

Covenants

Commercial Use

(Central Forest Beach Commercial Areas)

Deed Book 206, Page 1143

The following covenants (original filed copy posted) are applicable only to those commercial Forest Beach properties where these covenants are specifically referenced in the chain of title as the conveyance of the subject property having been made subject to these covenants. These covenants are typically referred to as the January 25, 1973 Commercial Use Covenants.

Property Research Holdings (PRH) currently holds the declarant rights to these covenants. Any questions or concerns regarding these covenants should be directed to:

Property Research Holding, Inc.

Attn: Mr. Frank Guscio

Prhinc@aol.com

206/1143

1143

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

DECLARATION OF RIGHTS,
RESTRICTIONS, AFFIRMATIVE
OBLIGATIONS, CONDITIONS,
ETC., which constitute
covenants running with
certain commercial lands
of Lighthouse Beach Company.

COMMERCIAL USE COVENANTS
January 25, 1973

WHEREAS, LIGHTHOUSE BEACH COMPANY, a Limited Partnership organized and existing under the laws of the State of South Carolina, is the owner of certain lands located on Hilton Head Island, Beaufort County, South Carolina; and

WHEREAS, LIGHTHOUSE BEACH COMPANY desires to make, publish and record a declaration of restrictive covenants affecting certain properties designated for commercial use and desires to have said restrictive covenants filed in the Office of the Clerk of Court for Beaufort County, South Carolina, reserving the right in each instance to add additional restrictive covenants in respect to said properties; and

WHEREAS, LIGHTHOUSE BEACH COMPANY recognizes that said properties are situate in an environmentally sensitive area and that any development of said property is a matter of concern to both the developing party and the Community-at-large; and

WHEREAS, LIGHTHOUSE BEACH COMPANY desires to insure that all properties now, or hereafter, owned by it are developed pursuant to an orderly plan which contemplates among other things the environmental impact on the Community-at-large of any proposed developmental scheme for such properties;

NOW THEREFORE, LIGHTHOUSE BEACH COMPANY does hereby declare that the provisions contained herein are rights, restrictions, conditions and affirmative obligations all constituting covenants running with the land which is conveyed by LIGHTHOUSE BEACH COMPANY by deed or other written instrument in which reference is

specifically made to these covenants. The Company reserves in each instance the right to add, in Deeds of Conveyance, additional covenants in respect to said properties so conveyed by such Deed, or to limit therein the application of the uniform covenants contained herein. Notice of such additional covenants will, in all cases, be set forth in the contract of sale relating to such property.

1144

IT BEING THE TRUE INTENT AND PURPOSE of this Declaration that the commercial land use covenants contained herein shall be the sole applicable covenants restricting and affecting commercial properties conveyed by LIGHTHOUSE BEACH COMPANY, subsequent to the recording of this Declaration, and such other property as may be deeded subject to the covenants herein by specific reference in individual deeds, or by subsequent declarations; and further, it is the true intent and purpose of LIGHTHOUSE BEACH COMPANY, that to the extent that there is conflict between those restrictions and covenants previously recorded, as set forth above, and those of the instant Declaration, the provisions of the instant Declaration shall govern and restrict commercial properties hereafter conveyed in deeds making reference to this Declaration.

DEFINITIONS

1. Whenever used herein, the term "the Company" shall refer to LIGHTHOUSE BEACH COMPANY, its successors and assigns.
2. Whenever used herein, the term "Commercial Property" shall apply to property used or to be used for all retail commercial uses except "package stores" for the sale and take-out of alcoholic beverages and real estate sales offices which accept listings, and offer for sale, real property outside the Forest Beach area. Permissible retail commercial uses shall include, but not be limited to, retail shops, hotel, motel, motor hotel, or motor lodge sites or operation, and all other Class "B" multi-family residence areas such as condominiums or apartments.

3. The term "Owner" when used in these covenants and restrictions shall refer to both the original owner, builder and developer of any tract, subdivision or lot of land as well as any subsequent owner of a parcel of land upon which commercial uses are to be or have been made, and shall specifically include the owner of a condominium dwelling within a structure located on such property.

4. The term "Class "B" Multi-Family Residence Areas" shall refer to any original tract, subdivision or lot of land, as well as any subsequently subdivided portion thereof, intended for multi-family residential use and which has been subjected to the provisions of these restrictions and covenants by reference in deeds to property issued by the Company.

