

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

BATES ASSOCIATES DEVELOPMENT CORPORATION,)

TO)

MASTER DEED ESTABLISHING HORIZONTAL PROPERTY REGIME

VILLAS ON THE FAZIO HORIZONTAL PROPERTY REGIME)

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 25th day of July in the year of our Lord One Thousand Nine Hundred and Seventy-Eight, Bates Associates Development Corporation, a South Carolina Corporation, with its principal place of business on Hilton Head Island, Beaufort County, South Carolina, hereinafter referred to as "Sponsor", does hereby declare:

FIRST: LAND

That Sponsor is the sole owner of the land described in Exhibit "A" herein which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 27 at Page 24.

SECOND: PROPERTY; REGIME

That Sponsor does hereby, by duly executing the Master Deed, submit the land referred to in Paragraph FIRST, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime that shall be known as Villas on The Fazio Horizontal Property Regime (hereinafter sometimes referred to as the "Regime") to be governed by and be subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina as it is now constituted and as it may from time to time be amended. The term "Property" shall initially refer to the Phase I property as herein described but shall likewise include any addition thereto made as herein provided.

THIRD: IMPROVEMENTS

That the improvements constructed on and forming a part of the Property are constructed in accordance with the plat plan and floor plans identified as Exhibit "C" hereto and made a part hereof which plans are certified to by Charles L. Bates, A.I.A., an architect duly licensed to practice in the State of South Carolina under Registration Certificate Number 887 and to which plans is attached a certificate by said architect, that the apartments constructed on the Property were constructed in accordance with said plans.

FOURTH: APARTMENTS

That the Property includes seven (7) buildings containing nineteen (19) individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential

HARVEY, BATTEY,
MACLOSIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S. C.
HILTON HEAD ISLAND, S. C.

County Tax Map Reference
-1- Map 0016 Parcel 0289 Block 0000 Dist 052
0012 0349 0000 052

purposes only. The apartments are capable of individual utilization on account of having their own exits to the common elements of the Property and a particular and exclusive property right thereto, and also undivided interest in the general and limited common elements of the Property, as hereinafter listed in this Master Deed, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements") all of the above in accordance with the Horizontal Property Act of South Carolina.

FIFTH: AREA COMPRISING PROPERTY

That the Property as originally constituted, has a total of 3.00 acres of which 27,796 square feet are occupied by apartments and 102,884 square feet will constitute the remainder of the common elements.

SIXTH: APARTMENT TYPES AND BUILDINGS

That there are eight (8) basic types of apartments in the Villas on The Fazio Horizontal Property Regime, those being 2 BR, 2BR-BK, 2BRD, 2BRD-BK, 3BR, 3BR-BK, 3BRD, 3BRD-BK, these apartment types being more particularly described in Exhibit D attached hereto and made a part hereof. The apartments in the property will be as follows:

PHASE I:

In building A, there will be one type 3BRD-BK Apartment, One Type 3BR Apartment and One Type 3BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 1, 2 and 3.

In Building B, there will be one type 2BRD Apartment, one type 2BR Apartment and one type 2BRD Apartment, hereinafter numbered consecutively and usually referred to as Apartments 4, 5 and 6.

In Building C, there will be one type 3BR-BK Apartment, one type 2BR Apartment, and one type 2BRD Apartment, hereinafter numbered consecutively and usually referred to as Apartments 7, 8 and 9.

In Building D, there will be one type 2BRD-BK Apartment one type 2BRD-BK Apartment and one type 2 BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 10, 11 and 12.

In Building E, there will be one type 2BRD-BK Apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 13 and 14.

In Building F, there will be one type 2BRD Apartment, and one type 2 BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 15 and 16.

In Building G, there will be one type 2 BRD Apartment, one type 3 BR Apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 17, 18 and 19.

The buildings and apartments for Phase II, if applicable, and for Phase III, if applicable, of the Villas on The Fazio Horizontal Property Regime are as shown in Exhibit E attached hereto and made a part hereof. The Apartment types in Phase II and/or Phase III shall be as described in Exhibit D unless modified as herein provided.

13, 14

SEVENTH: COMMON ELEMENTS

873

That the Common Elements of the Property will be as follows:

A. The General Common Elements are as follows:

(1) The Property excluding the limited common elements and the apartments, and including, but not limited to the land on which the apartments are constructed, the foundations, roofs, perimeter walls, walls and partitions separating units, load-bearing interior walls and partitions, slabs, concrete floors, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above.

(2) Parking facilities located on the Property, which parking facilities consist of approximately 8,892 square feet, and are shown on the plat of the Property attached hereto and identified as Exhibit B.

(3) All roads, walkways, paths, trees, shrubs, yards, (except such as are designated as limited common elements) gardens, pools, etc.

(4) All installations outside of the Apartments for services such as power, light, natural gas, telephone, television, water and other similar utilities.

(5) All sewer, drainage and irrigation pipes, excluding those which are the property of the utility district or company.

(6) All other elements of the Property constructed or to be constructed on the Property, rationally of common use or necessary to the existence, upkeep and safety of the Property and in general all other devices or installations existing for common use.

B. The Limited Common Elements are as follows:

(1) The rear and front yards and service areas (shown on the plat attached hereto and identified as (Exhibit "B")) adjacent to each Apartment and the fences screening the service area and front yards are limited common elements and are each restricted to the use of the Apartment adjacent to such limited common elements, respectively.

(2) All terraces, decks, patio and balconies immediately adjacent to each apartment or to which each apartment has direct access from the interior thereof as shown on the floor plans and plot plans identified as Exhibit "C" and on the plat identified as Exhibit "B".

EIGHTH: GENERAL PLAN OF DEVELOPMENT

The Sponsor has constructed the Property described herein (which shall sometimes be referred to as The Phase I property) and further intends to complete construction of Property contiguous to the property which is the subject of this Master Deed. The additional Property shall be referred to as Phase II, and, if applicable, Phase III and is shown on the site plans of said property attached hereto and identified as part of Exhibit "C" whereon it is labeled as Phase II and Phase III. The Phase II and Phase III property, as and if applicable, is described in Exhibit "G" attached hereto and made a part hereof.

(Phase II). With regard to the Phase II property herein referred to, Sponsor reserves the right, in the manner more particularly hereinafter set forth, to cause the Phase II Property

to become an integral part of Villas on The Fazio Horizontal Property Regime once appropriate amendments to this Master Deed of the type attached hereto as Exhibit H-1 and, if applicable, H-2, have been filed as hereinafter provided. Phase II shall contain Seven (7) Buildings, containing twenty-one (21) individual Apartments all of which are more particularly described in Exhibit "E" attached hereto and made a part hereof. Each of said apartments shall be constructed in accordance with the plot plan and floor plans of Charles L. Bates, A.I.A., S.C. Certificate Number 887, which are attached hereto as Exhibit C, these apartments in Phase II being the same design and constructed of the same materials as the nineteen (19) Apartments in the Phase I property covered initially by this Master Deed.

(Phase III). With regard to the Phase III property shown on the Exhibit B plat, Sponsor reserves in the manner more particularly hereinafter set forth, the right to construct up to eighteen (18) Apartments of the same general type, architectural style, form, design and general valuation and constructed with the same basic materials and of the same basic quality as the buildings constructed on the Phase I and Phase II property herein referred to. Provided, however, nevertheless, the Phase III shall not be eligible for inclusion in the Villas on The Fazio Horizontal Property Regime unless the herein described Phase II property has previously been incorporated into said Regime in the manner provided in this Master Deed.

NINTH: RESERVATION OF RIGHT OF SPONSOR FOR PHASE II AND PHASE III

Sponsor, its successors and assigns, hereby expressly reserve unto itself the right, to be exercised in its sole discretion, to submit the Phase II and/or Phase III property to the provision of this Master Deed and thereby cause the Phase II and/or Phase III property to become and forever be a part of Villas on The Fazio Horizontal Property Regime in the same manner as if made a part thereof in every particular upon the initial execution and filing of this Master Deed. This right may be exercised by Sponsor only upon the execution by it of an amendment or amendments to this Master Deed substantially in the form of those set forth herein as Exhibits H-1 and/or H-2 which amendments shall be filed in the Office of the Clerk of Court for Beaufort County, South Carolina not later than March 1, 1980 with regard to the Phase II Property and March 1, 1981 with regard to the Phase III Property. Any such amendments shall conform to the various provisions and conditions precedent established in this Master Deed and shall expressly submit the Phase II or Phase III Property, as applicable, to all of the provisions of this Master Deed and the By-Laws of the Villas on The Fazio Horizontal Property Regime, a copy of which By-Laws is attached hereto as Exhibit "I" and made a part hereof as either or both may be amended between the date of said Master Deed and By-Laws, and the filing of said Amendment to this Master Deed to include the Phase II or Phase III Property. Upon the exercise, if any, of this right to include Phase II and Phase III as a part of this Regime, the provisions of this Master Deed and all exhibits hereto shall then be understood and construed as embracing the Phase I property (The basic "Property" herein defined) and the Phase II Property, if applicable, and the Phase III Property, if applicable, as appropriate, together with all improvements then constructed. Should this right of inclusion or annexation not be exercised within the time herein prescribed and in the manner herein prescribed, such right shall in all respects expire and be of no further force or effect.

HARVEY, BATTEY,
MACLOSKIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S.C.
LTON HEAD ISLAND, S. C.

