

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
**DECLARATION OF COVENANTS OF
WATER'S EDGE AT FOLLY**

KNOW ALL MEN BY THESE PRESENTS, that TURTLE BAY DEVELOPEMENT, LLC, the owner of certain parcels of land at Folly Beach, South Carolina, Charleston County, and shown on the plat attached hereto as Exhibit "A" and incorporated herein by reference (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:

1. DEFINITION:

"By-Laws" shall refer to the By-laws attached hereto as Exhibit "B" which shall govern the actions of the Association.

"Declarant" shall refer to Turtle Bay Developement, LLC, a South Carolina Limited Liability Company, its successors and assigns.

"Association" shall refer to Water's Edge at Folly Owners Association, Inc., a South Carolina non-profit corporation.

"Common Services" shall refer to those services which the Association votes to provide all Owners of lots in Water's Edge at Folly for the benefit and convenience of such Owners.

"Lot" shall refer to those Lots shown as TH-1 thru TH-46 on a plat entitled "A Plat of the Subdivision of TMS 328-10-00-078 (6.487 AC) and the Abandonment of the Property Lines Between TMS 328-10-00-078 and TMS 328-10-00-153 owned by Turtle Bay Development, LLC. Located at the End of Second St. West, in the Town of Folly Beach, Charleston County, South Carolina" and recorded June 30, 2004 in the RMC Office for Charleston County in plat Book EH, Page 185. These Lots are also shown on an unrecorded site plan of Water's Edge at Folly as A-1 through A-8; B-1 through B-10; C-1 through C-6; D-1 through D-10 and E-1 through E-12 attached hereto and made a part hereof as Exhibit D.

"Owner" shall refer to the record owner, whether one or more legal persons, of the fee simple title to any lot.

2. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION:

Every record owner of any lot shall be a member of the Association. Member shall be entitled to one vote for each lot owned and when more than one person or entity owns such interest in any lot, all such persons or entities shall be members and the vote for such lot 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.

3. COMMON SERVICES:

Until 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 services for the control of insects and rodents including termite inspection and control); all insurance premiums on the project for coverage of portions of the Project for which the Association is responsible for maintaining, repairing, or replacing, or, which in the discretion of the Board of Directors is necessary; periodic re-painting of the exterior or re-roofing of the units located on each lot at such time as the Association deems advisable; and the maintenance, repair and replacement of all portions of the Dock and Dock house (the maintenance, repair, and replacement of the boat lifts will be the responsibility of the Owner who has exclusive use of the boat slip to which the boat lift is appurtenant). 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 Water's Edge at Folly 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.

4. 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; (ii) working capital for the Association; (iii) maintenance assessments; and (iv) 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" until the date of the first Association meeting, the Declarant's designee shall serve as the Management Agent with responsibility for coordinating all normal management services of the Association. Each Owner also agrees to pay for 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 of 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.

5. 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 and dock house maintenance, repair and replacement (excluding the boat lifts which shall be repaired and replaced and maintained by the Owners who use said equipment); a reserve fund to cover the costs of re-painting and re-roofing the units located on the lots; to pay premiums for casualty, flood, or liability insurance on the Common Property and the parts of the Lots which are to be maintained by the Association such as the roofs; and for 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 of the Association, to keep Water's Edge at Folly 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.

6. EXTERIOR APPEARANCE OF DWELLING UNITS:

No change shall be made to the exterior appearance of any townhouse, which prohibition shall include the erection of any exterior window coverings, awnings, shutters, or other window

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treatments which can be seen from the outside of the townhouse, without the express approval of the Board of Directors of the Association. Each Owner shall be obligated to repair or reshingle the roof on his townhouse in the event that a majority of the lot owners shall affirmatively vote that the individual owners are required to make such repairs.

7. PARTY WALLS:

The townhouses are separated by Party Walls and the rights, duties and obligations of the Owners are set forth in the Declaration as to Party Walls, Water's Edge at Folly, attached hereto as Exhibit C and made a part hereof.

