

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

1128

FOLLY FIELD ASSOCIATES

TO

MASTER DEED

FIDDLER'S COVE BEACH AND  
RACQUET CLUB HORIZONTAL  
PROPERTY REGIME

HORIZONTAL PROPERTY REGIME

This Master Deed is made, published and declared by Folly Field Associates (hereinafter referred to as "Developer"), a limited partnership, organized and existing under the laws of the State of Georgia, with its principal office and place of business at 14 East State Street, Savannah, Georgia 31412, this 25<sup>th</sup> day of February 1981.

ARTICLE I. ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME.

The purpose of this Master Deed is to establish, pursuant to the Horizontal Property Act of the State of South Carolina, Chapter 31 of the South Carolina Code of Law, 1976, (hereinafter referred to as "The Act") a horizontal property regime to be known as Fiddler's Cove Beach and Racquet Club Horizontal Property Regime (hereinafter referred to as the "Regime"). The land and improvements to be submitted to the provisions of The Act and to the terms of this Master Deed are described in their totality in Article III as the Condominium Property. Developer by filing of record this Master Deed publishes and declares that the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of The Act and in accordance with the covenants, restrictions, encumbrances, and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

ARTICLE II. DEVELOPMENT PLAN.

Section 1. Developer intends to develop the Master Tract hereafter designated and shown in Exhibit "A" in phases, which are referred to and described in this Master Deed as Phases I through VIII. The units in Phase I consisting of 60 Villas have been completed and are hereby submitted to condominium ownership and to the provisions of this Master Deed and the Horizontal Property Act of the State of South Carolina. The maximum number of units within each phase of development and the estimated dates by which Developer (and owners of property comprising proposed Phase VIII) will elect whether or not it will proceed with and/or submit each phase, shall be as set forth in Exhibit "A". Phases II through VIII may hereafter be incorporated as a part of this Regime by amendment to this Master Deed in accordance with Article XIII

Section 2. Developer hereby reserves the right in its sole discretion whether or not to elect to develop and to submit to this Regime, as provided in Article XIII, any, all, or portions of Phases II through VII, in any order it so desires, and the owners of the real property designated as proposed Phase VIII on Exhibit "A" have an option to submit their property to this Regime and will make an election whether or not they will submit to this Regime by the date stated in Exhibit "A". The Owners by purchasing and accepting a Villa hereby acknowledge that construction and dedication by the Developer of the additional phases contemplated hereby shall diminish the percentage of ownership in the Common Elements as described and provided herein and in other applicable portions of this Master Deed.

ARTICLE III. THE CONDOMINIUM PROPERTY.

Section 1. Land. Developer owns in fee simple the tract of land

consisting of Phase I, which contains 3.85 acres, described in Exhibit "B" of this Master Deed, said land being more particularly shown as Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, Phase I, on a plat recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 29, Page 76, a copy of said plat being designated herein as Exhibit "C". The property so described and designated is hereby made subject to all utility easements and rights-of-way which appear of record in the Office of the Clerk of Court for Beaufort County, South Carolina, to easements and rights-of-way hereafter granted for installation, operation, and maintenance of electric and telephone distribution lines and accessory equipment and to easements now or hereafter granted to any Public Service District or utility company for the installation, operation, and maintenance of water, gas and sewer lines and accessory equipment.

Section 2. Villas. Developer has constructed, upon the Land described in Exhibit "B" of this Master Deed, five (5) three-floor buildings enclosing sixty (60) condominium units (hereinafter referred to as "Villas"). There is one basic type Villa in Phase I of the Regime, being a two bedroom, two baths, and a two bedroom, two baths, reversed. The five buildings included in Phase I committed to condominium ownership hereby are designated as buildings 1, 2, 3, 4, and 5. Each building contains three floors with four villas on each floor, for a total of 12 Villas per building. The site locations of the buildings in Phase I and the location and floor plans of the Villas within those buildings are shown and contained in Exhibit "C" attached hereto and incorporated herein. The Villas are more particularly described in Exhibit "D" attached hereto and incorporated herein. For the purpose of identification, all Villas in the buildings located in the Horizontal Property Regime are identified alphabetically and numerically and are delineated and described in the exhibits attached hereto. No Villa bears the same number as does any other Villa. Said number is also the identifying number as to the Villa owner's undivided share of the common elements, vote, common surplus and obligation for common expenses and other assessments. Said buildings and Villas therein and other improvements are constructed substantially in accordance with such plot plans, descriptions and surveys.

Section 3. Common Elements. The Common Elements, all of which shall be general, (as defined in The Act), of the entire Condominium Property, exclusive of the Villas, as shown on the Plans contained in Exhibit "C" of this Master Deed, shall include without limitation the following:

3.1 The land upon which the buildings enclosing the Villas are situated; the foundations; roofs; perimeter walls, load-bearing interior walls and partitions; slabs; supporting structure between floor levels in the same buildings; halls; lobbies; stairways; pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above; and all easements, rights, and hereditaments appurtenant to the Land described in Exhibit "B" and shown on the Plat contained in Exhibit "C".

3.2 Parking facilities located on the Condominium Property, which parking facilities consist of approximately 35,910 square feet and as shown on the Plat contained in Exhibit "C".

3.3. All roads, walkways, streetings, paths, trees, shrubs, yards, gardens, and landscaping located upon the land.

3.4 All installations outside of the Villas for services such as power, light, telephone and water.

3.5 All sewer and drainage pipes excluding those which are property of any Public Service District or utility company.

3.6 Tennis courts and/or other recreational/commercial facilities located upon the Land.

3.7 All other elements of the Condominium Property constructed or to be constructed on the Condominium Property, rationally of common use or necessary to its existence, maintenance and safety, and in general all other devices or installations existing for common use.

BEAUFORT COUNTY DEVELOPMENT STANDARDS

- FINAL PLAN APPROVAL -

This is to certify that the Beaufort County Joint Planning Commission has found the site plan shown hereon to be in compliance with the Beaufort County Development Standards, Ordinance and has authorized issuance of a development permit.

Date of Planning Commission approval *April 2, 1970*

Development Permit # *0177*  
Certified by *[Signature]*

ARTICLE IV. DEFINITIONS.

Certain terms when used in this Master Deed and its exhibits shall have the following meanings unless the context clearly requires otherwise:

- (1) "Assessment" means that portion of the Common Expenses which is to be paid by each Villa Owner in proportion to his percentage interest in Common Elements.
- (2) "Council of Co-Owners" means the entity responsible for operation and management of the Condominium Property; and shall initially be an unincorporated association composed of all Villa Owners, constituting the entity referred to in the Horizontal Property Act (hereinafter referred to as "Council").
- (3) "By-Laws" means the rules and procedures prescribed for government of the Council which are attached to this Master Deed as Exhibit "G". All references to "By-Laws" shall be construed to include amendments to the By-Laws duly adopted from time to time.
- (4) "Board of Directors" means the body of persons selected, authorized and directed to manage and operate the Condominium Property and the affairs of the Council, as provided by this Master Deed and the By-Laws, (hereinafter referred to as "Board").
- (5) "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or combination thereof, who owns a Villa within the building. This term is sometimes used throughout this Master Deed interchangeably with the term "Villa Owner".
- (6) "Common Elements" means all those portions of the Condominium Property not included within the Villas, and as are more particularly described in Article III, Section 3.
- (7) "Common Expenses" means the actual and estimated expenses of operating and managing the Condominium Property, including reasonable reserves, as determined by the Board of Directors.
- (8) "Common Surplus" means the excess of all receipts of the Council, including but not limited to assessments, rents, profits, and revenues from the Common Elements, over the amount of Common Expenses.
- (9) "Condominium Property" means the Land described in Exhibit "B", the buildings, Villas and other improvements constructed upon the Land, real, personal or mixed, intended for use in connection with this Horizontal Property Regime.
- (10) "Horizontal Property Act" means the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976. All references to the "Horizontal Property Act" shall be construed to include any amendments to the Horizontal Property Act adopted and enacted from time to time.
- (11) "Land" means the tract of land designated as Phase I Land and described in Exhibit "B", together with all easements and rights appurtenant thereto. If this Master Deed is amended to include any subsequent Phase or Phases in the Condominium Property, the term "Land" shall include both Phase I and the tract or tracts of land designated as Phase II or any subsequent Phase.
- (12) "Master Tract" means that certain tract of land designated as Master Tract in Exhibit "A".
- (13) "Person" means a natural person, a corporation, partnership, trustee, or other legal entity.

(13)(a) "Phase" means the same as "stage" (of development) as referred to in the Horizontal Property Act.

(14) "Phase I" means the 3.85 acre tract of land ("Land") described in Exhibit "B" as Phase I Land; the five (5) buildings constructed upon the Land covering a ground area of 18,560 square feet, situated and shown on the Plat of the Condominium Property contained in Exhibit "C"; the sixty (60) Villas enclosed within such buildings which are described verbally in Articles III, Section 2, and Exhibit "D" of this Master Deed and which are portrayed graphically on the Plans contained in Exhibit "C"; and all other improvements and property, real, personal, and mixed, situated upon or appurtenant to the Land, which are made part of Fiddler's Cove Beach and Racquet Club Horizontal Property Regime by this Master Deed.

(15) "Plans" means the floorplans and elevations depicting the design, layout, and dimensions of the Villas, which have been prepared and certified by an architect duly authorized and licensed to practice in the State of South Carolina, and which are contained in Exhibit "C" of this Master Deed.

(16) "Plat" means the physical survey of the completed improvements of which Phase I is composed, prepared by Hussey, Gay and Bell, Consulting Engineers, showing the dimensions and site locations of the buildings, the sixty (60) Villas, the parking areas, roads, walkways, and other improvements in Phase I of the Regime. All reference to the Plat shall be construed to mean the Plat entitled "Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, Phase I", recorded in Plat Book 29, Page 76, Office of the Clerk of Court for Beaufort County, South Carolina, a reduced copy of which is contained in Exhibit "C" of this Master Deed.

(17) "Villa" means one of the dwelling units defined in Article III Section 2, and as described in Exhibit "D" attached hereto. The floor plan and dimensions of each are as shown in the Plans contained in Exhibit "C".

(18) "Villa Owner" means the person or persons owning one or more of the Villas and is sometimes used interchangeably throughout this Master Deed with the term "Co-Owner".

#### ARTICLE V. FIDDLER'S COVE BEACH AND RACQUET CLUB COUNCIL OF CO-OWNERS.

Section 1. Formation. Every Villa Owner shall be a member of the Council of Co-Owners of Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, which initially shall be an unincorporated association known as "Fiddler's Cove Beach and Racquet Club Council of Co-Owners". The Council shall be managed by a Board of Directors elected by and from the Villa Owners, except as may be otherwise provided in the By-Laws.

Section 2. By-Laws. The affairs of the Council and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the By-Laws of the Council, a copy of which is attached hereto as Exhibit "G". The By-Laws of the Council may be amended from time to time but only in the manner expressly provided in the By-Laws.

Section 3. Voting. For each Villa owned, one person (who shall be the Villa Owner if only one person owns the Villa) shall be designated and known, and is hereinafter referred to, as the "Voting Member". If a Villa is owned by more than one person, the Co-Owners of said Villa shall designate one of them as the Voting Member or in the case of a corporate, partnership, or trust Villa owner, an officer, partner, trustee, or employee thereof shall be the Voting Member. In any case, the designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Council. The vote of each Voting Member shall not be devisible. Any motion shall carry if it receives the affirmative vote of a simple majority of Voting Members, unless a different majority is specified in this Master Deed or in the By-Laws. By reason of all of the Villas having an equal value with relation to the property as a whole, there shall be

appurtenant to each Villa one vote which shall be voted by the Voting Member on all matters relating to the Council or the Condominium Property upon which a vote is taken. Additional phases may be added to the Horizontal Property Regime as herein provided; however, each additional Villa added by such phase(s) shall likewise have an equal value with each of the Villas already included in the Regime and by reason thereof, whether any additional phases are added or not, there shall be appurtenant to each Villa one vote which shall be voted by the Voting Member of that Villa. The proportionate representation for voting purposes and the percentage of the undivided interest in the Common Elements provided in Exhibit "E" shall not be altered without the acquiescence of the Villa Owners expressed in an amendment to this Master Deed as provided in Article XII, except as otherwise provided in Article XIII with regard to the amendment of this Master Deed to admit any, all, or portions of the proposed phases of development into this Regime.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Council in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Villa Owners. A copy of such agreements shall be made available at the office of the Council for review by each Co-Owner.

