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**Declaration of Protective Covenants,
Restrictions, Easements, Charges and Liens
for Coral Landing**

May 9th, 2003
Deed Book 2595, at Page 745
records of Horry County, South Carolina

Horry County, South Carolina
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STATE OF SOUTH CAROLINA) DECLARATION OF PROTECTIVE
COVENANTS,

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COUNTY OF HORRY

) RESTRICTIONS, EASEMENTS, CHARGES
) AND LIENS FOR CORAL LANDING at
N. MYRTLE BEACH

THIS DECLARATION made this 5th day of May, 2003, by Surfriider Development, Inc, a South Carolina Corporation, with its principal place of business located in N. Myrtle Beach, South Carolina, hereinafter referred to as the "Declarant:"

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property more particularly described in Exhibit "A" of this Declaration, which Exhibit "A" is made a part and parcel hereof by this reference and desires to develop thereon a residential subdivision to be known as "Coral landing;" and

WHEREAS, the Declarant, in its discretion, may incorporate additional real property as additional phases of this development and bring same under this Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Coral Landing at N. Myrtle Beach, but shall be under no obligation to do so; and,

WHEREAS, the Declarant is desirous of maintaining design criteria, location and construction specifications, and other controls to assure the integrity of the development; and

WHEREAS, each owner of a Lot in Coral Landing will be required to maintain and construct homes in accordance with the design criteria herein contained; and,

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in such development and for the maintenance of common lands and facilities, if any, and to this end, desires to subject the real property described in Exhibit "A", to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in such community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the Development (as defined hereinafter), promulgating rules and regulations for the usage of common areas in accordance with this Declaration, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, the Declarant has caused to be incorporated under the laws of the State of South Carolina, as a Not-for-Profit corporation to be known as the

Coral Landing Property Owner's Association, Inc. for the purpose of exercising the aforesaid functions,

NOW THEREFORE, the Declarant declares that the real property described in Exhibit "A", annexed hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Annual Assessments" or "Assessments" shall mean an equal assessment established by the Board of Directors for common expenses as provided for herein or by a subsequent amendment which shall be used for the purpose of promoting the recreation, common benefit and enjoyment of the Owners and occupants of all Lots and the operation, maintenance and repair of the Common Area.

(b) "Architectural Review Board" or "A.R.B." shall mean and refer to that committee or board of Association (as hereinafter defined) created for the purpose of establishing and enforcing criteria for the construction of improvements (including landscaping) within the Properties. Initially, Declarant shall appoint all members of the Architectural Review Board until such rights of Declarant terminate or are transferred to Association in accordance with Article VII of this Declaration.

(c) "Association" shall mean and refer to Coral Landing Property Owners Association, Inc., its Successors and Assigns.

(d) "Common Area" shall mean and refer to those areas of land, shown and specifically designated as such on any subdivision map of The Properties filed by Declarant or by any other means so designated by Declarant and shall include an easement (as hereinafter provided) over the Drainage retention Area. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public. However, As to all conveyances of Common Areas by Declarant to Association, Association agrees to accept title to such areas upon execution and delivery of a quit-claim deed of conveyance provided (i) said Common Areas have been complete and are, subject to normal wear and tear, in reasonable repair and condition, and (ii) reasonable provisions have been made for the establishment of a reserve fund budgeted for normal maintenance thereof which such fund has been

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turned over to the Association.

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

(e) "Declarant" shall mean and refer to Surf Rider Development, Inc, its Successors and Assigns in the development of the Properties, but shall not include an Owner of an individual Lot located within the Properties.

(f) "Declaration" shall mean and refer to this Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Coral Landing.

(g) "Design Criteria," "Plans," and "Specifications," and such like terms shall refer to and encompass the Plans, Specifications, Elevations, and Designs, including but not limited to, exterior finishes and textures, and exterior colors and materials for dwellings and improvements to be constructed upon Lots within the Project as well as setbacks, locations, etc. contained hereinafter in this Declaration.

(h) "Development," "Project," and "Community" shall all mean and refer to the project known as Coral Landing at N. Myrtle Beach as developed by the Declarant.

(i) "Lot" shall mean and refer to any plot of land intended for residential use, with delineated boundary lines appearing on any recorded subdivision map of the Properties with the exception of any Common Area shown on a recorded map. In the event any Lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a Lot for the purposes of this Declaration. This definition shall not imply, however, that a Lot may be subdivided if prohibited elsewhere in this Declaration. In the event that an Owner desires to combine two (2) or more adjoining Lots for the purpose of constructing and maintaining a single residence thereon, the resulting combined Lots shall from that date forward be deemed, except as herein provided, one Lot for the purposes of this Declaration. When two (2) or more Lots are combined, however, for purposes of determining Assessments in accordance with Article VI of this Declaration, each of the Lots so combined shall be considered one lot and assessed for fees as one lot.

(j) "Member" shall mean and refer to all those Owners who are members of the Association, as provided in Article IV hereof.

(k) "Owner" shall mean and refer to the record owner, whether one or



more persons or entities, of the fee-simple title to any Lot(s), but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner.

(l) "Properties" or "Property" shall mean and refer to all property including Lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit 'A' together with any additional phases that may be developed and specifically submitted to the provisions of this Declaration pursuant hereto.

(n) "Personal watercraft" means a boat less than sixteen feet in length which: (i) has an outboard motor or an inboard motor which uses an internal combustion engine powering a water jet pump as its primary source of motive propulsion, (ii) is designed with the concept that the operator and passenger ride on the outside surfaces of the vessel as opposed to riding inside the vessel; (iii) has the probability that the operator and passenger, in the normal course of use, may fall overboard. Personal watercraft includes, without limitation, a vessel where the operator and passenger ride on the outside surfaces of the vessel, even if the primary source of motive propulsion is a propeller, and a vessel commonly known as a "jet ski."