TENTH: REVOCATION AND AMENDMENT

875

That the dedication of the Property to the Horizontal Property Regime herein shall not be revoked, or the Property removed from the Horizontal Property Regime, or any of the provisions herein amended unless all of the co-owners and the mortgagees of all the mortgages covering the Apartments unanimously agree to such revocation, or amendment, or removal of the Property from the Horizontal Property Regime by duly recorded instrument; provided, however, that without the consent of the Apartment Owners or Mortgagees, the Sponsor, or its successors in title to all or any portion of Phase II, and/or Phase III Property, may at any time prior to the termination of the reservation of rights period specified in paragraph NINETH amend this Master Deed in the manner set forth in Paragraph EIGHTH and NINETH so as to subject the Phase II and/or Phase III Property to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make the Phase II and/or Phase III Property an integral part of the Villas on The Fazio Horizontal Property Regime. Any such amendment shall, when read in concert with this Master Deed, contain all of the particulars required by the said Horizontal Property Act of South Carolina as the same is now constituted or may hereafter be amended and from and after the recording of such amendment the Villas on The Fazio Horizontal Property Regime shall include all of said Phase II and/or Phase III Property, as appropriate. The Phase II Apartments and Phase III Apartments are to be as described in Paragraph EIGHTH AND NINETH. The designation of each apartment in Phase II by apartment type and its proportionate interest in the common elements are set forth in Exhibit "J", which exhibit is attached hereto and made a part hereof. If Sponsor elects to make the Phase III Property a part of this Regime as herein provided, Sponsor shall cause to be prepared and made a part of the Amendment by which the Phase III Property is incorporated into the Villas on The Fazio Horizontal Property Regime a schedule designating apartment types, reflecting each apartments proportionate interest in the Common Elements, which schedule shall be similar in content and format to the Exhibit "J" schedule prepared using the requirements and guidelines set forth in Paragraph EIGHTH and NINETH hereof. Upon the recordation of the Amendments to make the Phase II Property, if appropriate, and the Phase III Property, if appropriate, a part of the Villas on The Fazio Horizontal Property Regime, the provisions regarding revocation and amendment set forth in this Paragraph TENTH shall have equal application thereto.

ELEVENTH: PERCENTAGE OF INTEREST OF APARTMENTS

The percentage of title and interest appurtenant to each apartment and the apartment owners title and interest in the common elements (both general and limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the Council of Co-owners (hereinafter usually referred to as "Council") of the Regime is based on the proportionate value of each apartment to the value of the total Property as set forth in Exhibit "J" attached hereto and made a part hereof. The proportionate representation for voting purpose and the percentage of the undivided interest in the common elements (both general and limited) provided in this paragraph and in Exhibit "J" shall not be altered without the acquiescence of the co-owners representing all of the Apartments expressed

in an amendment to this Master Deed duly recorded or except as provided in Paragraph EIGHTH, NINETH and TENTH herein with regard to the amendment of this Master Deed to admit the Phase II apartments, and if appropriate, the Phase III apartments into this Regime.

TWELFTH: REGIME BY-LAWS

That the administration of the Regime consisting as aforesaid of the Property described in Paragraphs FIRST and FIFTH of this Master Deed and the administration of the Phase II and Phase III Property herein described, as and if appropriate, shall be in accordance with the provisions of the By-Laws which are incorporated herein, made a part hereof and are attached hereto as Exhibit "I".

THIRTEENTH: HORIZONTAL PROPERTY REGIME CONSTITUTED

That, as appears above, a Horizontal Property Regime is hereby constituted under and subject to the provisions of the Horizontal Property Act of the State of South Carolina, so that Apartments may be conveyed and recorded as individual properties capable of independent use and each having its own exit to the common elements of the Property, and each Apartment co-owner having an exclusive and particular right over his respective Apartment and in addition the specified undivided interest in the common elements of the Property.

FOURTEENTH: SPONSOR SUBJECT TO MASTER DEED

That so long as the Sponsor owns one or more of the Apartments, the Sponsor shall be subject to the provisions of this Master Deed and the Exhibits attached hereto and the Sponsor covenants to take no action which will adversely affect the rights of the Regime with respect to the assurances against latent defects in the Property or other rights assigned to the Regime by reason of the establishment of said Horizontal Property Regime.

FIFTEENTH: COMMON ELEMENTS NOT PARTITIONED

That the common elements shall remain undivided and no co-owner shall bring any action for partition and/or division.

SIXTEENTH: COMMON ELEMENTS NOT SEVERABLE FROM APARTMENTS

That the undivided interest in the common elements shall not be separated from the Apartment to which it appertains and shall be deemed conveyed or encumbered with the Apartment even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SEVENTEENTH: PROVISIONS AND COVENANTS APPLICABLE TO APARTMENTS

That each co-owner shall comply with the provisions of this Master Deed and authorized amendments thereto, the Declaration of Covenants, Restrictions and Affirmative Obligations of Palmetto Dunes Resort, Inc., applicable to all Multi-Family Residential Areas in Palmetto Dunes, which covenants are recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 201 at Page 1522; and the Regime By-Laws, Decisions and Resolutions of Council of Co-Owners, Board of Administration or other representatives, as lawfully enacted from time to time, together with any lawfully adopted amendments thereto. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of Palmetto Dunes Resort, Inc., its successor or assigns, as set forth in the aforesaid Declaration.

HARVEY, BATTEY,
MACLOSKIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S. C.
TON HEAD ISLAND, S. C.

The Apartments shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

EIGHTEENTH: NONUSE NOT EXEMPTION OF LIABILITY FOR COMMON EXPENSES

That no co-owner of an Apartment may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Apartment.

NINETEENTH: ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

That all present or future co-owners, tenants, future tenants, or any other person that might use the facilities of the Property in any manner, are subject to the provisions of this Master Deed and any authorized amendments thereto, and that the mere acquisition or rental of any of the Apartments shall signify that the provisions of this Master Deed and any authorized amendment thereto are accepted and ratified.

TWENTIETH: TOTAL OR SUBSTANTIAL DESTRUCTION

That if the Property is totally or substantially damaged, or destroyed, the repair, reconstruction, or disposition of the Property shall be as provided by the Horizontal Property Act of South Carolina and the By-Laws of this Regime.

TWENTY-FIRST: ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

That, where a mortgagee or other purchaser of an Apartment obtains title by reason of foreclosure of a mortgage covering an Apartment, such acquirer of title, his successors or assigns, shall not be liable for assessments by the Regime which became due prior to the acquisition of title by such acquirer, it being understood, however, that the above shall not be construed to prevent the Regime from filing and claiming liens for such assessments and enforcing same as provided by law, and that such assessment shall be subordinate to such mortgage.

TWENTY-SECOND: CERTAIN RIGHTS SUBORDINATE TO MORTGAGEE TAKING TITLE

In the event of any default on the part of any co-owner under any first mortgage made in good faith and for value, which entitled the owner thereof to foreclose same, any sale under such foreclosure, shall be made free and clear of the provisions of the Declarations of Covenants, Restrictions and Affirmative Obligations of Palmetto Dunes Resort, Inc., dealing with the Repurchase Option of Right of First Refusal and the exclusive brokerage rights reserved unto Palmetto Dunes Resort, Inc. The purchaser under such a foreclosure sale (or grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to all of the provisions of said Master Deed. Provided, however, that if the purchaser at such foreclosure sale (or the grantee under deed given in lieu of foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the condominium free and clear of the provisions of said Declaration dealing with the Repurchase Option or right of first refusal and the exclusive brokerage rights of Palmetto Dunes Resort, Inc., but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

TWENTY-THIRD: REGIME INSURANCE

The Board of Administration shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and

HARVEY, BATTEY,
MACLOSKIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S. C.
LTON HEAD ISLAND, S. C.

amounts satisfactory to mortgagees holding first mortgages covering Apartments, but without prejudice to the right of the co-owners to obtain additional individual Apartment insurance at his own expense and for his own benefit, the following insurance: (1) fire insurance with extended coverage insuring the building containing the apartments (including all of the apartments, the interior partitions and painted surfaces, the carpeting within the apartments, and the bathroom and kitchen fixtures initially installed therein by sponsor, but not including drapes, wall covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the apartment owners), together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Regime, the Board of Administration and all apartment owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Administration, each of which policies shall contain a standard mortgagee clause in favor of each mortgagee of the apartment 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 Administration; (2) workmen's compensation insurance; (3) public liability insurance in such amounts and with such coverage as the Board of Administration shall from time to time determine, but at least covering each member of the Board of Administration, the managing agent, the manager, and each apartment owner with cross liability endorsements to cover liabilities of the unit owners as a group to an apartment owner if reasonably obtainable, and (4) such other insurance as the Board of Administration may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Administration and that the net proceeds thereof shall be payable to the Board of Administration.

All policies of physical damage insurance shall contain, if reasonably available, waivers of subrogation and waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by apartment owners or of invalidity arising from any acts of the insured or any apartment owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' written notice to all of the insureds, including all mortgagees of apartments. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartments at least ten (10) days prior to the expiration of the then current policies.

In the event it should be proper under the Horizontal Property Act to repair or reconstruct the damaged portion of the general common elements, the proceeds of insurance, together with funds of the Co-Owners sufficient to defray all expenses of repair or reconstruction above the insurance proceeds, shall be placed in a separate bank account and disbursed by the Treasurer of the Council of Co-owners. Such disbursements shall be made only upon receipt either of AIA Requests and AIA Certificates for Payment signed by the architect supervising said repair or reconstruction and by the general contractor, in case of hard construction costs, or of invoices approved for payment by the President and Secretary of the Council of Co-owners in the case of non-construction invoices. If no supervisory architect is employed, all funds shall be disbursed by the Treasurer only upon receipt by him of written approval of the President and Secretary. Should it not be proper to proceed with repair or reconstruction of the general common elements, the insurance proceeds shall be disbursed to the Co-owners in accordance with the provisions of the Horizontal Property Act or, if said Act does not so provide, then according to percentage of ownership as established herein.

Apartment owners should carry insurance for their own benefit insuring their wallcovering, fixtures, furniture, furnishings and other personal property not covered by the Regime insurance provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Administration shall not be affected or diminished by reason of any such additional insurance carried by any apartment owner.

TWENTY-FOURTH: PROPERTY INSURANCE AND COMMON EXPENSE

That insurance premiums for blanket insurance coverage of the Property shall be a common expense to be paid by periodic assessments levied by the Regime and that such payments shall be held in an escrow account for the Regime and used solely for the payment of the blanket property insurance premiums as such premiums become due.