Section 5. Management Agent. The responsibility for administration of the Condominium Property may be delegated by the Council to a professional management agent. By proper resolution of the Council, such a management agent may be authorized to assume any of the functions, duties, and powers assigned to the Board of Directors in the By-Laws or in this Master Deed.

Section 6. Incorporation. Nothing in this Master Deed shall preclude the Council from incorporating under the laws of the State of South Carolina if a requisite majority of the Council duly resolved to incorporate. In the event of such incorporation, the percentage of stock ownership of each Co-Owner in the corporation shall be equal to the percentage of his right to share in the Common Elements as set forth in Exhibit "E".

#### ARTICLE VI. VILLAS: OWNERSHIP AND USE.

Section 1. Ownership of Villas. Each Villa, together with its undivided interest in the Common Elements, shall constitute a separate parcel of real property; and each Villa Owner shall be entitled to exclusive ownership and possession of his Villa, subject to (i) the provisions of this Master Deed and the easements, restrictions, covenants, and encumbrances set forth herein; (ii) utility easements and survey set forth in Article III hereof; (iii) the By-Laws of the Council, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Council or its Board of Directors pursuant to the By-Laws; and (iv) the Horizontal Property Act of the State of South Carolina. Notwithstanding the foregoing, nothing contained in this Master Deed shall be construed to restrict the Developer or any successor in interest to the Developer from selling and/or conveying any Villa in this or future phases under any plan of multiple use, interval ownership or time-sharing arrangement.

Section 2. Legal Description. Each Villa may be sufficiently described for purposes of deeds, mortgages, leases, and other conveyances by referring to its designated unit number and by reciting that it is part of "FIDDLER'S COVE BEACH AND RACQUET CLUB HORIZONTAL PROPERTY REGIME" as established by this Master Deed. The conveyance of an individual Villa shall be deemed to convey the undivided interest in the Common Elements appurtenant to that Villa. The ownership of an undivided interest in Common Elements appurtenant to a Villa shall be inseparable from the Villa, and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Villa.

Section 3. Maintenance and Repair. In addition to the rights and obligations of each Villa Owner regarding the use of Villas as set forth in the By-Laws attached hereto as Exhibit "G", every Villa Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors and other elements of his Villa as described in

Exhibit "D". However, no Villa Owner shall make structural modifications or alterations to his Villa, without obtaining the prior written approval of the Board of Directors. Written notice of any intended modifications shall be given to the Board of Directors, setting forth details and requesting approval. The Board of Directors shall consider the request and decide whether approval shall be granted. Failure of the Board of Directors to approve or disapprove such modification within sixty (60) days after being submitted in writing shall constitute approval. Nothing in this section shall relieve any Villa Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Villa Owner shall undertake to modify any portion of the Common Elements.

ARTICLE VII. COMMON ELEMENTS: OWNERSHIP AND USE.

Section 1. Ownership of Common Elements. Each Villa Owner shall own as an appurtenance to his Villa an undivided interest in Common Elements as specified in Exhibit "E" under the column captioned "Phase I Only". All the Villas, which are identical in size and specifications, have an equal value with relation to the total value of the Condominium Property as a whole. In the event this Master Deed is amended to incorporate any subsequent Phase or Phases into the Condominium Property, the Common Elements will be expanded to include the Common Elements of such Phase or Phases, and each Villa Owner in Phase I and any subsequent Phase so included will own as the appurtenance to his Villa an undivided percentage interest in the combined Common Elements of Phase I and any subsequent Phase or Phases so included which is specified in Exhibit "E" under the appropriate columns. The percentage interests specified in these columns represent the percentage of ownership of each Villa Owner in the Common Elements for each Phase in proportion to the total value of the Condominium Property in all Phases. Developer reserves the right to amend Schedule "E" as provided in Article XIII, provided that in any case each Villa Owner shall own a percentage interest in the Common Elements represented by the value of his Villa in proportion to the total value of the Condominium Property in the Regime, said value to be an equal value for all Villas (for computing percentage interest in Common Elements).

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XIV, and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning of Article XI, the Common Elements shall remain undivided; and no Villa Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Villa Owner shall have the right to use the Common Elements for their intended purposes in common with all other Villa Owners. Each Villa Owner shall have also a non-exclusive easement appurtenant to his Villa for ingress and egress over the Common Elements for access to and from his Villa, which shall extend to the family members, agents, servants, tenants and guests of the Villa Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the By-Laws of the Council, and all rules and regulations adopted by the Council pursuant to the By-Laws.

3.1 Parking spaces are located within the Common Element parking areas shown and designated in Exhibit "C". No parking spaces shall be assigned to any particular Villa nor shall they be numbered unless mutually agreed to by a majority vote of the Council.

3.2 The Developer shall have the right to use a portion of the Common Elements of the Condominium Property for the purposes of aiding in the sale of units including the right to use portions of the Condominium Property for parking for prospective purchasers and such other parties as the Developer determines. The foregoing rights shall also include the right to erect and display signs, billboards, and placards, store and keep and exhibit same, and distribute audio, visual and/or written promotional material upon the Common Elements of the Condominium Property. Further, the

BEAUFORT COUNTY DEVELOPMENT STANDARDS

- FINAL PLAN APPROVAL -

This is to certify that the Beaufort County Joint Planning Commission has found the site plan shown hereon to be in compliance with the Beaufort County Development Standards Ordinance and has authorized issuance of a development permit.

Date of Planning Commission approval: April 27, 1980

Development Permit # 0177  
Certified by [Signature]

Developer shall have the paramount right and the sole discretion to use any unsold Villa which it owns as a sales office and/or as a model Villa.

Section 4. Operation and Maintenance. The maintenance, repair, replacement, management, operation and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expenses. The Board may, however, delegate these duties to a management agent.

ARTICLE VIII. COMMON EXPENSES.

Section 1. Enumeration of Expenses. Each Villa Owner shall bear in proportion to his respective interest in the Common Elements the following expenses:

1.1 Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements.

1.2 Expenses incurred in administering the affairs of the Council including salaries, wages, and any compensation paid to a managing agent for such purpose.

1.3. Expense incurred in providing public liability insurance, directors and officers insurance, hazard insurance and flood insurance adequate to cover the Condominium Property, exclusive of Villa contents and furnishings as provided in Article X of this Master Deed.

1.4 Contributions to provide sufficient working capital and general reserves to operate the Condominium Property and to administer the affairs of the Council.

1.5 Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.

1.6 Any other costs related to the operation of the Condominium Property or administration of the affairs of the Council which are declared by this Master Deed to be Common Expenses, and any valid charge against the Condominium Property as a whole.

Section 2. Assessments. All assessments of Common Expenses shall be fixed by the Board as provided in the By-Laws and made payable at such times as the Board determines, but not less frequently than quarterly.

Section 3. Liability of Villa Owner. No Villa Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or abandoning his Villa.

Section 4. Lien Upon Villa. All assessments of the Council for the share of Common Expenses chargeable to any Villa which are unpaid after becoming due shall thereupon constitute a lien against such Villa prior and superior to all other liens except (i) liens for property taxes upon the Villa in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. The assessments may be collected and/or the lien foreclosed by the Board of Directors acting in behalf of the Council in the manner provided in The Act. The Board on behalf of the Council may bring suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection, including any sums advanced and paid by the Board for taxes and payments on account of a superior mortgage lien or encumbrance.

Section 5. Sales of Villa. Upon the sale or conveyance of a Villa, all unpaid assessments against a Villa Owner for his pro rata share of Common

Expenses shall first be paid out of the sales price or by the purchaser or grantee in preference over any other assessments, charges or liens, except the following:

5.1 Lien for taxes and special assessments upon the Villa which are unpaid.

5.2 Payments due under mortgages upon the Villa which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the mortgagee of a Villa acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Council upon the Villa so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title by such foreclosure purchaser, as is provided in The Act. The unpaid assessments accruing during such period shall be deemed Common Expenses collectible from all Villa Owners, including such foreclosure purchaser, his successors, heirs and assigns. The provisions of this Section, however, shall not release any Villa Owner from personal liability for unpaid assessments.

Section 7. Records. The Board, or a managing agent which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payment, shall be available for examination by the Villa Owners during reasonable business hours.

#### ARTICLE IX. RESTRICTIONS, COVENANTS, EASEMENTS.

Section 1. Covenant to Comply with Restrictions and Obligations. Each Villa Owner by acceptance of a deed to a Villa in this Horizontal Property Regime ratifies and covenants to observe on behalf of himself, his heirs and assigns, the following:

1.1 This Master Deed, the Regime By-Laws, decisions and resolutions of the Council, Board, or their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief.

Section 2. Developer's Right to Grant Certain Easements. The real property submitted to the Horizontal Property Regime herewith and to be submitted, is subject to easements for ingress and egress for pedestrians and vehicular purposes, easements for utility services and drains now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates; and the Developer shall have the right to grant such easements and designate the beneficiaries thereof for such time as is allowed Developer to include additional Phases of development within the Regime as stated in Exhibit "A", attached hereto, and thereafter the Board of the Council of Co-Owners shall be empowered to grant such easements. During the period of time the Developer has the right to grant the foregoing easements, the consent and approval of the Council of Co-Owners and the members thereof shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the buildings and improvements upon the Condominium Property and not being inconsistent with the full use and enjoyment of the Condominium Property by the Villa Owners nor adversely affecting the security of any mortgagee without its written consent.

Section 3. Utility Easements. Each Villa Owner shall have a non-exclusive easement appurtenant to his Villa for the use in common with other Villa Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any other Villa or within the



Common Elements and serving his Villa. Each Villa shall be subject to an easement in favor of the owners of all other Villas to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving other Villas which are located in such Villa.

Section 4. Encroachments. There shall be an easement in favor of the Council to the extent any portion of the Common Elements encroaches upon any Villa, and there shall be an easement appurtenant to any Villa to the extent any portion of the Villa encroaches upon the Common Elements or upon another Villa, whether such encroachment presently exists or occurs hereafter as a result of (i) settling or shifting of or reconstruction of the Common Elements made by the Council or with its consent, (ii) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Horizontal Property Act.

Section 5. Right of Access. The Council shall have the right of access to each Villa during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Villa, or for making emergency repairs within the Villa necessary to prevent damage to the Common Elements or to another Villa. This easement and right of access may be exercised by the Board, by its agents and employees, or by a managing agent to whom the responsibility of maintenance has been delegated. Damages resulting to any Villa because of such maintenance or repairs shall be corrected promptly at the expense of the Council.

Section 6. Public Utility Easements. The Condominium Property is subject to utility easements for installation, operation and maintenance of electric and telephone distribution lines, and for installation, operations, and maintenance of water and sewer lines. After the period of time allowed the Developer to grant such easements has expired, the Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Council

#### ARTICLE X. INSURANCE.

Section 1. Hazard Insurance. The Board of the Council or the management agent if authorized by the Board pursuant to the By-Laws, shall be required to obtain and maintain, blanket property insurance which shall insure for loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by an appraisal which the Board shall make annually. The Board shall have the authority to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover all the buildings and improvements of the Condominium Property, including all of the Villas, the interior partitions and painted surfaces, the carpeting within the Villas, and the bathroom and kitchen fixtures initially installed therein by Developer, (but not including drapes, wall-covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the Villa Owners), together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Regime, the Board of Directors and all Villa Owners and their mortgagees, as their interests may appear, each of which policies where appropriate shall contain a standard mortgagee clause in favor of each mortgagee of the Villa which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Directors. Notwithstanding the foregoing, the hazard insurance policies shall be in the forms and amounts satisfactory to mortgagees holding first mortgages covering the Villas, but without prejudice to the rights of the Villa Owners to obtain additional individual Villa insurance at their own expense and for their own benefit.

1.1 All hazard insurance policies obtained by the Board shall designate the Board as the named insured as Insurance Trustee for the benefit of all the Villa Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Master Deed.

1.2 All hazard insurance policies obtained by the Board shall provide for the issuance of Certificates of Insurance to each Villa Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Villa is located. If a Villa is mortgaged, a Certificate of Insurance shall be issued to the mortgagee(s) bearing a standard mortgage endorsement, if requested.

1.3 If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Council, its agents and employees, and against the individual Villa Owners and their servants, agents and guests, and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Villa Owners upon the contents and furnishings of their Villas.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Council to an individual Villa Owner and to liabilities of one Villa Owner to another Villa Owner.

