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**MASTER DEED
BERWICK GREEN**

**BERWICK GREEN HORIZONTAL PROPERTY REGIME
IN THE INDIGO RUN PLANNED UNIT DEVELOPMENT
HILTON HEAD ISLAND, SOUTH CAROLINA**

BY

BERWICK GREEN COMPANY, L.L.C.

SEPTEMBER 14, 1998

*510-7C-216-0

**BERWICK GREEN
HORIZONTAL PROPERTY REGIME**

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STATE OF SOUTH CAROLINA)
)
 COUNTY OF BEAUFORT)
)
 BERWICK GREEN)
 COMPANY, L.L.C., a South)
 Carolina limited liability company)
)
) **MASTER DEED ESTABLISHING**
BERWICK GREEN HORIZONTAL
PROPERTY REGIME
 TO)
)
) **(PHASE I)**
BERWICK GREEN HORIZONTAL
PROPERTY REGIME)

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 14th day of September, 1998, Berwick Green Company, L.L.C., a South Carolina limited liability company, with its principal place of business on Hilton Head Island, South Carolina, hereinafter referred to as "Declarant", does hereby declare:

ARTICLE I
LAND

Declarant is the owner of the land described in Exhibit "A" attached hereto and made a part hereof which is more particularly shown on the "as built" survey thereof, said "as built" survey being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the RMC Office for Beaufort County, South Carolina, in Plat Book 66 at Page 16A.

ARTICLE II
PROPERTY REGIME ASSOCIATION

Declarant does hereby submit the land described on Exhibit "A", together with the building and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (the "Property") to the provisions of the Horizontal Property Act of South Carolina, as amended, 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 **BERWICK GREEN HORIZONTAL PROPERTY REGIME** (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 amended. Declarant does further declare that it has caused to be incorporated under the laws of the State of South Carolina an association known as **Berwick Green Owners' Association, Inc.**, which shall, pursuant to the provisions of Section 27-31-90 of the Horizontal Property Act, constitute the incorporated Council of Co-Owners of the Regime and shall be governed by this Master Deed and the By-Laws attached hereto.

ARTICLE III
IMPROVEMENTS

The improvements constructed on and forming a part of the Property are constructed in accordance with the as-built survey attached as Exhibit "B" hereto and the floor plans attached as Exhibit "C" hereto and made a part hereof which survey was prepared by, Coastal Surveying Co., Inc., Antoine Vinel, S.C. R.L.S. No. 9064, and floor plans which were prepared by The FWA Group, architects duly licensed to practice in the State of South Carolina. Attached to this Master Deed as Exhibit "D" is a certificate by said architect that the Condominium Units constructed on the Property were constructed substantially in compliance with said plans.

ARTICLE IV
DEFINITIONS

The terms used in this Master Deed and in the Exhibits hereto shall have the meanings stated in the Horizontal Property Act and as follows, unless the context otherwise requires:

- (a) "Act" means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended from time to time.
- (b) "Assessment" means a Co-Owner's pro rata share of the Common Expenses which from time to time is assessed against a Co-Owner by the Association.
- (c) "Association" means the Council of Co-Owners as defined by the Act, and also means Berwick Green Owners' Association, Inc., the corporate form by which the Council of Co-Owners shall operate the Regime.
- (d) "Board of Directors" or "Board" means the group of persons selected, authorized and directed to manage and operate the Association as provided by the Act, this Master Deed and the By-Laws.
- (e) "Building" means a structure or structures, containing in the aggregate two or more Units, comprising a part of the property.
- (f) "Common Elements" means the General and Limited Common Elements, as defined herein in ARTICLE VII and in the Act.
- (g) "Common Expenses" means the expenses for which the Co-Owners are liable to the Association and include:
- (1) Expenses of administration, expenses of maintenance, insurance, operation, repair or replacement of the Common Elements, and of the portions of Units which are the responsibility of the Association; and
 - (2) Expenses declared Common Expenses by provisions of this Master Deed.

(h) "Common Surplus" means the excess of all receipts of the Association, including but not limited to Assessments over the amount of Common Expenses.

(i) "Co-Owner" or "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a Unit within the Building.

(j) "Condominium" means a Unit in the BERWICK GREEN HORIZONTAL PROPERTY REGIME.

(k) "Condominium Ownership" means the individual ownership of a particular Unit in a building and the common right to a share, with other Co-Owners, in the General and Limited Common Elements of the Property.

(l) "Council of Co-Owners" means all the Co-Owners as defined herein and it shall also refer to the Association as herein defined.

(m) "Covenants" means those certain covenants, conditions and restrictions commonly known as the Declaration of Covenants, Conditions and Restrictions for Indigo Run Plantation, dated May 2, 1985, as recorded in the RMC Office for Beaufort County, South Carolina, in Deed Book 418 at Page 1716, as amended.

(n) "Declarant" means Berwick Green Company, L.L.C., a South Carolina limited liability company with its principal places of business located on Hilton Head Island, Beaufort County, South Carolina, and its successors and assigns.

