STATE OF SOUTH CAROLINA)	SECOND RESTATEMENT AND MODIFICATION
)	OF COVENANTS OF
)	TARPON POND COTTAGES,
COUNTY OF CHARLESTON)	SEABROOK ISLAND

WHEREAS, by instrument entitled "Covenants of Tarpon Pond Cottages, Seabrook Island," dated September 16, 1977 and recorded on September 16, 1977, in Book O113, Page 271, Seabrook Island Company placed certain covenants and restriction upon certain property known as Tarpon Pond Cottages and shown on a plat recorded in Plat Book AJ, Page 76 in the RMC Office for Charleston County, South Carolina; and

WHEREAS, additional property was submitted to the covenants by instrument dated November 21, 1977, and recorded December 2, 1977, in Book G114 at Page 320, in the RMC Office for Charleston County, South Carolina; and

WHEREAS, said covenants were amended and restated by instrument entitled "Restatement and First Modification of Covenants of Tarpon Pond Cottages, Seabrook Island," dated April 5, 1996, recorded on April 12, 1996, in Book V267 at Page 051, in the RMC Office for Charleston County, South Carolina; and

WHEREAS, the owners desire to further amend and restate the covenants applicable to Tarpon Pond Cottages.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that any and all prior Covenants of Tarpon Pond Cottages, Seabrook Island, are specifically superceded by this Second Restatement and Modification of the Covenants of Tarpon Pond Cottages, Seabrook Island, are hereby modified and restated so that the terms and provisions of said covenants are as follows, and the undersigned Tarpon Pond Cottages Property Owners and the Tarpon Pond Cottages Owners Association, Inc., as record owner of the Common Properties, do hereby covenant and agree on behalf of themselves and their heirs, assigns, and successors in title as follows:

- **1. Definitions.** The following words are terms which, when used herein, shall have the following meaning:
 - (a) "Association" shall mean and refer to Tarpon Pond Cottages Owners Association, Inc., a South Carolina non-profit corporation.
 - (b) "Member" shall mean and refer to all Property Owners who are members of the Association as hereinafter provided.
 - (c) "Property Owners (a)" shall mean the record owners(s) of the fee simple title to any Property, within the confines of Tarpon Pond Cottages as represented and delineated on the Exhibit A attached hereto and incorporated herein by reference, but excluding the Common Properties.

- (d) "Board" shall mean and refer to the Board of Directors of the Tarpon Pond Cottages Owners Association, Inc.
- (e) "Common Properties" shall mean and refer to any and all property, real and personal, together with any improvements thereon, now or hereafter owned or leased by the Association for the common use and enjoyment of the Members of the Association.
- (f) "Property" or "Properties" shall mean and refer to each parcel, lot or unit of real property, within the confines of Tarpon Pond Cottages as represented and delineated on the above-referenced plat, but excluding the Common Properties.
- **The Tarpon Pond Cottagers Owners Association.** The purpose and the powers of the Association as restated from the ByLaws are to:
 - (a) Develop and implement programs to protect the environment and to provide for the health, safety, security, and welfare or Property Owners;
 - (b) Protect, operate, and maintain such of the roads, playgrounds, open spaces and other Common Properties as are deeded, leased, or otherwise conveyed to the Association or held in trust for the benefit of the Association or the Property Owners;
 - (c) Acquire, construct, improve, manage, maintain, convey (by the sale or otherwise), lease, transfer or otherwise disburse real or personal property of the Association in connection with the management of the affairs of the Association and care for Association properties, including structures, systems and equipment, for the general benefit of the Property Owners and others as determined by the Board, and if the Membership consents by a vote of two-thirds (66.7%) approval, of the votes entitled to be cast to maintain and care for the exterior of Properties;
 - (d) Borrow money on behalf of the Association to build, enhance, improve or repair the Common Properties and facilities, and with the consent of two-thirds (66.7%) of the votes entitled to be case by the Membership, at a duly called meeting of the Association or by a duly conducted referendum, mortgage, pledge or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred;
 - (e) Dedicate, sell or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such condition as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by or on behalf of two-thirds (66.7%) of the Members entitled to vote agreeing to such dedication, sale or transfer;
 - (f) Propose, adopt, distribute, and enforce Covenants for the common good, including, but not limited to, those pertaining to: maintenance of property, sanitation, use of Common Properties, and responsibilities and obligations of all residents, including