Section 3. Insurance. The Board is authorized to obtain such additional insurance and for such additional purposes, including Workmen's Compensation if required by law or deemed advisable, to carry out its purposes and/or protect the Regime, the Villa Owners and their mortgagees.

Section 4. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

Section 5. Insurance by Villa Owner. Each Villa Owner shall be responsible for obtaining at his sole expense insurance covering the personal property, decorations and furnishings within his own Villa, and the additions and improvements made by him to the Villa. Each Villa Owner shall also be responsible for the safety of the premises within his Villa. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation to claims against the Council and against individual Villa Owners, as well as their agents, servants, employees, and guests, and (ii) any right of the insurer to contribution or proration because of the master hazard policy.

Section 6. Substitution of Insurance Trustee. The Board in its discretion may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Beaufort County, South Carolina. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

#### ARTICLE XI. RECONSTRUCTION AND REPAIR.

Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article.

Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, unless the Villa Owners unanimously agree to reconstruction, the insurance proceeds received by the Board shall be distributed prorata to the Villa Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Villa Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed prorata among all Villa Owners and their mortgagees jointly in proportion to their respective interest in Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, the Condominium Property shall be reconstructed or repaired in the following manner:

1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Villa Owners holding seventy-five (75%) percent or more of the total interest in Common Elements vote to adopt different plans and specifications and all Villa Owners whose Villas are affected by the alterations and all mortgagees holding first mortgages covering the villas unanimously consent.

1.2 The Board shall promptly obtain estimates of the costs required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for bonds as the Board deems necessary.

1.3 If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Villa Owners whose units are directly affected by the damage in proportion to the value of their respective Villas.

1.4 The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Villa Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Council.

Section 2. Insurance Trust. In the event of casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Council, the Villa Owners, and their respective mortgagees in the following shares:

2.1 Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Villas.

2.2 Insurance proceeds paid on account of loss or damage to less than all of the Villas, when the damage is to be restored, shall be held for the Villa Owners of the damaged Villas in proportion to the costs of repairing each damaged Villa.

2.3 Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Villa Owners, the share of each being equal to the undivided share in Common Element appurtenant to his Villa.

2.4 In the event a Certificate of Insurance has been issued to a Villa Owner bearing a mortgagee endorsement, the share of the Villa Owner shall be held in trust for the mortgagee and the Villa Owner as their interests may appear; provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Villa Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

Section 3. Adjustment. Each Villa Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Council, subject to the rights of mortgagees of such Villa Owners.

ARTICLE XII. Amendments.

Section 1. By Villa Owners. This Master Deed and the By-Laws of the Council may be amended from time to time at a duly held meeting of the Council by the affirmative vote of the Villa Owners holding two-thirds (2/3) or more of the total interest in Common Elements, provided, however, that no amendment shall alter the dimensions of a Villa or its appurtenant interest in Common Elements without the written consent of a Villa Owner affected by the proposed alteration. Except as provided for in Article XIII for the inclusion of future Phases of development, duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Council. The provisions of this Master Deed, the By-Laws of the Council, and all covenants, restrictions, encumbrances, and obligations imposed by this Master Deed will be extended to bind and apply to each Villa Owner and each Villa in any subsequent Phase of development included in the Regime pursuant to Article XIII. No amendment shall change the rights and privileges of Developer, its successors and assigns without the written consent of the Developer, or its successors or assigns.

ARTICLE XIII. AMENDMENT OF MASTER DEED TO INCLUDE SUBSEQUENT PHASES OF DEVELOPMENT

Section 1. Right to Amend to Include Subsequent Phases of Development. Developer reserves the right to annex one or more parcels of additional property within the Master Tract to the Phase I Land and to incorporate such additional parcel(s) of property into the Regime established hereby. (As to the property and improvements shown as proposed Phase VIII on Exhibit "A" and on the plans contained in Exhibit "C", Developer has granted an option to the owners thereof to submit said property to this Regime.) Any such annexations of additional property shall be as hereinafter provided:

1.1 Each parcel of property to be so annexed shall constitute one or more Phases of Development of the Master Tract, as hereinabove defined, and shall contain Villas and Common Elements of the same general design and description as set forth herein and which is generally described in Exhibit "F" attached hereto, except that the building and Villas contained on the parcel designated as Proposed Phase VIII on Exhibit "A" shall be as shown in the plans contained in Exhibit "C".

1.2 The maximum number of units within each Phase of Development shall be as set forth in Exhibit "A" attached hereto.

1.3 The dates by which the Developer (and the owners of proposed Phase VIII submitting such additional property to the Regime) will elect whether or not they will proceed with each Phase of development and/or annex such additional property to the Regime, is set forth in Exhibit "A". (These dates indicate the maximum periods by which Developer must elect to proceed and/or annex additional Phases.)

1.4 A general description of the nature and proposed use of additional Common Elements which the Developer intends to construct

in connection with the addition of future Phases of the development to be submitted to condominium ownership appears in other portions of this document and in Exhibit "F" of this Master Deed. Any such Common Elements associated with or constructed solely with any subsequent Phases should not under normal circumstances or under normal course of events be reasonably expected to substantially increase the proportionate amount of the Common Expenses payable by Owners of Villas in any other Phase. Developer will commence construction of the swimming pool shown on Exhibit "A" adjacent to proposed clubhouse site on or about March 1, 1981.

1.5 The percentage interest in the Common Elements of each Villa Owner at the conclusion of each Phase of Development shall be as set forth in Exhibit "E".

1.6 Each exercise of Developer's rights (and/or the rights of the owners of property designated herein as proposed Phase VIII) under this Article XIII, Section 1, shall be made pursuant to an amendatory declaration filed by Developer (as to annexation of proposed Phase VIII to the Regime, the amendatory declaration shall be filed jointly by Developer and owners of the property comprising Phase VIII) in accordance with the Horizontal Property Act and with Section 2 of this Article XIII.

Section 2. Amendatory Declaration. The amendatory declaration referred to in Section 1.6 above (i) shall contain a plot plan and architect's or engineer's certificate for the Phase or Phases of Development then being annexed to this Regime; (ii) shall set forth the number and type of Villas contained in such Phase or Phases; and (iii) shall set forth the area of the land being annexed, separately setting forth the area covered by buildings containing Villas and that covered by Common Elements. Upon the filing of such amendatory declaration:

2.1 The "Condominium Property" will thereafter include all Condominium Property previously included in the Regime and the land and improvements and appurtenant rights constituting the Phase or Phases of Development then being annexed.

2.2. The Common Elements will thereafter include all Common Elements previously included in the Regime as well as all Common Elements constituting a portion of the Phase or Phases of Development then being annexed. Undivided ownership of all such Common Elements will be apportioned among all Villa Owners in accordance with percentage amounts set forth in Exhibit "E" in the appropriate column thereof.

2.3 All Villas in the Regime as previously constituted and in the Phase of Development then being annexed shall be Villas in the Regime, and all owners thereof shall be Villa Owners hereunder.

2.4 The Council will be expanded to include as members all Villa Owners in the Regime.

2.5 The provisions of this Master Deed, the By-Laws of the Council, and all covenants, restrictions, encumbrances and obligations imposed by this Master Deed will be extended to bind and apply to each Villa Owner and each Villa in the Phase or Phases of Development then being annexed, the intent being that thereupon all Villa Owners, and all property then included under this Master Deed shall constitute one single Horizontal Property Regime under the Horizontal Property Act.

Section 3. Reservations. Developer hereby reserves unto itself, its successors and assigns, the following rights/options to be exercised at its sole discretion:

3.1 The right to change the number of Villas (not to exceed the maximum number for each Phase as shown in Exhibit "A") or the type of Villa

in any Phase of Development not then yet annexed to the Regime, to amend Exhibit "E" hereto and the percentage interests of ownership of Common Elements contained therein accordingly to effect such changes, and then to include any such Phase of Development as so modified in the Regime in accordance with Sections 1 and 2 of this Article XIII.

3.2 To construct upon the property to be annexed to the Regime sales, rental and Regime management offices to be owned by Developer and under its control so long as any Villa in any subsequent Phase remains unsold, after which period said offices will be conveyed by Developer and accepted by the Council without charge; provided, however, Developer reserves the option for itself, its successors and assigns, to lease such offices as it deems necessary for sales and/or rental purposes at a fair market rental price. Said rental option is also reserved in the event Developer decides to convey said offices to the Council and/or submit same to the Regime prior to the time of consummating sales of all the Villas.

Section 4. Constructive Consent. Each purchaser of a Villa by acceptance of a deed subject to the terms of this Master Deed shall be deemed to have consented to the powers of amendment reserved in this Article by Developer. Each mortgagee by accepting a mortgage upon a Villa subject to the terms of this Master Deed shall be deemed also to have consented to the powers of amendment reserved by Developer in this Article.

Section 5. Power of Attorney. Each Villa Owner or mortgagee of a Villa shall further be deemed by acceptance of a deed or mortgage to have appointed and empowered Developer his attorney-in-fact to act in his behalf, without further consent, in making, executing, and filing of record any amendments to this Master Deed necessary to incorporate Phase II and any subsequent Phase of Development into this Horizontal Property Regime.

Section 6. Recording. No amendments to this Master Deed to incorporate additional Phases shall become effective until recorded in compliance with the Horizontal Property Act.

Section 7. Easement. In the event that for any reason Developer, or its successors or assigns, does not elect to include in the Regime all contemplated Phases of Development, but constructs on the Master Tract Villas constituting another Horizontal Property Regime, then Developer reserves for the Owners of Villas in such other Regime (and their guests, tenants and invitees) an easement for the use and enjoyment, in common with the Villa Owners hereunder and their guests, tenants and invitees, of all of the Common Elements hereunder including, but not limited to, the tennis courts, the swimming pool, and clubhouse, reception/sales center and related facilities, provided:

7.1 No more than 484 Villas (including the Villas in this Regime) shall be constructed on the Master Tract and shall have the easement rights described in this Section 7.

7.2 The Regime or Regimes enjoying such easement rights shall share with the Regime hereunder the costs of maintaining the Common Elements hereunder, including, but not limited to, the tennis courts, the swimming pool, and clubhouse and related facilities in the following manner:

7.2.1 If the Villas of such other Regimes are of the same general design and description as the Villas hereunder, then such Villas shall also be deemed to have equal values in relation to its Condominium Property as a whole, and shall have equal percentages of interests in the Common Elements and the costs shall be shared between Regimes in proportion to the total number of Villas in each Regime.

7.2.2 If the Villas of such other Regimes are of another general design, then the costs shall be shared in proportion to the total number of square feet in each Regime.

#### ARTICLE XIV. TERMINATION.

Section 1. Casualty or Condemnation. If two-thirds (2/3) or more

of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article XI or Article XII, as the case may be.

Section 2. Voluntary Termination. This Horizontal Property Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record owners of title to the Villas and the record owners of mortgages upon the Villas agree in a written instrument to termination unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Villa Owners and mortgagees.

Section 3. Ownership After Termination. After termination of this Horizontal Property Regime, the Villa Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Villas shall have mortgages and liens upon the respective undivided common interests of the Villa Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Council, any funds held by the Board, and any insurance proceeds shall also be the property of the former Villa Owners as tenants in common in the same undivided shares as their interests in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any Villa Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Villa Owners in proportion to their respective interests in Common Elements and paid to each Villa Owner and mortgagee.

#### ARTICLE XV. MISCELLANEOUS PROVISIONS.

Section 1. Conflicts. This Master Deed is made and declared in compliance with the Horizontal Property Act. In the event of any conflict between this Master Deed and the provisions of the Horizontal Property Act, the provisions of the statute shall control.

Section 2. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability, or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

Section 3. Gender and Number. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Section 4. Exhibits. All exhibits to this Master Deed shall be an integral part of this instrument.

Section 5. Captions. Captions are inserted in this Master Deed for convenience only and are not to be used to interpret the provisions of this instrument.

IN WITNESS whereof, FOLLY FIELD ASSOCIATES, has caused this Master Deed to be executed in its name by MICHEAL E. YATES, General Partner, this 25th day of February 1981.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

[Signature]  
[Signature]

FOLLY FIELD ASSOCIATES,  
a Georgia Limited Partnership (SEAL)  
By: [Signature]  
MICHEAL E. YATES, GENERAL PARTNER

STATE OF GEORGIA }  
COUNTY OF CHATHAM }

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named FOLLY FIELD ASSOCIATES, a Georgia Limited Partnership, by Micheal E. Yates, General Partner, sign, seal, and as its act and deed, deliver the within written MASTER DEED, and that (s)he along with the other witness whose signature appears above, witnessed the execution thereof.