The Covenants and Restrictions below will be referred to as the Commercial Use Restrictions of January 25, 1973, and will be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, and will be incorporated by reference in deeds to commercial property issued by LIGHTHOUSE BEACH COMPANY by reference to the Book and Page of recording in the realty records in the Office of the Clerk of Court for Beaufort County, South Carolina.

PART I

COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS
APPLICABLE TO COMMERCIAL PROPERTY OWNED BY
LIGHTHOUSE BEACH COMPANY.

1. No building, fence or other structure shall be erected, placed or altered on any lot in such Commercial Property until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives and parking areas), and construction schedule

shall have been approved in writing by the Company, its successors or assigns. Refusal of approval of plans, location or specifications may be based by the Company upon any ground, including purely aesthetic conditions, which, in its sole and uncontrolled discretion, the Company shall deem sufficient, provided, however, that such approval by the Company shall not be unreasonably withheld. Elements that will be considered by the Company before plans or specifications are approved include, but are not limited to, the following: (a) the ratio of hard surface to natural tree or landscaped surface as reflected in the Master Plan; (b) location of utility lines; (c) the ratio of parking spaces to building capacity; the adequacy of recreational facilities when viewed against the number of persons such facilities are projected to serve; (d) an acceptable plan to provide for the capture and disposition of any surface water run-off on the property; (e) adequacy of proposed restaurant facilities, convention facilities, meeting areas, or auditoriums when viewed against the number of persons such facilities are projected to serve and the desirability of each Commercial venture being reasonably self-sufficient; and (f) whether any of the proposed improvements to be constructed on the Property exceed the maximum allowable height for such improvements which, without the written consent of the Company, may not exceed five (5) floors or sixty-two (62) feet above mean sea level. In no event will the Company approve plans and specifications that do not meet, at least, the minimum standards for construction as established by the "Southern Standard Building Code" in effect at the time such approval is requested. No alterations in the exterior appearance of any building or structure shall be made after initial construction without like approval by the Company. Approval shall not be unreasonably withheld and permission shall not be refused to make any addition or modification to any structure on the property so long as the proposed addition

or modification is constructed of materials of comparable quality with the existing structures on the property and the design and site plan of said addition or modification is compatible with the existing structures on the property. One (1) copy of all plans and related data, as approved by the Company, shall be furnished the Company for its records and all improvements constructed on the property must be constructed pursuant to such plans and specifications with no material variations therefrom unless approved, in writin, by the Company. A variation will be deemed "material" in any case where such variation would not meet minimum standards for construction es established by the "Southern Standard Building Code" in effect at the time a request for approval of plans, as provided for hereinabove, was made.

2. The exterior of any structure on Commercial Property must be completed within one (1) year after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or building due to strikes, fires, national emergency or natural calamities.

3. It shall be the responsibility of the owner of land subject to these covenants to prevent the development of any unclean, unsightly or unkept conditions at any buildings or on the grounds of said tract of land which conditions would tend to substantially decrease the beauty of Hilton Head Island as a whole or of the specific tract of land subject to these covenants. If said lot owner does not maintain said land and any improvements thereon according to the standards which LIGHTHOUSE BEACH COMPANY has established, after ten (10) days' written notice to the lot

owner and failure of the land owner to correct the defective conditions, LIGHTHOUSE BEACH COMPANY, at the land owner's expense, may enter upon the premises and correct the defective conditions. 1148

4. No noxious or offensive activity shall be carried on upon any Commercial Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

5. The Company reserves the right to restrict the size, color and content of any signs to be erected on such Commercial Property. Property identification and like signs exceeding a combined total of more than ten (10) square feet may not be erected without the written permission of the Company. The Company will use, as criteria for approval of signs to be erected on Commercial Property, the manual "Street Graphics", published in 1972 by the American Institute of Landscape Architects Foundation under grants from the Department of Housing and Urban Development. The size of all such signs shall be that appropriate for twenty-five (25) miles per hour traffic as set forth in said manual. In no event will the Company approve the erection of signs which do not conform to the criteria set forth in said manual.

6. Each Commercial Property owner shall provide adequate space for off-street parking for use by customers of the commercial venture.

7. Each Commercial Property owner shall provide receptacles for garbage in a screened area not generally visible from the road, or provide underground garbage receptacles or similar facility in accordance with reasonable standards established by the Company.