Property Owners, tenants, guests, invitees, and others using facilities and properties owned and/or operated by the Association, (for the maintenance of good order and otherwise), security and safety, and sanctions for violations;

- (g) Establish assessments and fees and collect same from Members of the Association and others who use facilities and properties owned and/or operated by the Association;
- (h) Obtain insurance of such types, and in such amounts, and with such companies, as the Board, in its sole discretion, deems necessary or desirable for the protection of the Association, of persons acting for on behalf of the Association, and of the Common Properties and/or others properties in which the Association has an insurable interest. Require that homeowners insurance is in effect for all Properties. The Board may take such action as it deems appropriate with respect to noncompliance with any such requirement;
- (I) Engage in such other activities as may be of benefit to the Membership and exercise any and all powers, rights and privileges which a non-profit corporation organized under the laws of the State of South Carolina by law may now or hereafter have or exercise.

The matters stated above are and shall be powers and authorities only and shall not in any way be deemed to impose on the Board or the Association any obligation or duty to perform any of the functions enumerated or referred to herein above.

The Board of Directors of the Association shall be permitted to perform any of the functions of the Association except as specifically reserved to the Membership in the Association's ByLaws and may contract with private individuals or entities for the performance of such functions as it deems appropriate.

- 3. Membership in Association. Each Property Owner in the Association whose Property is subject 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 a Property which is subject to assessment. Members shall be entitled to one (1) vote for each Property owned, and when more than one (1) person or entity is an Owner with respect to a single Property, all such persons or entities shall be Member, and vote for such Property shall be cast as a whole and exercised as they, among themselves, determine. In no event shall more than one (1) vote be cast with respect to any single property.
- 4. <u>Mutual Benefits and Responsibilities of Members</u>. Each Member of the Association, his/her family Members, guests, and invitees (except where specifically excluded by regulations adopted by the Board of Directors) shall be entitled to use and enjoy the Common Properties ans services provided by the Association. Members and such others persons shall be governed in their use of such properties and services and in the conduct by all applicable Covenants of Tarpon Pond Cottages recorded in Charleston County, South Carolina, all

applicable Covenants of the Seabrook Island Property Owners Association, and by these ByLaws and any and all regulations adopted by the Board and on fie in the Association's office, as well as the effective Planned Unit Development Zoning Regulations.

- **Property Rights in Common Properties**. Subject to the Provisions of these Covenants, every Property Owner shall have a right and easement of enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title to every Property. In addition to said easement of enjoyment, every Property Owner shall have the following easements:
 - (a) The right of each Property Owner to have non-exclusive access to such Property Owner's property by an easement appurtenant thereto for ingress, egress and regress over an upon the Common Properties; and
 - (b) The rights of each Property Owner to have an easement appurtenant for utilities to such Property over and upon the Common Properties.

The Property Owner's rights and easements created hereby shall be subject to the following:

- (a) The non-exclusive easements of other Property Owners for access, ingress, egress and utilities over and upon the Common Properties;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;
- (c) The right of the Association, as provided in its ByLaws, to invoke sanctions or levy fines for breach of these Covenants. It is understood that any sanctions or fines for either non-payment of any assessment or a breach of the Covenants of the Association shall not constitute a waiver or discharge of the Members' obligation to pay the assessment or to adhere to the Covenants;
- (d) The right of the Association to dedicate, sell, or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by two-thirds (66.7%) of all votes entitled to be cast by the Membership, whether cast as a duly called meeting of the Association or at a duly conducted referendum;
- (e) The right of the Association to make rules and regulations pertaining to the Common Properties only and impose restrictions upon such use and enjoyment for the benefit of all Members, their guests and invitees;
- (f) The right of the Association to make rules and regulations pertaining to the Common Properties only and impose restrictions upon such use and enjoyment for the benefit of all Members, their guests and invitees;