8. REPAIR, RESTORATION, AND REBUILDING, INSURANCE:

a. Repair, Restoration and Rebuilding. In the event any part of the properties or any of the residential townhouses thereon shall be damaged or destroyed by fire, other casualty or any other 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 affirmative vote of not less than two-thirds (2/3rds) of the Owners, which majority shall include the affirmative vote of all the 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 of each unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directors of the Association in connection therewith.

c. Rights of Association. The Association is hereby given and shall have the right reasonably to approve the 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 upon the various units which shall 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 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 therewith, which lien 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 therefor, as aforesaid, 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 upon the Lot.

X c. Insurance Required. 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. The Owners will be assessed the portion of the premium of such insurance attributable to his Unit in addition to the maintenance assessment.

f. 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 of 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 or representatives.

g. Obligation of Association. Notwithstanding anything to the contrary herein contained, the obligations of the Association under the provisions of this Article shall be limited to the repair, restoration and rebuilding of the Common Areas and the Association shall not be responsible for repair, restoration or replacement of any personal property of the Owners or others.

9. ADMINISTRATION OF 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.

10. DURATION AND AMENDMENT:

These Covenants shall run with and bind the land and shall inure to the benefit of and be

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The foregoing instrument was acknowledged before me this 5th day of December,
2004 by Turtle Bay ~~Developers~~, LLC, by John Hassell, its Authorized Member.
~~Development~~

James Dands
Notary Public for South Carolina
My Commission Expires: 4/24/13

EXHIBIT "A"

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ALL those pieces, parcels or lots of land, with the buildings and improvements thereon, situate, lying and being on Folly Island, Charleston County, South Carolina, and being shown on a plat by Randolph James Grice, PLS of Conner Engineering, Inc. dated June 15, 2004 entitled "A PLAT OF THE SUBDIVISION OF TMS #328-10-00-078 AND THE ABANDONMENT OF THE PROPERTY LINES BETWEEN TMS #328-10-00-078 AND TMS #328-10-00-153 OWNED BY TURTLE BAY DEVELOPMENT, LLC LOCATED AT THE END OF SECOND ST. WEST, IN THE TOWN OF FOLLY BEACH, CHARLESTON COUNTY, SOUTH CAROLINA" and duly recorded June 30, 2004 in the Charleston County RMC Office in Plat Book EH, Page 185.

EXHIBIT "B"

STATE OF SOUTH CAROLINA) BY-LAWS OF WATER'S EDGE AT FOLLY
) OWNERS ASSOCIATION, INC., A SOUTH
COUNTY OF CHARLESTON) CAROLINA NON-PROFIT CORPORATION

ARTICLE I
NAME, LOCATION, AND PURPOSE

- Section 1. NAME. The name of the organization shall be Water's Edge at Folly Owners Association, Inc. (hereinafter "Association").
- Section 2. OFFICE. Its principal office shall be located at Water's Edge at Folly, 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 Water's Edge at Folly, Folly Beach, Charleston County, South Carolina, and to provide Common Services to the owners of lots and houses in Water's Edge at Folly and;
- (A) to fix assessment or charges to be levied against the lots in Water's Edge at Folly.
 - (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 Water's Edge at Folly.

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 consist of three Directors appointed by Turtle Bay Developers, LLC, who shall hold office until the election of their successors; thereafter, the Board of Directors shall consist of five Directors, who shall initially be elected to serve staggered terms, two (2) for three (3) years, two (2) 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, Turtle Bay Developers, LLC shall appoint the members of the Board of Directors until such time as it has sold all lots in Water's Edge at Folly 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 office shall constitute a quorum for the transaction of business, but 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 of 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 all committees.