[Signature]

SWORN to before me this  
25th day of February, 1981.

[Signature] (SEAL)  
NOTARY PUBLIC FOR GEORGIA

ADELE T. QUINNEY  
MY COMMISSION EXPIRES - Notary Public, Georgia State at Large  
My Commission Expires June 8, 1982

BEAUFORT COUNTY DEVELOPMENT STANDARDS  
- FINAL PLAN APPROVAL -

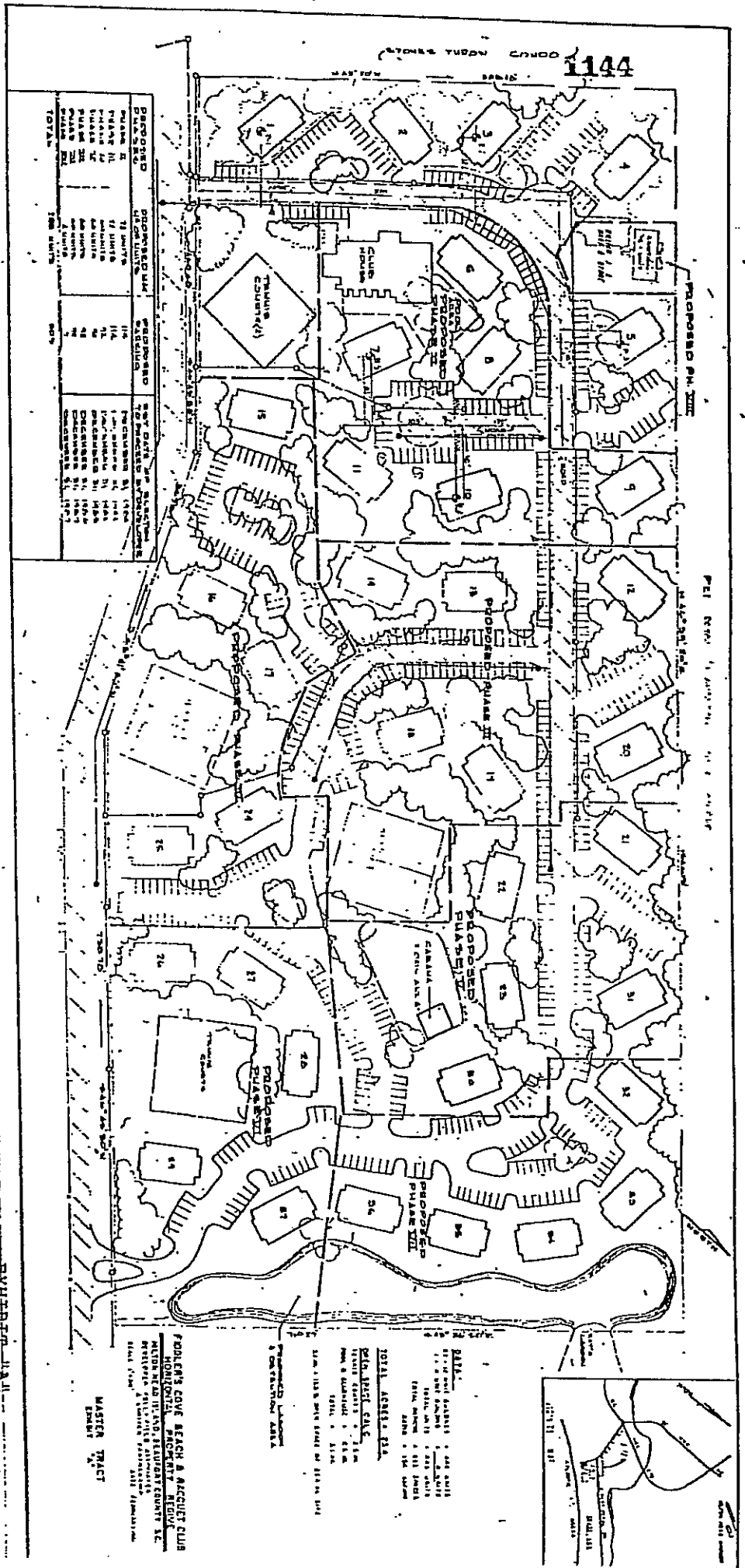
This is to certify that the Beaufort County Joint Planning Commission has found the site plan shown hereon to be in compliance with the Beaufort County Development Standards Ordinance and has authorized issuance of a development permit.

Date of Planning Commission approval Sept. 2, 1980

Development Permit # 0177

Certified by [Signature]  
2/25/81





## EXHIBIT "B"

DESCRIPTION OF PROPERTY OF PHASE I OF  
FIDDLER'S COVE BEACH AND RACQUET CLUB  
HORIZONTAL PROPERTY REGIME

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, and being more particularly shown and described on a plat of Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, Phase I, prepared for Folly Field Associates, a Georgia Limited Partnership, by Hussey, Gay & Bell, Consulting Engineers, dated February, 1981 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 29 at Page 26 (as Exhibit "C"). The tract of land thereon described contains 3.85 acres with all improvements thereon. For a more detailed description as to the courses, metes and bounds of the said Phase I Land, reference is had to the above referred to plat of record, (a reduced copy of which is attached to this Master Deed as Exhibit "C").

TOGETHER with all rights of ingress and egress formerly possessed by Spanish Wells Plantation, Inc. as successor to Southern States Naval Stores Company, to the Atlantic Ocean across that certain tract of land between Sections A, B and C of Folly Field Subdivision and the high water line of the Atlantic Ocean, which tract of land is described in a Declaration recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 78 at Page 68, it being the intention of the grantor herein to convey a non-exclusive right to any rights it may possess under said easement as expressed in the said Declaration.

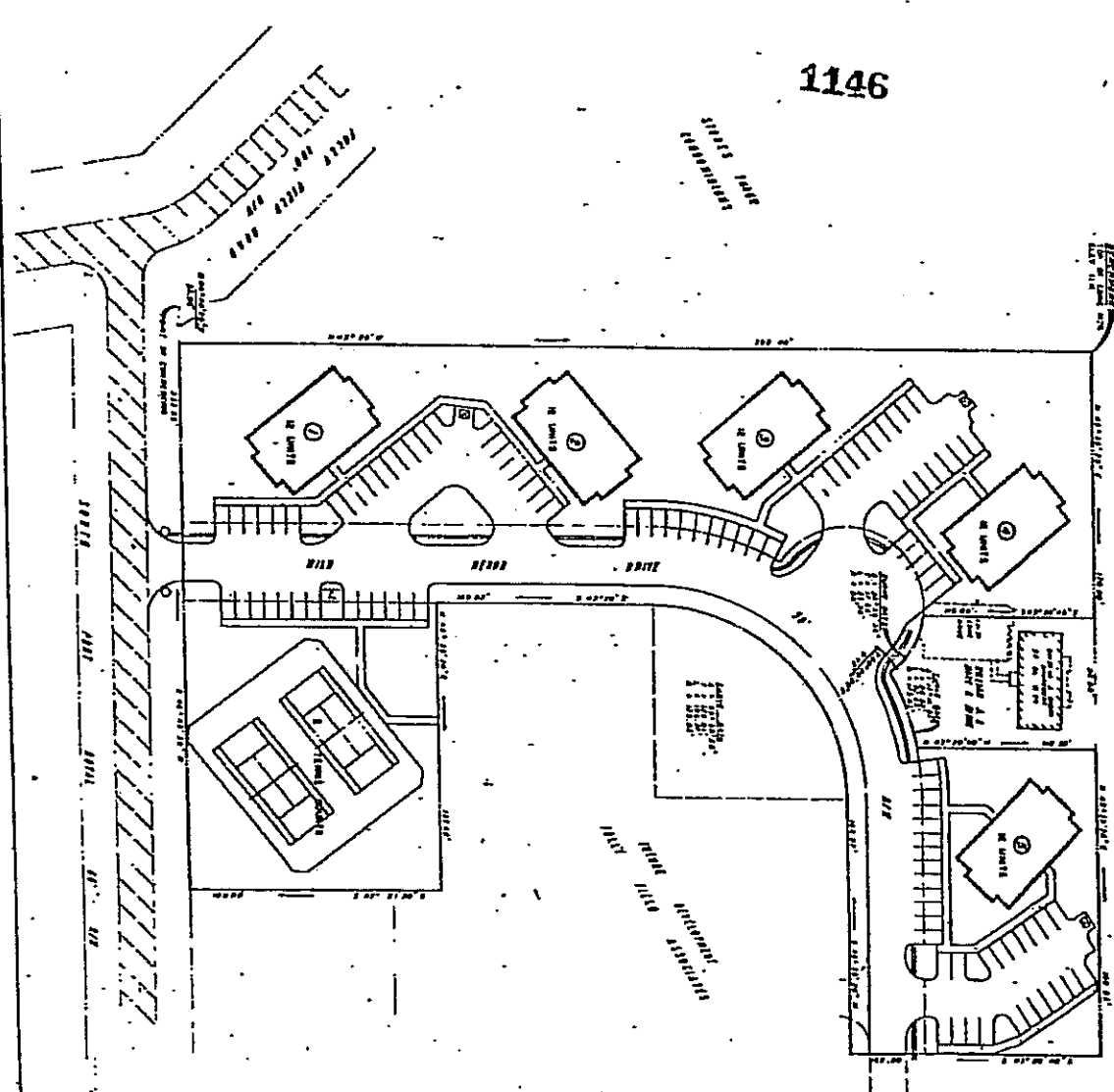
Grantor saves and excepts unto itself, its grantees, successors or assigns, the non-exclusive right of ingress and egress over all roadways shown on the above described plat of Phase I property

The above described property (Phase I Land) is subject to a non-exclusive perpetual right of ingress and egress to that certain parcel shown as Lot No. 8 on a plat recorded in Deed Book 301, Page 1938, from South Port Royal Drive over the 50 foot right-of-way (Wild Heron Drive) shown and described on said plat, said easement of ingress and egress to be for the use of William J. and Mary K. Byrne, their invitees and assigns, and being recorded in Deed Book 301, Page 1945. The said 50 foot right-of-way, over which said easement lies, is also shown and designated as Wild Heron Drive on the plat of Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, Phase I, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 29, Page 26.

The above described Phase I property is further subject to Utility Easements granted to Hilton Head No. 1 Public Service District as described in the granting instrument dated February 19, 1981 and recorded in Deed Book 316, Page 347, Office of the Clerk of Court for Beaufort County, South Carolina.

The Phase I property is a portion of the same property conveyed to Folly Field Associates by Deed from John M. McIntosh, dated December 12, 1973 and recorded December 14, 1973 in Deed Book 216, Page 1148, Clerk's Office aforesaid.

1146



2027 0117 0111 1146111111111111

**GENERAL NOTES:**

- 1. ALL EXISTING UTILITIES TO REMAIN UNLESS OTHERWISE SHOWN.
- 2. ALL DIMENSIONS SHOWN ON THIS PLAN ARE APPROXIMATE.
- 3. ALL DIMENSIONS SHOWN ON THIS PLAN ARE APPROXIMATE.
- 4. ALL DIMENSIONS SHOWN ON THIS PLAN ARE APPROXIMATE.
- 5. ALL DIMENSIONS SHOWN ON THIS PLAN ARE APPROXIMATE.