8. Prior to the construction and use of a commercial structure on any Commercial Property, proper and suitable provision shall be made for the disposal of sewage by connection with the sewer mains of the Forest Beach Public Service District. No sewage shall be emptied or discharged into the ocean, any creek, marsh, river, sound or beach or shorelines thereof, nor shall disposal of sewage by means of septic tank or tanks be permitted on any Commercial Property except as approved as a temporary measure by the county sanitary engineer.

9. The Company reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use the electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities on, in or over the rear ten (10) feet of each lot and ten (10) feet along one (1) side of all Commercial Property sites and such other areas as are shown on the applicable plat; provided further, that the Company may cut drainways for surface water whenever and wherever such action may appear to the Company to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation, and to maintain reasonable standards of health, safety and appearance. It further reserves the right

to locate wells, pumping stations and tanks within any Commercial Property designated for such use on the applicable plat of a subdivision or to locate same upon any lot with the permission of the owner of such Commercial Property. Such rights may be exercised by any licensee of the Company but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

10. The Company reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement on, over and under the ground to construct a paved bicycle path to interconnect to any other such paved bicycle paths which are now or will be constructed along those roads now known as South Forest Beach Drive, Pope Avenue, and Cordillo Parkway on, in, or over the first ten (10) feet of each lot or tract on each side thereof which is bounded by the right-of-way of the aforesaid roads, provided, however, that in any case where the Company has reserved easements pursuant to paragraph 9 hereinabove and this paragraph 10, the Company will use its best efforts to make the area of said easements coincide one with the other wherever reasonably possible. Such rights may be exercised by any licensee of the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such paved bicycle path.

11. No structure of a temporary character shall be placed upon any Commercial Property at any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of any permanent structure, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or for any commercial uses or permitted to remain on the lot after completion of construction.

12. No trailer, tent, barn, tree house or other similar outbuilding or structure shall be placed on any Commercial Property at any time, either temporarily or permanently, without written approval by the Company.

13. No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within a permanent structure within a screened area as required in paragraph 14 herein, or buried underground.

14. Each Commercial Property owner must construct a screening fence to shield and hide from view any service yards or areas. Plans for such fence delineating the size, design, texture, appearance and location must be approved by the Company prior to construction.

15. No private water wells may be drilled or maintained on any Commercial Property so long as Forest Beach Public Service Commission, their agents, successors or assigns, plans a water distribution line within fifty (50) feet of such lot with an average daily water pressure in such line adequate for normal business use by such distribution lines; provided further that such water distribution line must be completed within five (5) days from the date of completion of any permanent structure or a private well may be drilled by the Commercial Property owner.

16. No large trees measuring six (6) inches or more in diameter at a point four (4) feet above ground level may be removed without the written approval of the Company, unless located within ten (10) feet of any permanent structure, driveway, or parking area, or within ten (10) feet of the approved site for such building,

driveway, or parking area. The objective of this provision is to insure that all Commercial Property has an adequate tree border on each side of such property abutting on a road or street, and, further, to insure that no trees are removed from any Commercial Property except in those specific instances where failure to remove a tree or trees would substantially impair or prohibit the use of the property for the purpose approved by the Company. An owner of Commercial Property affected by these covenants and restrictions shall be deemed in violation of this provision in each instance of the removal proscribed hereinabove, whether such removal be deliberate or the result of negligence on the part of such owner or his agent or agents.

17. No Commercial Property site shall be subdivided, or its boundaries changed, except with the written consent of the Company, which consent will not be unreasonably withheld. However, the Company hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more lots shown on a plat of Commercial Property sites in order to create a modified site or sites and to take such other steps as are reasonably necessary to make such replatted lots suitable and fit as Commercial Property sites including, but not limited to, the relocation of easements, walkways and rights-of-way to conform to the new boundaries of said replatted lots, provided that no lot originally shown on a recorded plat is reduced by more than twenty (20) per cent from its original size but further provided, that any such lot may be reduced in size to a minimum of one (1) acre whether or not such reduction in size is more than twenty (20) per cent of the area of the lot as originally platted. The restrictions and covenants herein apply to each Commercial Property site so created.

