

Unit such time as the Board of Directors of the Association votes otherwise, the Association shall provide the following Common Services to each Owner and to each lot: periodic landscape maintenance services (including cutting, pruning and maintaining the grass, shrubbery and trees located on each lot and common property); monthly pest control services (including interior and exterior) for the control of insects and rodents including termite inspection and control; all insurance premiums on the common areas for coverage which in the discretion of the Board of Directors is necessary. The members of the Association or the Board of Directors may vote to provide additional Common Services which help to maintain and preserve the attractive appearance of Folly Creek Point or which can be provided by the Association with greater convenience or efficiency. Each Owner grants the Association, its agents, employees, and designees the right of access, to, on, over and across the Owner's lot for purposes of providing Common Services.

IV. MAINTENANCE ASSESSMENTS:

Each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, agrees to all of the terms and provisions of these Covenants, and to pay to the Association: (1) a management fee (2) working capital for the Association (3) maintenance assessments and (4) special assessments established and collected for hereunder. All such amounts are referred to as assessments. The assessment, together with such interest thereon and costs of collection therefore, shall be a charge and continuing lien on the lots 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 lot at the time when the assessment fell due. In the case of co-ownership of a lot, all such co-owners shall be jointly and severally liable for the entire amount of the assessments. This lien for assessments of the Association shall be subordinate to the lien of any bonafide mortgage given by the Owner of the lot.

From the date of the first conveyance of title by the Declarant to an Owner of a lot shown on "Exhibit A," the Declarant will serve as Management Agent until it appoints a Board of Directors which then shall serve as the Management Agent with responsibility for coordinating all normal management services of the Association. Each Owner also agrees to pay for the site lighting electricity, pest control, landscaping, and other Common Services, as outlined in the Association Budget.

Upon the adoption of the annual Association Budget by the Board of Directors of the Association, any excess or interim assessments over total, actual operating expenses shall be deposited by the Declarant to the account of the

Association. After adoption of the annual budget, the Declarant shall be subject to regular and special assessments for any lots with completed improvements built thereon and still owned by it.

At the time title is conveyed to an Owner, each Owner shall contribute to the working capital reserve established by the Declarant a sum totaling two (2) months of the monthly assessments. Such funds shall be used solely for initial operating and capital expenses of the Association.

The Board of Directors of the Association shall have the right and power to fix the assessments for each of the lots. Commencing with the date of the first conveyance of a lot by the Declarant to an Owner, and on the same day of each year thereafter, unless another date is selected by the Board of Directors of the Association, each Owner shall pay to the Association, in advance, the maintenance charges against his lot, and such payments shall be used by the Association to create and continue a maintenance fund to be used by the Association for the purposes stated herein. The assessment shall be delinquent when not paid within thirty (30) days after becoming due. Nothing herein shall prohibit the imposition of a monthly, quarterly, or semi-annual assessment in the place of the annual assessment herein contemplated, if so desired by the Board of Directors.

The regular assessment may be increased, adjusted, or reduced from year to year by the Board of Directors of the Association, as the cost of Common Services, in its judgment, may require, and each lot shall be subject to the same assessment. Special assessments may be levied at any time by the Board of Directors.

V. MAINTENANCE FUND:

The maintenance assessments collected by the Association shall be used to create a maintenance fund which fund may be used for the following: lighting, pest control, landscaping, maintenance, and cutting, pruning and maintaining shrubbery, trees and grass; dock maintenance (excluding the boat lifts which shall be repaired, replaced and maintained by the Owners who use said equipment); a reserve fund to cover the costs of providing for such Common Services deemed advisable by the Association and for doing any other things necessary or desirable, in the opinion of the Board of Directors for the Association, to keep Folly Creek Point neat and in good order, and to eliminate health and fire hazards, and to provide other services and things which, in the opinion of the Board of Directors, may be of general benefit to the Owners of the lots.

VI. EXTERIOR APPEARANCE OF DWELLING UNITS:

No change shall be made to the exterior appearance of any unit, which prohibition shall include the erection of any exterior window coverings, awnings, shutters or other window treatments which can be seen from the outside of the unit, without the express approval of the Board of Directors of the Association. Each Owner shall be obligated to repair or re-shingle the roof on his unit in the event that a majority of the lot owners shall affirmatively vote that the individual owners are required to make such repairs.

VII. PARTY WALLS AND JOINT DOCKS.

The units are separated by Party Walls and Owners of adjacent units will share the use of joint docks and the rights, duties and obligations of the Owners are set forth in the Declaration as to Party Walls and Joint Docks, Folly Creek Point, attached hereto as "Exhibit C" and made a part hereof.

VIII. REPAIR, RESTORATION, REBUILDING, INSURANCE

A. Repair, Restoration, and Rebuilding

In the event any of the properties or any of the residential units thereon shall be damaged or destroyed by fire, other casualty or any other cause or event whatsoever, the Association shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, the same building built to original specifications, subject only to the right of the Association (which right is hereby granted to the Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by an affirmative vote of not less than two-thirds (2/3) of the owners, which majority shall include the affirmative vote of all owners whose homes shall have been damaged or destroyed.