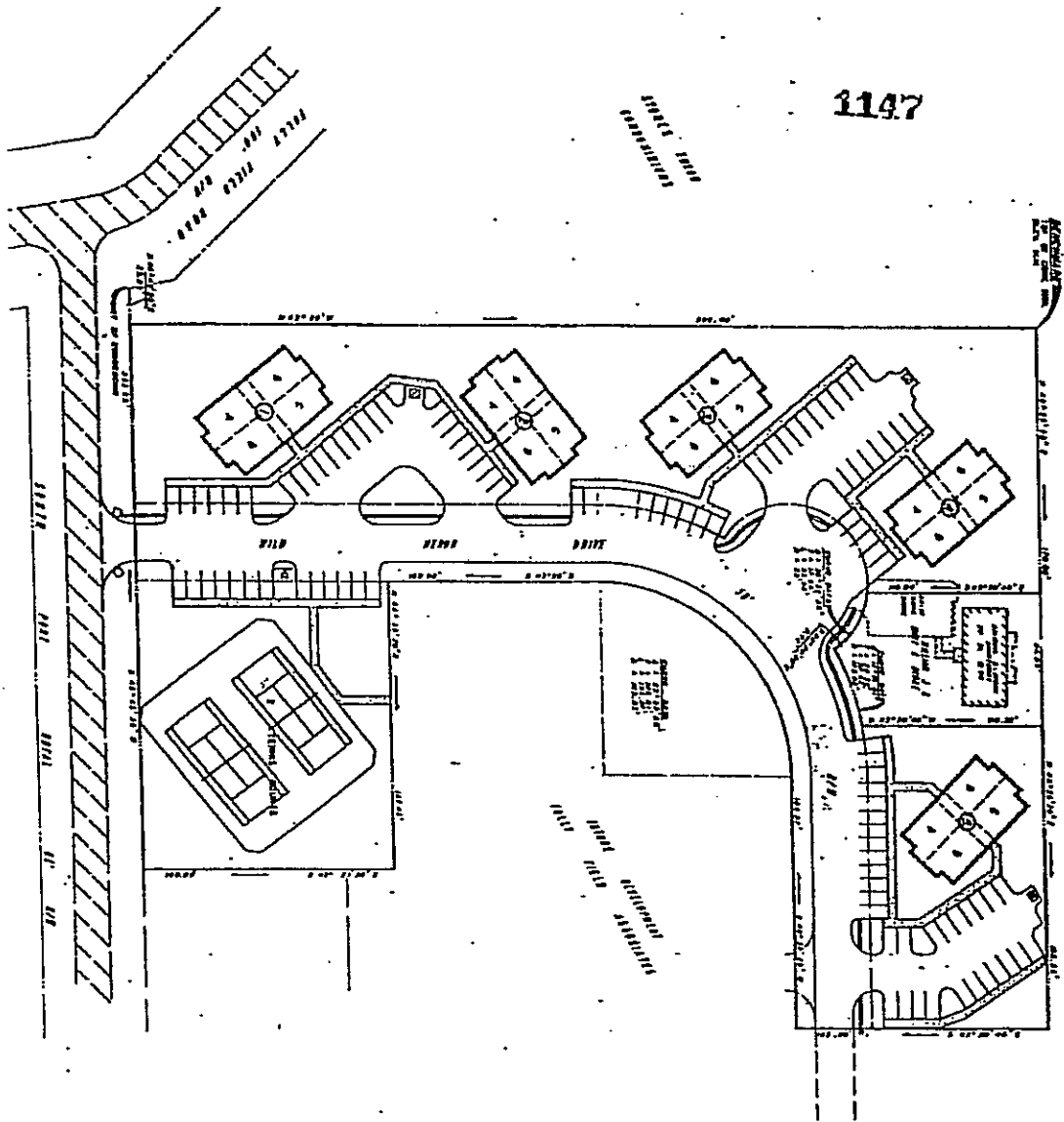
TOTAL AREA: 10,000 SQ. FT.  
 TOTAL GARAGE AREA: 1,000 SQ. FT.  
 TOTAL DRIVEWAY AREA: 1,000 SQ. FT.

**EXHIBIT "C"**

This is a reduced copy of the plat of Phase I recorded in Plat Book 29, Page 76. Schedules attached to said Plat show building and Villa locations and floorplans.

OWNER:	FIDOLEN'S COVE
DEVELOPER:	BEACH & RACQUET CLUB
ARCHITECT:	HORNBURG, PROFFER & MANN
ENGINEER:	WILLIAM W. HARRIS
PLAT NO.:	1146
DATE:	APRIL 11, 1961
SCALE:	AS SHOWN

1147



2000 2017 2021 2025 2030 2035 2040 2045 2050 2055 2060 2065 2070 2075 2080 2085 2090 2095 2100 2105 2110 2115 2120 2125 2130 2135 2140 2145 2150 2155 2160 2165 2170 2175 2180 2185 2190 2195 2200 2205 2210 2215 2220 2225 2230 2235 2240 2245 2250 2255 2260 2265 2270 2275 2280 2285 2290 2295 2300 2305 2310 2315 2320 2325 2330 2335 2340 2345 2350 2355 2360 2365 2370 2375 2380 2385 2390 2395 2400 2405 2410 2415 2420 2425 2430 2435 2440 2445 2450 2455 2460 2465 2470 2475 2480 2485 2490 2495 2500 2505 2510 2515 2520 2525 2530 2535 2540 2545 2550 2555 2560 2565 2570 2575 2580 2585 2590 2595 2600 2605 2610 2615 2620 2625 2630 2635 2640 2645 2650 2655 2660 2665 2670 2675 2680 2685 2690 2695 2700 2705 2710 2715 2720 2725 2730 2735 2740 2745 2750 2755 2760 2765 2770 2775 2780 2785 2790 2795 2800 2805 2810 2815 2820 2825 2830 2835 2840 2845 2850 2855 2860 2865 2870 2875 2880 2885 2890 2895 2900 2905 2910 2915 2920 2925 2930 2935 2940 2945 2950 2955 2960 2965 2970 2975 2980 2985 2990 2995 3000 3005 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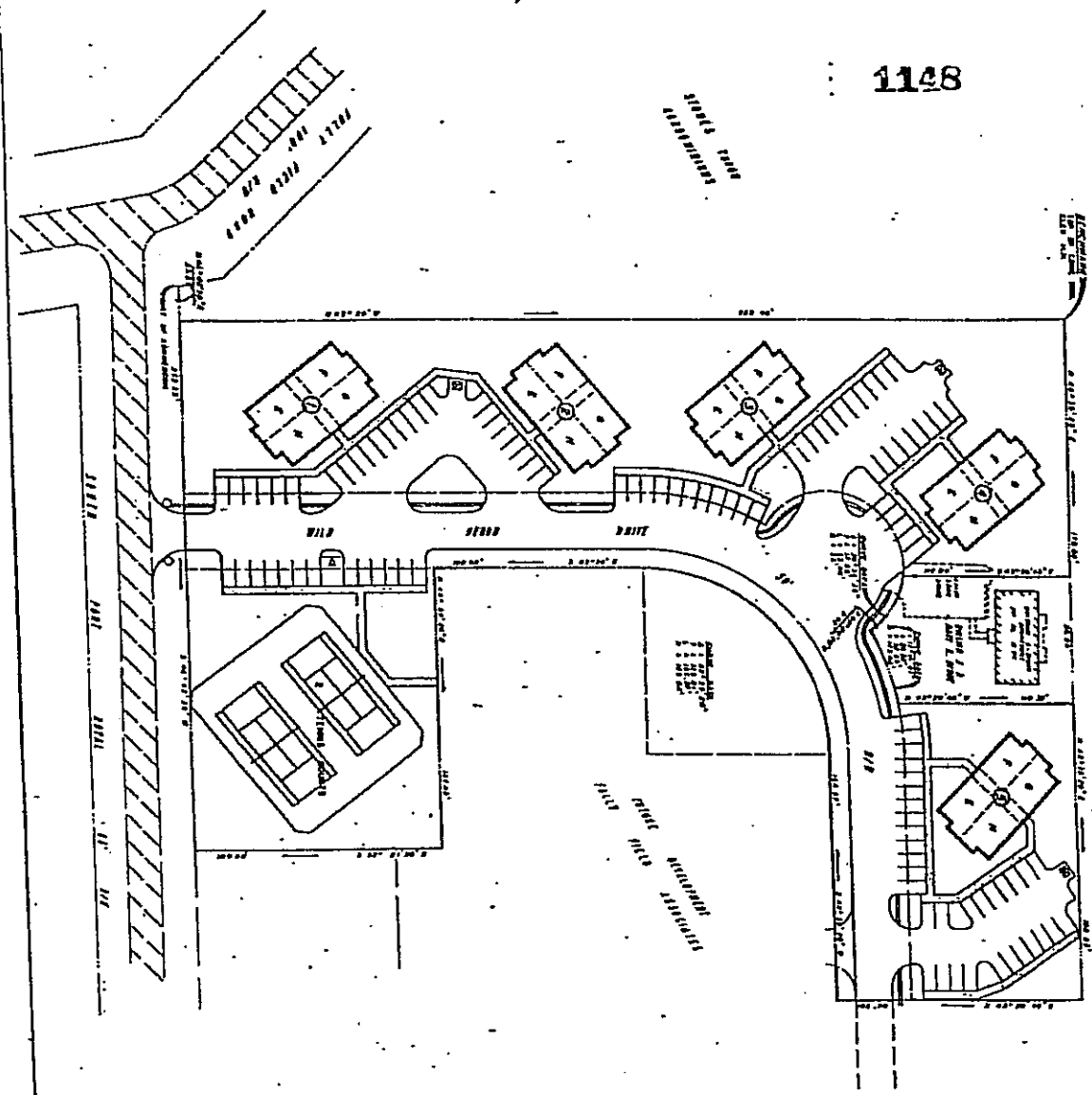


**GENERAL NOTES:**  
 1. ALL DIMENSIONS SHOWN ON THIS PLAN ARE APPROXIMATE.  
 2. ALL DIMENSIONS SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.  
 3. ALL DIMENSIONS SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.  
 4. ALL DIMENSIONS SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.  
 5. ALL DIMENSIONS SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.

**EXHIBIT C, SCHEDULE 1.1  
 (Showing First Level Villas)**

Building location is designated by building number circled in center of each building, and the within Villas are designated alphabetically.

NO.	DESCRIPTION	DATE
1	FOOTER'S COVE BEACH & RACQUET CLUB	
2	FOOTER'S COVE BEACH & RACQUET CLUB	
3	FOOTER'S COVE BEACH & RACQUET CLUB	
4	FOOTER'S COVE BEACH & RACQUET CLUB	
5	FOOTER'S COVE BEACH & RACQUET CLUB	
6	FOOTER'S COVE BEACH & RACQUET CLUB	
7	FOOTER'S COVE BEACH & RACQUET CLUB	
8	FOOTER'S COVE BEACH & RACQUET CLUB	
9	FOOTER'S COVE BEACH & RACQUET CLUB	
10	FOOTER'S COVE BEACH & RACQUET CLUB	



PLAN OF BEACH HOUSES

**GENERAL NOTES:**

1. All ground shown is under the owner's control.
2. All dimensions shown are in feet and inches.
3. All lines shown are in feet and inches.
4. All lines shown are in feet and inches.
5. All lines shown are in feet and inches.

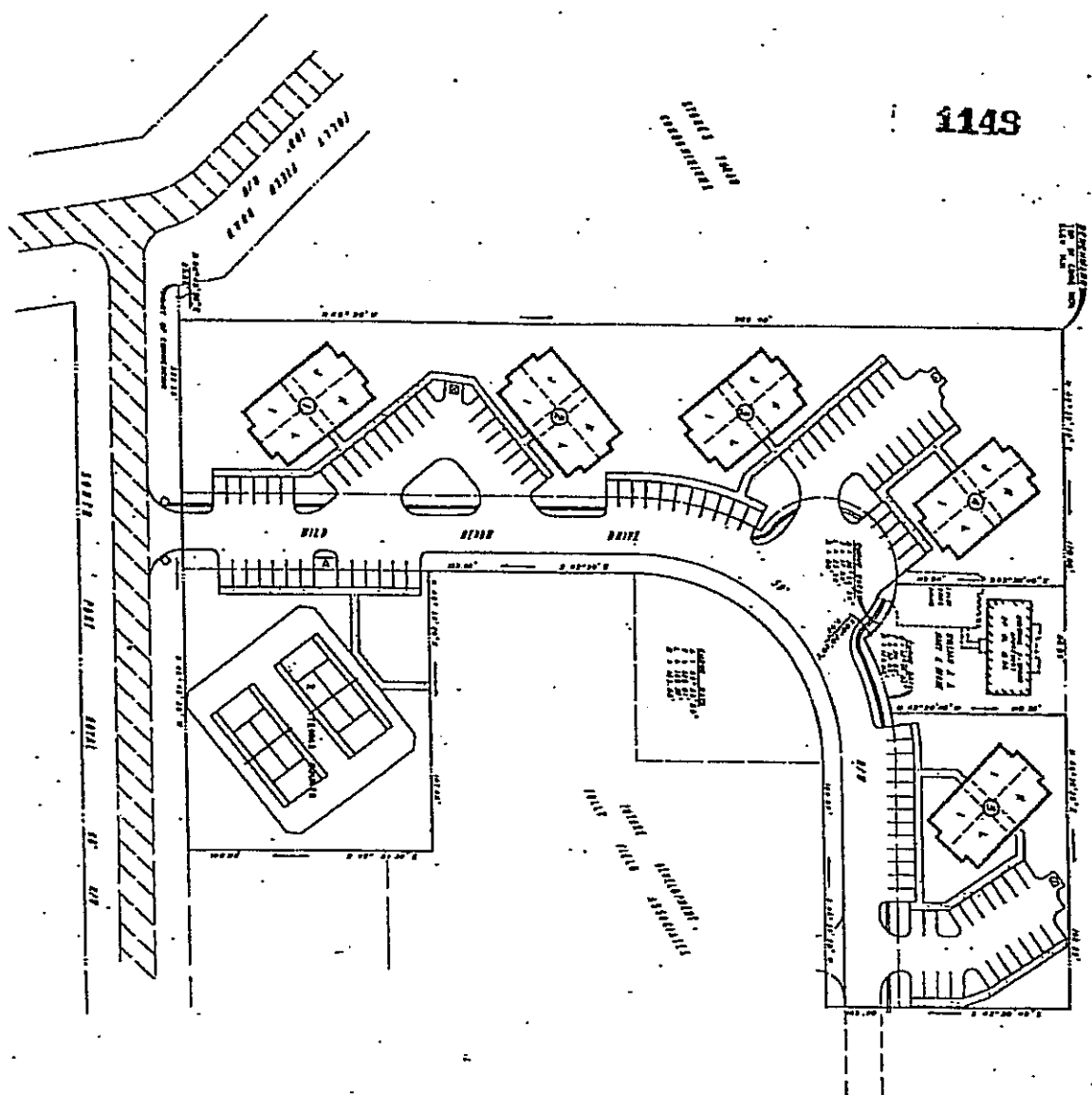
NET AREA 1.25 AC.  
 TOTAL AREA 1.25 AC.  
 TOTAL AREA 1.25 AC.

