

EXHIBIT "A"

ALL that certain piece, parcel or tract of land lying and being on Town of Hilton Head Island, Beaufort County, South Carolina, containing 7.421 acres, more or less, as more particularly shown on that certain plat of survey entitled "Plat of Ocean Pines Subdivision (also known as Atlantic Pointe), Being a 7.421 Acre Portion of Parcel 20, Sea Pines Plantation, and a 4.253 Acre Portion of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, dated August _____, 1984, which plat is recorded in Plat Book 32 at Page 128 in the Office of the Clerk of Court for Beaufort County, South Carolina, said property being more particularly described as follows:

To find the POINT OF BEGINNING, begin at a concrete monument located at the intersection of the northeasterly right-of-way line of Surf Scoter Road (a 50-foot private right-of-way) with the southeasterly right-of-way line of South Sea Pines Drive (a private right-of-way); running thence S 86 degrees 59 minutes 00 seconds E for a distance of 172.76 feet to a concrete monument being the POINT OF BEGINNING; running thence N 47 degrees 24 minutes 43 seconds E for a distance of 513.03 feet to a 4'X4' wooden post; running thence N 53 degrees 36 minutes 35 seconds E for a distance of 151.16 feet to an iron pin; running thence S 06 degrees 45 minutes 06 seconds E for a distance of 309.67 feet to a concrete monument; running thence S 03 degrees 48 minutes 15 seconds E for a distance of 303.40 feet to a concrete monument; running thence S 12 degrees 08 minutes 07 seconds E for a distance of 260.59 feet to a concrete monument located on the landward side of the South Carolina Coastal Council Critical Line running approximately parallel to the Mean High Water Mark of the Atlantic Ocean; running thence S 54 degrees 40 minutes 21 seconds W for a distance of 179.78 feet to a point; running thence N 34 degrees 06 minutes 24 seconds W for a distance of 180.21 feet to a point; running thence S 54 degrees 36 minutes 29 seconds W for a distance of 73.00 feet to a point; running thence N 66 degrees 45 minutes 01 seconds W for a distance of 30.77 feet to a point; running thence N 36 degrees 23 minutes 13 seconds W for a distance of 422.00 feet to a concrete monument; running thence N 53 degrees 36 minutes 35 seconds E for a distance of 23.48 feet to a concrete monument; running thence N 36 degrees 23 minutes 23 seconds W for a distance of 73.77 feet to a concrete monument and the POINT OF BEGINNING.

AND ALSO:

ALL that certain piece, parcel or tract of land lying and being on Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.253 acres, more or less, as more particularly shown on the aforesaid plat of survey, and being more particularly described as follows:

BEGINNING at a point located at the intersection of the southeasterly right-of-way line of Greenwood Drive (a private right-of-way) with the northeasterly right-of-way line of South Sea Pines Drive (a private right-of-way); running thence N 19 degrees 08 minutes 40 seconds W for a distance of 107.62 feet to a point; running thence N 54 degrees 07 minutes 25 seconds E for a distance of 732.90 feet to a point located on the southwesterly right-of-way line of Greenwood Court (a 60-foot right-of-way); running thence S 37 degrees 38 minutes 21 seconds E for a distance of 239.07 feet to a point; running thence S 50 degrees 38 minutes 19 seconds W for a distance of 47.92 feet to a point; running thence S 47 degrees 58 minutes 12 seconds W for a distance of 405.01 feet to a point; running thence S 52 degrees 55 minutes 18 seconds W for a distance of 51.69 feet to a point; running thence S 67 degrees 30 minutes 30 seconds W for a distance of 39.76 feet to a point; running thence S 82 degrees 52 minutes 54 seconds W for a distance of 37.78 feet to a point; running thence N 87 degrees 02 minutes 30 seconds W for a distance of 153.31 feet to a point; running thence N 88 degrees 20 minutes 38 seconds W for a distance of 98.14 feet to a point being the POINT OF BEGINNING.