- (g) The right of the Association, as set forth in paragraph 2(d) herein, to build, enhance, improve, or repair the Common Properties and facilities;
- (h) The right of the Association to grant easements upon, across, over and under all Common Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewer, telephone, gas electricity and cable. The Board may upon written request, grant such easement as may be reasonably necessary for the use of any property made subject to these Covenants; and
- (I) In the event any Common Property is damaged or destroyed by a Property Owner, Member of his/her family, or any of his guests, tenants, licensees, contractors, or agents, such Property Owner does hereby authorize the Association to repair said damage. The Association shall repair said damage in a good and workmanlike manner in compliance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association. The amount necessary for such repairs shall become a Special Parcel Assessment upon the Property of said Owner.
- 6. <u>Trespass</u>. Whenever the Association, the Board or its designee is permitted by the Covenants to inspect, correct, repair, clean, preserve, clear or take any action on the exterior of a property in the Association, entering the Property and taking such action shall not be deemed a trespass. Entering the interior of a Property for emergency purposes only also shall not be deemed a trespass.
- 7. <u>Condemnation</u>. Whenever all or any part of the Common Properties owned by or held in trust for the benefit of the Association or the Members of the Association shall be taken (or conveyed in lieu of and under threat of condemnation, upon action by the Board) by an authority having the power of condemnation or eminent domain, the Association 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 Properties shall be payable to the Association.
- 8. Assessments. Each Property Owner shall, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed or other conveyance, be deemed to agree to all of the terms and provisions of these Covenants, or as the same may be duly amended from time to time, and to pay to the Association: Annual Assessments; Working Capital Assessment; Special Parcel Assessments and Special Assessments as described below. All assessments, together with interest thereon and costs of collection thereof, including reasonable attorneys's fees, shall be a charge and continuing lien on the Property against which each such assessment is made. Each such assessment shall also be the personal obligation of the person(s) or entity who was the Owner of such Property at the time when the assessment fell due. In the event of co-ownership of a Property, all such co-owners shall be jointly and severally liable for the entire amount of the assessments.

- (a) Working Capital Assessments. At each time title is conveyed to a new Property Owners the new Property Owner shall contribute to the working capital reserve maintained by the Association the sum of One Hundred and no/100 (\$100.00) Dollars. Such Funds shall be used solely for capital expenses of th Association and the Common Properties.
- (b) Annual Assessments. The annual assessments levied by the Association shall be used exclusively for: the improvement, maintenance, and operation of the Common Properties and, if the Membership so elects, (subject to the provision of Paragraph 2(c)) the Properties, including, but not limited to, providing lighting, pest control, landscape maintenance, general maintenance and painting, maintaining and improving amenities and recreational facilities located on or near the Common Properties, the payment of taxes and insurance thereon, repair, replacement and additions to the Common Properties, and the cost of labor, equipment, material, management and supervision thereof; the operation and running of the Association; and doing any other thing necessary or desirable in the opinion of the Board to keep the Properties and the Common Properties neat and in good order, and to eliminate health and safety hazards, and to provide useful amenities, which in the opinion of the Board may be of general benefit to the Owners of the Properties.
- (c) <u>Special Assessments</u>. The Association may by a vote of two thirds (66.7%) affirmative votes of the Membership levy in any assessment year, a Special Assessment uniformly against all Properties, applicable to that year and not more than the next two (2) succeeding years, for the purpose of defraying, in whole or in part, the coast of any construction, reconstruction, repair, or replacement of the capital improvements upon the Common Properties, including fixtures and personal property related thereto, or when emergency circumstances dictate, when delay until approval of the next annual budget is unacceptable or when, in the judgment of the Board, a special project is deemed to be in the best interest of the Membership as a whole.
- (d) Special Parcel Assessment. Special Parcel Assessments may be imposed by the Association upon any unit or parcel of Property, for the purpose of maintaining the exterior appearance thereof, if the Owner shall have failed or refused to do so. This maintenance shall include, but not be limited to: painting, repairing, replacing roofs, gutters, down spouts and exterior building surfaces, and any other repairs necessary to keep the Property Owner's Property from deteriorating and becoming unsightly. For the purpose solely of performing the exterior maintenance authorised by this paragraph, representatives of the Association and its duly authorized agents or employees shall have the right, after reasonable notice to the Property Owner, to enter upon any Property at reasonable hours on any day, except Sunday (see Item 9 for notification requirements). Special Parcel Assessments may also be imposed by the Association to cover the cost of repair or damage to the Common Properties as herein above provided in Paragraph 5(I).