B. Board of Directors to Supervise

All repair, restoration or rebuilding, pursuant to the provisions hereof, shall be carried out under such supervision and direction as the Board of Directors of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the owner or owners shall cooperate with, and abide by all instructions and directions of the Association in connection herewith.

C. Rights of Association

The Association is hereby given and shall have the right reasonably to approve architects, contractors and subcontractors to be employed in connection with such repair, restoration and rebuilding; to select a contractor, or contractors, to perform all or various parts of the work to be done on the various units that have been damaged or destroyed by such casualty or other happening; to coordinate the progress of the work among such various dwelling units; and to hold the proceeds of any insurance which may be payable on account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

D. Lien Rights of Association

If any case in which the owner or owners of the home concerned shall fail to carry out and see to the repair, restoration or rebuilding, and in any case where one or more than one contiguous home shall be involved, the Association shall carry out and see to the repair, restoration or rebuilding required hereunder.

In the event the insurance proceeds are insufficient to pay all of the costs of repairing/ and/or rebuilding, then the Board of Directors shall levy a special assessment against all owners of the damaged dwelling units in such proportions as the Board of Directors deem fair and equitable in light of the damage sustained by such dwelling units to make up any deficiency.

The Association shall have and is hereby given a continuing lien on the Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof; (b) interest at the highest rate permitted by law, but not less than eight (8%) per annum from the date of the Association's payment of such costs; and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection herewith, which liens shall encumber such Lot in the hands of such owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such owner does not forthwith fully repay the Association therefore, as foresaid, such lien may be foreclosed against the Lot by the Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien on this Section 4 provided shall be subordinate to the lien of any mortgage, now or hereafter placed on the Lot.

E. Insurance by the Association

The Association shall insure the Property including the units against risks without prejudice to the right of each owner to insure his unit on his own account.

If such insurance is available at reasonable cost, the Association shall endeavor to obtain insurance coverage, in such amounts and with such deductibles as it shall reasonably determine, for the Property, other property of the Association, and the activities of the Association, to cover the insurable interests of the Owners, the Association and their mortgagees therein, and the directors, officers, employees and agents, if any, of the Association. Such coverage shall exclude personal property of an Owner, but the Association may provide information to Owners regarding coverage that is available for such personal property. The insurance coverage that the Association shall endeavor to obtain shall include:

- (i) loss or damage by fire, flood, earthquake or other casualty covered by standard extended coverage policies, based upon current replacement cost; provided, however, that floor coverage may be limited to the maximum coverage available under the National Flood Insurance Program;
- (ii) risks to the Property, such as vandalism, theft and malicious mischief;
- (iii) comprehensive general public liability and, if applicable, automobile liability coverage, covering losses or damages resulting from accident or occurrences on or about the Property;
- (iv) any coverage mandated by law or regulation, including, without limitation, worker's compensation coverage;
- (v) fidelity insurance covering the Association; directors, officers and employees of the Association; and any person having access to or control over any substantial funds of the Association, including, if applicable, any management agent (which coverage, if available, shall be in the estimated amount of funds, including reserve funds, in the custody of such person);
- (vi) officers and directors providing coverage against claims brought against the Board of Directors or any administrator or officers of the Association acting in such capacity; and for
- (vii) such other insurance as the Association shall determine to be reasonable and desirable from time to time.

The insurance coverage obtained by the Association shall, if feasible, provide that:

- (i) the interest of the insured parties shall not be invalidated by any act or neglect of any Owner or any officer or member of the Board of Directors of the Association;
- (ii) the coverage shall not be terminated for non-payment of premiums without at least thirty (30) days prior written notice to the Association;
- (iii) subrogation shall be waived by the insurer with respect to the Association and its Board of Directors, employees and agents, and with respect to Owners, members of their families or household, and mortgagees;
- (iv) each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership of the Association; and
- (v) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

F. Collection of Premiums for Insurance

Because consistent coverage for Townhomes is essential as a result of their structural relationship and problems could ensue for other Owners and the Association if an Owner failed to properly insure the Owner's townhome, insurance premiums and deductibles for the coverage set forth above shall be a Common Expense of the Association. The premiums shall (a) be allocated among townhomes based on each townhome's percentage interest, and (b) be collected as part of the Regular Assessment or as a Special Assessment against the applicable townhome as the Board of Directors shall determine. No Owner may elect not to pay its proportionate share of the insurance obtained by the Association.