18. No improvements may be made on any Commercial Property

19. In the event the owner desires to sell a Commercial Property site on Hillton Head Island together with its improvements, if any, then said property shall be offered for sale to the Company at the same price at which the highest bona fide offer has been made for the property, and the said company shall have thirty (30) days within which to exercise its option to purchase said property at this price; and should the company fail or refuse, within thirty (30) days after receipt of written notice of the price and terms, to exercise its options to purchase said property at the offered price, then the owner of said property shall have the right to sell said property, subject, however, to all covenants and limitations herein contained, at a price not lower than that at which it was offered to the Company. For the purpose of this paragraph 19, a "sale" by the owner of a Commercial Property site shall include, but not be limited to, a sale of such site by an individual owner, partnership, or other such unincorporated entity and, in the case of a corporate owner, a consolidation or merger into another corporation where the corporate owner is not the resulting or surviving corporation, or the consolidation or merger of another corporation into it, where the corporate owner is not the resulting or surviving corporation, or the sale or transfer to another corporation of all or substantially all of its business and assets, or the sale or transfer of all or substantially all of its stock.

which exceed a height of five floors or sixty-two (62) feet above mean sea level unless approved, in writing, by the Company. The Company reserves the right to establish maximum height restrictions which are less than sixty-two (62) feet in any contract of sale for commercial property, and to allow an additional measure of height over and above sixty-two (62) feet, up to a maximum amount of eight (8) feet for use as a roof wall for the purpose of concealing roof-mounted equipment essential to the operation of any commercial buildings constructed on the property.

20. In addition to the foregoing, the following additional covenants and restrictions shall apply to all Commercial Property which is designated, approved for use, or used for the operation of a hotel, motel, motor hotel, or motor lodge.

(a) All Commercial Property designated for such use shall be used solely for the operation of a hotel, motel, motor hotel, or motor lodge, including the rental of rooms to overnight guests, the rental of banquet and convention facilities, the operation of retail food and refreshment facilities including the sale of alcoholic beverages for consumption on the premises, if permitted by law, and the rental of retail shop or office space provided, however, that such retail shop or office space may not be used for "package stores" for the sale and take-out of alcoholic beverages and real estate sales offices which accept listings, and offer for sale, real property outside the Forest Beach area, unless approved, in writing, by the Company. The term "operation of retail food and refreshment facilities" as used in these covenants is limited to those establishments which offer food and beverage services to the general public at seated tables and booths or bars limited on the interior of an all-weather building, within employ of the operators providing table service to customers, or counter service in the case of bars, unless LIGHTHOUSE BEACH COMPANY approves, in writing, the operation of the facility without table service, and specifically does not include, unless approved, in writing, by the Company, the operation of a "fast food" or "Take-out food" facility on the premises.

21. In addition to the foregoing, the following additional covenants and restrictions shall apply to all Commercial Property which is designated, approved for use, or used as a Class "B" Multi-Family Residence Area, including common-wall townhouse structures, apartments, villas, and all other types of multi-family residential buildings:

(a) No plans will be approved unless the proposed house or structure will have the minimum required square footage of enclosed dwelling area, and not exceed the maximum square footage of dwelling or maximum number of dwelling units, or maximum height above the ground, or maximum number of residential dwelling floors. Such minimum and maximum requirements for each lot will normally be specified in each sales contract and expressly stipulated in each deed. The term "enclosed dwelling area" as used in these minimum size requirements does not include garages, boat sheds, terraces, decks, open porches, and the like areas. The term does include, however, screened porches, if the roof of such porches forms an integral part of the roof line of the main dwelling or if they are on the ground floor of a two story structure.

(b) Since the establishment of standard inflexible building set back lines for locating houses or other structures on lots tends to force construction of buildings both directly behind and directly to the side of other homes or buildings with detrimental effect on privacy,

view, preservation of important trees, etc., no specific set back lines are established by these covenants. In order to assure, however, that location of villas, townhouses, or other structures will be staggered, so that the maximum amount of view and breeze will be available to each dwelling unit, and that the structures will be located with regard to the topography of each individual lot, taking into consideration the height of dunes, the location of large trees, and similar considerations, the Company reserves unto itself, its successors, and assigns, the right to control absolutely and to decide the precise site of any villa, townhouse, dwelling or other structure or structures, and to cluster or otherwise arrange any structures or complex of structures on any lot or subdivision of lots within the Class "B" Multi-Family Residence Areas for reasons which may in the sole and uncontrolled discretion and judgment of the Company seem sufficient PROVIDED, HOWEVER, that such location shall be determined only after reasonable opportunity is afforded the lot or tract owner to recommend a specific site, and PROVIDED FURTHER, that in the event an agreed location is stipulated in writing in the contract of purchase the Company shall approve automatically such location for a residence, or group of residential units.