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BOOK NUMBER 403 PAGES 1- 35
FILING FEE 35.00
STATE STAMPS .00
COUNTY STAMPS .00
TOTAL FEES 35.00

HENRY JACKSON
CLERK OF COURT BFT CNTY, SC

EXHIBIT "B"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ATLANTIC POINTE
BY-LAWS
OF
ATLANTIC POINTE PROPERTY OWNERS ASSOCIATION, INC.

1. INTRODUCTION

1.1 Association. These are the By-Laws of Atlantic Pointe Property Owners Association, Inc., a non-profit corporation organized and existing under the laws of the State of South Carolina (hereinafter called the "Association"), which has been organized for the purpose of administering the Common Areas located upon and within the real property located in Beaufort County, South Carolina, which is described on EXHIBIT "A" attached hereto and made a part hereof by reference (the "Property").

1.2 Binding Effect. All present or future Owners, Occupants, tenants, or their employees, or any other person that might use the Regime or any of the facilities thereof in any manner are subject to the Rules and Regulations set forth in these By-Laws, the Certificate of Incorporation and the Declaration, and those adopted by the Board of Directors of the Association (and any amendments thereto).

1.3 Office of Association. The office of the Association shall be at 106 WatersEdge, Hilton Head, S.C. 29928, Hilton Head Island, South Carolina, or such other place as the Board of Directors of the Association may designate from time to time.

2. DEFINITIONS. All of the terms defined in the Declaration to this these By-Laws are attached shall have the same meanings when used in these By-Laws.

3. SUBJECT TO DECLARATION. The provisions of these By-Laws are applicable to the Property, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions, and authorizations contained in the Articles of Incorporation of the Association and in Declaration of Covenants, Conditions and Restrictions for Sea Breeze (the "Declaration"), which has been recorded in the public records of Beaufort County, South Carolina. The terms and provisions of said Declaration shall be controlling wherever the same may be in conflict with these By-Laws.

4. MEMBERSHIP

4.1 Membership in the Association shall be as set forth in the Declaration.

4.2 The rights of membership are subject to the matters stated in the Declaration and to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of and becomes a continuing lien upon the Lot against which such assessments are made as provided in the Declaration.

4.3 The membership rights of any person whose interest in a Lot or Dwelling is subject to assessments may be suspended by action of the Board of Directors during the period when the assessments remain unpaid and for any additional period thereafter, not to exceed thirty (30) days, and for violations of its published Rules and Regulations governing the use of the Common Areas and facilities.

5. VOTING RIGHTS. Voting rights in the Association shall be as set forth in the Declaration.

6. PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF THE COMMON AREAS

6.1 Each Owner shall be entitled to the use and enjoyment of the Common Areas provided in the Declaration.

6.2 Any Owner may delegate his rights of enjoyment in the Common Areas and facilities to the members of his family who reside in a Dwelling or to any of his tenants or renters who lease or rent a Dwelling Unit on the Lot from him. Such Owner shall notify the Secretary of the Association in writing of the name of any such person or persons and of the relationship of the Owner to such person or persons. The rights and privileges of such person or persons are subject to suspension under Section 4 to the same extent as those of the Owner.

7. ASSOCIATION PURPOSES AND POWERS

7.1 Purposes. The Association has been organized for the following purposes:

(a) To own, acquire, build, operate and maintain the Common Areas, including but not limited to road rights-of-way, swimming pool, tennis court, and the buildings, structures and personal properties incident thereto;

(b) To clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for the Property, as provided in the Declaration;

(c) To fix assessments (or charges) to be levied against the Lots in the Property;

(d) To enforce any and all covenants and restrictions and agreements applicable to the Property; and

(e) To pay taxes and insurance, if any, on the Common Areas and facilities.

7.2 Mergers and Consolidations. Subject to the provisions of the recorded Declaration and Restrictions applicable to the Property, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of a majority vote at a duly called meeting of the Association.

7.3 Mortgages; Other Indebtedness. The Association shall have the power to mortgage its Property upon the approval of a seventy-five (75%) percent vote of the Owners at a meeting duly called for this purpose. Notwithstanding this provision, as long as Declarant shall own any Lot or Dwelling primarily for the purpose of sale, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage or hypothecate all or any portion of the Common Areas.