G. Insurance by Owners

Each Owner, at such Owner's expense, shall obtain such insurance as the Owner deems is desirable for (a) furnishings and other personal property in the Owner's townhome, (b) for liability insurance covering insurable events occurring within the Owner's townhome (unless informed in writing by the Board of Directors that the insurance obtained by the Association provides coverage for events occurring within the Owner's townhome), and (c) such other insurance coverage in relation to the Owner's townhome as the Owner determines is desirable, including property coverage for improvements to the Owner's townhome made by the Owner or a predecessor Owner that cause such townhome to differ from standard townhomes of a similar type. If approved by the Board of Directors, the Association may collect and pay premiums for such insurance as a

Special Assessment against the applicable townhome(s). The existence of such insurance coverage is not intended to affect or replace any insurance coverage obtained by the Association, or give the Owner the right to refuse to pay such Owner's share of the premium for the insurance obtained by the Association, or cause the diminution or termination of such coverage obtained by the Association, or result in apportionment of insurance proceeds to the Association as a result of the existence or non-existence of insurance coverage maintained or required by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a Special Assessment. Any insurance obtained by an Owner shall include a provision waiving the insurance company's right of subrogation against the Association and other Owners.

H. Insurance Trustee

The Board of Directors may, at its discretion, retain any bank, trust company or South Carolina attorney or law firm, certified public accountant, or other Person authorized by law to act as Trustee, agent or depository (the "Insurance Trustee") on behalf of the Association for the purpose of receiving or distributing any insurance proceeds. If so, the Board of Directors may delegate to the Insurance Trustee any powers or duties of the Association set forth above. The Insurance Trustee shall not be liable for payment of premiums, the renewal or sufficiency of the policies, or failure to collect any insurance proceeds. The fees and reasonable expenses of the Insurance Trustee shall be a common expense.

I. Association Not Liable

The Association and its officers, directors, employees, agents and representatives shall have no liability to any owner for damage to or loss of either the real or any personal property of said owner. Each insurer of any said owner's interest in said real or personal property shall be bound by the provisions in each policy of insurance concerned, waive its rights of subrogation against the association and its officers, directors, employees, agents and representatives.

J. Obligation of Association

Notwithstanding anything contrary herein contained, the obligations of the Association under the provisions of this article shall be limited to repair, restoration, and rebuilding of the common areas and the association shall not be responsible for repair, restoration, and rebuilding of any personal property of the Owners.

IX. ADMINISTRATION OF THE ASSOCIATION.

The Association shall be administered and governed by, and in accordance with, the By-Laws attached hereto as "Exhibit B" and incorporated herein by reference.

X. DURATION AND AMENDMENT.

These Covenants shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Declarant, and the Owner of any lot subject hereto for a term of twenty years from the date of the recordation of this instrument, after which time said Covenants shall be automatically extended for successive periods of ten (10) years unless Owners of three-fourths (3/4) of the units, present at a duly called meeting of the Association at which a quorum is present or the affirmative ballot vote of the Owners of three-fourths (3/4) of the lots as authorized by the By-Laws. During the period ending two (2) years from the date hereof, the Declarant may delete, amend, or add to these Covenants, without the consent of the Owners, to clarify, correct or change any of the items hereof. The Declarant shall not, by reason of any power herein reserved have the right to alter the method of making maintenance or special assessments, nor to affect the voting rights of any Owner; provided, however it is contemplated by the Declarant that certain units adjacent to the Property may be subjected to these Covenants and to the extent these Covenants and/or the By-Laws of the Association must be amended to accomplish this the Declarant may do so without the consent of the Owners.

XI. SEVERABILITY.

Should any Covenants 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, the same shall be declared to be severable and the provisions hereof not affected shall remain in full force and effect.

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IN WITNESS WHEREOF, the undersigned has executed this instrument this 6 day of November, 2004.

WATERFRONT POINT PARTNERS, LLC

By: [Signature]
Its: Authorized Member

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

[Signature]

[Signature]

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me this 6 day of November, 2004, by Waterfront Point Partners, LLC by Donald L. Berg, II, its Authorized Member.

[Signature]
NOTARY PUBLIC FOR SOUTH CAROLINA
My commission expires: Nov 12, 2008

"EXHIBIT A"

ALL those lots, pieces or parcels of land, with any buildings and improvements to be constructed thereon, situate, lying and being in the City of Folly Beach, County of Charleston, State of South Carolina, shown and designated as Lot 13, Lot 14, Lot 15, Lot 16, Lot 17, Lot 18, Lot 19, Lot 20, Lot 21, Lot 22, Lot 23 and Lot 24, Folly Creek Point on a certain plat made by Forsberg Engineering and Surveying, Inc. dated March 25, 2004 and entitled, "SUBDIVISION PLAT, FOLLY CREEK POINT, CITY OF FOLLY BEACH, CHARLESTON COUNTY, SOUTH CAROLINA," and recorded on March 26, 2004 in Plat Book EG at Page 983 in the RMC Office for Charleston County, South Carolina.

| | |
|---------------------------|------------|
| Lot 13 TMS: 328-00-00-392 | (Unit A-1) |
| Lot 14 TMS: 328-00-00-393 | (Unit A-2) |
| Lot 15 TMS: 328-00-00-446 | (Unit A-3) |
| Lot 16 TMS: 328-00-00-394 | (Unit B-1) |
| Lot 17 TMS: 328-00-00-395 | (Unit B-2) |
| Lot 18 TMS: 328-00-00-396 | (Unit B-3) |
| Lot 19 TMS: 328-00-00-397 | (Unit C-1) |
| Lot 20 TMS: 328-00-00-398 | (Unit C-2) |
| Lot 21 TMS: 328-00-00-399 | (Unit D-1) |
| Lot 22 TMS: 328-00-00-164 | (Unit D-2) |
| Lot 23 TMS: 328-00-00-447 | (Unit D-3) |
| Lot 24 TMS: 328-00-00-173 | (Unit D-4) |