**EXHIBIT C, SCHEDULE 1.2**  
 (Showing second level Villas)

Building location is designated by building number circled in center of each building, and the within Villas are designated alphabetically.

NO.	DESCRIPTION	AREA	REMARKS
1	FIDDLER'S COVE		
2	BEACH & MOUNTAIN CLUB		
3	BEACH HOUSES		
4	BEACH HOUSES		
5	BEACH HOUSES		
6	BEACH HOUSES		
7	BEACH HOUSES		
8	BEACH HOUSES		
9	BEACH HOUSES		
10	BEACH HOUSES		

1149



PART ONE: SITE PLAN

- GENERAL NOTES:**
1. All building areas are shown in solid black.
  2. All building areas are shown in solid black.
  3. All building areas are shown in solid black.

THIS PLAN IS FOR THE DEVELOPMENT OF THE PROJECT AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.

**EXHIBIT C, SCHEDULE 1.3  
(Showing Third Level Villas)**

Building location is designated by building number circled in center of each building, and the within Villas are designated alphabetically.

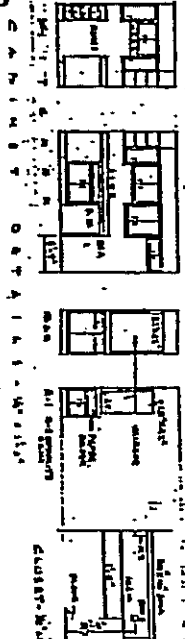
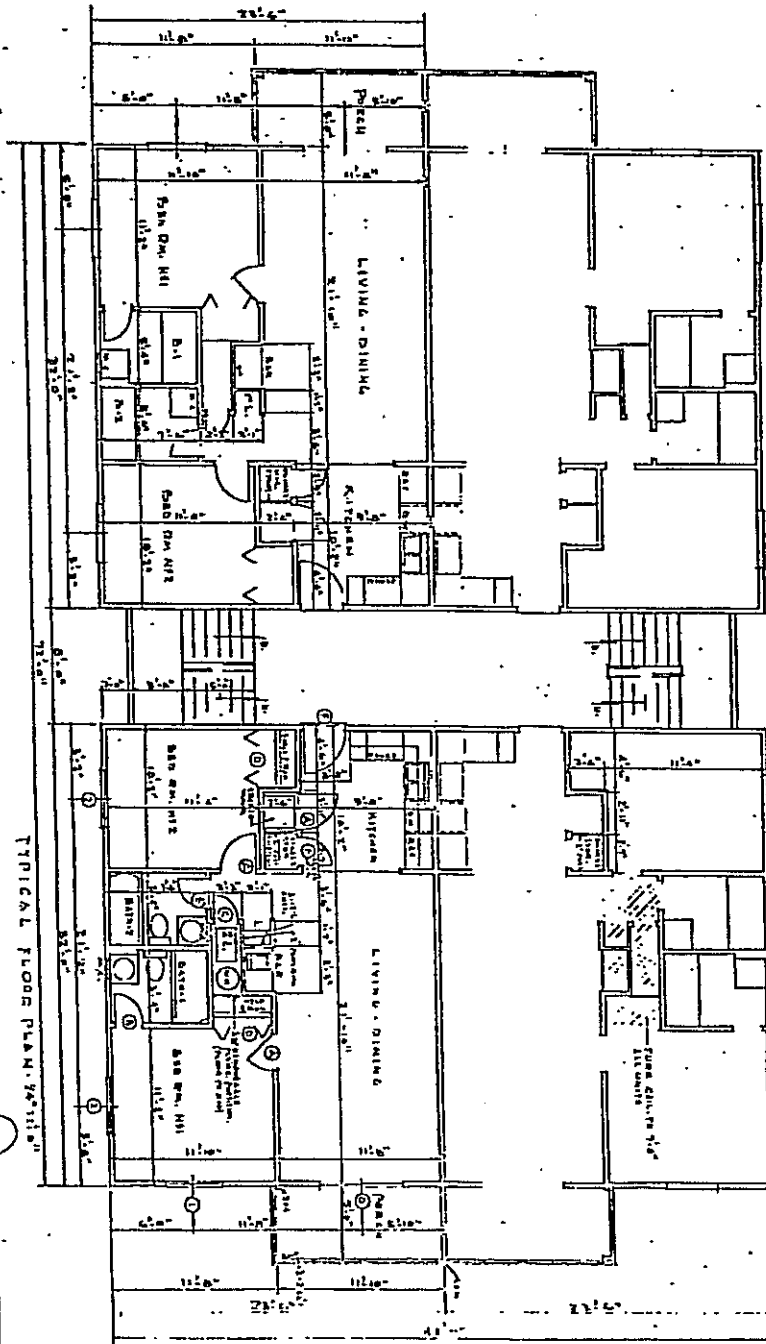
NO.	DESCRIPTION	AREA	REMARKS
1	ROBERT'S COVE		
2	BEACH & BOUTIQUE CLUB		
3	RECREATION CENTER		
4	RECREATION CENTER		
5	RECREATION CENTER		
6	RECREATION CENTER		
7	RECREATION CENTER		
8	RECREATION CENTER		
9	RECREATION CENTER		
10	RECREATION CENTER		

All Villas (except those in building No. 2) designated A, C, E, G, I and K have right hand floor plans (as shown in lower left herein) and are identical in floor plan and dimensions.

All Villas (except those in building 2) designated B, D, F, H, J and L have left hand floor plans (as shown in top left herein) and are identical in floor plan and dimensions and are a reversed mirror image from the floor plans of Villas designated A, C, E, G, I and K.

Villas in building No. 2 designated B, D, F, H, J and L have right hand floor plans and Villas designated A, C, E, G, I and K have left hand floor plans and they are identical to all other Villas (the letter designations being reversed from the Villa designations in all other buildings).

1150



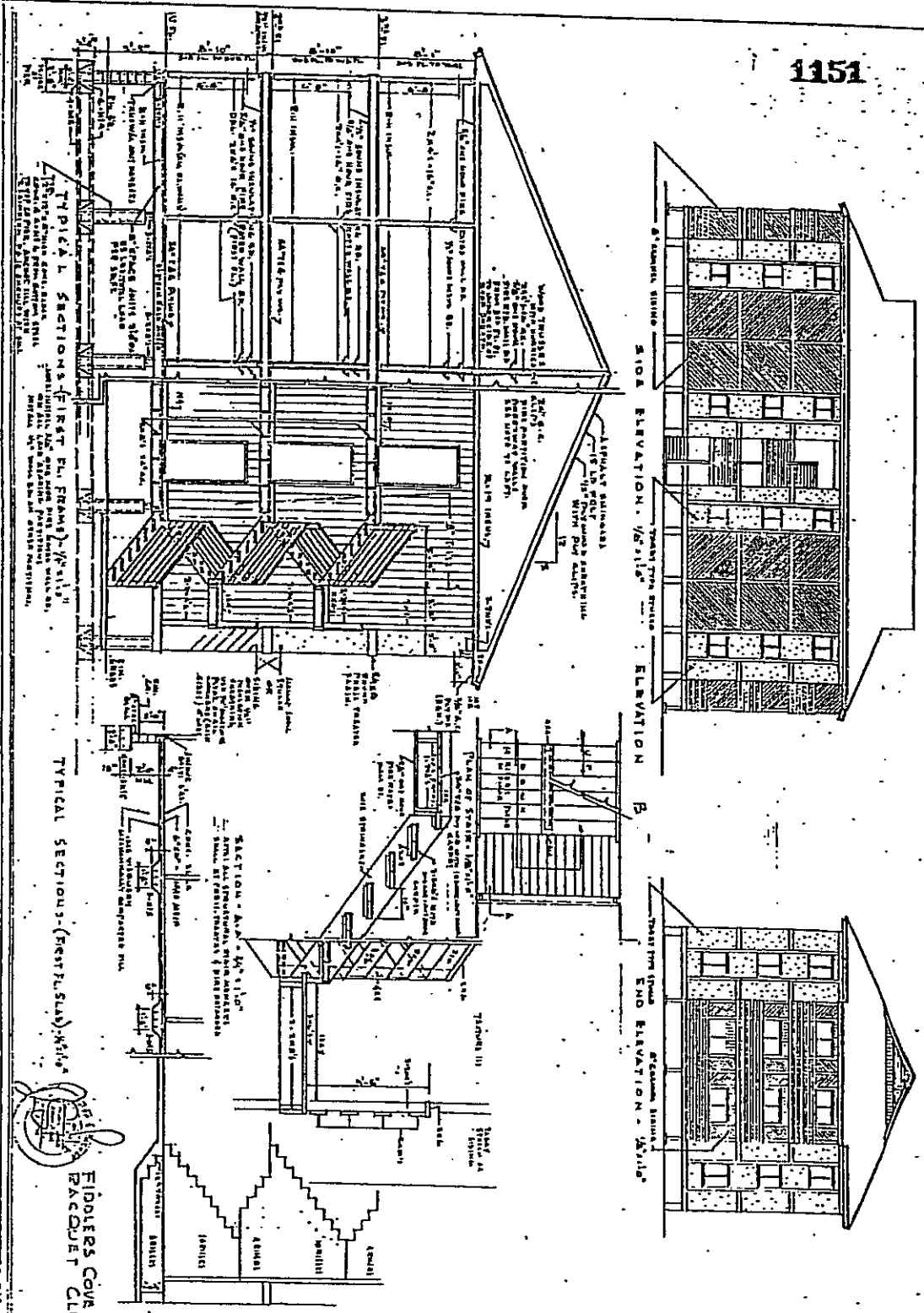
THESE DRAWINGS WITH PERMITS FOR USE BY THE ARCHITECTS  
 SHALL BE VALID ONLY FOR THE PROJECT AND SHALL NOT BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN CONSENT OF THE ARCHITECTS.



FLORIDA STATE SEAL  
 BOARD OF ARCHITECTURE  
 ARCHITECTS  
 1000 N. W. 10th St.  
 MIAMI, FLORIDA

EXHIBIT "C", Schedule 2.1

NO.	DESCRIPTION	UNIT	DATE
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
7	...	...	...
8	...	...	...
9	...	...	...
10	...	...	...