TWENTY-FIFTH: EASEMENT FOR ENCROACHMENT

If any portion of the common elements now encroaches upon any apartment or if any apartment now encroaches upon any other apartment or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (A) settling of the building, (B) alteration or repair to the common elements made by or with consent of the Board of Administration, or (C) as a result of repair or restoration of the building or any apartment by damage by fire or other casualty, or (D) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.

TWENTY-SIXTH: OTHER REGIME EASEMENTS

Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements, if any, located in any of the other apartments and serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements serving such other apartments and located in such apartment. The Board of Administration shall have the right of access to each apartment to inspect the same to remove violations therefrom and to maintain, repair or replace common elements contained therein or elsewhere in the building or buildings.

TWENTY-SEVENTH: SEVERABILITY

The provisions thereof shall be deemed independent and severable and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of the Master Deed and the By-Laws or any authorized amendment thereto shall not impair or affect in any manner the validity or enforceability of the remaining portions thereof and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included therein.

TWENTY-EIGHTH: NON-WAIVER

No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

IMPORTANT

HARVEY, BATTEY,
MACLOSKIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S. C.
WILTON HEAD ISLAND, S. C.

TWENTY-NINETH:

This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control.

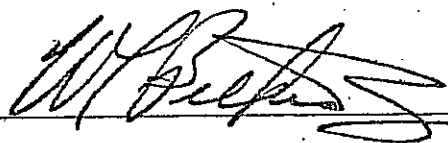
THIRTIETH: CAPTIONS

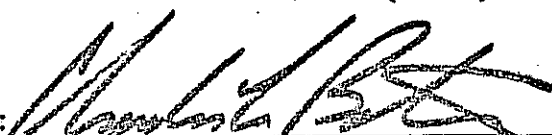
The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Master Deed or the intent of any provisions hereof.

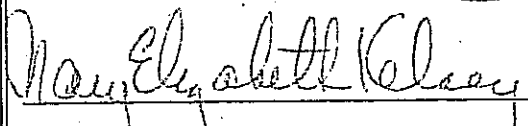
IN WITNESS WHEREOF, Charles L. Bates, and Jean W. Bates have executed this Master Deed as President and Secretary, respectively, of Bates Associates Development Corporation, and the appropriate corporate seals affixed hereto this 25th day of July in the year of Our Lord One Thousand Nine Hundred and Seventy-Eight and in the Two Hundred and Second year of the Sovereignty and Independence of the United States of America.

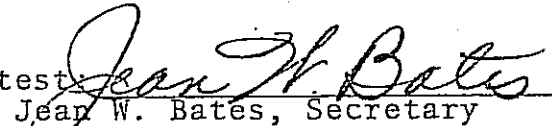
SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

BATES ASSOCIATES DEVELOPMENT
CORPORATION (Seal)



By: 
Charles L. Bates, President

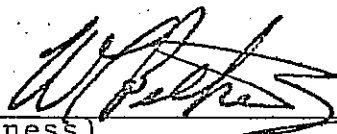


Attest: 
Jean W. Bates, Secretary

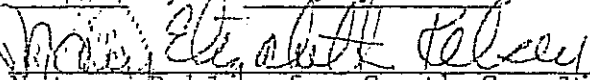
STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

881

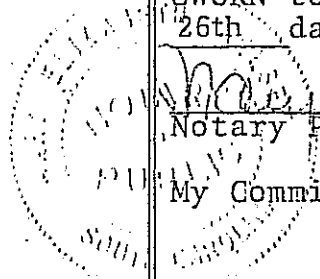
PERSONALLY appeared before me W. L. Bethea, Jr.
who on oath, says that s/he saw the within named BATES
ASSOCIATES DEVELOPMENT CORPORATION, by Charles L. Bates,
its President, sign the within Master Deed, and Jean W. Bates,
its Secretary, attest the same, and that the said Corporation
by said officers, seal said Deed, and as its act and deed,
deliver the same and that s/he with Mary Elizabeth Kelsey
witnessed the execution thereof.


(witness)

SWORN to before me this
26th day of July, 1978.

 (L.S.)
Notary Public for South Carolina

My Commission Expires: June 23, 1980



Joinder of Mortgagee Executed by Service Corporation of South Carolina

- Exhibit "A" - Description of Phase I Land and
and Easements
- Exhibit "B" - Plat (survey) of Phase I Land.
- Exhibit "C" - Plat or Site Plan and Floor Plan with
Architect's certificate (including
Site Plan for Phase I, Phase II and
Phase III
- Exhibit "D" - Description of Apartment Types in
Phase I.
- Exhibit "E" - Building and Apartment Type in Phase
II and Phase III.
- Exhibit "G" - Description of Phase II and Phase III
property.
- Exhibit "H-1" - Form of Amendment to incorporate the
Phase II property into The Villas on
The Fazio Horizontal Property Regime.
- Exhibit "H-2" - Form of Amendment to incorporate the
Phase III property into The Villas
on The Fazio Horizontal Property
Regime.
- Exhibit "I" - By-Laws of the Villas on The Fazio
Horizontal Property Regime.
- Exhibit "J" - Percentage of Undivided Interest in
The Common Elements.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

JOINDER OF MORTGAGEE

833

WHEREAS, Service Corporation of South Carolina, hereinafter called the Mortgagee, is the owner and holder of a Mortgage upon the following lands on Hilton Head Island, Beaufort County, South Carolina:

PHASE I

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being a portion of Palmetto Dunes Resort, being more particularly shown and described on that certain plat prepared by Hussey, Gay & Bell, consulting engineers, and certified to by Roy Hussey, R.L.S. (S.C.) 2373, which plat is dated February 5, 1973 and revised January 5, 1974, January 15, 1974 and August 1, 1974, said plat being entitled "Survey of Palmetto Dunes Resort, Inc., Hilton Head Island, Beaufort County, South Carolina", said tract being a portion of the tract of land being shown as "2S-S 8.64 AC." on the aforementioned plat and further being more particularly shown and described as "Phase I" and by courses and distances on that certain plat prepared by Hussey, Gay & Bell, consulting engineers, and certified to by Roy Hussey, R.L.S. (S.C.) 2373, which plat is dated January, 1977, said plat being entitled "Plat Showing a Subdivision of an Area Designated as 2S-S Adjacent to Carnoustie Road and Fazio Golf Course, Hilton Head Island, Beaufort County, South Carolina", said tract of land having and containing 3.00 acres of land, more or less.

Said property is more particularly described by courses and distances as follows: Commencing at a point which marks the intersection of the northwestern right-of-way of St. George Road with the southwestern right-of-way of Carnoustie Road and thence proceeding along a curve concave to the south with a radius of 202.97 feet for a distance of 26.90 feet to a point; and thence proceeding N 46°02'30" W for a distance of 116.79 feet to a point; and thence proceeding along a curve concave to the south with a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N 17°59'30" W for a distance of 47.90 feet to a concrete monument which marks the point of beginning; thence proceeding S75°11'40" W for a distance of 166.81 feet to a concrete monument; thence proceeding N 9°21'10" W for a distance of 98.34 feet to a concrete monument; thence proceeding N 41°33'40" W for a distance of 296.53 feet to a concrete monument; thence proceeding N 35°59'10" W for a distance of 131 feet to a concrete monument; thence proceeding N 55°42'10" E for a distance of 120.21 feet to a concrete monument; thence proceeding N 2°32' E for a distance of 91.86 feet to a concrete monument; thence proceeding N 48°31'50" E for a distance of 90 feet to a point; thence proceeding S 41°28'10" E for a distance of 188 feet to a concrete monument; thence proceeding along a curve concave to the northeast with a radius of 70 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S 17°59'30" E for a distance of 457.92 feet to the concrete monument which marks the point of beginning.

HARVEY, BATTEY,
MACLOSIE & BETHEA,
P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
BEAUFORT, S. C.
HILTON HEAD ISLAND, S. C.

884

For a further description of the above described property, reference is had to the above mentioned plat and in case of conflict, if any, between said plat and the above courses and distances description, said plat shall be controlling. Said plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 25 at Page 146.

Save and except therefrom the right of ingress and egress and the right of full use and enjoyment into and of the pool site located on the above described Phase I parcel unto the sponsor herein, its heirs, successors, assigns, and grantees.

Further save and except the right of ingress and egress over and across all roads and walkways shown on the above described plat of the Phase I property, said reservation being unto the sponsor herein, its heirs, successors, assigns and immediate grantees.

Save and except for the above described property title to and ownership of all water and sewer lines located on said 3.00 acre parcel or hereafter installed thereon, together with all pipes, pumps, pumping stations or other equipment or facilities located thereon, together with an easement to that portion of the property lying within ten (10) feet of such lines, equipment or facilities, to allow for the maintenance or repair or replacement of such lines, facilities or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

ALSO, the nonexclusive right of ingress and egress over and across the road leading from U. S. Highway 278 into the hereinabove described 3.00 acre parcel of land making up the Villas on The Fazio Horizontal Property Regime, which road is known as the "Queen's Folly Road" and sometimes referred to as the "Core Road". Also, the right of ingress over and across that certain road known as "Carnoustie".

ALSO, the nonexclusive right of ingress and egress over and across those further roads lying within Palmetto Dunes to permit ingress and egress to the area known as the "Dunes House", to permit access to the beaches of the Atlantic Ocean.

WHEREAS, the said Mortgage is evidenced by a certain Mortgage Agreement from Charles L. Bates and Jean W. Bates to Service Corporation of South Carolina, dated April 12, 1977 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on April 12, 1977, in Mortgage Book 189 at Page 787; which Mortgage is in the original principal sum of One Million One Hundred Thirteen Thousand Seven Hundred Fifty and 00/100 (\$1,113,750.00) Dollars.