(o) "Setback" shall mean an area along the boundary of a Lot where no building or other structures such as swimming pools or decks shall be permitted, without the express written permission of Declarant. However, the location of normal air handling and heat, ventilation and air conditioning units (and the associated approved screening for such units) within such Setback area shall be permissible so long as it is in conjunction with an approved residential structure located on a Lot.

(p) "Subsequent Amendment" or "Supplemental Declaration" shall mean an amendment to this Declaration which adds property to this Declaration and makes it subject to the Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations and/or modifications to these Restrictions on the land submitted by that Subsequent Amendment to the provisions of the Declaration.

ARTICLE II

Uses of Property

Section 1. Conformity and Approval of Structures. No structure, fence, sidewalk wall, swimming pool, boat docking slip, bulkhead wall,

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landscaping (other than replacement of landscaping in accordance with an approved plan) or other improvement shall be placed or altered on any Lot except in accordance with the provisions of this Declaration and after approval of the Architectural Review Board as hereinafter provided in Article VII of this Declaration.

Section 2. Subdivision of Lot. No Lot shall be subdivided except as hereinafter provided and no building or residence, including porches, swimming pools or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established except as herein provided. Provided, however, two or more Lots may be combined to provide one building site in accordance with this Declaration, subject to the limitation contained in Article I of this Declaration.

Section 3. Increased Size of Lots. A Lot or Lots may only be subdivided provided the effect is to increase the size of both the adjoining Lots. In such cases, the Declarant may alter the building lines to conform. Should the Owner or Owners of any Lots and/or portions of Lots which have been combined for a single building site subsequently wish to revert to the original plan of subdivision, or make any other combination which would not be in violation of this restriction, such may be done only if the written consent of the Declarant is first had and obtained. In such instances, the adjoining Lot Owners, or other Owners in the subdivision do not have the right to review, pass on or interfere with such rearrangement of Lots, as such rights shall be exclusively that of the Declarant or any successors or assigns to whom the Declarant may expressly have transferred such rights, but the purchase of any other Lot in the subdivision does not, by virtue of his status as a purchaser, become any such successor or assign.

Section 4. Alteration of Setback Lines in the Best Interest of Development. Where because of size of Lot, shape of Lot, natural terrain, or any other reason in the sole opinion of the Declarant, that the Setback lines of any Lot(s) should be altered or changed, then the Declarant reserves unto itself, its successors or assigns, and no other, the right to change said Setback lines to meet such conditions. The Declarant specifically reserves the right to transfer and assign this right of approval to the Architectural Review Board hereinafter established.

Section 5. Completion of Improvements. The exterior of all dwellings and other structures constructed upon any Lot must be completed within one (1) year after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergencies or natural calamities. No building under initial construction shall be occupied until construction is completed, and all necessary approvals of any governmental authorities have been obtained, and the Architectural Review Board has issued its certificate of completion in accordance with guidelines promulgated by the Architectural Review Board.

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Section 6. Residential Use of Lots. All Lots shall be used for residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling constructed in accordance with the Plans and Specifications herein defined in Article III. No timesharing, interval ownership or other related ownership scheme shall be permitted. No separate storage or other out building shall be permitted; all storage rooms must be attached to, form a part of and conform to the architectural scheme and appearance of the dwelling. In addition, no leasing or rental of any dwelling shall be permitted having a duration of less than six (6) months. However, Declarant or its assignee may maintain sales offices, models and construction offices upon one or more Lots until all Lots located or to be located within the Properties (including all subsequent phases) have been sold to third parties or Declarant no longer has the right to incorporate additional property under the terms of this Declaration. Easements are hereby reserved through the Common Area, including, without limitation, the easements shown on the plat(s) of the Property for use by Developer, for its use and the use of its agents, employees, licensees and invitees, for all purposes in connection with the use, development and sales of the Property.

Section 7. Maintenance of Lots. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly, or unkept condition of buildings or grounds on such Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Each Owner shall maintain his Lot and shall keep underbrush and weeds mowed, which shall include, without limitation, the mowing of Lots on which no residence has been built not less than twice annually in October and May of each year.

Section 8. Nuisances. No noxious, unlawful or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood. No plants, poultry, animals (other than household pets) or devices or things of any sort, the normal activities or existence of which are in any way, noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood shall be placed, kept or maintained on any Lot. Without portion of a neighboring Lot or to shine into any window or otherwise enter a dwelling located on an adjoining Lot. Garage doors must be closed except when in use.

Section 9. Exclusion of Above Ground Utilities. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antenna shall be erected, placed or maintained on any part of the premises. Provided, however, that the normal service pedestals, and similar equipment, used in conjunction with such underground utilities shall be permitted within the development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

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Except as hereinafter provided, no Owner shall install any receiving or transmitting device which requires any exterior protrusion, nor shall any antennas or other receiving or transmitting devices be located on any Lot. Notwithstanding the foregoing, the following types of antennas may be installed, but only in accordance with reasonable rules and regulations to be promulgated by the Architectural Review Board, which rules and regulations shall include, without limitation, restrictions as to location, color and screening.

dish antenna that is one (1) meter or less in diameter and is designed to receive direct broadcast satellite service, including direct to home satellite service; (B) an antenna that is one (1) meter or less in diameter or diagonal measurement and is designed to receive video programming services via multi-channel multi-point distribution (wireless cable) providers (MMDS); or (C) an antenna that is designed to receive VHF broadcast signals can not exceed 8 feet in length.

Section 10. Signs. Except as required by law, no billboards, posters or advertising signs of any kind or character (excluding "for sale" signs or posters) shall be erected, placed, permitted, maintained or allowed to remain on any lot or improvement thereon (including in any window) except for signs designating the Lot Owner and contractor on any Lot on which a residence is then under construction. Such signs shall be of a uniform type and color as approved by the Architectural Review Board and shall be supplied by Association upon payment of a fee for same by Owner. However, it shall be permissible for the Association to have a sign located on the Common Area, if the design, size and location of such sign is approved by Declarant, prior to its erection. No other sign of any kind or design shall be allowed. Declarant reserves the right to erect temporary or permanent signs identifying and/or advertising the Project on the Common Area.