7.4 Notice and Quorum. The notice and quorum required for any action governed by these By-Laws shall be as follows, unless otherwise provided: Written notice of any meeting called for the purpose of taking any action shall be sent to all Owners not less than fifteen (15) days nor more than forty-five (45) days in advance of the meeting. At any such meeting called, the presence of Owners owning over fifty (50%) percent of the Lots shall constitute a quorum for the transaction of business.

7.5 Dedication of Property or Transfer of Function to Public Agency or Utility. The association shall have the power to dispose of its real properties only as authorized under the Declaration.

8. BOARD OF DIRECTORS

8.1 Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors appointed by Declarant who shall hold office until the election of their successors for the terms stated in this Section. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the Declaration, the Owners shall elect five (5) Directors for a term of one (1) year each.

8.2 Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by the majority of the remaining

Directors and will hold office until his successor is elected by the Owners, who may make such election at the next annual meeting of the Owners or at any special meeting called for that purpose.

9. ELECTION OF DIRECTORS. Election to the Board of Directors shall be as hereinafter provided. At such election, the Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Those persons receiving the largest number of votes shall be elected.

10. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

10.1 Powers of Board of Directors. The Board of Directors shall have power:

(a) To call special meetings of the Owners whenever it deems necessary and it shall call a meeting at any time upon request as provided in Paragraph 13.1 hereinafter;

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Owner, officer or director of the Association in any capacity whatsoever;

(c) To establish, levy and assess, and collect, assessments or charges;

(d) To adopt and publish Rules and Regulations governing the use of the Common Areas and facilities and the personal conduct of the Owners and their guests thereon;

(e) To exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to the Owners in the Certificate of Incorporation, these By-Laws or the Declaration;

(f) In the event that any member of the Board of Directors shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board of Directors may, by action taken at the meeting during which said third absence occurs, declare the office of said director to be vacant;

(g) To appoint an Executive Committee of three (3) directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee; and

(h) To establish the Architectural Review Committee pursuant to the Declaration.

10.2 Duties of the Board of Directors. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and corporate affairs;

(b) To cause to be kept current copies of the Declaration, By-Laws, other rules concerning the Association and the Property, and the books, records and financial statements of the Association and to provide for inspection of the same by Owners and lenders during normal business hours or under reasonable circumstances;

(c) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

(d) To fix the amount of the assessment against each Lot and Amenity User for each assessment period at least thirty (30) days in advance of such date or period;

(e) To prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner;

(f) To send written notice of each assessment to each Owner and Amenity User subject thereto;

(g) To cause to be kept an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Property and Common Areas which the Association may be obligated to maintain. Said fund is to be established and maintained out of regular assessments for Common Expenses; and

(h) To issue a certificate setting forth whether any assessments have been paid, as set forth in the Declaration.

11. DIRECTORS' MEETINGS

11.1 The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors with ample notice given to each member.

11.2 Ten (10) days' written notice of such annual meeting shall be given to each director.

11.3 Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) directors after not less than three (3) days' notice to each director.

11.4 The transaction of any business at any meeting of the Board of Directors, however called and noticed or whenever held, shall be as valid as through made at a meeting duly held after regular call

and notice if a quorum is present, and if either before or after the meeting, each of the directors not present signs a written waiver of notice, or consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

11.5 The majority of the Board of Directors shall constitute a quorum thereof.

12. OFFICERS

12.1 The officers shall be a president a vice-president, a secretary and a treasurer. The president shall be a member of the Board of Directors; all other officers may be, but shall not be required to be, members of the Board of Directors.

12.2 The officers shall be chosen by a majority of the Directors.

12.3 All officers shall hold office during the pleasure of the Board of Directors.

12.4 The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

12.5 The vice-president shall perform all the duties in the absence of the president.

12.6 The secretary shall be ex officio the secretary of the Board of Directors, record the votes and keep the minutes of all proceedings in a book to be kept for that purpose, sign all certificates of membership, keep the record of the Association, and record in a book kept for that purpose the names of all members of the Association, all Amenity Users and their addresses.