"EXHIBIT B"

STATE OF SOUTH CAROLINA) BY-LAWS OF FOLLY CREEK POINT
) OWNER'S ASSOCIATION, INC., A
COUNTY OF CHARLESTON) SC NON-PROFIT CORPORATION

ARTICLE I
NAME, LOCATION AND PURPOSE

- Section 1. NAME. The name of the organization shall be Folly Creek Point Owner's Association, Inc. (hereinafter referred to as the ("Association")).
- Section 2. OFFICE. The principal office shall be located at Folly Creek Point, Folly Beach, Charleston County, South Carolina.
- Section 3. PURPOSE. The object, purpose and business which this Association proposes to do shall be to own, acquire, build, operate and maintain open spaces, streets, parking spaces and certain other common facilities incident to its ownership of the common properties located at Folly Creek Point, Folly Beach, Charleston County, South Carolina, and to provide Common Services to the owners of lots and houses in Folly Creek Point, and:
- (a) To fix assessment to charges to be levied against the lots in Folly Creek Point.
 - (b) To enforce any and all covenants, restrictions, and agreements applicable to the lots.
 - (c) To pay taxes, if any, on the common property and facilities at Folly Creek Point.

ARTICLE II
BOARD OF DIRECTORS

- Section 1. TERM. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall consists of three Directors appointed by Waterfront Point Partners, LLC, who shall hold office until the election of their successors; thereafter, the Board of Directors shall consist of three Directors, who shall initially be elected to serve staggered terms, one (1) for three (3) years, one (1) for two (2) years, and one (1) for one (1) year, and they shall

- serve until their successors have been elected and qualified. Thereafter, each Director shall be elected for a term of three (3) years. Notwithstanding the above, Waterfront Point Partners, LLC, shall appoint the members of the Board of Directors until such time as it has sold all lots in Folly Creek Point to third party purchasers ("Period of Declarant Control").
- Section 2. **VACANCIES.** Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors and any such appointed Director shall hold office until his successor is elected by the members, who may hold such election at the next annual meeting of the members or at any special meeting duly called for that purpose.
- Section 3. **MEETINGS.** The Board shall meet for the transaction of business at such place as may be designated from time to time. Special meetings of the Board may be called by the President or two members of the Board at any time and place, provided reasonable notice of such meeting shall be given to each Board member before the time appointed for such meeting.
- Section 4. **QUORUM.** A majority of the Directors in the office shall constitute a quorum for the transaction of business, by a majority of those present at the time and place of any regular or business meeting, although less than a quorum, may adjourn the same, from time to time, without notice, until a quorum be at hand. The acts of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law. Any and all Directors may participate in a meeting of the Board of Directors by means of a conference telephone call or any other means by which all persons participating can hear each other at the same time and participation by such means shall constitute the presence in person at such meeting. In the event that a Director cannot be present at a meeting, the Director may give his written proxy for a specific meeting to another Director which proxy may be limited to voting in a particular manner on a particular matter, may give unlimited discretion to the holder of the proxy or may otherwise indicate the scope of authority conveyed; however, the proxy shall not be considered for purposes establishing a quorum.
- Section 5. **ANNUAL REPORT.** The Board of Directors, after the close of the fiscal year, shall submit to the members of the Association a report

as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

ARTICLE III
OFFICERS

- Section 1. EXECUTIVE OFFICERS. The executive officers of the Association shall be a President, Vice President, a Secretary and a Treasurer. All officers shall be elected annually by the Board of Directors. They shall take office immediately after election. The officers of the Association during the Period of Declarant Control need not be members of the Association. Thereafter, all officers shall be members of the Association.
- Section 2. PRESIDENT. Subject to the direction of the Board of Directors, the President shall be chief executive officer of the Association and shall perform such other duties as from time to time may be assigned to him by the Board. The President shall be an ex-officio member of the all committees.
- Section 3. VICE PRESIDENT. The Vice President shall have the power and shall perform such duties as may be assigned to him by the Board of Directors or the President. In the case of the absence or disability of the President, the duties of that officer shall be performed by the Vice President.
- Section 4. SECRETARY. The Secretary shall keep the minutes of all proceedings of the Board of Directors and all committees and the minutes of members' meetings and books provided for that purpose; he shall have the custody of the corporate seal and such books and papers as the Board of Directors may direct, and he shall in general perform all the duties incident to the Office of Secretary, subject to control of the Board of Directors and the President.
- Section 5. TREASURER. The Treasury shall have the custody of all the receipts, disbursements, funds, and securities of the Association, and shall perform all duties incident to the Office of Treasurer, subject to control of the Board of Directors and the President. If required by the Board of Directors, he shall give a bond for faithful discharge of his duties in such sums as the Board may require.