Section 11. Prohibition Against Business Activity. Except as hereinafter provided, no business activity, including but not limited to, a rooming house, boarding house, gift shop, antique shop, professional office or beauty shop or the like or any trade of any kind whatsoever shall be carried on upon a Lot or Lots. Nothing herein shall be construed to prevent a "home office" so long as all activities are conducted within the residence and no customers, employees, clients or others enter the Properties relative to such business activity. Provided, however, that nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on said Lots or the showing of said houses for the purpose of selling houses in the subdivision. Nothing herein shall be construed to prevent the Declarant from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales in the subdivision.

Section 12. Mining and Drilling. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the premises, nor shall any oil, natural gas, petroleum, asphalt or

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hydrocarbon products or materials of any kind be produced or extracted from the premises.

Section 13. Garbage Disposal. Each Lot Owner shall abide by the standard garbage pick up policies established by the city of N. Myrtle Beach, or a roll-out garbage rack of the type approved by the Declarant, which shall be visible from the streets on garbage pickups days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal or garbage on any Lot or within the Project shall be permitted. Provided that the Declarant shall be permitted to modify the requirements of this Section 13 where necessary to comply with orders of governing bodies.

Section 14. Temporary Structures. No structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to shelters used by the contractors during construction of the main dwelling house, it being clearly understood that the latter temporary shelters may not, at any time, be used for a residence or permitted to remain on the Lot after completion of construction.

Section 15. Other Structures. No home, tent (other than small overnight tents used by children which remain in place for less than 24 hours), barn, tree house or other similar out-building or structure shall be placed on any Lot at any time either temporary or permanently, except as provided in Section 14 above.

Section 16. Storage Receptacles. No fuel tanks or similar storage receptacles may be located on the Lots (with the exception of small portable tanks for supplying fuel to gas grills and gas logs for fireplace) nor may any such tanks or storage receptacles in excess of 600 gallons be buried underground.

Section 17. Clotheslines. No clotheslines or drying yards shall be located upon the premises so as to be visible from any Common Area or from any adjoining property or Lot.

Section 18. Water and Irrigation Systems. Irrigation wells may be drilled upon any Lot for supplying water for lawn irrigation. No drawing of water from any lake or pond shall be permitted except for irrigation of common areas by the association.

Section 19. Off-Street Parking. Adequate off-street parking shall be provided by the Lot Owner herein for the parking of automobiles or other vehicles owned by said Owner and said Owner agrees not to park his automobile or other vehicles on the Streets or Common Areas in the subdivision. No travel trailers or mobile homes, campers or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, trucks (other than non-commercial pickup trucks) or commercial vehicles, shall be kept, stored or parked overnight, either on any Common Area, any streets, or any Lot, except within enclosed approved garages or sheltered from view from neighboring Lots, any adjacent property which is not part of the project or Common Areas or within a portion of the

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Common Areas which may be hereafter specifically designated for such use. Furthermore, no non-operative or junked vehicles (or parts thereof) may be kept on the Properties. It shall not be permissible to make repairs to or "work on" vehicles, boats or other watercraft while same are located on the Properties.

Section 20. Sewer System. No surface toilets are permitted on the Properties. The Grantee of any Lot assumes all responsibility for obtaining the necessary permits for attaching to the public sanitary sewer and water system for the project, developer making no warranties or representations thereabout.

Section 21. Firearms and Fireworks. No firearms or fireworks of any variety shall be discharged upon the Lots or Common Areas.

Section 22. Pets. No pet shall be permitted off of its owner's Lot when not on a leash.


ARTICLE III

Construction in Accordance with Plans and Specifications

Section 1. General. All structures of every type and description shall be constructed, placed or erected within the Development in accordance with the provisions of this Article III together with other applicable provisions of this Declaration.

Section 2. Size of Residences and Lot Coverage. All residences to be constructed upon any Lot shall have a minimum of 1,750 square feet of enclosed heated floor space for single level dwellings, exclusive of porches, decks and garages, and a minimum of 2,400 square feet of enclosed heated floor space in multi-level dwellings (with no less than 1,600 square feet of enclosed heated floor space on the first level), exclusive of porches, decks and garages as herein defined. For purposes of this Declaration, a single level or one story dwelling shall be a dwelling having living areas on only one level while a multi-level or two story dwelling shall be a dwelling having living areas located on more than one level within the dwelling. In addition, each residence must include an enclosed garage. While Declarant may not modify the provisions of this Section with regard to the Property being hereby submitted to the terms and provisions of this Declaration as Phase I, Declarant expressly reserves the right, in its sole discretion, to modify the terms of this Section as to any subsequent property submitted to the terms of this Declaration as additional phase(s) by subsequent amendment or supplemental declaration. Such subsequent amendment or supplemental declaration shall specify the modifications of this Section (if any) applicable to such additional property or phase so incorporated under the Terms of this Declaration.

Section 3. Setbacks. No building or structure, including porches,

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swimming pools or projections of any kind, shall be erected so as to extend over or across any of the Setback lines so as to be nearer to the Lot boundary line than such Setback line. The Setback lines for each Lot shall be as follows:

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| Front Setback Line | - | 30 feet from front Lot Boundary Line |
| Side Setback Line | - | 10 feet from each side Boundary Line of the Lot |
| Rear Setback Line
(On Lots which do not
Adjoin a Lake or Lake Area)
Boundary Line | - | 30 feet from the Rear Lot |

However, (a) the location of normal air handling and heat, ventilation and air conditioning units and associated approved screening within such Setback area shall be permissible so long as it is in conjunction with an approved residential structure on said Lot, (b) roof overhangs not to exceed twenty-four (24") inches from and as a part of the main dwelling may extend unto the Setback area, and (c) boat dock slips and bulkheads constructed in strict accordance with plans approved by the Architectural Review Board may extend into setback and Lake maintenance easement areas.