12.7 The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the president or vice-president.

12.8 The secretary and the treasurer shall have the right to delegate the duties stated above to a management agent retained by the Association to manage its affairs.

13. MEETINGS OF MEMBERS

13.1 Special meetings of the members for any purpose may be called at any time by the president, vice-president, secretary or treasurer, or by any two (2) or more members of the Board of Directors, or upon written request of twenty-five (25%) percent of the total vote of the Association.

13.2 Notice of any meetings shall be given to the Owners by the secretary. Notice may be given to each Owner either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his address as designated in writing to the Association, or if no address has been so designated, at the addresses of such Owner's respective Lot or Dwelling Unit. Notice of any meeting, regular or special, shall be mailed not more than forty-five (45) days nor less than fifteen (15) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declaration applicable to the Property, or any action for which other provision is made in these By-Laws, notice of such meeting shall be given or sent as therein or herein provided.

13.3 The presence at the meeting of the Owners entitled to cast or of proxies entitled to cast over fifty (50%) percent of the total votes of the Association shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Declaration applicable to the Property shall require a quorum as therein provided.

14. INSURANCE

14.1 The Board of Directors or its duly authorized agent shall have the authority to and shall obtain and continue in effect insurance for all the Common Areas, insuring same against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or construction work in the event of damage or destruction from any hazard reasonably insured against under the standard form policies of common use in beach areas for the State of South Carolina. The Board of Directors shall also obtain a broad form public liability policy covering all Common Areas and all damage or injury caused by negligence of the Association or any of its agents. Premiums for insurance obtained by the Board of Directors for the Common Areas shall be a part of the Common Expenses.

14.2 In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrent of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Property to as good a condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency

with the provisions agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors with the consent of the mortgagees of such damaged or destroyed property. The Board of Directors shall obtain reliable and detailed estimates from any licensed contractors for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same conditions as formerly, the Board of Directors shall levy a special assessment against all Owners. In the event that such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be retained by and for the benefit of the Association.

14.3 It shall be the individual responsibility of each Owner to provide at his own expense as he sees fit homeowner's liability insurance, theft and other insurance covering personal property damage and loss with respect to his own Dwelling.

15. CORPORATE SEAL. The secretary may have a seal in circular form having within its circumference the name of the Association, the year of its organization, and the words "Corporate Seal, South Carolina."

16. AMENDMENTS

16.1 As set forth in the Declaration, these By-Laws may be amended or repealed and new By-Laws adopted by at least two-thirds (2/3) of the total votes in the Association being cast in favor of such amendment at a regular or special called meeting of the Association or by Declarant during any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

16.2 In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control, and in the case of any conflict between the deeds from Declarant to Owners and these By-Laws, the deeds shall control.

17. FISCAL YEAR. The fiscal year of the Association shall be determined by the Board of Directors.

18. GENERAL. All meetings of the membership of the Association and the Board of Directors shall be conducted in accordance with Roberts' Rules of Order (latest edition).

Signed this _____ day of _____, 1984.

WITNESSES:

ATLANTIC POINTE PROPERTY OWNERS
ASSOCIATION, INC.

By: _____

Attest: _____

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

}
}

PROBATE

PERSONALLY appeared before the undersigned Notary Public _____, who, having first been duly sworn, states on oath that he saw the within named Atlantic Pointe Property Owners Association, Inc. by its duly authorized officers, as its act and deed, sign, seal and deliver the within and foregoing By-Laws, and that he with _____ witnessed the execution thereof.