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- 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 the 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 the 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, who 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 Water's Edge at Folly 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 and entity own such interest in any lot, all such persons or 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 at such time as the Board of Directors shall designate in a written notice to all members at least thirty (30) 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 Owners of at least five lots. Notice of each special meetings, 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 Water's Edge at Folly 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 in writing, shall describe the scope of 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 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 "Water's Edge at Folly Owners Association, Inc." encircling the edge.
- Section 2. ASSESSMENTS. Lots TH-1 through TH-46 as shown on the plat of Water's Edge at Folly entitled "A Plat of the Subdivision of TMS 328-10-00-078 (6.487 AC) and the Abandonment of the Property Lines Between TMS 328-10-00-078 and TMS 328-10-00-153 owned by Turtle Bay Development, LLC. Located at the End of Second St. West, in the Town of Folly Beach, Charleston County, South Carolina." recorded in Plat Book EH, Page 185, RMC Office for Charleston County and such lots to which the 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 in the Covenants of Water's Edge at Folly recorded simultaneously herewith.
- Section 3. DAMAGE. The Board of Directors shall not be liable or responsible for the destruction or the loss of or damage to the property of any member or the guest of any member, visitor, or other person while on the common properties of Water's Edge at Folly.

- 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 any 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 vote of the total membership at a duly called meeting of the membership at which a quorum is present or by three-fourths vote of the total membership of the vote by written ballot.

CERTIFICATION

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

I, Paul Lauer, Secretary of Water's Edge at Folly Owners Association, Inc., a South Carolina corporation, do hereby certify that the within by-laws are the legal By-Laws of Water's Edge at Folly Owners Association, Inc., a South Carolina Corporation.

Witness my hand and seal this 8th day of November, 2004.

WITNESSES:

[Signature]
[Signature]

WATER'S EDGE AT FOLLY OWNERS ASSOCIATION, INC.

By: [Signature]
Its: Secretary

EXHIBIT "C"

STATE OF SOUTH CAROLINA) DECLARATION OF PARTY WALLS
) WATER'S EDGE AT FOLLY
COUNTY OF CHARLESTON)

WHEREAS, Turtle Bay Developement, LLC ("Declarant"), a South Carolina Limited Liability Company, is the owner of tracts of land at Folly Beach, Charleston County, South Carolina shown on a plat recorded in Plat Book EH, Page 185, Charleston County RMC Office; and

WHEREAS, Declarant is constructing on the premises for sale to third parties, dwelling units which are connected by division or party walls between the units; and

WHEREAS, it is intended by the undersigned to create, in favor of each owner, an easement for party walls as located between certain of the units.

NOW, THEREFORE, Declarant does covenant and agree for itself, and its successors, and for each and every owner, his, her, their, or its successors, heirs and assigns, of any lot shown on said plat, as follows:

1. PARTY WALL DECLARATION.

Walls which are common to two units are hereby declared to be "Party Walls".

2. MAINTENANCE OF PARTY WALL.

The cost of maintaining each Party Wall shall be borne equally by the owners of lots adjoining such wall (the "Owners").

3. DAMAGE TO PARTY WALL.

In the event of damage or destruction of a party wall from any cause, other than the negligence of the Owners, the then Owners shall, unless they otherwise agree, at their joint expense, repair, replace, or rebuild said wall, and each Owner shall have the right to the full use of said wall so repaired or rebuilt. If either Owner's negligence shall cause damage to or destruction of said wall, such negligent Owner shall bear the entire cost of repair, replacement, or reconstruction. Either Owner may repair, replace, or rebuild said wall 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 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 must be approved in writing by the Board of Directors of Water's Edge at Folly Owners 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 be in noncompliance with any applicable building code or permitting authority or any other governmental regulation nor shall such cause any increase in insurance premiums paid by the Association or the Owners. Owners making any repair, replacement, or reconstruction of a party wall 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.

4. DRILLING THROUGH PARTY WALL.

Either Owner shall have the right to repair and restore sewerage, 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 in any manner, interior decoration excepted, and said party walls shall remain in the same location as when erected, and each party to party wall shall have a perpetual easement in that part of the premises of the other on which said party wall is located, for party wall purposes.

6. COVENANTS RUNNING WITH LAND:

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

7. RIGHT TO MODIFY WALL:

No Party Wall 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 Water's Edge at Folly of record in the RMC Office for Charleston County, 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.

9. BINDING AGREEMENT.

This 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.

IN WITNESS WHEREOF the undersigned has executed this instrument this 5th day of December, 2004.