Notwithstanding the foregoing, Declarant reserves the rights provided in Article II, Section 4 of this Declaration to modify said setback lines.

ARTICLE IV

Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is an Owner of any Lot which is subjected by this Declaration to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Assessment.

Section 2. Articles of Incorporation and Bylaws. A copy of the Articles of Incorporation of the Association and Bylaws of the Association are attached hereto as Exhibit "B" and Exhibit "C", respectively, and made a part and parcel hereof.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners excepting the

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Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The sold Class B Member shall be the Declarant. The Class B Member shall be entitled to total votes in any amount equal to twice the number of the class A votes plus one. The Class B membership shall cease and become converted to Class A membership upon the conveyance to Lot Owners of all Lots subject to this Declaration, or December 31, 2015, whichever first occurs. In addition, Declarant may terminate the Class B membership upon written notice to Association.

When a purchase of an individual Lot or Lots takes title thereto from the Declarant, he automatically becomes a Class A Member.

ARTICLE V.

Property Rights in the Common Areas

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot. This right and easement shall be for use in common with all other such members, their tenants, guests and invitees. In the event that Declarant incorporates additional land under the provision of this Declaration pursuant to Article IX of this Declaration, all Owners of Lots within such additional phases shall have the same rights and privileges with regard to use of the Common Areas as the Owners of Lots originally made subject to this Declaration.

Section 2. Title to Common Areas. Subject to the provisions of Article I, Section C, the Declarant hereby covenants for itself, its successors and assigns, it will convey to the Association, by quit-Claim Deed, fee simple title to the Common Areas upon the conditions set forth herein, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration and except for those rights reserved unto the Developer pursuant to this Declaration. Association shall accept such conveyance of the Common Areas (which may include streets, roads and drainage facilities).

In lieu of the conveyance provided for herein with regard to the streets, roads, and/or drainage facilities. Declarant may cause such streets, roads and/or drainage facilities to be dedicated to any governmental entity, as provided for in Section 3(a) hereof.

Section 3. Extent of Member's Easements. The rights and easements

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created hereby shall be subject to the following:

- (a) The right of the Declarant, and/or of the Association, to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration, to any governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely limit the use of the Common Areas by the Members of the Association;
- (b) The right of the Declarant, and/or of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage and other utilities and services, including, without limitation, a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Areas for the completion of the Development, and for the operation and maintenance of the Common Areas;
- (c) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Owner in the Common Areas for any period during which any assessment remains unpaid, and for any period during which the Owner is in violation of this Declaration or the rules and regulations of the Association and in addition thereto (and without limiting the foregoing periods) for a period not to exceed thirty (30) days for any fraction of its published rules and regulations.
- (d) The rights of the Association, in accordance with law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas and in pursuance thereof, to mortgage the same.
- (e) Restrictions and easements contained on any plat or other instrument filed of record with respect to the Properties.
- (f) The right of Declarant to grant and/or dedicate non-exclusive easements across the Common Area in favor of other property of Declarant.

Section 4. Maintenance. The Association shall at all times maintain all Common Areas, in good repair, and shall repair or replace as often as necessary, street lighting fixtures, landscaping, entrance signage, and other amenities (except utilities) situated on the Common Areas. Association shall also cause the landscaping and signage at the entrance to the Project to be maintained at Association's expense. The Board of Directors acting on a majority vote shall order all work to be done and shall pay for all expenses including all electricity consumed by the lighting located in the Common Areas



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and all other common expenses. All work pursuant to this Section and all expenses hereunder shall be paid for by such Association through assessments imposed in accordance with this Declaration. Nothing herein shall be construed as preventing the Association from delegating or transferring its maintenance obligations to the governmental authority under such terms and conditions as the Board of Directors may deem in the best interest of the Association.

Section 5. Additional Structures. Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Declarant, erect, construct or otherwise locate any structure or other improvement in the Common Areas.

Section 6. Delegation of Use.

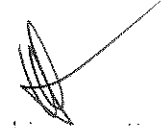
(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by members of the Owners' family who occupy the residence of the Owner within the properties.

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

Section 7. Rules and Regulations. The use of the Common Areas by an Owner or Owners, and all other parties authorized to use same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association governing such use, or which may hereafter be prescribed and established by the Association

Section 8. Easement for Utilities. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and reasonable easement and right of ingress and egress, over, upon, across and under the Setback areas and easement areas on each Lot as shown on the recorded map of the Properties and/or as set forth herein and over, upon, across and under the Common Area for the erection, maintenance installation and use of electrical 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. The Declarant may further cut drainways for surface water when such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installations and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by the licensee of the Declarant but his reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility service. No structures or other items, including walls, fences, paving or planting shall be erected upon any part of the property which will interfere with

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the rights of ingress and egress provided for in this paragraph. Specifically, except as herein provided, no Owner shall erect any structure, including, without limitation, walls, fences, paving or planting within the areas designated on the Plat of the Properties as a "drainage Easement," "Lake Maintenance Easement" or words or similar import nor shall any Owner change the grade of any such easement area. However, nothing herein shall restrict or prevent the location of boat docking slips and bulkhead walls in accordance with plans approved by the Architectural Review Board within any such easement or setback areas. Each Owner shall keep drainage ditches and swales located on his/her Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon such Lot as may be reasonably required for proper drainage. Declarant may, at its sole option, convey any such drainage easements to an appropriate governmental entity and/or the Association. The easements referred to in this paragraph are, without limitation, those shown upon the recorded plat of the Properties as set out in easements of record; upon the plans of the Development; or which are located on or under the ground.

