

EXHIBIT C

STATE OF SOUTH CAROLINA) DECLARATION OF PROTECTIVE COVE-
)
 COUNTY OF BEAUFORT) NANTS FOR MOTOR LODGE SITES

WHEREAS, LIGHTHOUSE BEACH COMPANY, a Limited Partnership organized and existing under the laws of the State of South Carolina is the owner of certain land (the "Land") on Hilton Head Island, Beaufort County, South Carolina, which it intends to sell as the site for a motor lodge.

WHEREAS, LIGHTHOUSE BEACH COMPANY, desires to place certain restrictive covenants and affirmative obligations on record in order to insure the continuity and quality of the development of said motor lodge site,

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 said LIGHTHOUSE BEACH COMPANY by deed or other written instrument in which reference is specifically made to these covenants.

1. No building, fence or other structure, including signs, shall be erected, placed or altered on the lot conveyed subject to these covenants until the proposed building plans, specifications, exterior color of finish, construction materials used, plot plan (showing the proposed location of such building or structure, driveways and parking areas) and construction schedule shall have been approved in writing by LIGHTHOUSE BEACH COMPANY, its successors or assigns. Refusal or approval of said plans, location or specifications may be based by LIGHTHOUSE BEACH COMPANY upon any grounds, including purely esthetic considerations which, in the sole and uncontrolled discretion of LIGHTHOUSE BEACH COMPANY shall seem reasonably sufficient. If said approval, or lack thereof, or refusal, is not determined and communicated in writing to the submitting party within Thirty (30) days from receipt thereof, then and in such event, any interest money

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payments which might be due and payable to LIGHTHOUSE BEACH COMPANY by said submitting party shall abate and cease, and if said approval, or lack thereof, or refusal is not determined and communicated in writing to the submitting party within Sixty (60) days from receipt thereof, then and in such event any and all monies, including interest, which the submitting party may have paid to LIGHTHOUSE BEACH COMPANY, shall be refunded in full to such submitting party by said LIGHTHOUSE BEACH COMPANY.

No alterations in the exterior appearance of any building or structure shall be made after initial construction without similar approval by LIGHTHOUSE BEACH COMPANY. One copy of all plans and related data shall be furnished the LIGHTHOUSE BEACH COMPANY for its records. No trees, bushes or shrubbery shall be removed from the property or any landscaping done on same without first obtaining the prior written approval of the Company. LIGHTHOUSE BEACH COMPANY will not approve the construction of any motor lodge on site more than five (5) stories in height or more than fifty-five (55) feet in height. 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 of said addition or modification is compatible with the existing structures on the property. 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. It is the intent of this provision to prohibit on the premises the operation of a "fast food" or "take out food" facility.

2. All of the land made subject to these covenants shall be used solely for the operation of a 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 if permitted by law, and the rental of office space on the ground floor.

3. It shall be the responsibility of the owner of land subject to these covenants to prevent the development of any unclean, unsightly or unkempt 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 establishes, 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.

4. No obnoxious or offensive activity shall be carried on upon the land, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the developer. No activity shall be conducted on said land which would create undue noise so as to disturb other owners of land on Hilton Head Island. 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 obnoxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the other property on Hilton Head Island by the owners or lessees thereof. However, this provision shall in no way prohibit activities that are normal, necessary and incidental to the maintenance and operation of a motor lodge.

5. In the event the owner desires to sell a lot subject to these covenants, together with its improvements, any 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 Company shall have thirty (30) days within which to exercise its option to purchase said property at said 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 option to purchase said property at the offered price and terms, then the owner of said property shall have the right to sell same subject, however, to all covenants and limitations otherwise contained herein, at a price not lower than that at which it was offered to the Company. Provided, however, the provisions of this paragraph shall not apply to a sale or conveyance of the property, or any offers made in connection thereof, from the owner of the property to any of its shareholders or combination of such shareholders, except that such new owner or owners shall be subject to the covenants and limitations contained herein.

6. The location and design of any sign on the lot must be approved by LIGHTHOUSE BEACH COMPANY and shall be submitted to LIGHTHOUSE BEACH COMPANY for their approval as to design and placement, which approval shall not be unreasonably withheld.

7. 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 for a period of 25 years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument modifying or ending same shall be signed by a majority of the then owners of lots affected by such conveyance and placed on record. Lots affected by such conveyance shall be all acreage within Blocks 2, 6, 7, 7B, 8 and 8B of the Forest Beach commercial area.

IN WITNESS WHEREOF, LIGHTHOUSE BEACH COMPANY has executed these presents acting by and through its duly authorized officers with corporate seal affixed as of the 28 day of February, 1971.

WITNESSES:

Marty L. Weaver
Tom M. ...

LIGHTHOUSE BEACH COMPANY
By SEA PINES MANAGEMENT CO., INC. (General Partner)
By [Signature] its V.P.
By [Signature] its Secretary

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STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

PERSONALLY appeared before me Monty L. Weaver
and made oath that he saw the within-named
LIGHTHOUSE BEACH COMPANY by Sea Pines Management Company, Inc.,
General Partner, BY J. B. Fraser Jr. its Vice President
and Bill M. Pridgen its secretary sign,
seal and, as its act and deed, deliver the within-written
Title to Real Estate for the uses and purposes therein mentioned
and that he, with Rebecca M. Parrish
witnessed the execution thereof.

SWORN to before me this 28
day of February, 19 72.

Rebecca M. Parrish (L.S.) Monty L. Weaver
Notary Public of South Carolina
My commission expires 1-14-81

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E X H I B I T B

Attached to Option - Aldon Corporation - Lighthouse Beach Company

Lying and being in Beaufort County, State of South Carolina, and de-
scribed as follows:

BEGINNING at a stake on the south edge of Forest Beach Drive, the Northwest corner of the tract and being located South 63 deg. 52 min. West 200 feet from the point where the south right of way of Forest Beach Drive intercepts with the Coligny Circle; thence from said beginning point North 63 deg. 52 min. East 200 feet to said stake at the intersection of the south right of way of Forest Beach Drive with Coligny Circle; thence South 26 deg. 08 min. East 217.0 feet to a concrete monument; thence North 63 deg. 52 min. East 200 feet to a concrete marker on Coligny Circle; thence South 26 deg. 08 min. East 223 feet to a stake on the north line of Strand Block 6; thence continuing South 26 deg. 08 min. East approximately 242 feet to a point on the normal high water mark of the Atlantic Ocean; thence with the normal high water mark of the Atlantic Ocean approximately South 63 deg. 52 min. West 400 feet to a point in said normal high water mark; thence approximately North 26 deg. 08 min. West approximately 242 feet to a point on the north line of Strand Block 6; thence continuing approximately North 26 deg. 08 min. West 440 feet to the point of beginning, a stake in the south edge of Forest Beach Drive.

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| A.M. | | 76 |
| By <i>DR Cogh</i> CLERK OF COURT OF COMMON PLEAS | | |

Beaufort

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