or any other writings provided for herein, shall be filed with or submitted to SIPOA or its designated representative, by personal delivery or certified mail in care of Seabrook Island Property Owners Association, 1202 Landfall Way, Johns Island, South Carolina 29455. Notices to Property Owners shall be deemed to have been duly given when delivered in person or deposited in the mail, postage prepaid, and addressed to the Property Owner at the Property address or at such other address as may have been provided to SIPOA for such purpose, or upon delivery by any other method permitted in the Bylaws. The willful failure or refusal of a Property Owner to accept delivery shall be deemed receipt.

34. TERM, LAND TO WHICH APPLICABLE AND ADDITIONS TO LAND

These Protective Covenants are to run with the land and shall be binding on all parties claiming under them or subject to them until January 1, 2017, at which time said Protective Covenants shall be automatically extended for successive periods of ten (10) years unless by vote of the Property Owners, it is agreed, in accordance with Section 36 hereof, to change the said Protective Covenants, in whole or in part.

The land to which these Protective Covenants apply and with which they run is that certain parcel of land in the County of Charleston, known as Seabrook Island, which is more fully represented and delineated on a plat of said Seabrook Island, made by E. M. Seabrook, Jr., R. L. S., dated March 2, 1972, and recorded in the R.M.C. Office for Charleston County in Plat Book AB, Page 69, together with such other land and property within the SID as has been made or hereafter becomes subject hereto, by deed, agreement, operation of law, or otherwise.

The Board shall have the power to initiate referenda to increase or decrease the land area to which these Protective Covenants and the Bylaws shall apply or to impose such terms and conditions on any such increase or decrease as deemed appropriate for submission to Property Owners or as to which Property Owner approval is required pursuant to these Covenants or the Bylaws.

35. VIOLATION

If any Property Owners or any other party hereto, or their heirs or assigns, shall violate any of these Protective Covenants herein, SIPOA may impose sanctions or prosecute any proceedings at law or in equity against the person or persons violating, or attempting to violate, such Protective Covenants, and may recover damages including but not limited to reasonable collection expenses, attorney's fees and court costs for any such violation.

36. MODIFICATION

The Protective Covenants may be modified, supplemented or new covenants and restrictions added and additions to Property to the SID may be approved by Valid Votes equal to sixty percent (60%) or more of the Valid Votes.. In all cases, the vote must take place at the annual meeting or special meeting at the discretion of the Board or by Referendum. The number of Valid Votes cast must be sufficient to constitute a quorum (as defined in the Bylaws). The vote shall be held in accordance with the procedures set forth in the Bylaws.

37. ASSIGNMENT, ETC.

SIPOA shall have the right to assign to any one or more persons, firms, corporations, partnerships, or associations any and all of the rights, powers, titles, easements and estates reserved, given or otherwise passing to it from the Company, its successors or assigns, subject to approval by Referendum of the Property Owners in accordance with Section 36 hereof.

38. INVALIDATION

Invalidation by judgment or court order of any one or more of these Protective Covenants or a determination that one or more of these Protective Covenants cannot affect or impose restrictions on a particular parcel or category of Property shall in no way affect the validity or applicability of such Protective Covenant(s) with respect to other parcels or categories of Property within the SID or the validity of other provisions of these Protective Covenants, such Protective Covenants to be deemed applicable to the Property to the maximum extent permitted by law.

39. SEABROOK ISLAND CLUB

The Club is not a member of SIPOA, but has voluntarily associated itself with the principles of these Protective Covenants and has agreed to abide by them to the greatest extent feasible.

40. SEABROOK ISLAND CLUB MEMBERSHIP

(a) Except for those persons or conditions specifically exempted by grandfathering provisions included in this Section 40(j), every person, group, corporation, or entity who becomes a Property Owner in the SID on or after January 1, 2005, shall thereupon be required to become a member of the Club, at some membership level, with the minimum membership being either Entry Level Class 1 or Entry Level Class 2. These two new classes of membership shall be nonrefundable equity fee members of the Club, along with all the rights, privileges and obligations of such membership as from time to time set forth herein, in the Bylaws of the Club, or by its Board of Governors. The Club's Board of Governors shall have the right, in accordance with the Club's bylaws, to change the names of these two new membership categories.

(b) An Entry Level Class 1 (hereinafter EL-1) member is a Property Owner acquiring Property in the SID, exclusive of an unimproved Lot, on or after January 1, 2005. EL-1 membership will provide social types of privileges with membership application and/or initiation fee, membership fees and annual dues as set by the Club's Board of Governors.