NOW, KNOW ALL MEN BY THESE PRESENTS that Service Corporation of South Carolina hereby joins in the foregoing Master Deed and the provisions of the Horizontal Property Act of South Carolina for the sole purpose of consenting to the creation by the developer/sponsor of a horizontal property regime on a portion of the property upon which it has a lien and the Mortgagee makes no representations or warranties as to the validity of the documents creating the regime nor as to the development and physical construction of the regime itself, and the Mortgagee agrees that the lien of said Mortgage on that portion of the property hereinbefore set out shall hereafter be upon the following described

property on Hilton Head Island, Beaufort County, South Carolina:

585

The following apartments in the Villas on The Fazio Horizontal Property Regime, together with all of the undivided shares in the common elements appertaining to the hereinafter described apartments; 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19.

Executed this ^{July} 7th day of ~~June~~, 1978.

William J. Casey
H.M. Alexander

SERVICE CORPORATION OF SOUTH CAROLINA.

By: Michael L. Walker

Attest: Bea Matthews

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PERSONALLY appeared before me WILLIAM T. CASEY and made oath that she saw the within named SERVICE CORPORATION OF SOUTH CAROLINA by MICHAEL L. WALKER its PRESIDENT sign, the within instrument and BEA MATTHEWS its SEC. attest the same, and the said Corporation, by said officers, seal said instrument, and as its act and deed, deliver the same, and that s/he with H.M. ALEXANDER witnessed the execution thereof.

H.M. Alexander

SWORN to before me this 7th day of ~~June~~, 1978. JMA

H.M. Alexander (L.S.)
Notary Public for South Carolina

My Commission Expires: 8-2-87
~~6/26/83~~

EXHIBIT A
PROPERTY DESCRIPTION

PHASE I

L. 886

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being a portion of Palmetto Dunes Resort, being more particularly shown and described on that certain plat prepared by Hussey, Gay & Bell, consulting engineers, and certified to by Roy Hussey, R.L.S. (S.C.) 2373, which plat is dated February 5, 1973 and revised January 5, 1974, January 15, 1974 and August 1, 1974, said plat being entitled "Survey of Palmetto Dunes Resort, Inc. Hilton Head Island, Beaufort County, South Carolina", said tract being a portion of the tract of land being shown as "2S-s 8.64 AC." on the aforementioned plat and further being more particularly shown and described as "Phase I" and by courses and distances on that certain plat prepared by Hussey, Gay & Bell, consulting engineers, and certified to by Roy Hussey, R.L.S. (S.C.) 2373, which plat is dated January, 1977, said plat being entitled "Plat Showing a Subdivision of an Area Designated as 2S-S Adjacent to Carnoustie Road and Fazio Golf Course, Hilton Head Island, Beaufort County, South Carolina", said tract of land having and containing 3.00 acres of land, more or less.

Said property is more particularly described by courses and distances as follows: Commencing at a point which marks the intersection of the northwestern right-of-way of St. George Road with the southwestern right-of-way of Carnoustie Road and thence proceeding along a curve concave to the south with a radius of 202.97 feet for a distance of 26.90 feet to a point; and thence proceeding N 46°02'30" W for a distance of 116.79 feet to a point; and thence proceeding along a curve concave to the south with a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N 17°59'30" W for a distance of 47.90 feet to a concrete monument which marks the point of beginning; thence proceeding S75°11'40" W for a distance of 166.81 feet to a concrete monument; thence proceeding N 9°21'10" W for a distance of 98.34 feet to a concrete monument; thence proceeding N 41°33'40" W for a distance of 296.53 feet to a concrete monument; thence proceeding N 35°59'10" W for a distance of 131 feet to a concrete monument; thence proceeding N 55°42'10" E for a distance of 120.21 feet to a concrete monument; thence proceeding N 2°32' E for a distance of 91.86 feet to a concrete monument; thence proceeding N 48°31'50" E for a distance of 90 feet to a point; thence proceeding S 41°28'10" E for a distance of 188 feet to a concrete monument; thence proceeding along a curve concave to the northeast with a radius of 70 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S 17°59'30" E for a distance of 457.92 feet to the concrete monument which marks the point of beginning.

For a further description of the above described property, reference is had to the above mentioned plat and in case of conflict, if any, between said plat and the above courses and distances description, said plat shall be controlling. Said plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 25 at Page 146.

Save and except therefrom the right of ingress and egress and the right of full use and enjoyment into and of the pool site located on the above described Phase I parcel unto the sponsor herein, its heirs, successors, assigns, and grantees.

Further save and except the right of ingress and egress over and across all roads and walkways shown on the above described plat of the Phase I property, said reservation being unto the sponsor herein, its heirs, successors, assigns and grantees.

Save and except for the above described property title to and ownership of all water and sewer lines located on said 3.00 acre parcel or hereafter installed thereon, together with all pipes, pumps, pumping stations or other equipment or facilities located thereon, together with an easement to that portion of the property lying within ten (10) feet of such lines, equipment or facilities, to allow for the maintenance or repair or replacement of such lines, facilities or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

ALSO, the nonexclusive right of ingress and egress over and across the road leading from U. S. Highway 278 into the hereinabove described 3.00 acre parcel of land making up the Villas on The Fazio Horizontal Property Regime, which road is known as the "Queen's Folly Road" and sometimes referred to as the "Core Road". Also, the right of ingress over and across that certain road known as "Carnoustie".

ALSO, the nonexclusive right of ingress and egress over and across those further roads lying within Palmetto Dunes to permit ingress and egress to the area known as the "Dunes House", to permit access to the beaches of the Atlantic Ocean.

In each unit, whether types 2BR, 2BR-BK, 2BRD, 2BRD-BK, 3BR, 3BR-BK, 3BRD, 3BRD-BK, the units come equipped with a basic appliance package consisting of a 17.6 C.F. General Electric Refrigerator with Ice Maker, a General Electric Range with self-cleaning oven, and General Electric vented hood, a General Electric Dishwasher, a General Electric Disposal, Washer and Dryer by General Electric and heating and air conditioning system by General Electric.

The units are described herein below. They include (a) the spaces enclosed by the unfurnished 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) interior dividing walls and partitions (including the space occupied by such walls, or partitions) except load bearing support walls; (c) the decorated inner surfaces of such perimeter and interior walls, ceilings and floors, consisting (as the case may be) of wallpaper, paint, plaster, carpeting, tiles and all other furnishing materials and fixtures affixed or installed and for the sole and exclusive use of any unit (commencing at the point of disconnection from the structural body of the building and from utility lines, pipes, or systems serving the Unit). 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 unit or building, nor any property of any kind, including fixtures and appliances within any unit, 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 unit.

PHASE I

Each type 2BR unit (2 bedroom Villa) contains a total of 1,636 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Off the foyer is a power room with 40 S.F. Directly off the entry is a combination Living/Dining room containing 436 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 144 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 52 S.F. An exterior door from utility leads to a fenced service yard.

Leading off the foyer is a stairway leading upstairs to a 32 S.F. hall. Opening into this hall is a 6 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. A sliding glass door opens to a 48 S.F. balcony. Adjacent to the master bedroom is a 36 S.F. dressing area, 36 S.F. bath and a 30 S.F. walk-in closet. A second bedroom opens off the stair hall which has 180 S.F. A 36 S.F. closet and a 45 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of this bedroom leads to attic with 128 S.F. of floored area.

Each type 2BR-BK (2 bedroom Villa with breakfast room) contains a total of 1,756 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Off the foyer is a powder room with 40 S.F. Directly off the entry is a combination living/dining room containing 436 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 144 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. A 120 S.F. breakfast room adjoins the kitchen. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 52 S.F. An exterior door from utility leads to a fenced service yard.

Leading off the foyer is a stairway leading upstairs to a 32 S.F. hall. Opening into this hall is a 6 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. A sliding glass door opens to a 48 S.F. balcony. Adjacent to the master bedroom is a 36 S.F. dressing area, 36 S.F. bath and a 30 S.F. walk-in closet. A second bedroom opens off the stair hall which has 180 S.F. A 36 S.F. closet and a 45 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of this bedroom leads to attic with 128 S.F. of floored area.

Each type 2BRD (2 bedroom Villa with den) contains a total of 1,888 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Leading from the entry foyer is a 32 S.F. hall which leads to a 40 S.F. bath and a den with 188 S.F. At one end of den is a desk in an alcove. There are 2 closets on each side of the desk with 15 S.F. each. There is also a door that leads from the den into the utility area. Directly off the entry is a combination living/dining room containing 436 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 144 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 16 S.F. An exterior door from utility leads to a fenced service yard. A 48 S.F. storage room opens off service yard.

Leading off the foyer is a stairway leading upstairs to a 32 S.F. hall. Opening into this hall is a 6 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. A sliding glass door opens to a 48 S.F. balcony. Adjacent to the master bedroom is a 36 S.F. dressing area, 36 S.F. bath and a 30 S.F. walk-in closet. A second bedroom opens off the stair hall which has 180 S.F. A 36 S.F. closet and a 45 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of this bedroom leads to attic with 128 S.F. of floored area.

Each type 2BRD-BK (2 bedroom Villa with den and breakfast) contains a total of 2,008 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Leading from the entry foyer is a 32 S.F. hall which leads to a 40 S.F. bath and a den with 188 S.F. At one end of den is a desk in an alcove. There are 2 closets on each side of the desk with 15 S.F. each. There is also a door that leads from the den into the utility area. Directly off the entry is a combination living/dining room containing 436 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 144 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. A 120 S.F. breakfast room adjoins the kitchen. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 16 S.F. An exterior door from utility leads to a fenced service yard. A 48 S.F. storage room opens off service yard.

Leading off the foyer is a stairway leading upstairs to a 32 S.F. hall. Opening into this hall is a 6 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. A sliding glass door opens to a 48 S.F. balcony. Adjacent to the master bedroom is a 36 S.F. dressing area, 36 S.F. bath and a 30 S.F. walk-in closet. A second bedroom opens off the stair hall which has 180 S.F. A 36 S.F. closet and a 45 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of this bedroom leads to attic with 128 S.F. of floored area.