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

TURTLE BAY DEVELOPERS, LLC

Lydia Davidson

By [Signature]

Its: Authorized Member

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

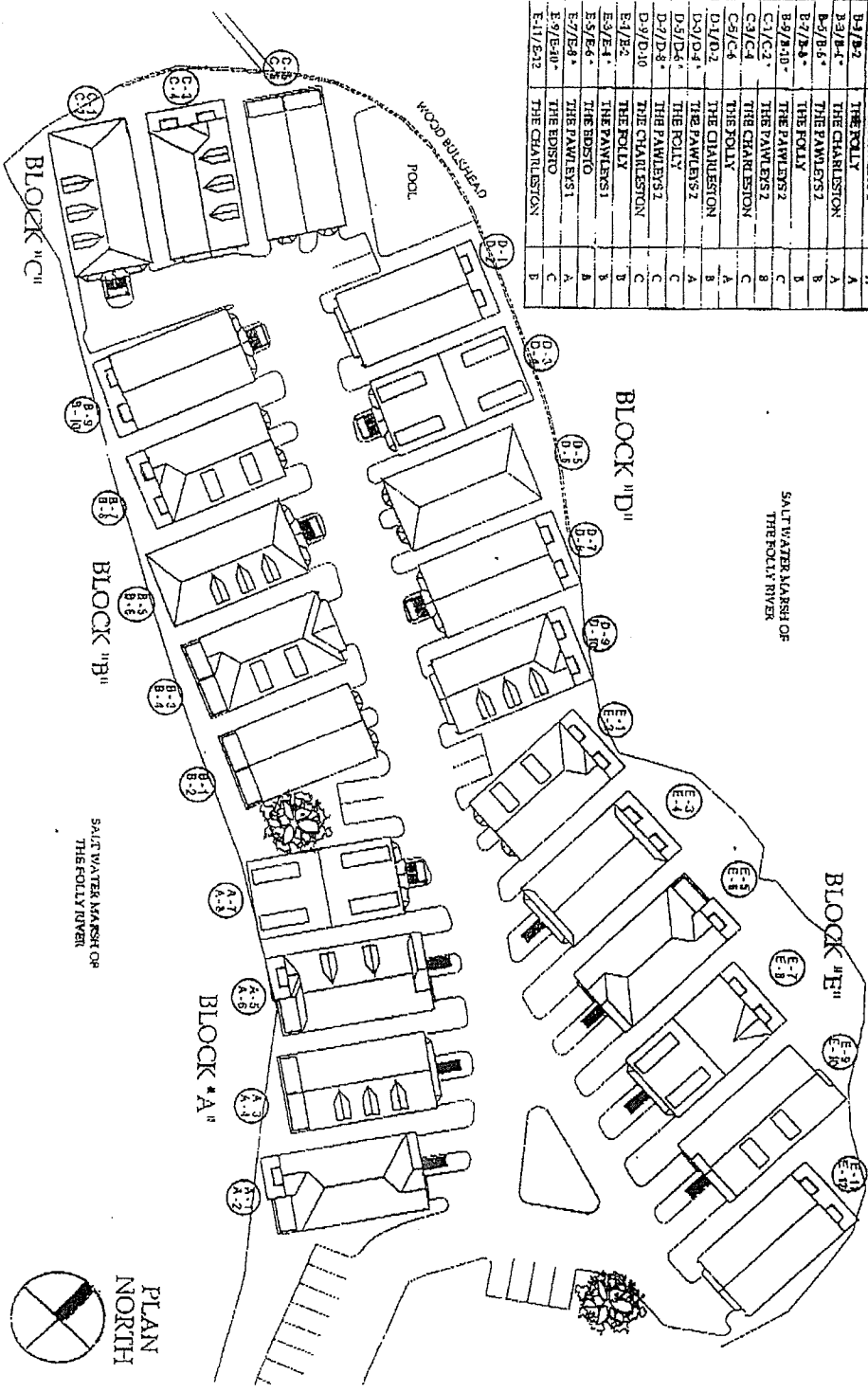
The foregoing instrument was acknowledged before me this 5th day of November, 2004 by Turtle Bay Developers, LLC, by John Bassell, its Authorized Member.