(c) An Entry Level Class 2 (hereinafter EL-2) member is a Property Owner acquiring Property in the SID that is unimproved. EL-2 membership will provide more restricted social types of privileges with membership application and/or initiation fee, membership fees and annual dues as set by the Club's Board of Governors.

(d) Purchasers of EL-1 memberships shall be obligated to a minimum membership commitment of seven years from the date of purchase of, or upgrade or downgrade to said membership, unless the Property is sold, or the member chooses to upgrade to a higher membership category.

(e) Purchasers of EL-2 memberships who do not otherwise upgrade their membership, must remain a member of the Club until the Lot is sold or a Certificate of Occupancy is issued. In the latter case, the Property Owner, except as otherwise provided in subsection (k) hereof, within thirty (30) days, must elevate his or her membership category in the Club to at least an EL-1 member.

(f) The Club shall also offer a new sustaining membership category strictly as a downgrade option that will be available to EL-1 members at any time after three years of membership as an EL-1 member. The sustaining membership category will offer reduced dues, reduced privileges, and elimination of the restaurant minimums, all as set by the Club's Board of Governors. Time spent as a sustaining member will count toward any minimum membership commitment term as set out in paragraph (d) above. The sustaining membership category will also be available, at the Club's discretion, to EL-1 members after fewer than three years in cases of demonstrated financial, physical or emotional hardship.

(g) The applicable membership application and/or initiation fee for any selected Club membership shall be payable by such Property Owner at the closing of the conveyance of the Property, and such payment or other evidence of an appropriately purchased

membership or evidence of a waiver of such requirement relative to the Property being conveyed shall be a condition precedent to the delivery of a deed or other form of conveyance.

(h) Upon payment of the membership application and/or initiation fee to the Club, such new member shall (i) have the right to use any and all of the Club facilities and (ii) be entitled to vote, each in accordance with the Club's bylaws, Rules and Regulations. Nonrefundable equity fee memberships have no right to return of their membership application and/or initiation fee. Subject to the terms and conditions of the Bylaws, rules and regulations of the Club, and fees and charges from time to time established by the Club's Board of Governors, every Club member, spouse or Declared Domestic Partner, dependent children under the age of twenty-three, and the member's guests shall have the non-exclusive right, privilege and easement of access to and the use and enjoyment of the amenities owned by the Club.

(i) In the event of multiple ownership of a Property, or in the event that such Property is owned by a partnership or corporation, only one such Property Owner with respect to any such Property shall be required to be a member of the Club, any such determination to be made in accordance with the bylaws of the Club as from time to time constituted. The remaining co-owners shall be entitled to access to and use of the Club's amenities only in accordance with the bylaws, rules and regulations, fees, and charges which are from time to time established by the Club's Board of Governors.

(j) This Section 40 shall not apply to any individual or entity that owns Property prior to January 1, 2005, or had entered into a contract to purchase Property prior to January 1, 2005, which actually closes on or before June 30, 2005, and all such Property Owners are grandfathered and are not required to become members of the Club. This Section 40, and the mandatory EL-1 and/or EL-2 membership, shall apply to any subsequent transfers of the Property by a grandfathered Property Owner unless (1) the transfer is pursuant to a bona fide estate plan, whether or not a sales transaction is involved, or (2) is a transfer by a Property Owner to an immediate family member or to any other party designated as a gift, via will, trust, or by laws of intestacy. In these situations, all grandfathered rights of the Property Owner will inure to the benefit of the successor Property Owner. In the case of multiple ownership, partial sales and/or restructuring among the multiple owners, those transfers are grandfathered provided at least one initial Property Owner retains an ownership position. Once a Property Owner is grandfathered, such grandfather condition shall also apply to any additional Property the Property Owner acquires on or after January 1, 2005.

(k) In the event a future Property Owner, who is not grandfathered under this Section 40, purchases a new developed Property (Property 2), with the declared express intention of simply changing (upgrading or downgrading) his or her personal Seabrook Island dwelling and selling that current Property (Property 1) upon closing on Property 2, he or she will retain his or her existing Club membership relative to the new Property. Should the closing of Property 2 occur prior to the closing relating to the sale of Property 1, there shall be no requirement that an additional membership be purchased relative to Property 1, so long as one of the Properties shall continue to remain unoccupied. If at any time prior to the

eventual sale of either of the two Properties, both should become simultaneously occupied, regardless of the nature of the occupancies, then the Property Owner shall be required to purchase a second membership in accordance with the provision of this Section 40.