Each type 3BR unit (3 bedroom Villa) contains a total of 1,836 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Off the foyer is a powder room with 40 S.F. Directly off the entry is a combination living/dining room containing 500 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 192 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 52 S.F. An exterior door from utility leads to a fenced service yard.

Leading off the foyer is a stairway leading upstairs to a 48 S.F. hall. Opening into this hall is a 3 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. Adjacent to the master bedroom is a 72 S.F. bath, a 18 S.F. closet and a 15 S.F. closet. A second bedroom opens off the stair hall which has 144 S.F. A 13 S.F. closet and a 48 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of stair hall leads to attic with 128 S.F. of floored area. A third bedroom opens off the stair hall which has 150 S.F. and a 25 S.F. walk-in closet. This bedroom also opens into bath shared by second bedroom. A 48 S.F. balcony opens off the second bedroom through a sliding glass door.

Each type 3BR-BK Unit (3 bedroom villa with breakfast room) contains a total of 1,956 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F. 891

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Off the foyer is a powder room with 40 S.F. Directly off the entry is a combination living/dining room containing 500 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through sliding glass door is a wood deck of 192 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. A 120 S.F. breakfast room adjoins the kitchen. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 52 S.F. An exterior door from utility leads to a fenced yard.

Leading off the foyer is a stairway leading upstairs to a 48 S.F. hall. Opening into this hall is a 3 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. Adjacent to the Master bedroom is a 72 S.F. bath, a 18 S.F. closet, and a 15 S.F. closet. A second bedroom opens off the stair hall which has 144 S.F. A 13 S.F. closet and a 48 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of stair hall leads to attic with 128 S.F. of floored area. A third bedroom opens off the stair hall which has 150 S.F. and a 25 S.F. walk-in closet. This bedroom also opens into bath shared by second bedroom. A 48 S.F. balcony opens off the second bedroom through a sliding glass door.

Each type 3BRD unit (3 bedroom Villa with den) contains a total of 2,088 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Leading from the entry foyer is a 32 S.F. hall which leads to a 40 S.F. bath and a den with 188 S.F. At one end of den is a desk in an alcove. There are 2 closets on each side of the desk with 15 S.F. each. There is also a door that leads from the end into the utility area. Directly off the entry is a combination living/dining room containing 500 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 192 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 16 S.F. An exterior door from utility leads to a fenced service yard. A 48 S.F. storage room opens off service yard.

Leading off the foyer is a stairway leading upstairs to a 48 S.F. Hall. Opening into this Hall is a 3 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. Adjacent to the master bedroom is a 72 S.F. bath. A 18 S.F. closet and a 15 S.F. closet. A second bedroom opens off the stair hall which has 144 S.F. A 13 S.F. closet and a 48 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of stair hall leads to attic with 128 S.F. of floored area. A third bedroom opens off the stair hall which has 150 S.F. and a 25 S.F. walk-in closet. This bedroom also opens into bath shared by second bedroom. A 48 S.F. balcony opens off the second bedroom through a sliding glass door.

Each type 3BDR-BK unit (3 bedroom Villa with den and breakfast room) contains a total of 2,208 S.F. on two floors. Not included in the total square feet of the unit is the front door stoop or a fenced service yard of approximately 120 S.F.

Entry into the unit is through the front door into a foyer containing 64 S.F. Opening into the foyer is a coat closet containing 24 S.F. Leading from the entry foyer is a 32 S.F. hall which leads to a 40 S.F. bath and a den with 188 S.F. At one end of den is a desk in an alcove. There are 2 closets on each side of the desk with 15 S.F. each. There is also a door that leads from the den into the utility area. Directly off the entry is a combination living/dining room containing 500 S.F. At one end of living area is a fireplace with raised hearth. Opposite fireplace is a wet bar behind bifold doors. Leading from dining area through a sliding glass door is a wood deck of 192 S.F. Opening off the dining area is a kitchen with 132 S.F. Between kitchen and dining is a passthru opening. A 120 S.F. breakfast room adjoins the kitchen. Leading off kitchen is a utility room with 48 S.F. Adjacent to utility is a storage/mechanical area of 16 S.F. An exterior door from utility leads to a fenced service yard. A 48 S.F. storage room opens off service yard.

Leading off the Foyer is a stairway leading upstairs to a 48 S.F. Hall. Opening into this hall is a 3 S.F. linen closet. Opening off this hall is a master bedroom with 238 S.F. Adjacent to the master bedroom is a 72 S.F. bath, a 18 S.F. closet and a 15 S.F. closet. A second bedroom opens off the stair hall which has 144 S.F. A 13 S.F. closet and a 48 S.F. bath adjoins this bedroom. A pull down attic stair in the ceiling of stair hall leads to attic with 128 S.F. of floored area. A third bedroom opens off the stair hall which has 150 S.F. and a 25 S.F. walk-in closet. This bedroom also opens into bath shared by second bedroom. A 48 S.F. balcony opens off the second bedroom through a sliding glass door.

PHASE II

The apartment types in the Phase II Property, if applicable, shall be the same as one or the other of the hereinabove described apartment types.

PHASE III

The apartment types in the Phase III Property, if applicable, shall be as indicated in Paragraph EIGHTH of this Master Deed.

EXHIBIT E

893

BUILDING AND APARTMENT TYPES IN PHASE II
AND PHASE III

PHASE II

In building H, there will be one type 2BRD Apartment, one type 2BR Apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 20, 21 and 22.

In Building I, there will be one type 3BRD-BK Apartment and one type 3BR-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 23 and 24.

in Building J, there will be one type 2BRD-BK Apartment, one type 3BR Apartment and one type 3BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 25, 26 and 27.

in Building K, there will be one type 2BR-BK Apartment, one type 2BR apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 28, 29 and 30.

In Building L, there will be one type 2BRD-BK Apartment, one type 2BR Apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 31, 32 and 33.

In Building M, there will be one type 3BRD-BK Apartment, one type 2BR Apartment and one type 2BRD-BK Apartment, hereinafter numbered consecutively and usually referred to as Apartments 34, 35 and 36.

In Building N, there will be one type 2BRD Apartment, one type 2BR Apartment and one type 2BRD Apartment, hereinafter numbered consecutively and usually referred to as Apartments 37, 38 and 39.

PHASE III

In the Phase III Property, if applicable, the building and Apartment types shall be in accordance with the criteria set forth in Paragraph EIGHTH of this Master Deed and, if applicable, as may be hereafter set forth in the authorized amendment to the Master Deed.

EXHIBIT G

PHASE II AND PHASE III PROPERTY DESCRIPTIONS

894

PHASE II

All that certain piece, parcel or tract of land, situate, lying and being in Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, having and containing two and eighty-five hundredths (2.85) acres, more or less, and being shown and described as PHASE II on a plat entitled "Plat Showing a Subdivision of an Area Designated as 2S-S Adjacent to Carnoustie Road and Fazio Golf Course, Hilton Head Island, Beaufort County, South Carolina," prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. No. 2373 (S.C.), which plat is dated January, 1977. Said property is more particularly described as follows, to-wit:

Commencing at a point located at the Northwestern intersection of the right-of-way of St. George Road and Carnoustie Road, and proceeding in a Northwesterly direction along a curve having a radius of 202.97 feet for a distance of 26.90 feet to a point; thence proceeding N 46°2'30" W for a distance of 116.79 feet to a point; thence continuing in a Northwesterly direction along a curve having a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N17°59'30" W for a distance of 47.90 feet to a concrete monument; thence proceeding N 17°59'30" W for a distance of 457.92 feet to a concrete monument; thence proceeding in a Northwesterly direction along a curve concave to the West with a radius of 70 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S 41°28'10" E for a distance of 188 feet to a point which marks the point of beginning; thence proceeding S 48°31'50" W for a distance of 90 feet to a point; thence proceeding S 2°32' W for a distance of 91.86 feet to a point; thence proceeding S 55°42'10" W for a distance of 120.21 feet to a concrete monument; thence proceeding N 35°59'10" W for a distance of 144.36 feet to a concrete monument; thence proceeding N60°33'30" W for a distance of 311.13 feet to a concrete monument; thence proceeding N 72°07'30" W for a distance of 65.58 feet to a concrete monument; thence proceeding N63°50'50" E for a distance of 90.74 feet to a concrete monument; thence proceeding N 46°52'10" E for a distance of 197.26 feet to a concrete monument; thence proceeding S 69°46'10" E for a distance of 65.05 feet to a concrete monument; thence proceeding in a Southeasterly direction along a curve concave to the West having a radius of 226.25 feet for a distance of 44.01 feet to a concrete monument; thence proceeding S 58°37'30" E for a distance of 192.57 feet to a concrete monument; thence proceeding in a Southeasterly direction along a curve concave to the West having a radius of 119.96 feet for a distance of 35.92 feet to a concrete monument; thence proceeding S41°28'10" E for a distance of 107.58 feet to a point which marks the point of beginning.

For a more detailed description as to the above described parcel, reference is had to the above mentioned plat which is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 25 at Page 146.