The Board of Directors of the Association shall have the right, obligation and power to fix the Annual Assessments described above at least thirty (30) days in advance of the first day of the fiscal year and shall notify each Property Owner of same, in writing. The Assessments shall be delinquent when not paid within thirty (30) days after the mailing of such notice. The Board of Directors shall determine whether the Assessment shall be paid on a monthly, quarterly, semi-annual or annual basis. The Assessments may be increased, adjusted or reduced from time to time by the Board of Directors of the Association, as the needs of the Common Properties, the Properties and the Association, in its judgment may require, and each Property shall by subject to a uniform assessment. Properties shall become subject to Assessment upon issuance of a certificate of occupancy.

Others who are not Members of the Association but who have access to an/or use facilities and properties owned and/or operated by the Association shall be subject to such access and/or user fees as may be established by the Association.

Should a Property Owner fail to pay the Association within thirty (30) days after the mailing of a notice of any such fee, charge, cost or Assessment, the Board shall have the right to file notices of liens and lis pendens against subject Property, and the Association shall have a lien on such Property for the payment of such sum, together with late charges and interest in accordance with the Association's By-Laws. The Board shall have the right to bill and collect interest and late charges, to institute legal proceeding and to enforce such rights to the extent and in the manner permitted by the laws of South Carolina, including the right to charge and collect all necessary attorney's fees, court costs and other collection expenses necessitated by such delinquency.

Upon conveyance by deed or by law of any Property or part or portions thereof, the purchaser thereof and each successive Owner shall be and become personally liable for and shall pay all fees, Assessments and other charges, past or future, due to the Association in accordance with the provisions of these Covenants and the provisions of the Association By-Laws, as either or both may be amended from time to time.

Maintenance of Property. It shall be the responsibility of each Property Owner to prevent the development of any unclean, unsightly or unkempt conditions on his or her Property, which shall tend to detract from the beauty of the neighborhood as a whole. If a Property Owner allows the development of any unclean, unsightly or unkempt condition on his or her property, the unsatisfactory condition shall be corrected by the Property Owner at his or her expense upon written request of the Board or its designee. If the Property Owner fails to correct the condition or fails to provide an acceptable written response to the Board within thirty (30) days after notice has been given, the Board or its designee shall have the right to require correction of the problem(s) within one hundred twenty (120) days as specified in a registered mail notification. Failure to correct the problem will result in the Boards proceeding to have the work done. The cost shall be billed to a borne by the Property Owner as a Special Parcel Assessment.