Section 6. OTHER OFFICERS. The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board of Directors may deem necessary, which shall hold office at the pleasure of the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

ARTICLE IV
MEETINGS OF MEMBERS

- Section 1. MEMBERSHIP. Every person or entity who is a record owner of the fee simple title to any lot in Folly Creek Point which is subject to assessment by the Association shall be a member of the Association. Members shall be entitled to one vote for each lot owned, and when more than one person or entity own such interest in any lot, all such persons and entities shall be members and vote for such lots shall be exercised as they, among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.
- Section 2. ANNUAL MEETING. There shall be an annual meeting of the members of the Association during the month of January as the Board of Directors shall designate in a written notice to all members at least thirty days prior to the annual meeting.
- Section 3. SPECIAL MEETINGS. Special meetings of the members shall be held whenever called by the Board of Directors or by the Owner of at least two or more units. Notice of each special meeting, stating the time, place, and in general terms, the purpose or purposes thereof, shall be sent by mail to the last known address of all members at least ten days prior to the meeting.
- Section 4. QUORUM. At any meeting of the members, a quorum shall consist of members owning a majority of the lots in Folly Creek Point present either in person or by proxy. A majority of those present in person or by proxy shall be required to decide any question that may come before the meeting. All proxies shall be held in writing, shall described the scope of the authority conveyed to the holder of the proxy and shall be presented prior to the beginning of business to the President or to the person designated by the President to conduct the meeting.

ARTICLE V
ASSOCIATION CONTRACTS

- Section 1. **AUTHORITY.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of the Association, and such authority may be general or confined to specific instances.
- Section 2. **EXECUTION.** All instruments in writing may affecting any real estate owned by the Association. shall be executed and acknowledged in the name of the Association by the President and attested by the Secretary, with the corporate seal affixed thereto.

ARTICLE VI
MISCELLANEOUS PROVISIONS

- Section 1. **SEAL.** The Association shall have a seal bearing the word "SEAL" in the center, and having the words "Folly Creek Point Owners Association, Inc." encircling the edge.
- Section 2. **ASSESSMENTS.** Every lot shown on the plat of Folly Creek Point recorded in Plat Book EG at Page 983 in the RMC Office for Charleston County, South Carolina and such lot to which to provisions hereof are made applicable by reference in a Deed or written instrument shall be subject to the maintenance assessments, interim management fee, working capital payment and special assessments, as provided for the in Covenants of Folly Creek Point recorded simultaneously herewith.
- Section 3. **DAMAGE.** The Board of Directors shall not be liable or responsible for the destruction or loss of or damage to property of any member or the guest of any member, visitor or other person while on the common properties of Folly Creek Point.
- Section 4. **SUSPENSION.** The Board of Directors shall have the right to suspend the enjoyment of rights of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for an infraction of the published Rules and Regulations of the Association. it being understood that any suspension for either non-payment of any assessment or breach of

the Rules and Regulations of the Association shall not constitute a waiver or discharge of the member's obligation to pay the assessment due.

Section 5. NOTICE. Whenever, according to these By-Laws, a notice shall be required to be given to any member or Director, it shall not be construed to mean personal notice but such notice may be given in writing by depositing the same in a post office in a postpaid, sealed wrapper, addressed to such member or Director at his address as the same appears on the books of the Association, and the time when such notice is mailed shall be deemed the time of the giving of such notice. Any notice required to be given by these By-Laws may be waived by the person entitled thereto. In the case of units with multiple owners, notice to one shall be notice to all.

Section 6. BALLOTS. The membership may vote on any question, including the amendment of the Covenants or By-Laws, by written ballot sent to all members. The Board of Directors or the owners of at least five lots may require a vote by ballot.

Section 7. AMENDMENT OF BY-LAWS. These By-Laws may be amended, at a regular or special meeting of the members or by vote by written ballot, by three-fourths (3/4) vote of the total membership at a duly called meeting of the membership at which a quorum is present or by three-fourths (3/4) vote of the total membership of the vote by written ballot.

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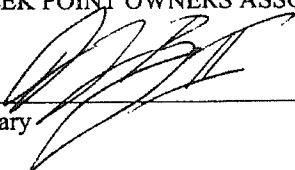
CERTIFICATION

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

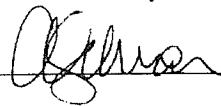
I, Donald L. Bennett, Secretary of Folly Creek Point Owners Association, Inc., A South Carolina Corporation, do hereby certify that the within By-Laws are the legal By-Laws of Folly Creek Point Owners Association, Inc., a South Carolina Corporation.

Witness my hand and seal this 6 day of November, 2004.

FOLLY CREEK POINT OWNERS ASSOCIATION, INC.