PHASE III

895

All that certain piece, parcel or tract of land situate, lying and being in Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, having and containing two and two-tenths (2.2) acres, more or less, and being shown and described as Phase III on a plat entitled "Plat showing a Subdivision of an Area Designated as 2S-S, adjacent to Carnoustie Road and Fazio Golf Course, Hilton Head Island, Beaufort County, South Carolina, prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. Number 2373 (S.C.)," which plat is dated January, 1977. Said property is more particularly described as follows; to-wit:

Commencing at a point located at the Northwestern intersection of the right-of-way of St. George Road and Carnoustie Road, and proceeding in a Northwesterly direction along a curve having a radius of 202.97 feet for a distance of 26.90 feet to a point; thence proceeding N 46°2'30" W for a distance of 116.79 feet to a point; thence continuing in a Northwesterly direction along a curve having a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N17°59'30" W for a distance of 47.90 feet to a concrete monument; thence proceeding N17°59'30" W for a distance of 457.92 feet to a concrete monument; thence proceeding in a Northwesterly direction along a curve concave to the West with a radius of 70 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S 41°28'10" E for a distance of 295.58 feet to a concrete monument; thence proceeding in a Northwesterly direction along a curve concave to the West having the radius of 119.96 feet for a distance of 35.92 feet to a concrete monument; thence proceeding N58°37'30" W for a distance of 192.57 feet to a concrete monument; thence proceeding in a Northwesterly direction along a curve concave to the West having a radius of 226.28 feet for a distance of 44 feet to a concrete monument; thence proceeding S 69°46'10" E for a distance of 65.05 feet to a concrete monument; thence proceeding S 69°46'10" E for a distance of 71.63 feet to a concrete monument which marks the point of beginning; thence proceeding S 61°52'20" W for a distance of 105.09 feet to a concrete monument; thence proceeding S 4°29'20" W for a distance of 86.20 feet to a concrete monument; thence proceeding S 54° 29'20" W for a distance of 103.92 feet; thence proceeding N 72°07'30" W for a distance of 87.59 feet to a concrete monument; thence proceeding N 89°32'30" W for a distance of 162.09 feet to a concrete monument; thence proceeding N 53° 10'30" W for a distance of 130.16 feet to a concrete monument; thence proceeding in a Northeasterly direction along a curve concave to the Northwest having a radius of 176.15 feet for a distance of 49.95 feet to a concrete monument; thence proceeding N 43°14'20" E for a distance of 134.55 feet to a concrete monument; thence proceeding in a Northeasterly direction along a curve concave to the South having a radius of 70.02 feet for a distance of 42.39 feet to a concrete monument; thence proceeding N77°55'50" E for a distance of 111.09 feet to a concrete monument; thence proceeding in a Southeasterly direction along a curve concave to the South having a radius of 69.83 feet for a distance of 39.37 feet to a concrete monument; thence proceeding S69°46'10" E for a distance of 288.53 feet to a concrete monument which marks the point of beginning.

For a more detailed description of the above described parcel, reference is had to the above mentioned plat which is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 25 at Page 146.

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

1598

BATES ASSOCIATES DEVELOPMENT CORPORATION,
to
VILLAS ON THE FAZIO HORIZONTAL PROPERTY REGIME

FIRST AMENDMENT TO MASTER DEED ESTABLISHING HORIZONTAL PROPERTY REGIME

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 3rd day of November, in the year of our Lord One Thousand Nine Hundred and Seventy-Eight, Bates Associates Development Corporation, a South Carolina Corporation with its principal place of business on Hilton Head Island, Beaufort County, South Carolina, hereinafter referred to as "Sponsor", does hereby declare:

WHEREAS, on or about the 25th day of July, 1978 Bates Associates Development Corporation did execute a certain Master Deed creating the VILLAS ON THE FAZIO HORIZONTAL PROPERTY REGIME, which Master Deed was recorded on July 31, 1978 in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 267 at Page 871; and

WHEREAS, no transfers have been made since the recording of said Master Deed and the Sponsor is still the sole owner of all properties located within said Horizontal Property Regime; and

WHEREAS, it is the desire of Sponsor to effect certain amendments to the aforementioned Master Deed prior to the transfer of any units in connection therewith.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that said Sponsor does hereby amend the aforementioned Master Deed in the following particulars and any portion thereof not hereby amended shall remain in full force and effect as originally set forth:

1. Page 3, Paragraph EIGHTH, entitled "General Plan of Development", the second paragraph therein, is deleted in its entirety, and in lieu thereof is inserted the following paragraph:

(Phase II). With regard to the Phase II property shown on the Exhibit "B" plat, Sponsor reserves in the manner more particularly hereinafter set forth, the right to construct twenty (20) individual apartments of the same general type, architectural style, form, design and general valuation and constructed of the same basic materials and of the same basic quality as the buildings constructed on the Phase I property herein referred to. Said Phase II property shall become an integral part of the Villas on the Fazio Horizontal Property Regime once appropriate amendments to this Master Deed of the type attached hereto as Exhibit H-1, have been filed as hereinafter provided. Phase II shall contain seven (7) buildings, containing twenty (20) individual apartments, all of which shall be of the types as described in Exhibit "B" attached hereto, with the Sponsor reserving the right to determine and delineate in the amendment as described in Exhibit H-1 the exact floor plan type among those described in Exhibit "D" attached hereto.

2. Page 4, Paragraph NINTH, entitled "RESERVATION OF RIGHT OF SPONSOR FOR PHASE II AND PHASE III", the annexation dates for Phase II as described therein shall be modified so as to provide that such amendments shall be filed in the Office of the Clerk of Court for Beaufort County, South Carolina not later than March 1, 1981 with regard to Phase II property and March 1, 1981 with regard to the Phase III property.

Beaufort County Tax Map Reference
Map 16 Parcel 289 Bk 26 Dist 052

3. Exhibit "E" to the aforementioned Master Deed is modified so as to delete therefrom the Paragraph with the heading entitled "PHASE II" in its entirety and in lieu thereof to substitute the following replacement paragraph:

PHASE II

1590

In the Phase II property, if applicable, the building and apartment types shall be in accordance with the criteria set forth in Paragraph Eighth of this Master Deed and, if applicable, as may be hereafter set forth in the authorized amendment to said Master Deed.

4. In Exhibit "H-1" of said Master Deed the amendment described therein is modified to read the "SECOND" Amendment in lieu of the "FIRST" Amendment. Moreover, in the second "WHEREAS" paragraph, second line, after the word "Sponsor" there should be inserted the following language: ", its Successors or Assigns,".

Additionally, in the second "WHEREAS" paragraph, in the sixth line, after the word "Sponsor" there shall be added the following language: ", its Successors or Assigns,".

5. Exhibit "H-2" is modified so as to be labeled the "THIRD" Amendment as opposed to the "SECOND" Amendment. Moreover, in the second "WHEREAS" paragraph, second line, after the word "Sponsor" there should be inserted the language: ", its Successors and Assigns,".

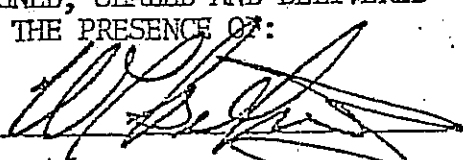
Additionally, in paragraphs "FIRST", "SECOND" and "THIRD", in the first line of each paragraph after the word "Sponsor" there should be inserted the language: ", its Successors or Assigns,".

6. The purpose of the amendments herein contained in Paragraphs 1 through 5 of this Amendment is twofold. One purpose is to make more definite and certain the ability of an Assignee/Grantee of Sponsor to cause to be filed the amendments prescribed in said Master Deed for purposes of annexing or incorporating the said Phase II and/or Phase III property into the Villas on the Fazio Horizontal Property Regime. The second purpose of this amendment is to permit the same variation of unit types among those units described in Exhibit "D" hereto within the Phase II property as is permitted within the Phase III property.

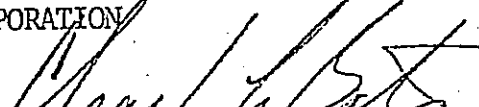
7. Except as modified herein, the provisions of the above-referenced Master Deed shall remain in full force and effect.

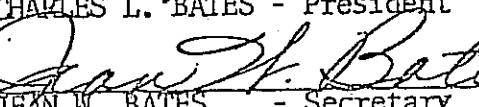
IN WITNESS WHEREOF, CHARLES L. BATES and JEAN W. BATES have executed this First Amendment to the Master Deed as President and Secretary, respectively, of BATES ASSOCIATES DEVELOPMENT CORPORATION, Sponsor herein, and the appropriate corporate seal affixed hereto on the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:


Kathryn D. Brunson

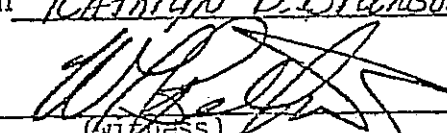
BATES ASSOCIATES DEVELOPMENT CORPORATION

By: 
CHARLES L. BATES - President

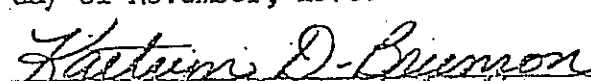
Attest: 
JEAN W. BATES - Secretary

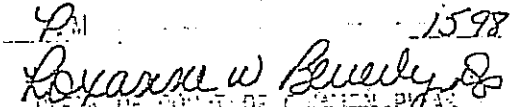
STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me W. L. Bethea, Jr who, on oath, says that s/he saw the within named BATES ASSOCIATES DEVELOPMENT CORPORATION by CHARLES L. BATES, its President, sign the within Amendment, and JEAN W. BATES, its Secretary, attest the same and the said Corporation, by said officers, seal said Amendment, and as its act and deed, deliver the same and the s/he with Kathryn D. Brunson witnessed the execution thereof.


(Witness)
H. B. M. & B.

SWORN to before me this 3rd day of November, 1978.