Lydia Davidson
Notary Public for South Carolina
My Commission Expires: 4/24/13

SITE	PLAN/TITLE	FRONT - BACK - PLAN
A-1/A-4*	THE EDGEMO	B
A-3/A-4*	THE PAWLEYS1	C
A-5/A-6	THE EDGEMO	A
A-7/A-8	THE PAWLEYS2	A
B-1/B-2	THE POLLY	A
B-3/B-4*	THE CHARLESTON	A
B-5/B-6*	THE PAWLEYS1	B
B-7/B-8*	THE POLLY	B
B-9/B-10*	THE PAWLEYS2	C
C-1/C-2	THE CHARLESTON	B
C-3/C-4	THE CHARLESTON	C
C-5/C-6	THE POLLY	A
D-1/D-2	THE CHARLESTON	A
D-3/D-4	THE PAWLEYS2	A
D-5/D-6	THE POLLY	C
D-7/D-8*	THE PAWLEYS1	C
D-9/D-10	THE CHARLESTON	C
E-1/E-2	THE POLLY	B
E-3/E-4*	THE PAWLEYS1	B
E-5/E-6	THE EDGEMO	B
E-7/E-8*	THE PAWLEYS1	A
E-9/E-10*	THE EDGEMO	A
E-11/E-12	THE CHARLESTON	B

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SALT WATER MARSH OF THE POLLY RIVER



WATER'S EDGE TOWNHOMES

FOLLY BEACH, SOUTH CAROLINA
ARTIST RENDERING SUBJECT TO CHANGE



SALT WATER MARSH OF THE POLLY RIVER

These elevations and other items are subject to changes without notice. Changes are only the artist's conception. Last updated 02/17/06

Exhibit D

BK 0 515PG583

John Blecker

FILED

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

24.0
A

*OK - change name
@ signature*

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WHEREAS, the Declarant desires to amend the Covenants to provide for the assignment of the use of the boat slips to the Owners of various Units at Water's Edge at Folly.

NOW, THEREFORE, for and in consideration of the premises herein contained, the Covenants of Water's Edge at Folly are duly amended and supplemented in accordance with their terms by the Declarant in the following particulars:

1. It is recognized that the Declarant has constructed a fixed pier, covered deck house and ten (10) boat slips for the use of the Owners of Units in Water's Edge at Folly.
2. It is further recognized that individual mechanical boat lifts have been installed on the docks adjacent to each boat slip.
3. The docks, boat slips, piers, and all of accompanying improvements and boat lifts will constitute Common Property of the Association subject to the provisions of the Covenants as herein amended.
4. The Declarant does hereby assign to the Owners of the various Units the exclusive use of the boat slip and adjacent boat lift as set forth on Exhibit "A", attached hereto and made a part hereof. This exclusive use will pass with the title to each Unit and be appurtenant thereto. No owner may separate title to a Unit from the exclusive use of the boat slip and boat lift which is appurtenant thereto. The maintenance, repair and replacement of the boat lifts will be the responsibility of the Owner who has exclusive use of the boat slip to which the boat lift is appurtenant.

5. All other provisions of the Covenants not affected by the provisions of this Amendment will remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has set its hand and seal this 23rd day of August, 2005.

WITNESSES:

Mary Kathryn J. P. Crocker King

TURTLE BAY DEVELOPMENT, LLC

By: John Hassel
Its: Member

STATE OF South Carolina)
COUNTY OF Charleston)

The foregoing instrument was acknowledged before me this 30th day of August, 2005 by Turtle Bay Development, LLC, by John Hassel, its member.

[Signature]
Notary Public for South Carolina
My Commission Expires: 1/10/2015

WATER'S EDGE AT FOLLY
BOAT SLIP ASSIGNMENTS

BOATSLIP

UNIT NUMBER

A
B
C
D
E
F
G
H
I
J

C3
C4
D2
D6
C1
D1
E2
C6
E5
D3

EXHIBIT "A"