10. Additional Restrictions:

- (a) Noxious Activity. No noxious or offensive activity shall be carried on, in or upon any Property, nor shall anything be done thereon or therein tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals or devices or things of any sort whose normal activities or existence is 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. There shall be no playing of radios, television sets, amplification equipment, or musical instruments so loudly as to be intrusive on the peace and quiet of the neighbors.
- (b) Animals, etc. No animals, reptiles, rodents, birds, fish livestock or poultry of any kind shall be raised, bred, or maintained on any Property, except household pets (in reasonable numbers) of the 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 Association. Dogs must be leashed when off the Property owned or occupied by their owners or must be accompanied by and under the effective voice control of the owners or their agents.
- 11. Roads. Property Owners, their tenants, guests, invitees and permittees shall have the right to use the roads within the Association for ingress and egress to and from their Property, to and from the Common Facilities and amenities in the Association, and for general passage. Such use of roads shall be subject to these covenants, the By-Laws and Rules and Regulations of the Seabrook Island Property Owners Association.
- 12. <u>Storage and Parking of Trailers, Campers, Trucks, Etc.</u> No trailers, travel trailers, or mobile homes, campers, or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, trucks, or commercial vehicles, or boat trailers, shall be kept, stored or parked overnight, either on any street or any Property, except within covered garage areas (carports) or within storage or parking areas approved by the Board or its designee for such purpose.
- 13. Trees and Nature Growth. Trees and distinctive flora shall not be intentionally destroyed or removed except with the prior written approval of the Board or its designee, or as may otherwise be permissible under regulations and guidelines established by the Board of Directors of the Seabrook Island Property Owners Association. Any Property Owner removing such trees or flora without such approval may be required at his/her cost to replace same.
- 14. Exterior Appearance of Dwellings. No changes shall be made to the exterior of any dwelling, which shall include, but not be limited to, the erection of storm windows/doors, replacement windows/doors, awnings, or shutters, which can be seen from the outside of the dwelling without the express approval of both the Association Board and the Architectural Review Board of the Seabrook Island Property Owners Association. No interior window dressing may be installed, which is visible from the exterior, unless such window dressing has a pastel liner, without the permission of the Board.

- 15. Other Covenants. The Covenants herein contained are not exclusive but are the same as or in addition to the Covenants heretofore recorded for Seabrook Island Development, as the same have been and my hereafter be amended, if and to the extent that the same are or in the future may become applicable to the Properties and/or Common Properties, and to such other easements, declarations, covenants, and agreements as properly affect the Properties and Common Properties described herein.
- 16. Notices. All papers or instruments, plans and specification, or any other writings provided for herein, shall be filed with or submitted to the Association or its designated representative, by personal delivery or certified mail. 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 Owner at such address as may have been provided to the Association for that purpose.
- 17. <u>Duration and Amendment</u>. These Covenants shall run with the land and be binding on the Properties and Common Properties and all parties claiming under them or subject to them and their heirs, assigns, and successors in title, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Property subject hereto and their heirs, assigns, and successors in title, for a term of ten (10) years from the date of the recordation of this instrument, after which time said Covenants shall automatically renew for successive periods of ten (10) years unless terminated by the affirmative vote of two thirds (66.7%) of the votes then authorized to be cast by the Membership, at a duly called meeting of the Association or by a duly conducted referendum. The Covenants may be altered, modified or canceled at any time upon the affirmative vote of two thirds (66.7%) of the votes then entitled to be cast by the Membership, at a duly called meeting of the Association or by a duly conducted referendum.
- 18. <u>Violations.</u> If any Property Owner or any other party subject hereto, or their heirs or assigns, shall violate or attempt to violate any of the Covenants herein, it shall be lawful for the Board to impose sanctions and for the Board to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such Covenants, and thereby to prevent his or them from so doing or to recover damages or other due for such violation. Without limiting the foregoing, the enforcement of these Covenants shall be by the Association of which every Property Owner shall be a Member. The Association shall be entitled to recover attorney's fees and expenses if it prevails in any such enforcement proceeding.
- 19. <u>Severability</u>. Should any Covenant herein contained, paragraph, sentence, clause, phrase or term of this instrument, be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of any competent court having jurisdiction thereof, the same shall be declared to be severable and the provisions hereof not affected shall remain in full force and effect.

IN WITNESS WHEREOF, Tarpon Pond Cottages Owners Association, by Ralph Wick, its President, has hereunto set its hand and seal this 27% day of February, 2008.

IN THE PRESENCE OF: TARPON POND COTTAGES OWNERS **ASSOCIATION:** Raled I West Its: President STATE OF _SC county of Charleston PERSONALLY appeared before me, the undersigned Witness, who on oath says that (s)he saw the within named Tarpon Pond Cottages Owners Association, by Ralph Wick, its President, sign, seal as its act(s) and deed (s) deliver the within written instrument, and the (s)he with the other Witness, witnessed the execution thereof. Witness #1 from above sign here SWORN to before this 27th day of February My commission expires: 1.27.2010