Kathryn D. Brunson
Notary Public for South Carolina
My Commission Expires: 10/6/87

FILED	BEAUFORT	RECORDED
AT	COUNTY	IN
	S. C.	BOOK
12:20		272
O'CLOCK	NOV 9 1978	PAGE
		1598
		
CLERK OF COURT OF BEAUFORT COUNTY		

STATE OF SOUTH CAROLINA)
)
 COUNTY OF BEAUFORT)
)
 BATES ASSOCIATES DEVELOPMENT)
 CORPORATION)
)
 TO)
)
 VILLAS ON THE FAZIO)
 HORIZONTAL PROPERTY REGIME)

SECOND
 AMENDMENT TO MASTER DEED OF 546
 VILLAS ON THE FAZIO HORIZONTAL
 PROPERTY REGIME

WHEREAS, on the 25th day of July, 1978, Bates Associates Development Corporation, executed a certain Master Deed establishing the Villas on The Fazio Horizontal Property Regime, which Master Deed was recorded on the 31st day of July, 1978, in Deed Book 267 at Page 871 and in Plat Book 27 at Page 24 in the Office of the Clerk of Court for Beaufort County, South Carolina, as amended by that First Amendment recorded in said Office in Deed Book 272 at Page 1598; and

WHEREAS, said Master deed reserved the right at the sole option of the Sponsor, its successors and assigns, that said project could be divided into one, two or three phases, Phase I being activated by aforementioned Master Deed with the provision that Phase II and/or Phase III of said property could be made a part of the Villas on The Fazio Horizontal Property Regime at the election of the Sponsor, its successors and assigns, and upon the filing of Amendments submitting said property to said Regime; and

WHEREAS, on the 4th day of November, 1978, Bates Associates Development Corporation transferred the Phase II property to Marvin M. Black Company, a Georgia Corporation authorized to do business in the state of South Carolina, by deed recorded in Deed Book 272 at Page 1600; and Marvin M. Black Company transferred said property to MILAJEST, Inc., a Georgia Corporation authorized to do business in the state of South Carolina, by deed recorded in Deed Book 279 at Page 1665; and the said MILAJEST, Inc. succeeded Bates Associates Development Corporation as "Sponsor" as that term is used in the above-referenced Master Deed, as it relates to the said Phase II property; and

WHEREAS, it is the desire of said Sponsor to bring the Phase II property into the Villas on The Fazio Horizontal Property Regime.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that MILAJEST, Inc., hereinafter referred to as "Sponsor", does hereby declare:

FIRST:

That Sponsor does hereby elect to exercise and does hereby exercise the options and rights hereinabove referred to and more particularly set forth in the Master Deed of the Villas on The Fazio Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 267 at Page 871, et seq., as amended by that certain First Amendment recorded in said Office in Deed Book 272 at Page 1598, to further amend said Master Deed to include the Phase II property more particularly set forth in Exhibit A hereto as a part of the Villas on The Fazio Horizontal Property Regime in such a way that the said Villas on The Fazio Horizontal Property Regime shall be composed of the properties formerly designated as Phase I and Phase II. Effective upon the filing of this Second Amendment, the property included in the Villas on The Fazio Horizontal Property Regime shall be as described in Exhibit "D" hereto which description includes the Phase I and Phase II properties.

SECOND:

That Sponsor is the sole owner of the land described in Exhibit "A" herein, which land is shown on a plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 28 at Page 155.

THIRD:

That Sponsor does hereby, by duly executing this Second Amendment to the Master Deed of the Villas on The Fazio Horizontal Property Regime, submit the land referred to in Paragraph SECOND, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "property") to the provisions of the Master Deed for the Villas on The Fazio Horizontal Property Regime, as amended, and the provisions of the Horizontal Property Act of the State of South Carolina, and does hereby state that it proposes to make the property a part of the Villas on The Fazio Horizontal Property Regime to be governed by the provisions of the aforementioned Master Deed, as amended, and the provisions of Horizontal Property Act of South Carolina.

FOURTH:

That the improvements constructed on and forming a part of the property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" attached hereto and made a part hereof which plans are prepared by Charles L. Bates, A.I.A., an architect duly licensed to practice in the State of South Carolina under Registration Certificate Number 887, and to which plans is attached a certificate by Peter E. Sherratt, A.I.A., an architect duly licensed to practice in the State of South Carolina under Registration Certificate Number 1512, that the buildings constructed on the property were constructed in accordance with said plans.

FIFTH:

That the property within Phase II which is being added to and combined with the Phase I property of Villas on The Fazio Horizontal Property Regime includes Seven (7) buildings containing individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential purposes. The apartments are capable of individual utilization on account of having their own exits to the common elements of the Property, and a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the property, as set forth in the Master Deed to said Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 267 at Page 871 et. seq. as amended by that certain First Amendment recorded in said Office in Deed Book 272 at Page 1598 and as hereinafter set forth, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements"), all of the above in accordance with the Horizontal Property Act of South Carolina.

SIXTH:

That the Property comprising Phase II and being hereby added to the property of the Villas on The Fazio Horizontal Property Regime has a total of 2.85 acres of which 23,465 square feet will constitute and be occupied by apartments and total 100,681 square feet will constitute the remainder of the common elements.

SEVENTH:

That the total property of the Villas on The Fazio Horizontal Property Regime, subsequent to the filing of this Second Amendment and including both the Phase I and Phase II property, has a total of 5.85 acres of which 51,261 square feet will constitute apartments and 203,565 square feet will constitute the remainder of the common elements.

EIGHTH:

There are eight (8) basic types of apartments in the Villas on The Fazio Horizontal Property Regime, (including Phase I and Phase II) those to be as set forth and more particularly described in Exhibit "D" to the Master Deed for said Regime and any proper amendments thereto which Master Deed is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 267 at Page 871, said Exhibit "D" being recorded in Deed Book 267 at Page 888, et. seq. the contents and provisions of which are incorporated herein in the same manner as if the same were expressly set forth in this Second Amendment. The Apartments in the Phase I property of the Villas on The Fazio Horizontal Property Regime are set forth in the aforementioned Master Deed and

recorded in Deed Book 267 at Page 888. The Apartments in the Phase II property of the Villas on The Fazio Horizontal Property Regime are set forth as Exhibit "E" in the aforementioned Master Deed establishing said Regime and are recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 267 at Page 893 et seq., the content and provisions of which are incorporated herein in the same manner as if the same were expressly set forth in this Amendment. 548

NINTH:

That the Common Elements of the property, both General and Limited, and including Phase I and Phase II property, shall be as set forth in the Master Deed establishing the Villas on The Fazio Horizontal Property Regime, as amended, which Master Deed is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 267 at Page 871, et. seq., the provisions of which are incorporated herein and made a part hereof in the same manner as if the same were expressly set forth herein except as herein modified or amended.

The parking facilities within the General Common Elements shall consist of approximately 8,892 square feet in the Phase I property, and 12,788 square feet in the Phase II property, with a total of 21,680 square feet of parking in the Regime subsequent to the execution of this Amendment.

The Limited Common Elements referred to in the Master Deed to the Villas on The Fazio Horizontal Property Regime, as amended, are as shown on the plot plan and floor plans recorded in Plat Book 27 at Page 24, and Plat Book 28 at Page 155, those being Exhibit "C" to the Master Deed and Exhibit "C" to this Second Amendment, respectively.

TENTH:

The percentage of title and interest appurtenant to each apartment and the apartment owners' title and interest in the common elements (both General and Limited) of the Property (both Phase I and Phase II) of the Villas on The Fazio Horizontal Property Regime and their share in the profits and common monthly expenses as well as proportionate representation for voting purposes in the meeting of the council of co-owners (hereinafter usually referred to as "Council") of the Regime is based upon the proportionate value of each apartment to the value of the total Property (both Phase I and Phase II) as set forth in Exhibit "J" to the Master Deed establishing said Regime, which Exhibit "J" is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 267 at Page 882 under the column entitled "percentage for Phase I and II," the provisions of which are incorporated herein and made a part hereof. Said percentages are likewise set forth in Exhibit "E" to this Second Amendment and are attached hereto and made a part hereof. The proportionate representation for voting purposes and the percentage of the undivided interests in the common elements (both General and Limited) provided in this paragraph and in Exhibit "E" hereto shall not be altered without the acquiescence of the co-owners representing all of the apartments expressed in a duly recorded amendment to this Master Deed for such Regime or by an amendment filed by the Sponsor in accordance with the Master Deed.

ELEVENTH:

The sole purpose of this Second Amendment being is to add the Phase II property to the Villas on The Fazio Horizontal Property Regime so as to make it an integral part of said Regime, all provisions of the Master Deed establishing the Villas on The Fazio Horizontal Property Regime as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 267 at Page 871, as amended in Deed Book 277 at Page 1598, which are not modified herein and are expressly incorporated into and reaffirmed by this Second Amendment in the same manner as if the same were expressly set forth herein. This Second Amendment is intended to comply with the provisions of the aforementioned Master Deed, as amended, and the Horizontal Property Act of South Carolina. In case any of the provisions stated above conflict with the provisions of said statute, the provision of said statute shall control. The provisions hereof shall be deemed independent and severable,

and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of this Second Amendment shall not affect the validity or enforceability of the remaining portions thereof and in such event, all of the other provisions of this Second Amendment shall continue in full force and effect as if such invalid provision had never been included therein.

IN WITNESS WHEREOF, MILAJEST, INC. has caused these presents to be executed in its name by MICHAEL M. BLACK, its President and JENNIFER B. VULLO, its Secretary, and its corporate seal to be affixed hereto this 25th day of February, in the year of our Lord one thousand nine hundred eighty and in the two hundred and fourth year of the Sovereignty and Independence of the United States of America.

Signed, Sealed & Delivered
In the Presence of:

MILAJEST, INC. (SEAL)

By: [Signature]
MICHAEL M. BLACK, President

Attest: [Signature]
JENNIFER B. VULLO, Secretary

STATE OF GEORGIA)
COUNTY OF FULTON)

PROBATE

PERSONALLY appeared before me EUGENE R. SIMONS, on oath, says that ~~she~~ he saw the within named MILAJEST, Inc. by MICHAEL M. BLACK, its President, sign the within Second Amendment, and JENNIFER B. VULLO, its Secretary, attest the same and the said Corporation, by said Officers, seal said Second Amendment, and as its act and deed, deliver the same and that ~~she~~ he with JANICE P. LIEHR witnessed the execution thereof.