Declarant, its agents, contractors, servants, employees and assignees may enter upon the easement areas for the purpose of maintaining, repairing, replacing and operating such water lines and other utilities and drainage facilities and for the purpose of installing additional utilities and drainage facilities. Declarant further reserves unto itself, its successors and assigns, a perpetual, alienable easement and right-of-way over, under and across those areas designated as "Drainage Easement" or like wording on the plat of the Properties referred to in Exhibit "A" hereto for the purpose of providing drainage of the Properties and lands for the installation, repair and maintenance of pipes and other facilities necessary for such drainage. Declarant, its agents, contractors, servants, employees and assignees may enter upon any of the easement areas so designated on the recorded plat of the Properties for the purpose of maintaining, repairing, replacing and operating any of the drainage facilities, pipes, ditches, and drainage areas located thereon. The Owners of Lots on which such easements are located shall not interfere in any manner with such easements or any of the facilities located therein or the access thereto. Except for boat docking slips and bulkheads constructed in accordance with plans approved by the Architectural Review Board, no Owner shall erect any structure or fence within such easement areas without the prior written consent of Declarant. Declarant, its agents, employees and assignees shall have no prior written consent of Declarant. Declarant, its agents, employees and assignees shall have no liability for damage which may occur to any structures or other items which may be located in such utility and drainage easements and Declarant shall have no obligation to replace any such structures which may be removed or damaged due to maintenance, repair or other work performed in such easement area.

Section 9. Sidewalk Easements on Lots. Declarant reserves for itself and the Association, their successors, assigns and agents, a sidewalk easement four (4) feet in width within the street right of way. Sidewalk shall be 4 feet in width and centered between the back of the street curb and the property line.

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Said sidewalk must be constructed at the expense of the lot owner at the time of constructing the home and will be restricted to lots 15 thru 24, lots 1 thru 14 will require a sidewalk.

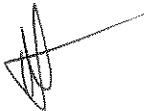
ARTICLE VI.

Assessments for the Maintenance and Operation
of Common Areas and Facilities

Section 1. Initial Contribution. Upon the closing of the initial sale of each lot by the Declarant, the purchaser of each Lot shall pay an initial contribution to the Association of One Hundred and No/100 (100.00) Dollars to provide initial reserve funds for the Association. Such payment shall not in any way be considered a prepayment of any regular or special assessment. Such funds may be used by the Association in such manner as the board of directors thereof shall direct.

Section 2. Assessments, Liens and Personal Obligations Therefor, and Operation Maintenance of Common Areas Solely by the Association.

(a) Each and every Owner of any Lot or Lots within the properties, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association: (1) annual assessments or charges; and, (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall also be the personal obligation of the Owner of such lot or Lots at the time when the assessment fell due. Notwithstanding anything in this Declaration to the contrary, it is hereby declared that through December 31, 2010, each Lot within The Properties shall be exempt, at Declarant's option, from the assessments herein provided for (both annual and special) until such time as such Lot is conveyed by the Declarant to an Owner other than the Declarant. However, until such time as a Lot is conveyed by the Declarant to an Owner other than the Declarant, the Declarant shall be assessed and pay to the Association, in lieu of an assessment thereof, a sum equal to the actual amount of actual operating expenditures incurred by the Association for that portion of the calendar year less an amount equal to the total assessments made by the Association against Owners of Lots other than those owned by the Declarant. The actual operating expenditures for this purpose shall also include any reserve for replacements or operating reserves. Commencing January 1, 2010, the

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Declarant shall be subject to assessments as provided for in this Declaration so that it will pay assessments on the same basis provided for in this Declaration for other Lot Owners. The Declarant shall be assessed and pay to Association, in lieu of an assessment, a sum equal to the actual amount of actual operating expenditures for that portion of the calendar year less an amount equal to the total assessments made by Association against Owners of Lots other than those owned by Declarant. Declarant may, however, at its option, elect to pay assessments on the same basis as other Lot Owners as opposed to the method referred to above. Such election may be made by Declarant at any time.

(b) The Assessment levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Development, and in particular for the improvement and maintenance of the Common Areas, now or hereafter designated or existing, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement and additions thereof, the cost of labor, equipment, materials, management and supervision thereof, and the cost of lawn and landscaping maintenance, maintenance of the fencing and/or signage, the employment of attorneys to represent the Association when necessary and such other needs as may arise. In the event that Declarant performs any of the foregoing services for Association, including, but not limited to, accounting and bookkeeping services, it shall have the right to receive a reasonable fee therefore and such shall not be deemed to be a conflict of interest.

Section 3. Amount and Payment of Annual Assessment. The Board of Directors of the Association shall at all times fix the amount of the annual Assessment at an amount sufficient to pay the costs of maintaining and operating the Common Areas and performing the other exterior maintenance required to be performed by the Association under this Declaration including adequate reserves. The Board shall also fix the date of commencement and the amount of the Assessment against each Lot for each Assessment period (which shall be based on a calendar year), and shall at that time, prepare a roster of the Lots and Assessments applicable thereto, which shall be kept in the Office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto. In the event that any Lot is subject to an assessment for only part of a calendar year, then the amount of such assessment shall be prorated based on the portion of the assessment period for which such Lot is subject to an assessment.

Each annual Assessment shall be fully payable in advance on the 1st day of January each year, but the Board of Directors of the Association shall have the option to permit monthly or quarterly payments. The exact amount of each annual Assessment shall be fixed by the Board of Directors of the Association.

The Association shall, upon demand at any time, furnish to any Owner liable for any assessment, a certificate in writing, signed by an officer of the

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Association, setting forth whether said assessment has been paid. Such certificate shall be in recordable form and shall be conclusive evidence of payment of any assessment therein stated to have been paid.