Witness

SWORN TO before me this _____

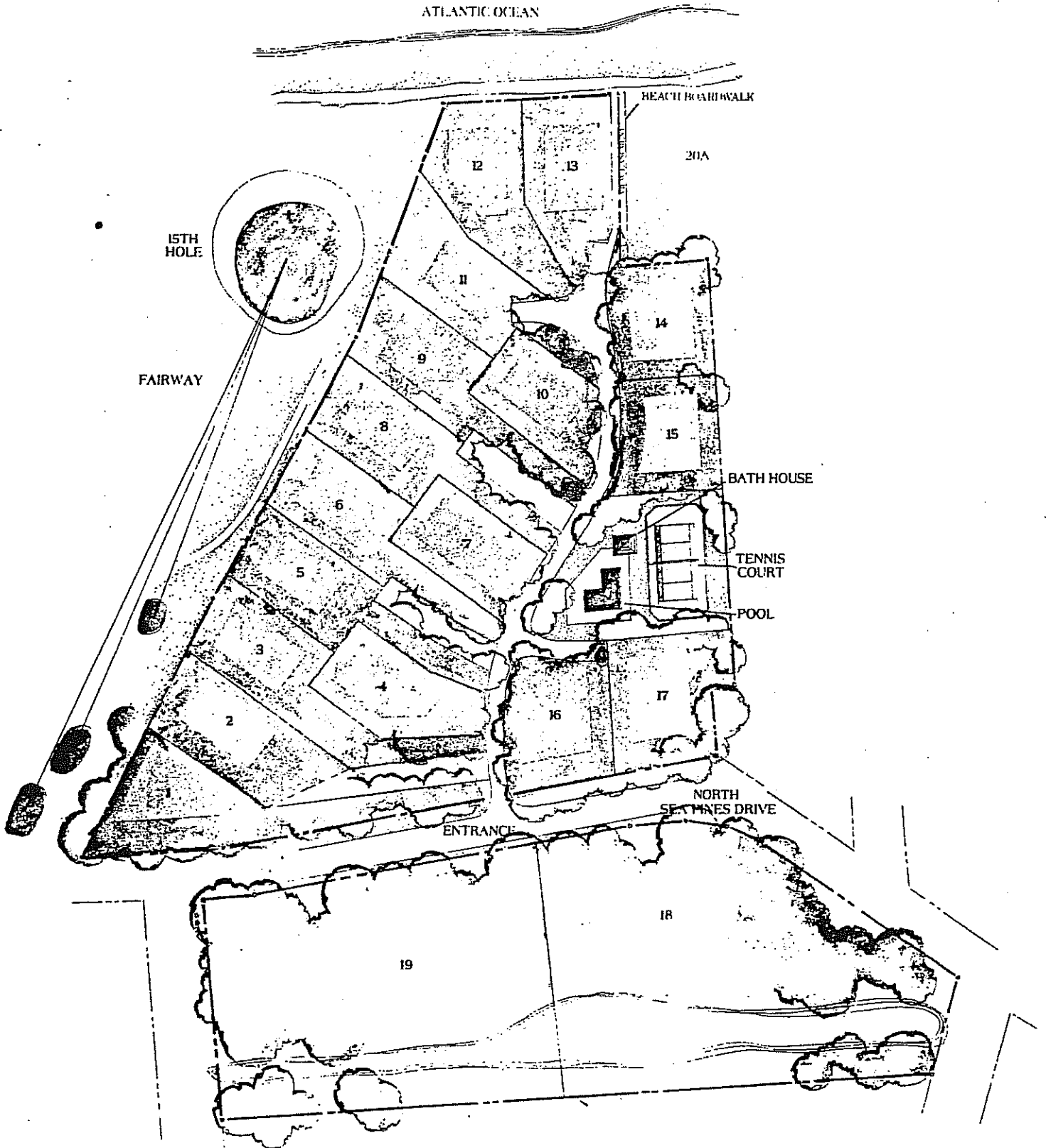
day of _____, 1984.

(L.S.)

Notary Public for South Carolina

My Commission Expires:

ATLANTIC OCEAN



All information contained herein concerning Atlantic Pointe has been prepared by the developers for the sole purpose of illustrating the general plans, timing, location, and approximate uses and acreages of the project. The developers expressly reserve the right to modify, amend, or change said plans, uses, timing, location, and acreages.