By: 
Its: Secretary

WITNESSES:

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In the event of damage or destruction of a party wall or Joint Dock from any cause, other than the negligence of the Owners, then the Owners shall, unless they otherwise agree, at their joint expense, repair, replace, or rebuild said wall or dock, and each Owner shall have the right to the full use of said wall or dock so repaired or rebuilt. If either Owner's negligence shall cause damage to or destruction of said wall or dock, such negligent Owner shall bear the entire cost of repair, replacement or reconstruction. Either Owner may repair, replace or rebuild said wall or dock after written notice to the other, and, in such case, may recover from the other his share (or all of such cost in the case of negligence) and shall be entitled to have a mechanic's lien (if allowed under the laws of the State of South Carolina) on the premises of the other Owner for the amount of such Owner's share of the repair or replacement cost. Whenever the party wall or joint dock, or any portion thereof, shall be repaired, replaced, or rebuilt, it shall be erected, on the same place where it stands and be of the same size, material, quality, and appearance as when originally erected. Any plans for repair or replacement of party walls or joint docks must be approved in writing by the Board of Directors of Folly Creek Point Owner's Association, Inc. prior to commencement of any repairs or replacement. No such repair, replacement, or reconstruction shall compromise the structural integrity of the wall or dock or be in noncompliance with any applicable building code or permitting premiums paid by the Association or the Owners. Owners making any repair, replacement or reconstruction of a party wall or joint dock shall indemnify and hold the Association harmless from any and all damages, claims, courses of action, and the like caused by any repair, replacement or reconstruction of any party wall or joint dock.

(4) DRILLING THROUGH PARTY WALL.

Either Owner shall have the right to repair and restore sewage, water and utilities located within the party walls, subject to the obligation to promptly restore the wall to its previous structural condition and appearance at the expense of the Owner so repairing or restoring, and the payment, to the adjoining Owner for any damage caused thereby. Such Owner shall attempt to notify the other Owner of such anticipated action and shall minimize damage.

(5) EASEMENT.

Neither party shall alter or change said party walls or joint docks in any manner, interior decoration excepted, and said party walls or joint docks shall remain in the same location as when erected, and each party to party wall or joint dock shall have a perpetual easement in that part of the premises of the other on which said party wall or joint dock is located, for party wall or joint dock purposes.

(6) COVENANTS RUNNING WITH THE LAND.

The easements hereby created are and shall be perpetual and construed as covenants running with the land.

(7) RIGHT TO MODIFY WALL OR JOINT DOCK.

No party wall or joint dock shall be modified without the consent of the Owners thereof and the Board of Directors of the Association. However, subject to the provisions of the Covenants applicable to Folly Creek Point of record in the RMC Office for Charleston County, South Carolina, either Owner may decorate and use the side of the party wall viewed from such Owner's lot in the same manner as if such wall were not a party wall.

(8) AMENDMENT OF AGREEMENT.

The terms of this agreement may be modified in the same manner as the By-Laws of the Association, and evidenced in writing, and recorded in the RMC Office for Charleston County, South Carolina.

(9) BINDING AGREEMENT.

The Declaration shall be binding upon and inure to the benefit of the undersigned, its successors, assigns, and grantees.

(10) CAPTIONS.

The captions are placed in this Declaration for convenience and shall limit the meaning of the substantive provisions contained herein.

[intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this instrument this 6 day of NOV, 2004.

WATERFRONT POINT PARTNERS, LLC

By: [Signature]
Its: Authorized Member

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

[Signature]

[Signature]

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me this 6 day of NOV, 2004, by Waterfront Point Partners, LLC by Donald L. Berg, II, its Authorized Member.

[Signature]
NOTARY PUBLIC FOR SOUTH CAROLINA
My commission expires: NOV 12 2008

BK Z515PG283

Ben Peoples

CH 5

*28.10
A*

LR

FILED

Z515-261

2004 NOV 12 AM 10: 51

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

FIRST SUPPLEMENT TO DECLARATION OF COVENANTS
FOR FOLLY CREEK POINT

WHEREAS, the undersigned, being the Developer of the lots subject to the Declaration of Covenants of Folly Creek Point dated November 6, 2004 and recorded November 12, 2004 in Book Z515 at Page 261, in the RMC Office for Charleston County, South Carolina ("hereinafter called Covenants") hereby adds the following supplement in accordance with its right to delete, amend or add to the Covenants for a period of two years, as described in Article X of the Covenants;

NOW THEREFORE,

KNOW ALL MEN BY THESE PRESENTS that, WATERFRONT POINT PARTNERS, LLC, the owner of certain parcels of land described on "Exhibit A," attached hereto, and incorporated herein by reference, (hereinafter referred to as the "Property"), hereby covenants and agrees on behalf of itself, its successors and assigns, with persons who shall hereafter purchase lots on the Property (or made subject hereto by Deed or other written instrument), their heirs, successors and assigns, as follows:

I. USE OF DOCK SLIPS FOR LOTS 13, 14 AND 15

Dock slips are in existence for only Lots 14 and 15; however, Lot 13, 14 and 15 shall have full use of the community dock. The owners of Lot 14 and 15 are granted use of the slips at the outside of the finger piers. The owner of Lot 13 is granted use of the space between the piers, and if allowed by the appropriate agencies, may install some type of ramp or appliance in the future.