TYPICAL SECTION 1 - (FRONT FACED) - 1/2" x 1/2"

SECTION 1 - (FRONT FACED) - 1/2" x 1/2"

TYPICAL SECTION 2 - (REAR FACED) - 1/2" x 1/2"

SECTION 2 - (REAR FACED) - 1/2" x 1/2"

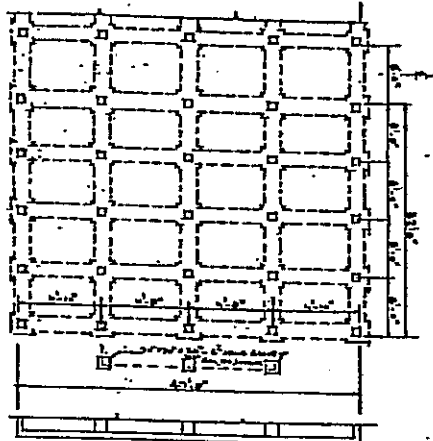
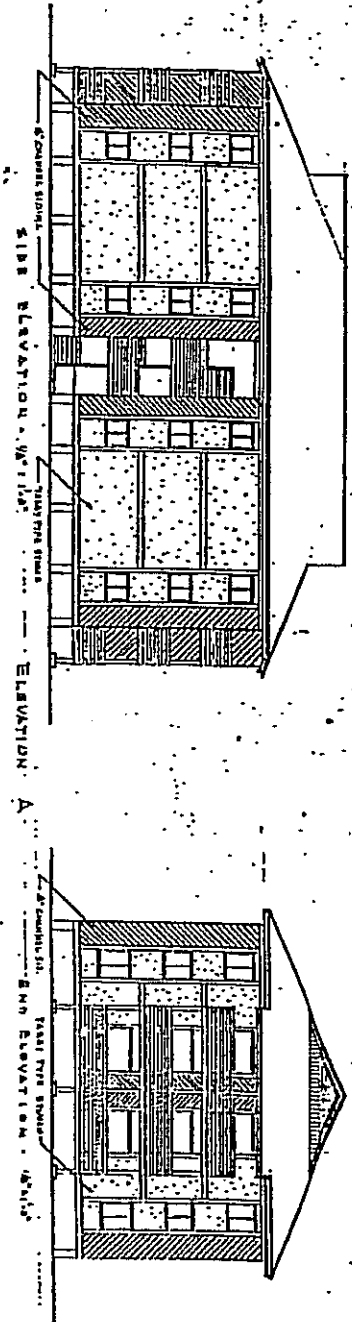
FIDOLERS COVE BEACH & RACQUET CLUB



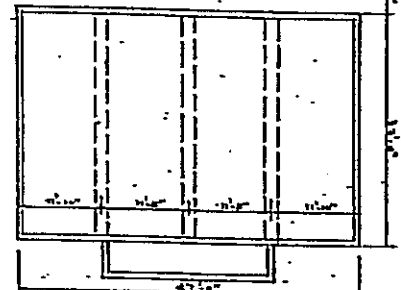
EXHIBIT "C", Schedule 2.2



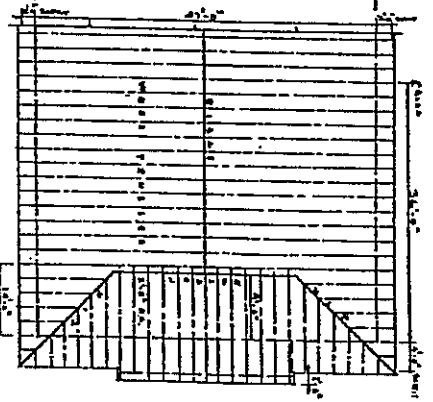
1152



PISE FOUNDATION PLAN - WEST SIDE



SLAB FOUNDATION PLAN - WEST SIDE



ROOF FRAMING PLAN - WEST SIDE



FIDDLERS COVE BEACH & RACQUET CLUB

EXHIBIT "C", Schedule 2.3

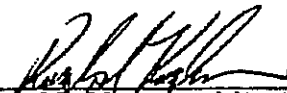


STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

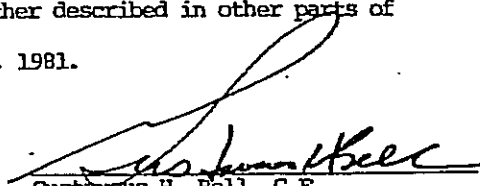
1154  
ARCHITECT'S AND ENGINEER'S CERTIFICATE

Floor plans for the buildings and villas included in Phase I of Fiddler's Cove Beach & Racquet Club Horizontal Property Regime have been duly indexed and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 29 at Page 26.

I certify that these floor plans show graphically the dimensions, area and the location of each villa within the buildings constructed on the property and the dimensions, area and location of the common elements affording access to each villa.

  
\_\_\_\_\_  
Ronald Kollman, Architect  
S. C. Reg. #1132

The plot plan referred to in Exhibit C of this Master Deed shows graphically the common elements and location of the buildings of Fiddler's Cove Beach & Racquet Club Horizontal Property Regime, Phase I, and said common elements are further described in other parts of this Master Deed, as of February 18, 1981.

  
\_\_\_\_\_  
Gustavus H. Bell, C.E.  
S. C. Reg. #3308

Phase I contains five (5) buildings of identical design and specification, each building consisting of three (3) living floors with four (4) villas on each floor, or a total of twelve (12) villas in each building. Access to each villa is provided by the building's common elements consisting of a stairway and a landing platform/corridor for each floor of the building. All villas are of identical design and specification, whether a typical two bedroom or two bedroom reversed, as follows:

- (a) 757 heated square feet together with an additional 58 square feet of open balcony area;
- (b) Entrance being made from the building stairway/landing platform common elements into the Villa's kitchen/foyer area. This area also has closet/storage space for a washer and dryer and for the owner's personal property.
- (c) The kitchen/foyer area leads to a living/dining area which includes a wet bar cabinet/sink.
- (d) A hallway from the living/dining area leads to the guest bedroom (including closet storage area), guest bathroom (bath/shower tub, vanity lavatory and water closet), linen closet, and a closet for the air handler and water heater.
- (e) The master bedroom (including closet storage) and master bathroom (including bath/shower tub, vanity, lavatory, and water closet) are entered directly from the living/dining area.
- (f) Access to the open balcony area is provided through a sliding glass door from the living/dining area.

The Villas include (a) the space enclosed by the unfinished surfaces of the perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space; (b) all interior dividing walls and partitions (including the space occupied by such walls, or partitions); (c) the decorated inner surfaces of such perimeter and interior walls (including the decorated surfaces of all interior load-bearing walls), ceilings and floors, consisting (as the case may be) of wallpaper, paint, plaster, wall panels, carpeting, tiles and all other furnishing materials and fixtures affixed or installed and for the sole and exclusive use of any Villa (commencing at and from utility lines, pipes, or systems serving the Villa). No pipes, wires, conduits or other public utility lines or installations constituting a part of the overall system designated for the service of any particular Villa or building, nor any property of any kind, including fixtures and appliances within any Villa, which are not removable without jeopardizing the soundness, safety and usefulness of the remainder of the building shall be deemed to be a part of any Villa.

NOTE: All square footage figures are approximate figures.

EXHIBIT "E"

CO-OWNER PERCENTAGE INTEREST IN THE COMMON ELEMENTS

1156

Each Co-Owner owns in addition to his Villa an undivided interest in the Common Elements appurtenant to his Villa, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Villa in relation to the value of the Property as a whole. Such percentage interest in the Common Elements of each Co-Owner shall vary, however, provided Developer proceeds with subsequent phases of development.

The values of each Villa shall be fixed at equal values for computing percentage interest in the Common Elements, and the equal values are fixed for the sole purpose of such computations and are fixed equally irrespectively of the actual value of any Villa. Because the Villas have equal values (for the sole purpose of computations herein), each Co-Owner will have an equal percentage ownership in the Common Elements at the commission of each Phase to the Regime. ("Commission" means annexation of a Phase to the Regime.)

The percentage of undivided interest in the Common Elements appurtenant to each Villa at the commission of each proposed Phase to Fiddler's Cove Beach and Racquet Club Horizontal Property Regime, is as follows:

PHASE	NO. VILLAS IN EACH PHASE	TOTAL NO. VILLAS AT COMMISSION OF EACH PHASE	PERCENTAGE AT COMMISSION OF EACH PHASE*
I	60	60	1.6667
II	72	132	.7576
III	72	204	.4902
IV	60	264	.3788
V	60	324	.3086
VI	60	384	.2604
VII	60	444	.2252
VIII	4	448	.2232

\*(These percentages apply to each Villa in the Regime at the time of commission of each Phase to the Regime as indicated in the appropriate column.)

In addition, each Co-Owner shall be entitled to one (1) vote which represents a certain percentage of the total votes of all of the Co-Owners. The vote of each Co-Owner shall be one (1) vote and the percentage of the total vote that it represents is the same percentage shown above in the appropriate column for each Phase of development at the time of commission of each Phase to the Regime. Such voting rights and the percentage of the total vote of each Co-Owner has been computed by taking as a basis the value of the individual Villa (all having equal value for the purposes herein and, therefore, equal percentages) in relation to the value of the Property as a whole.

EXHIBIT "F".

DESCRIPTION OF PROPOSED PHASES II THROUGH VIII OF  
FIDDLER'S COVE BEACH AND RACQUET CLUB  
HORIZONTAL PROPERTY REGIME

1157

The buildings in Phases II through VII of the Regime will be of similar design, construction and materials as the buildings of Phase I. The number of buildings and Villas in each Phase is shown in Exhibit "A". The building and Villas in Phase VIII, which is now constructed, are shown in the plans contained in Exhibit "C".

The individual Villas will be similar, if not identical to the typical two bedroom, two bedroom reversed Villas described and shown in the plans contained in Exhibit "C".

The general location and description of proposed improvement constituting Common Elements is shown in Exhibit "A" and is based on Developer's intention to complete and submit to the Regime all proposed phases of development in accordance with the preliminary site plan shown in Exhibit "A". Accordingly, the construction of additional improvements is subject to change in Developer's plans, and subject to other provisions at this Master Deed.

## BY-LAWS OF FIDDLER'S COVE BEACH AND RACQUET CLUB

## HORIZONTAL PROPERTY REGIME

1158

ARTICLE I

## PLAN OF VILLA OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located on Hilton Head Island, in Beaufort County, South Carolina, and known as "FIDDLER'S COVE BEACH AND RACQUET CLUB HORIZONTAL PROPERTY REGIME", has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina.

Section 2. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and the Regime. The provisions of these By-Laws shall automatically become applicable to property which may be added to the Regime upon the recording of an amendment to the Master Deed submitting such additional property to the provisions of the Horizontal Property Act of South Carolina and the provisions of this Master Deed.

Section 3. PERSONAL APPLICATION. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the dwelling units (hereinafter usually referred to as "Villas" as defined in the Master Deed of the Property or the mere act of occupancy of any of said Villas will signify that these By-Laws and the provisions of the Master Deed, are accepted and ratified, and will be complied with.

ARTICLE II

## VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the same as the ownership in the common elements percentage assigned to the Villa or Villas in the Master Deed.

Section 2. MAJORITY OF CO-OWNERS. As used in these By-Laws, the term "majority of Co-Owners" shall mean those Co-Owners holding fifty-one (51%) percent or more of the total value of the Property in accordance with the percentages assigned in the Master Deed.

Section 3. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Co-Owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

1153

COUNCIL OF CO-OWNERS

Section 1. COUNCIL RESPONSIBILITIES. The Co-Owners of the Villas will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided herein, decisions and resolutions of the Council shall require approval by a majority of Co-Owners.

Section 2. PLACE OF MEETINGS. Meetings of the Council shall be at such place, convenient to the Co-Owners, as may be designated by the Council.

Section 3. ORGANIZATIONAL MEETING AND ANNUAL MEETINGS. The Developer shall call the Organizational Meeting of the Council within thirty (30) days after title to 90% of the Villas has been conveyed, or ninety (90) days following the date of conveyance of the first Villa, whichever is sooner. Developer shall notify all Co-Owners of the time and place set for such organizational meeting in writing not less than ten days prior to the date set for such meeting. Thereafter, the Council shall meet annually on a date fixed by the Council at the organizational meeting. At the organizational meeting and thereafter at the annual meetings, the Council shall elect by ballot of the Co-Owners, a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Co-Owners may also transact such other business of the Council as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the Secretary to call a Special Meeting of the Co-Owners as directed by a resolution of the Board of Directors or upon a petition signed by a majority of Co-Owners and having been presented to the Secretary. A notice of any special meeting shall state the time and place of such special meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice except by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

Section 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least ten (10), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. ADJOURNED MEETING. If any meeting of the Council cannot be organized because a quorum had not attended, the Co-Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.