In the event a future Property Owner, who is not grandfathered under this Section 40, purchases an additional developed Property, with the declared express intent of refurbishing the additional Property and then re-selling same as a profitable business transaction, the Property Owner shall be exempt from any requirement to purchase a Club membership for said additional Property so long as one of the properties shall continue to remain unoccupied. If at any time prior to the eventual sale of either of the two Properties both should become simultaneously occupied, regardless of the nature of the occupancies, then the Property Owner shall be required to purchase a second membership in accordance with the provisions of this Section 40. Failing to sell the new Property, the Property Owner may also elect to change his or her present dwelling to the newly refurbished Property. In such case, the provisions of the first paragraph of this subsection (k) of this Section 40 (upgrade or downgrade of dwelling) shall then prevail.

In the event a future Property Owner who is not grandfathered under this Section 40, purchases as additional undeveloped Property (Property 2), with the declared express intent of building a replacement for his or her current Seabrook Island dwelling (Property 1) on such Property, and then selling his or her current Property, upon moving into said new dwelling, he will retain his or her existing Club membership relative to the new Property. Should the issuance of a Certificate of Occupancy for Property 2 occur prior to the closing relating to the sale of Property 1, there shall be no requirement that an additional membership be purchased relative to Property 1, so long as one of the Properties shall continue to remain unoccupied. If at any time prior to the eventual sale of either of the two Properties both should become simultaneously occupied, regardless of the nature of the occupancies, then the Property Owner shall be required to purchase a second membership in accordance with the provisions of this Section 40. Failing to sell the current Property, the Property Owner may also elect instead to sell the new Property. In such case, the provisions of the second paragraph of this subsection (k) of this Section 40 (purchase additional developed Property for resale) shall then prevail.

In the event any future Property Owner who is not grandfathered under this Section 40, purchases an undeveloped Property, with the declared express intent of building a dwelling on such Property (as contractor, builder, or developer) and then re-selling same as a business transaction, said Property Owner must purchase a membership in the Club at some level in accordance with the provisions of this Section 40. Upon the eventual sale or occupancy of the completed dwelling, whichever is first to occur, the Property Owner (contractor, builder, developer, or buyer), subject to the bylaws, rules, and regulations of the Club then in effect, must hold or acquire an appropriate EL-1 or higher level Club membership. Should the Property Owner decide not to proceed with construction and re-sell said Property as undeveloped, the next Property Owner will be subject to the provisions of this Section 40.

(l) Refundable Equity Fee members of the Club prior to January 1, 2005, shall retain their right to resign from the Club at any time “without cause”.

(m) All members of the Club are subject to annual dues and other charges to be paid to the Club. The Club shall be entitled to enforce the collection of delinquent accounts for all Club members in accordance with and utilizing the procedures set forth in the Club’s governing documents, as amended, including the Club’s right to seek a lien and the collection of attorney’s fees and cost.

(n) The provisions of this Section 40 shall run with the title of and be appurtenant to all Lots and Properties transferred or otherwise conveyed on or after January 1, 2005, and shall be binding upon and inure to the benefit of all Property Owners of such Properties and their respective heirs, executors, legal representatives, successors and assigns; provided however that, notwithstanding anything contained herein to the contrary, the provisions under this Subsection 40 shall not apply to the Seabrook Island Greenspace Conservancy, Inc. or SIPOA. Each Property Owner, by acceptance of a deed or other conveyance of a Lot or Property on or after January 1, 2005, consents and agrees to the obligation of required Club membership at some level.

(o) In the event a Property Owner should dispute any decision concerning the application of any provision of this Section 40, the aggrieved Property Owner may appeal said decision to the Board of Directors of SIPOA. The Board of Directors will convene an appeal hearing within thirty (30) days of receipt of a written appeal. The Property Owner’s written appeal shall specify, with particularity, the grounds for the appeal. The decision of the full Board shall be final and binding on the parties.

41. Emergency Extension

All time periods described herein shall be extended on a day-to-day basis in the event of an Emergency.

In witness whereof, the undersigned have executed the within Restatement and Ninth Modification of Protective Covenants for the Seabrook Island Development to be effective upon the Adoption Date.

Witnesses:

Seabrook Island Property Owners Association

By: _____

Name: _____

As to President

Its: President

By: _____

Name: _____

As to: _____

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me by Seabrook Island Property Owners Association, by _____, its President, the _____ day of April, 2017.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me by Seabrook Island Property Owners Association, by _____, its _____, the _____ day of April, 2017.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____