IN WITNESS WHEREOF, Waterfront Point Partners, LLC caused these presented to be executed in its name by Donald L. Berg, II, its Authorized Member, this 31 day of August, 2006.

WATERFRONT POINT PARTNERS, LLC

By: 
Its: Authorized Member

"EXHIBIT A"

ALL those lots, pieces or parcels of land, with any buildings and improvements to be constructed thereon, situate, lying and being in the City of Folly Beach, County of Charleston, State of South Carolina, shown and designated as Lot 13, Lot 14 and Lot 15, Folly Creek Point on a certain plat made by Robert Frank Surveying, dated March 13, 2006 and entitled, "A BOUNDARY SURVEY AND LOT LINE ADJUSTMENT OF THE LANDS OF WATERFRONT POINT PARTNERS, LLC, LOCATED IN THE CITY OF FOLLY BEACH, CHARLESTON COUNTY, SOUTH CAROLINA" and recorded on March 28, 2006 in Plat Book DF at Page 035 in the RMC Office for Charleston County, South Carolina.

Lot 13 TMS: 328-00-00-392

Lot 14 TMS: 328-00-00-393

Lot 15 TMS: 328-00-00-446

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

BK W597PG675

FIRST AMENDMENT
TO THE DECLARATIONS OF COVENANTS
FOR
FOLLY CREEK POINT

This FIRST AMENDMENT TO THE DECLARATIONS OF COVENANTS FOR FOLLY CREEK POINT is made on the date hereinafter set forth by Waterfront Point Partners, LLC ("The Declarant").

WHEREAS, Declarant executed and recorded that certain "Declaration of Covenants for Folly Creek Point" Lots 13 - 24, which is dated November 6, 2004 and recorded in the Office of the Register of Deeds for Charleston County in Deed Book Z515 at Page 261 ("The Declaration"); and

WHEREAS, pursuant to Article X, of the Declaration, Declarant retained the right to delete, amend, or add to the Declaration during the period ending two (2) years from the date hereof, without the consent of the Owners to clarify, correct or change any of the items hereof; and

WHEREAS, pursuant to the terms of the Declaration, as of the date of the execution and recording of this First Amendment, is within the period ending two (2) years hereof; and

WHEREAS, Declarant has determined that the Amendment to the Declaration as contained herein as necessary for the promotion and preservation of the subdivision known as Folly Creek Point.

NOW THEREFORE, Declarant hereby declares that the Declaration is amended as provided below, and further that all amendments shall immediately, upon notice to each owner, shall apply to the property as fully as if the Amendments were contained in the original Declaration.

1. Article VI, is amended to read as follows:

Exterior Appearance of Dwelling Units – No change shall be made to the exterior appearance of any unit, which prohibition shall include the erection of any exterior satellite dishes, window coverings, awnings, shutters or other window treatments which can be seen from the outside of the unit, without the express approval of the Board of Directors of the Association. All trash and recycling receptacles must be removed from view of the street by the end of the day on collection days.

WATERFRONT POINT PARTNERS, LLC

Marie Jacinth

First Witness Sign Here

By: _____

[Signature]

Donald L. Berg, II

Its: Member/ manager

Abbey Gehman Adams

Second Witness Sign Here

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

I, Abbey Gehman Adams, Notary Public for the State of South Carolina, so hereby certify that Waterfront Point Partners, LLC by Donald L. Berg, II, its Member/ manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 20 day of January, 2006

Abbey Gehman Adams

Notary Public of South Carolina

My commission expires: NOV 12 2008

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

REC'D. PAYMENT 9-29 06
PER CLERK CFB 12136
RMC OFFICE
CHARLESTON COUNTY, SC

**SECOND AMENDMENT
TO THE DECLARATIONS OF COVENANTS
FOR
FOLLY CREEK POINT**

This SECOND AMENDMENT TO THE DECLARATIONS OF COVENANTS FOR FOLLY CREEK POINT is made on the date hereinafter set forth by Waterfront Point Partners, LLC ("The Declarant").

WHEREAS, Declarant executed and recorded that certain "Declaration of Covenants for Folly Creek Point" Lots 13 - 24, which is dated November 6, 2004 and recorded in the Office of the Register of Deeds for Charleston County in Deed Book Z515 at Page 261 ("The Declaration"); and

WHEREAS, pursuant to Article X, of the Declaration, Declarant retained the right to delete, amend, or add to the Declaration during the period ending two (2) years from the date hereof, without the consent of the Owners to clarify, correct or change any of the items hereof; and

WHEREAS, pursuant to the terms of the Declaration, as of the date of the execution and recording of this Second Amendment, is within the period ending two (2) years hereof; and

WHEREAS, Declarant has determined that the Amendment to the Declaration as contained herein as necessary for the promotion and preservation of the subdivision known as Folly Creek Point.