This Section shall not be amended as provided in this Declaration to eliminate or substantially impair the obligation to fix the assessment at an amount sufficient to properly maintain and operate the Common Areas and perform the exterior maintenance required to be performed by the Association under this Declaration.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments, the Board of Directors of the Association, on behalf of the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related hereto. The due date of any specified assessment shall be fixed in the Resolution of the Board of Directors authorizing such assessment.

Section 5. Paid Professional Manager. The Board of Directors of the Association may employ a professional manager or managerial firm to supervise all the work, labor, services and material required in the operation and maintenance of the Common Areas and in the discharge of the Association's duties throughout the Community.

Section 6. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner: The Lien, Remedies of Association. If any assessment is not paid on the date when due, then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the Lot or Lots, which shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment or reimbursement, however, shall remain his personal obligation and will also pass on to his successor in title.

If the assessment or reimbursement is not paid within thirty (30) days after the due date, a late charge in an amount to be specified by the Board of Directors of the Association may be assessed and furthermore, the assessment shall bear interest from the date of delinquency at the rate of eighteen (18%) percent per annum. In addition, the Association may bring legal action against the then Owner personally obligated to pay the same or may enforce or foreclose the lien against the Lot or Lots in the same manner as a mortgage is foreclosed; and in the event a judgment is obtained, such judgment shall include interest on the assessment or reimbursement as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. The Association may further file a notice of lien in the office of the Register of Deeds for Horry County, South Carolina.

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Section 7. Subordination of the Lien to Mortgages. The lien of the assessments (and reimbursement) provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon any Lot subject to assessment and and reimbursement; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments or reimbursements thereafter becoming due, nor from the lien of any subsequent assessment or reimbursement.

Section 8. Exempt Property. All Common Areas subject to this Declaration shall be exempted from the assessments, charges and liens created herein.

ARTICLE VII.

Architectural and Landscape Control

Section 1. Architectural Review Board. The Architectural Review Board shall have the right to approve or disapprove all architectural and landscaping plans and the location of any proposed Improvements. The Architectural Review Board may, in its sole discretion, impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning or other governmental codes.

Section 2. The Architectural Review Board shall be a permanent committee of the Association and shall administer and perform the architectural and landscape review and control functions of the Association. The Architectural Review Board shall consist of three (3) voting members who shall initially be named by the Declarant and who shall hold office at the pleasure of the Declarant. Until termination of Declarant's Class B membership status in the Association, as defined in this Declaration, the Declarant shall have the right: to change the number of members on the Architectural Review Board provided, however, that the Architectural Review Board shall at all times consist of at least three (3) members; to appoint all members of the Architectural Review Board; and to remove and replace all members appointed to the Architectural Review Board. The Declarant shall determine which member of the Architectural Review Board shall serve as its Chairman, or which members of the Architectural Review Board shall serve as Co-Chairmen. In the event of the failure, refusal or inability to act of any of the members appointed by the Declarant, and in the event that the Declarant fails to fill any such vacancy within thirty (30) days of such occurrence, the remaining members of the Architectural Review Board shall fill such vacancy by appointment. At such time as Declarant's Class B membership status terminates or at such earlier date as Declarant may decide, the Declarant shall assign to the Association the rights, powers, duties and obligations of the

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Architectural Review Board, whereupon the Board of Directors shall determine how many persons shall serve on the Architectural Review Board, provided that the Architectural Review Board shall at all times consist of not less than three (3) members, shall appoint the members of the Architectural Review Board shall provide for the terms of the members of the Architectural Review Board, and shall determine which member of the Architectural Review Board shall serve as its Chairman. There shall be no requirement that any of the members of the Architectural Review Board be a member of either the Association or an Owner within Plantation Lakes at Carolina Forest. Any three (3) members of the Architectural Review Board shall constitute a quorum to transact business at any meeting, and the action of the majority present shall constitute the action of the Architectural Review Board.

Section 3. Buildings, fences, walls, etc. No building, fence, wall, boat docking slip, landscaping or other improvements, and no change in topography, landscaping or any other item originally approved by the Architectural Review Board shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, texture, shape, height, materials, color and locations of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Architectural Review Board. The right of approval herein reserved and granted shall include, without limitation, the right to designate or re-designate which Lot line shall be the "front" in the case where a Lot is bordered by more than one street. In the event the Architectural Review Board fails to approve or disapprove any request within sixty (60) days after complete plans and specifications have been submitted to it in accordance with the guidelines promulgated by the Architectural Review Board, the same shall be deemed approved, and this Article shall be deemed to have been fully complied with, provided, however, that no such failure to act shall be deemed an approval of any matters specifically prohibited by any other provision of this Declaration. Refusal of approval of plans, specifications and plot plans or any of them may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Declarant or the Architectural Review Board may seem sufficient. Any change in exterior appearance of any building, wall, fence or other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval.

Section 4. Lot Filling. No Lot may be cleared, graded cut or filled for any reason until the Architectural Review Board has reviewed and approved the application for approval of the purposed improvement. The site plan, along with the tree survey and other documents required by the Architectural Review Board, must clearly delineate the extent of clearing, grading, cutting and filling.

Section 5. Fee Schedule. The Architectural Review Board may adopt a schedule of reasonable fees for processing requests for approval. Such Fees, if any, shall be payable to the Association at the time that the plans and specifications and other documents are submitted to the Architectural Review

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Board. The payment of such fees, as well as other expenses of the Architectural Review Board required to be paid, shall be deemed to be an individual Assessment, enforceable against the Owner and the Lot as provided hereinabove. The Architectural Review Board is expressly reserved the right and power, exercisable in its sole discretion, to procure the services of a consultant of its own choosing for purposes of assisting the Architectural Review Board in its review of any plans or specifications, and the cost of such consulting services shall be the responsibility of the respective applicant or Owner of the subject property.