Section 7. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Council shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

#### ARTICLE IV

##### BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Council shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of five persons. Until succeeded by the Board Members elected by the Villa Owners, Board Members need not be Villa Owners. So long as the Developer owns one or more Villas or so long as Developer has outstanding or in effect any option to add any proposed future Phase of Development to the Regime (as provided in the Master Deed), the Developer shall be entitled to appoint at least two (2) members of the Board. After Developer has either elected not to undertake any proposed future Phases of the Regime or has added as future Phases proposed and has conveyed at least 90% of all Villas, then Developer is no longer entitled to appoint Board Members, and all Board Members thereafter shall be Villa Owners elected by the Council including Developer as owner of unsold Villas.

Section 2. GENERAL POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Council or individual Co-Owners.

Section 3. OTHER DUTIES. In addition to duties imposed by these By-Laws, or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the Common Elements.

- (c) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Common Elements.
- (d) Collection of assessments from the Co-Owners. **1161**
- (e) Performing or causing to be performed all repairs necessitated by any natural disaster or man-made damage. Such repairs to be paid for from the escrow account and from the proceeds of any special assessment.
- (f) Obtaining of insurance for the Property, pursuant to the provisions of the Master Deed, or causing the same to be done.
- (g) Grant or relocate easements which are not inconsistent with the owner's full use and enjoyment of the common properties.
- (h) Making of repairs, additions and improvements to or alterations of, the property and repairs to and restoration of the property in accordance with the provisions of the Master Deed and with the other provisions of these By-Laws; provided, however, that the Board of Directors shall not undertake any repair covered by the warranty without the consent of a majority of the Villa Owners.

Section 4. MANAGEMENT AGENT. The Board may employ a Management Agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article

Section 5. FIRST BOARD OF DIRECTORS. The first Board of Directors consisting of five (5) members shall be designated by the Developer. These appointments will be temporary and will continue only until the organizational meeting of the Villa Owners held pursuant to the provisions of these By-Laws. At the Organizational Meeting of the Council, the initial term of office for two (2) members of the Board shall be fixed at three (3) years. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of one (1) member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Provided, however, that Developer shall continue to be entitled to appoint at least two (2) of the five members of the Board of Directors as provided in Section 1 of this Article. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. During the period in which the Developer's designees constitute a majority of the Board of Directors, the Board of Directors shall not enter into any contract having a term which extends beyond the period during which such designees constitute a majority of the Board unless such contract can be cancelled by the Council on notice of ninety (90) days or less with no penalty to the Board, Council or Regime.

Section 6. VACANCIES. Vacancies in the Board of Directors caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any regular or special meeting of the Council duly called; any one or more of the members of the Board may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the board if during the term of office, he shall cease to be a Villa Owner (except as provided in Section 1 and 5 regarding Developer's appointees).

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting of the Council at which such Board members were elected, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Board, but at least two (2) such meetings shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board Member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on ten (10) days notice to each Board Member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two (2) Board Members.

Section 11. WAIVER OF NOTICE. Before or at any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. BOARD QUORUM. At all meetings of the Board, a majority of the Board Members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board Members present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. FIDELITY BONDS. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime. In the event the Board becomes the Insurance Trustee under the provisions of Article X of the Master Deed, the Board is required to become bonded in such capacity to adequately protect the interests of all Co-Owners and Mortgagees.

Section 14. COMPENSATION. No Member of the Board of Directors shall receive any compensation from the Regime for acting as such.

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Section 15. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Villa Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Villa owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Regime unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Regime. It is understood and permissible for the Members of initial temporary Board of Directors, who are members of or employed by Developer, to contract with Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Villa owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all villa owners in the Common Elements. Every agreement made by the Board of Directors, or by the managing agent or by the manager on behalf of the Regime shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent(s) for the Villa owners and shall have no personal liability thereunder (except in their capacity as Villa Owners), and that each Villa Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Villa Owners in the Common Elements. The Board may obtain Directors and Officers insurance, the premiums to be assessed as a Common Expense.

#### ARTICLE V

#### OFFICERS

Section 1. DESIGNATION. The principal officers of the Regime shall be a President, a Vice-President, and a Secretary-Treasurer all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary.

Section 2. ELECTION OF OFFICERS. The officers of the Regime shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Villa owner unless he is an appointee of Developer as provided in Sections 1 and 5 of Article IV.

Section 4. PRESIDENT. The President shall be the chief

executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including, but not limited to the power to appoint committees from among the Co-Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Regime.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other duties as shall from time to time be imposed upon him by the Board.

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Section 6. SECRETARY-TREASURER. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Council; he shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Regime funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Regime. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Regime in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

#### ARTICLE VI

##### NOTICES

Section 1. DEFINITION. Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board of Directors, any manager or Villa owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid envelope addressed to the Board of Directors, such manager or such Villa Owners at such address as appears on the books of the Regime. Notice shall be deemed given as of the date of mailing.

Section 2. SERVICE OF NOTICE--WAIVER. Whenever any notice is required to be given under the provisions of the Master Deed, or law, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

#### ARTICLE VII

##### OBLIGATIONS OF THE CO-OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All Co-Owners shall be obligated to pay the periodic assessments imposed by the Regime to meet all Regime common expenses, which shall include among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The

common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Villa Owners with a copy of the proposed budget for the next calendar year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Developer will be liable for the amount of any assessment against completed Villas within the Regime which have not been sold and Developer shall have all voting rights attendant to the ownership of said apartments until said units are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Villa within the Regime shall carry with it the proportionate equity of that Villa's ownership in the Regime Escrow Account set aside to provide a contingency fund for the maintenance and repair of the Regime Property.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this Paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from Liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his unit.

Section 3. RECORDS. The Manager or Board of Directors shall keep detailed records of the receipts and expenditures affecting the Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board of Directors shall take prompt action to collect any common charge due from any Villa owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Villa owner in paying the Board of Directors the common charges as determined by the Board, such Villa Owners shall be obligated to pay interest at the maximum legal rate per annum on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Villa owner, or by foreclosure of the lien on such apartment granted by Section 27-31-210, of the Code of Laws of South Carolina, 1976, as amended.

Section 5. STATEMENT OF COMMON CHARGES. The Board of Directors shall, for a reasonable fee, not to exceed Ten (\$10.00) Dollars, promptly provide any purchaser, Villa Owner, encumbrancer or prospective encumbrancer of a Villa so requesting the same in writing, with a written statement of all unpaid common charges due from the owner of that Villa and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Villa may pay any unpaid common charges payable with respect to such Villa and upon such payment such encumbrancer shall have a lien on such Villa for the amounts paid of the same rank as the lien of his encumbrance. Any encumbrancer holding mortgages on more than five (5) Villas within the Regime shall be entitled to receive a statement of account on the units securing all of said mortgages once each calendar year without any fee or charges.

Section 6. MAINTENANCE AND REPAIR.

(a) Each apartment owner must perform work within his own Villa which, if omitted, would affect the Property in its entirety or in part belonging to another Co-Owner, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the Villas such as water, light, gas, power, sewage, telephones, air conditioning, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the Villa shall be at the expense of the Co-Owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed, the painting and decorating of the exterior doors and exterior window sash and the washing of exterior glass shall be made by the Board of Directors or its agent and shall be charged to all the Villa Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Villa Owner, in which such case the expense shall be charged to such Villa Owner.

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all Villas and the Common Elements through one or more meters and the Board of Directors shall pay, if the Co-Owners so elect, as a common expense, all charges for water consumed or to be consumed on the Property, including the Villas, promptly after the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area shall likewise, if practicable, be paid by the Board of Directors as a common expense.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Villa through a separate meter and each Villa Owner shall be required to pay the bills for electricity consumed or used in his Villa. The electricity, if any, serving the Common Elements shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the Common Elements, as a common expense.

Section 9. USE OF VILLAS - INTERNAL OR EXTERNAL CHANGES.

(a) Each Villa other than any Villa owned by Developer, shall be utilized for residential purposes only. This shall expressly include the right of the owner to rent such Villas to others for residential purposes.

(b) A Co-Owner shall not make structural modifications or

alterations in his Villa or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed. The Regime shall have the obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A Co-Owner shall make no changes whatsoever to the exterior of the Villa, any stairs, hallways, or balconies appurtenant thereto, or to any of the Common Elements without approval of two-thirds (2/3) of the Co-Owners of said Regime. Provided, however, that the Board of Directors shall be authorized to approve minor additions to landscaping and the minor changes of this nature which in their sole discretion will not interfere or conflict with the overall scheme and appearance of the common areas.

Section 10. USE OF COMMON ELEMENTS. A Co-Owner shall not place or cause to be placed in the passages, parking areas of roads, or other common areas any furniture, packages or obstruction of any kind. Such areas shall be held in common for the enjoyment of the Co-Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 11. TERRACES AND BALCONIES. If present with the Villa, a terrace or balcony to which there is direct access only from the interior of one Villa, shall be for the exclusive use of the owner of such Villa. Any such terrace or balcony shall be kept free of debris and all other accumulation by the owner of such Villa who shall also make all repairs thereto caused or permitted, by his negligence, misuse or neglect. All other repairs in, to or with respect to such terrace or balcony shall be made by the Board of Directors and the cost thereof shall be a common expense. No alterations shall be made to said terrace or balcony without the written consent of the Board of Directors and as a part of an overall modification made throughout the Regime.

#### Section 12. RIGHT OF ENTRY.

(a) A Co-Owner shall grant the right of entry to the management Agent or to any person authorized by the Board in case of any emergency originating in or threatening his Villa, whether the Co-Owner is present at the time or not.

(b) A Co-Owner shall permit other Co-Owners, or their representatives, when so required, to enter his villa for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provide that such requests for entry are made in advance and that such entry is at a time convenient to the Co-Owner. In case of emergency, the right of entry shall be immediate.

Section 13. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Villa and Common Elements of the Regime, the Council may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the Common Elements constitutes two-thirds (2/3) of the total interest at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct, governing the



conduct of persons on said property of the Regime as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all Villa Owners and the occupants of Villas in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

(b) No residents of the Property shall: **1168**

- (1) Post any advertisements or posters of any kind in or on the property except as authorized by the Regime;
- (2) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the Property;
- (3) Dust mops, rugs or similar objects from the windows or balconies or clean rugs or similar objects by beating on the exterior part of the Property;
- (4) Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;
- (5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Villas in the Property;
- (6) Maintain any pets which cause distress to Co-Owners through barking, biting, scratching or damaging of property.

(c) No Co-Owner, resident, or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, or similar objects outside of his dwelling or which protrudes through the walls or the roof of his Villa except as authorized by the Board.

Section 14. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Villa in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting villa owner, any structure, thing or condition that may exist therein contrary to the interest and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

#### ARTICLE VIII

#### INSURANCE

The Board of Directors shall be required to obtain and

maintain insurance coverage insuring the Condominium Property as provided in Article X of the Master Deed.

ARTICLE IX

AMENDMENTS

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Section 1. BY-LAWS. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by Co-Owners representing at least two-thirds (2/3) of the total value of the Property as shown on the Master Deed and any amendment thereto submitting additional Phases to the Regime. So long as the Developer remains the owner of any Villa in this Horizontal Property Regime or still has available an unexercised option to add future Phases to the Regime these By-Laws may not be amended so as to adversely affect the Developer without the Developer's consent.

ARTICLE X

MORTGAGES

Section 1. NOTICE TO BOARD. A Co-Owner who mortgages his Villa shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgages on Villas."

Section 2. NOTICE TO MORTGAGEE. The Board shall give thirty (30) days written notice of the following events to all mortgagees of which it has notice:

- (a) Any change in the condominium documents;
- (b) Any unpaid assessments due the Regime from the Co-Owner (mortgagor) of the Villa;
- (c) Any default by the Co-Owner (mortgagor) of a Villa in the performance of such Co-Owner's obligations under the condominium documents when such default is not cured within thirty (30) days;

Section 3. STATEMENT TO MORTGAGEE. Upon request of any mortgagee listed in the book entitled "Mortgages on Villas", the Board, Manager or Management Agent shall supply such Mortgagee with a reasonably current financial statement of the Regime.

ARTICLE XI

COMPLIANCE

These By-Laws are intended to comply with the requirements of the Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed that the provisions of the Statute will control.

RECORDED THIS 9th DAY  
 OF March 1981  
 IN BOOK M PAGE 196  
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Marjorie Strunk  
 AUDITOR, BEAUFORT COUNTY, S. C.

*Denton*

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*Phillips B. ...*  
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