NOW THEREFORE, Declarant hereby declares that the Declaration is amended as provided below, and further that all amendments shall immediately, upon notice to each owner, shall apply to the property as fully as if the Amendments were contained in the original Declaration.

1. "EXHIBIT A", is amended to read as follows:

ALL those lots, pieces or parcels of land, with any buildings and improvements to be constructed thereon, situate, lying and being in the City of Folly Beach, County of Charleston, State of South Carolina, shown and designated as Lot 13, Lot 14, Lot, 15, Lot 16, Lot 17, Lot 18, Lot 19, Lot 20, Lot 21, Lot 22, Lot 23 and Lot 24, Folly Creek Point on a certain plat made by Forsberg Engineering and Surveying, Inc. dated March 25, 2004 and entitled, "SUBDIVISION PLAT, FOLLY CREEK POINT, CITY OF FOLLY BEACH, CHARLESTON COUNTY, SOUTH CAROLINA," and recorded on March 26, 2004 in Plat Book EG at Page 983 in the RMC Office for Charleston County, South Carolina.

Lot 13 TMS: 328-00-00-392 (Unit A-1) 2224 #1A Folly Rd. Charleston, SC 29412

Lot 14 TMS: 328-00-00-446 (Unit A-2) 2224 #1B Folly Rd. Charleston, SC 29412

Lot 15 TMS: 328-00-00-393 (Unit A-3) 2224 #1C Folly Rd. Charleston, SC 29412

Lot 16 TMS: 328-00-00-394 (Unit B-1) 2226 Folly Rd. Charleston, SC 29412

Lot 17 TMS: 328-00-00-395 (Unit B-2) 2228 Folly Rd. Charleston, SC 29412

Lot 18 TMS: 328-00-00-396(Unit B-3) 2230 Folly Rd. Charleston, SC 29412
Lot 19 TMS: 328-00-00-397(Unit C-1) 2232 Folly Rd. Charleston, SC 29412
Lot 20 TMS: 328-00-00-398(Unit C-2) 2234 Folly Rd. Charleston, SC 29412
Lot 21 TMS: 328-00-00-399(Unit D-1) 2236 Folly Rd. Charleston, SC 29412
Lot 22 TMS: 328-00-00-164(Unit D-2) 2238 Folly Rd. Charleston, SC 29412
Lot 23 TMS: 328-00-00-447(Unit D-3) 2240 Folly Rd. Charleston, SC 29412
Lot 24 TMS: 328-00-00-173(Unit D-4) 2242 Folly Rd. Charleston, SC 29412

In all other respects, the Declaration is ratified and affirmed.

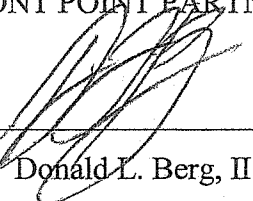
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has set its hand and seal this 22nd day of September, 2006.

DECLARANT:

WATERFRONT POINT PARTNERS, LLC


First Witness Sign Here

By: _____


Donald L. Berg, II

Its: Member/ manager


Second Witness Sign Here


STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

I, Abbey Gehman Adams, Notary Public for the State of South Carolina, so hereby certify that Waterfront Point Partners, LLC by Donald L. Berg, II, its Member/ manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 22 day of Sept, 2006



Notary Public of South Carolina

My commission expires:  NOV 12 2008

Each Owner shall be obligated to repair or re-shingle the roof on his unit in the event that a majority of the lot owners shall affirmatively vote that the individual owners are required to make such repairs.

2. Article XII, is added:

Miscellaneous Provisions –

A. Rentals

There shall be no short-term rentals (i.e.: vacation rentals, and rental terms of less than one year) of any unit without the express approval of the Board of Directors of the Association. There shall be no rentals of individual boat slips without the express approval of the Board of Directors of the Association.

B. Parking

There shall be no overnight parking on the frontage road in front of any unit. Guest parking shall be in designated guest parking areas only. There shall be no overnight parking of boats, trailers, R.V., and other means of transportation in front of any unit. Parking for boats, trailers, R.V. and other means of transportation shall be in designated parking areas only for periods of no more than twenty-four hours. There shall be no permanent parking of boats, trailers, R.V. and similar vehicles on the premises.

C. Grill and Open Flames

Grills and open flames of any type are not permitted within ten (10) feet of any building or on any porch, deck or dock.

D. Signage

Marketing signs no larger than 864 square inches may be placed on the street side of the berm and placard signs and information boxes no larger than 216 square inches may be placed directly in front of the unit. The Board of Directors must approve any other signs.

E. Maximum Residents Per Unit

There shall be no more than four (4) permanent adult residents living in any unit without the express approval of the Board of Directors of the Association.

3. Exhibit "C" (1) Party Wall Declaration is amended to read as follows:

(1) PARTY WALL DECLARATION

Walls that are common to two, three or four units are hereby declared to be party walls. Docks that are constructed for use by the Owners of the two (2), three (3) or four (4) units adjacent to the dock will be known as "Joint Docks".

In all other respects, the Declaration is ratified and affirmed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has set its hand and seal this 12th day of December 2005.