Section 6. Defects or Damages. Neither the Declarant, the directors or officers of the Association, the members of the Architectural Review Board, nor any person acting on behalf of any of them, shall be liable for any costs or damage incurred by an Owner or Association or any other party whatsoever, due to any mistakes in judgment, negligence or any action of the Architectural Review Board in connection with the approval or disapproval of plans and specifications. Each Owner of Association and occupant of any property within Plantation Lakes at Carolina Forest agrees, as do their successors and assigns by acquiring title thereto or an interest therein, or by assuming possession thereof, that they shall not bring any act or suit against the Declarant, the directors or officers of the Association, the members of the Architectural Review Board, or their respective agents, in order to recover any damages caused by the actions of the Architectural Review Board. The Association shall indemnify, defend and hold the Architectural Review Board and each of its members harmless from all costs, expenses and liabilities, including attorneys' fees, of all nature resulting by virtue of the acts of the Architectural Review Board or its members. Neither the Declarant, the directors or officers of the Association, the members of the Architectural Review Board, nor any person acting on behalf of any of them, shall be responsible for any defects in any plans and specifications, nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

ARTICLE VIII.

Exterior Maintenance, Reasonable Access and Maintenance of Common Areas

Section 1. Exterior Maintenance. The Owner shall maintain the structures and grounds on each Lot at all times in a neat and attractive manner. Upon the Owner's failure to do so, the Declarant, or the Association (after the termination of Class B membership status of Declarant) may, at its option, after giving the Owner ten (10) days written notice sent to his last known address, or to the address of the subject premises, have the grass, weeds, shrubs and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Lot, and replaced, and

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may have any portion of the Lot resodded or landscaped, all of which shall not be deemed a trespass, and all expenses of the Association under this provision shall be a lien and charge against the Lot on which the work is done and the personal obligation of the then Owner of such Lot. The Declarant or the Association, and its assigns, may likewise, after giving the owner 10 days written notice sent as aforesaid, enter upon such Lot(s) to remove any trash, debris or garbage which has collected on said Lot(s) without such entrance and removal being deemed a trespass, all at the expense of the owner of said Lot. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance, the Association may, at its option, after giving the Owner thirty (30) days written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum secured by a lien against the Lot as herein provided.

Section 2. Access at Reasonable Hours. For the purpose of performing its function under this or any other Article of the Declaration, and to make necessary surveys in connection therewith, the Association, by its duly authorized agent and employees, or the Declarant during the period of development shall have the right to enter upon any Lot at reasonable hours, on any day except Sundays and holidays, on reasonable prior notice.

Section 3. Maintenance of Common Areas. It shall be the responsibility of the Association to maintain the Common Areas. However, should the Declarant (prior to conveyance to the Association) or the Association (after the termination of the Class B status of Declarant), decide to transfer any portion or all of the areas designated or to become, by conveyance, Common Areas to governmental authority, as they have the right to do, such duty to maintain same shall cease as to that portion so transferred.

ARTICLE X.

Rights of Mortgagees

Rights of Mortgagees or Third Parties. Should a mortgagee or third party acquire the rights of Declarant, by way of foreclosure or otherwise in adjoining or neighboring property contained within the property contiguous to the property subject to this declaration, as same may exist from time to time, it shall be allowed full use of all rights, easements, rights-of-way and utilities contained within The Property for the purpose of serving such adjoining or neighboring areas. These rights shall also inure to the benefit of Declarant should it retain or be the Owner of any portion of said property. Any of such parties may elect to bring additional phases under this Declaration.

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ARTICLE XI.

Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in amount (as determined by the insurance underwriter) sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, Buffer area and any other areas Association is permitted to enter upon, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million and No/100 (\$1,000,000.00) Dollar single (\$1,000,000.00) Dollars limit per occurrence, and a Five Hundred Thousand and No/100 (\$500,000.00) Dollar minimum property damage limit.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the Assessment.

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


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

(b) All policies on the Common Area and fencing referred to above shall be for the benefit of the Association and Declarant shall be named as additional insured.

(c) Exclusive authority to adjust losses under policies in force on the Common Areas and said fencing obtained by the Association shall be vested in the Association's Board of Directors.

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

(e) The Association's Board of Directors shall be required to make every

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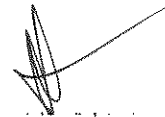
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reasonable effort to secure insurance policies that will provide for the following:

- (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;
- (ii) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association of its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, its Owner, or mortgagee;
- (iii) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- (iv) That no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. However, no fidelity bond shall be required as long as the class B Member exists. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

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

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only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section A above. However, repair or replacement of the affected Common Area must be made unless prevented by law or governmental rule or regulation.

Section 3. Damage and Destruction.

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

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Board of Directors of the Association, shall decide within thirty (30) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Area damaged or destroyed shall be repaired or reconstructed.

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



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

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructions, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Lots owned, provided, if the damage or destruction involves a Lot or Lots only Owners of the affected Lots shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE XII.

General Provisions

Section 1. Time of Essence. It is agreed that time is of the essence with regard to these restrictions, protective covenants, limitations and conditions.

Section 2. Enforcement. In the event of a violation or breach of any of these restrictions by any Owner, or agent, or agent of such Owner, the Owners of Lots in the subdivision, or any of them, jointly or severally, the Declarant and/or the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any such event or to recover damages. In addition to the foregoing, the Declarant, its successors and assigns, shall have the right, but shall be under no obligation whenever there shall have been built on any lot in the subdivision any structure which is in violation of these restrictions, to enter upon the property where such violation exists, and summarily abate or remove the same at the expense of the Owner, if, after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the rights to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should Declarant or Association employ Counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for Declarant's Counsel shall be paid by the Owner of such lot or Lots in breach thereof. Any amount assessed hereunder shall constitute a lien on such lot and shall be enforceable as herein provided. Failure of Declarant, the Association or any Owner to enforce any covenant or restriction contained herein shall not be deemed a waiver of the right to do so thereafter.