(c) All lots in said residence areas shall be used for residential purposes exclusively. The facilities included on the site may include common meeting rooms, housekeeping supply rooms, and social rooms. No structure or structures shall be erected, altered, placed

or permitted to remain on any lot or subdivision of lots except as provided for in these covenants and restrictions. The Company expressly reserves the right to: (a) determine and limit the number of villas, townhouses, or other residential units or group of such units to be placed on a given tract, area or lot of land; (b) determine and limit the maximum height of any and all such structures; and (c) determine and limit the total maximum occupancy or density of all units combined within a given subdivision or complex.

(d) Notwithstanding the provisions of paragraph 2 of Part I hereof, the exterior of all villas, townhouses and other structures must be completed within two (2) years after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergencies or natural calamities.

PART II

ADDITIONS, LIMITATIONS, DURATION AND VIOLATION OF COVENANTS, TOGETHER WITH AFTERWORD.

All covenants, restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of the Company for a period of twenty-five (25) years from the execution date of this Declaration after which time all said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of Commercial Property substantially affected by such change in covenants has been recorded, agreeing to change said covenants in whole or in part.

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain or enjoin violations, or to recover damages, or by any appropriate proceeding at law or equity against the land to enforce any lien created by these covenants. The failure to enforce any rights, reservations, restrictions, or condition contained in this Declaration, however long continued, shall not be deemed a waiver of this right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement.

Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect any other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

In addition to the foregoing, LIGHTHOUSE BEACH COMPANY, its successors or assigns, shall have the right, whenever there shall have been built on any Commercial Property any structure which is in violation of these restrictions, to enter upon such property where such violation(s) exist(s), and summarily abate or remove the same at the expense of the owner if, within thirty (30) days after receipt of written notice of such violation(s) it(they) shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass.

The Company reserves in each instance the right to add in any contract or deed hereafter made, modifications and/or additions to the restrictive covenants as contained in this Declaration of Covenants, with such modified covenants being made applicable by reference to conveyances of land made subsequent to such modifications.

It is the true intent and purpose of LIGHTHOUSE BEACH COMPANY that the covenants and restrictions contained herein shall be the sole applicable covenants restricting and affecting Commercial Property conveyed by LIGHTHOUSE BEACH COMPANY to grantees of the Company subsequent to the date of the Declaration adopting these covenants and restrictions being made applicable to such conveyances by specific reference in individual deeds, or by subsequent declaration to the extent that there is variation from and addition to, covenants herein recorded; however, those properties conveyed by LIGHTHOUSE BEACH COMPANY prior to the effective date of this instrument are not governed or otherwise restricted by the consolidated uniform provisions of this Declaration, but are so governed and restricted by any covenants and restrictions previously recorded as set forth above and to which specific reference was made in the particular and appropriate deed of conveyance.

IN WITNESS WHEREOF, LIGHTHOUSE BEACH COMPANY has executed these presents acting by and through its duly authorized officers as of the 25th day of January, 1973.

WITNESSES:

LIGHTHOUSE BEACH COMPANY

BY SEA PINES MANAGEMENT CO., INC.
(General Partner)

Loise D. Williams

By Charles E. Fran SLP
Its President

Donna J. Boswell

Attest Sam Phillips
Its Assistant Secretary

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

1160

PERSONALLY appeared before me DONNA S. BOEWELL
and made oath that he saw the within named LIGHTHOUSE BEACH COMPANY
by Sea Pines Management Company, Inc., General Partner, by
Charles E. Fraser, its President, and S. Lacey Phillips,
its Assistant Secretary, sign, seal and as its act and deed, deliver
the within written Declaration of Covenants and Restrictions for
Commercial Property for the uses and purposes therein mentioned
and that he with Gause P. Williams witnessed the execution
thereof.

SWORN TO before me this 25th
day of January, 1973.

Gause P. Williams (SEAL)
Notary Public for South Carolina

My Commission expires: Feb. 24, 1981

Donna S. Boewell
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FILED AT <u>11:30</u> O'CLOCK <u>A. M.</u>	BEAUFORT COUNTY S. C. FEB 15 1973	RECORDED IN BOOK <u>236</u> PAGE <u>1143</u>
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M. H. Zander, Jr.
CLERK OF COURT OF COMMON PLEAS
333