[Signature]
(Witness)

SWORN to before me this 25th day of February, 1980

[Signature] (L.S.)
Notary Public for Georgia

My Commission Expires: July 5, 1983

Joinder of Mortgagee executed by Bankers Trust of South Carolina

Exhibit "A" - Description of Phase II Property

Exhibit "B" - Plat (Survey) of land, showing Phase I, Phase II, etc.

Exhibit "C" - Plot plan and floor plans and Architect's/Engineer's
Certificates.

Exhibit "D" - Description of property within the Villas on The Fazio
Horizontal Property Regime, including both Phase I and
Phase II property.

Exhibit "E" - Percentage of common elements for the Villas on The Fazio
Horizontal Property Regime (including Phase I and Phase II)

ALL that certain piece, parcel or tract of land situate, lying and being in Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, having and containing two and eight-fifths (2.85) acres, more or less, and being shown and described as PHASE II on a plat entitled "Plat Showing a Subdivision of an Area Designated as 2S-S Adjacent to Carnoustie Road and Fazio Golf Course, Hilton Head Island, Beaufort County, South Carolina," prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. No. 2373 (S.C.), which plat is dated January, 1977. Said property is more particularly described as follows, to-wit:

Commencing at a point located at the Northwestern intersection of the right-of-way of St. George Road and Carnoustie Road, and proceeding in a Northwesterly direction along a curve having a radius of 202.97 feet for a distance of 26.90 feet to a point; thence proceeding N $46^{\circ}2'30''$ W for a distance of 116.79 feet to a point; thence continuing in a Northwesterly direction along a curve having a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N $17^{\circ}59'30''$ W for a distance of 47.90 feet to a concrete monument; thence proceeding N $17^{\circ}59'30''$ W for a distance of 457.92 feet to a concrete monument; thence proceeding in a Northwesterly direction along a curve concave to the West with a radius of 70 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S $41^{\circ}28'10''$ E for a distance of 188 feet to a point which marks the point of beginning; thence proceeding S $48^{\circ}31'50''$ W for a distance of 90 feet to a point; thence proceeding S $2^{\circ}32'$ W for a distance of 91.86 feet to a point; thence proceeding S $55^{\circ}42'10''$ W for a distance of 120.21 feet to a concrete monument; thence proceeding N $35^{\circ}59'10''$ W for a distance of 144.36 feet to a concrete monument; thence proceeding N $60^{\circ}33'30''$ W for a distance of 311.13 feet to a concrete monument; thence proceeding N $72^{\circ}07'30''$ W for a distance of 65.58 feet to a concrete monument; thence proceeding N $63^{\circ}50'50''$ E for a distance of 90.74 feet to a concrete monument; thence proceeding N $46^{\circ}52'10''$ E for a distance of 197.26 feet to a concrete monument; thence proceeding S $69^{\circ}46'10''$ E for a distance of 65.05 feet to a concrete monument; thence proceeding in a Southeasterly direction along a curve concave to the West having a radius of 226.25 feet for a distance of 44.01 feet to a concrete monument; thence proceeding S $58^{\circ}37'30''$ E for a distance of 192.57 feet to a concrete monument; thence proceeding in a Southeasterly direction along a curve concave to the West having a radius of 119.96 feet for a distance of 35.92 feet to a concrete monument; thence proceeding S $41^{\circ}28'10''$ E for a distance of 107.58 feet to a point which marks the point of beginning.

For a more detailed description as to the above-described parcel, reference is had to the above-mentioned plat which is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 25 at Page 146.

ALSO, the nonexclusive rights of ingress and egress and the right of full use and enjoyment into and of the pool site located on what was originally designated Phase I of the Villas on The Fazio Horizontal Property Regime.

ALSO, the rights of ingress and egress over and across all roads and walkways located within what was originally described as Phase I of the Villas on The Fazio Horizontal Property Regime.

ALSO, the nonexclusive right of ingress and egress over and across the road leading from U.S. Highway 278 into the hereinabove described 3.00 acre parcel of land making up the Villas on The Fazio Horizontal Property Regime, which road is known as the "Queen's Folly Road" and sometimes referred to as the "Core Road". Also, the right of ingress over and across that certain road known as "Carnoustie".

ALSO, the nonexclusive right of ingress and egress over and across those further roads lying within Palmetto Dunes to permit ingress and egress to the area known as the "Dunes House", to permit access to the beaches of the Atlantic Ocean.

EXHIBIT "D"
PROPERTY DESCRIPTION

553

ALL that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being a portion of Palmetto Dunes Resort and being more particularly shown and described on that certain plat prepared by Hussey, Gay & Bell, consulting engineers, and certified to by Roy Hussey, R.L.S. (S.C.) Number 2373, which plat is dated February 22, 1980 and is entitled "AS-BUILT Survey of Villas on the Fazio Horizontal Property Regime (Phase I and II). Said tract of land contains 5.50 acres, more or less, as more particularly described by courses and distances as follows:

Commence at a point which marks the intersection of the Northwestern right-of-way of St. George Road with the Southwestern right of-way of Carnoustie Road and thence proceed along a curve concave to the South with a radius of 202.97 feet for a distance of 26.90 feet to a point; thence proceeding N46°02'40"W for a distance of 116.79 feet to a point; thence proceeding along a curve concave to the South with a radius of 130.08 feet for a distance of 63.68 feet to a point; thence proceeding N17°59'30"W for a distance of 47.90 feet to a concrete monument which marks the point of beginning; thence proceeding S75°11'40"W for a distance of 166.81 feet to a concrete monument; thence proceeding N9°21'10"W for a distance of 98.34 feet to a concrete monument; thence proceeding N41°33'40"W for a distance of 296.53 feet to a concrete monument; thence proceeding N35°59'10"W for a distance of 275.36 feet to a concrete monument; thence proceeding N60°33'30"W for a distance of 311.13 feet to a concrete monument; thence proceeding N72°07'30"W for a distance of 65.58 feet to a concrete monument; thence proceeding N63°50'50"E for a distance of 90.74 feet to a concrete monument; thence proceeding N46°52'10"E for a distance of 197.26 feet to a concrete monument; thence proceeding S69°46'10"E for a distance of 65.05 feet to a concrete monument; thence proceeding in Southeasterly direction along a curve having a radius of 226.23 feet for a distance of 44.01 feet to a concrete monument; thence proceeding S58°37'30"E for a distance of 192.57 feet to a point; thence proceeding in a Southeasterly direction along a curve having a radius of 119.96 feet for a distance of 35.92 feet to a concrete monument; thence proceeding S41°28'10"E for 295.58 feet to a point; thence proceeding in a Southeasterly direction along a curve having a radius of 70.00 feet for a distance of 28.68 feet to a concrete monument; thence proceeding S17°59'30"E for a distance of 457.92 feet to a concrete monument which marks the point of beginning.

For a further discription of the above described property, reference is had to the above mentioned plat and incase of conflict, if any, between said plat and the above courses and distances description, said plat shall be controlling. Said Plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 28 at Page 155.

SAVE except from the above described property title to an ownership of all water and sewer lines located on said 5.50 acre parcel or hereafter installed thereon, together with all pipes, pumps, pumping stations or other equipment or facilities located thereon, together with an easement to that portion of the property lying within ten (10) feet of such lines, equipment or facilities, to allow for the maintenance or repair or replacement of such lines, equipment or facilities or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

ALSO, the non-exclusive right of ingress and egress over and across the road leading from U. S. Highway 278 into the hereinabove described 5.50 acre parcel of land making up the Villas on the Fazio Horizontal Property Regime which road is known as the "Queen's Folly Road" and sometimes referred to as "Core Road". Also, the right of ingress and egress over and across that certain road known as "Carnoustie".

ALSO, the non-exclusive right of ingress and egress over and across those further roads lying within Palmetto Dunes to permit ingress and egress of the area known as the "Dunes House" to permit access to the beaches of the Atlantic Ocean.

EXHIBIT E

554

The following table sets forth the percentage of undivided interest in the common elements appurtenant to each apartment in the Villas on the Fazio Horizontal Property Regime (including Phase I and Phase II):

<u>Villa Number</u>	<u>Value</u>	<u>Percentage (For Phase I and II Combined)</u>
1	\$ 89,000.00	.0280
2	76,000.00	.0239
3	84,000.00	.0264
4	78,000.00	.0245
5	67,000.00	.0211
6	82,000.00	.0258
7	79,000.00	.0248
8	67,000.00	.0211
9	80,000.00	.0251
10	81,000.00	.0255
11	75,000.00	.0236
12	77,000.00	.0242
13	81,000.00	.0255
14	81,000.00	.0255
15	80,000.00	.0251
16	80,000.00	.0251
17	76,000.00	.0239
18	70,000.00	.0220
19	68,000.00	.0214
20	85,000.00	.0267
21	78,000.00	.0245
22	87,000.00	.0273
23	88,000.00	.0277
24	88,000.00	.0277
25	89,000.00	.0280
26	85,000.00	.0267
27	98,000.00	.0308
28	86,000.00	.0270
29	77,000.00	.0242
30	88,000.00	.0277
31	89,000.00	.0280
32	80,000.00	.0252
33	89,000.00	.0280
34	89,000.00	.0280
35	79,000.00	.0248
36	89,000.00	.0280
37	85,000.00	.0267
38	77,000.00	.0242
39	84,000.00	.0264
	<u>\$3,181,000.00</u>	<u>100.0000</u>

The total assigned value of the property in the Villas on the Fazio Horizontal Property Regime (Phase I and Phase II) is \$3,181,000.00.

AB4B

RECORDED THIS 27th DAY
 OF March 1980
 IN BOOK 298 PAGE 546
 FEES, \$
Mary Ann Gray
 AUDITOR, BEAUFORT COUNTY, S. C.

FILED AT <u>9:50</u> O'CLOCK <u>a.m.</u>	BEAUFORT COUNTY S. C. MAR 26 1980	RECORDED IN BOOK <u>298</u> PAGE <u>546</u>
<i>Marian St. Jendle</i> CLERK OF COURT OF COMMON PLEAS		