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Section 3. Responsibility of Declarant. The Declarant herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In addition, nothing contained in this Declaration shall be deemed to be a representation by Declarant with regard to the requirements of any governmental authority and it shall be the duty of each Owner to comply with any such requirements in addition to the provisions of this Declaration.

Section 4. Rule Against Perpetuities. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event, such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina, and such provision shall be fully effective for said reduced period of time.

Section 5. Binding Effect. All covenants, conditions, limitations, restrictions, easements and affirmative obligations set forth in this declaration shall be binding on the Owner of the Lots, and their respective heirs, successors and assigns and run with the land. All rights, easements and agreements reserved by or granted to Declarant shall inure to the benefit of Declarant, its successors and assigns including, without limitation, the right to develop and submit additional phases. Declarant reserves the right in addition to all other rights of Declarant, to assign its rights of consent and approval as set out in this Declaration and any amendment hereto or supplement hereof, to Association, or to any assignee of Declarant's development rights.

Section 6. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, the representatives, heirs, successors and assigns.

Section 7. Notice. Any notice required to be sent to any Member of Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise effect any other provisions which shall remain in full force and effect.

Section 9. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this agreement may be amended, changed, added to, derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than two-thirds (2/3) vote of the membership in the Association, provided,



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that so long as the Declarant is the Owner of any Lot affected by this Declaration of the Declarant's consent must be obtained. Provided, further, that the provisions for voting of Class A and Class B Members as hereinabove contained in this Declaration shall also be effective in voting for changes in this Declaration.

Section 10. Amendment Prior to Sale by Declarant. At any time prior to the closing of the first sale of a Lot by Declarant, the Declarant, and any mortgage holder, if any, may amend this Declaration by mutual consent. The closing of the first sale shall mean transfer of title and delivery of a deed and not execution of a Contract of Sale or a like document.

Section 11. Effective Date. This Declaration shall become effective upon its recordation in the Office of the Register of Deeds for Horry County, South Carolina.

Section 12. Plat. Reference to Exhibit A, "plat," "map" or other term synonymous therewith shall mean and include Exhibit A as recorded herewith and all subsequent revisions thereof, together with any and all additional plats or maps filed as any additional phases, if any, are submitted to this Declaration as and when recorded in the Office of the Register of Deeds for Horry County, South Carolina.

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IN WITNESS WHEREOF, Surfrider Development, Inc, has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above written.

In the Presence of:

DECLARANT:

Walter G. Smith
Paul Cannon

SURFRIDER DEVELOPMENT, INC.

By: C. Wayne J.

By: Asst. Home


By: _____

Coral Landing Property Owners Association, Inc. executes this Declaration for the purposes of acknowledging and agreeing to the terms and conditions hereof.

CORAL LANDING PROPERTY OWNERS ASSOCIATION, INC.

Walter G. Smith
Paul Cannon

By: C. Wayne J.
Title: Vice Pres.

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Exhibit "A"

ALL AND SINGULAR, all that certain piece, parcel or lot of land situate, lying and being in Little River Township, in the County of Horry and the State of South Carolina, and being shown and designated as Lots One (1) through Twenty-four (24) of Coral Landing Subdivision on a plat prepared by Perry Land Surveying, Inc., dated 3/25/03, and recorded in Plat Book 189 at Page 138, Horry County records.

This conveyance is also made subject to the conditions and requirements of the permits issued by the U.S. Army Corps of Engineers and South Carolina Coastal Council.

This being a portion of the property conveyed to Grantor herein by Deed recorded in Deed Book 2147, at Page 369, Horry County Records, Conway, South Carolina.

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CERTIFIED TO BE A TRUE AND CORRECT COPY AS TAKEN FROM AND COMPARED WITH THE ORIGINAL ON FILE IN THIS OFFICE

Exhibit "B"

MAY 06 2003

STATE OF SOUTH CAROLINA SECRETARY OF STATE NONPROFIT CORPORATION ARTICLES OF INCORPORATION

FILED

MAY 06 2003

Mark Hammond SECRETARY OF STATE OF SOUTH CAROLINA

Mark Hammond SECRETARY OF STATE 3

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

- 1. The name of the nonprofit corporation is Coral Landing Property Owners Association, Inc.
2. The initial registered office of the nonprofit corporation is 3596 Cedar Creek Run, Little River, Horry, SC 29566

The name of the registered agent of the nonprofit corporation at that office is Wayne Hill

I hereby consent to the appointment as registered agent of the corporation.

[Signature] Agent's Signature

- 3. Check 'a', 'b', or 'c' whichever is applicable. Check only one box:
a. [X] The nonprofit corporation is a public benefit corporation.
b. [] The nonprofit corporation is a religious corporation.
c. [] The nonprofit corporation is a mutual benefit corporation.
4. Check 'a' or 'b', whichever is applicable:
a. [X] This corporation will have members.
b. [] This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is 3596 Cedar Creek Run, Little River, Horry, SC 29566

- 6. If this nonprofit corporation is either a public benefit or religious corporation (when box 'a' or 'b' of paragraph 3 is checked), complete either 'a' or 'b', whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.
a. [X] Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code...

[Handwritten marks]

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Coral Landing Property Owners Association, Inc.
Name of Corporation

exclusively for such purposes.

b. Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to

~~the incorporators~~

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked, complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202(c) of the 1976 South Carolina Code of Laws as amended, the applicable comments thereto, and the instructions to this form)

9. The name and address of each incorporator is as follows (only one is required)

Wayne Hill	2596 Cedar Creek Run, Little River, SC	29566
Name	Address	Zip Code
Name	Address	Zip Code
Name	Address	Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

Name (Only if named in articles)	Signature of director
Name (Only if named in articles)	Signature of director
Name (Only if named in articles)	Signature of director

11. Each incorporator must sign the articles.

Signature of incorporator

Signature of incorporator

Signature of incorporator

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