(o) "Elevator Assessment" means a second floor Unit Owner's cost and expense of maintaining the elevator which serves that particular Unit. The Elevator Assessment shall be added to and become part of the Assessment for Common Expenses charged by the Association to such second floor Unit Owners.

(p) "Majority of Co-Owners" means the Co-Owners owning fifty-one (51%) percent or more of the value of the Property.

(q) "Master Deed" means this deed establishing and recording the Property of the Regime and all exhibits hereto.

(r) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(s) "Property" means and includes the land, the Building, all improvements and structures thereon, as shown and depicted on Exhibit "A" and Exhibit "B" and all easements, rights and appurtenances belonging thereto.

(t) "Regime" means BERWICK GREEN HORIZONTAL PROPERTY REGIME created by the Master Deed and reference to the Association, as herein defined, shall likewise include reference to the Regime and vice versa.

(u) "Utility services" means and shall include, but shall not be limited to, electric power, hot and cold water, heating, refrigeration, air conditioning, telephone, cable television, gas, garbage and sewage disposal.

(v) "Unit" as used herein has the same connotation as the term "Apartment" as used in the Act and means a part of the Property intended for any independent residential use including one or more rooms or enclosed spaces located in a Building.

ARTICLE V
DESCRIPTION OF UNITS; USE; REPAIRS

Section 1. General Description of Units and Use.

The Property includes one (1) Building containing four (4) individual Units, all of which are to be used for residential purposes only. The Units are capable of individual utilization due to 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 hereinafter listed in this Master Deed, necessary for their adequate use and enjoyment all of the above in accordance with the Act.

Section 2. Individual Units.

There are two (2) basic types of Units in first phase BERWICK GREEN HORIZONTAL PROPERTY REGIME. These two types are described as follows:

- Aberdeen Residence:** A two (2) bedroom floor plan containing approximately 1,926 heated square feet;
- Carlton Residence:** A three (3) bedroom floor plan containing approximately 3,010 heated square feet;

The floor plans of the above-described Units are more particularly designated and described in the Architect's Walk Through Description attached hereto and incorporated herein as Exhibit "E".

The four (4) Units contained in Building #1 are located and numbered as follows:

<u>Floor</u>	<u>Unit No.</u>	<u>Residence Type</u>
1	1	Aberdeen
1	2	Aberdeen

2	3	Carlton
2	4	Carlton

As described below in ARTICLE VIII, the Building and Unit types for subsequent phases, if applicable, of BERWICK GREEN HORIZONTAL PROPERTY REGIME may vary from the Building and Unit types in Phase I as herein provided.

All of the aforementioned Units are more particularly shown on the plans thereof attached hereto as Exhibit "C" which plans are incorporated herein in the same manner as if expressly set forth in this Section 2 and said plans, together with the Unit numbers and square footage of area in each Unit, and likewise together with the description of Unit boundaries as hereinafter set forth in Section 3, shall constitute a complete description of the Units within the Regime.

Section 3. Boundaries; General Rule.

(a) The upper and lower boundaries of each Unit are the interior unfinished surfaces of the floors and ceilings of each Unit. The perimetric boundaries of each Unit, extended to an intersection with the upper and lower boundaries, are as follows:

(1) As to all Unit exterior walls which physically divide the Unit from common elements of the Building, it shall be the vertical plane of the interior surface of the exterior sheathing subject to such encroachments as now exist or may be caused or created by the construction, settlement or movement of the Building or by repairs, construction or alterations. All insulated glass windows and all doors directly accessing the Unit are part of the Unit.

(2) As to all Unit exterior walls which physically divide one Unit from another Unit, it shall be the vertical plane of the centerline of said partition walls.

(3) All vertical planes of each Unit shall extend to intersections with each other.

(b) All lath wallboard, tiles, paint, finished flooring, carpet, and any other materials constituting any part of the finished surfaces of the walls, floors, and ceilings which are the boundaries of a Unit, together with all telephones, and all built-in light fixtures, wires, service outlets, vent outlets, heating and cooling equipment and duct work, electrical switches, thermostats, toilet and other bathroom fixtures and any and all other similar mechanical or physical fixtures which are within the perimetric walls or ceilings and serving a single Unit or within the space above the ceiling and below the floor of the Unit or, in the case of heating, air conditioning and ventilation system, located in the service area and in the equipment rooms, are a part of the Unit.

(c) Any chute, flue, duct, chase, conduit, bearing wall, bearing column, joists, rafters, and all other similar mechanical or physical fixtures except those designated in paragraph

(b) above, whether or not it lies partially within and partially outside the designated boundaries of a Unit is a Common Element.

(d) Subject to the provisions of paragraph (c), all spaces, interior non-bearing partitions, and other fixtures and improvements within the boundaries of a Unit installed with the perimeter walls or ceilings whether, as a part of the original construction or as a part of subsequent construction, are a part of the Unit.

Section 4. Owner's Responsibilities for Maintenance and Repair.

(a) While generally an Owner is responsible for the maintenance and repair of the area described above in Section 3 as being included in a Unit, notwithstanding the generality of the foregoing description of Unit boundaries, each Unit Owner shall also be responsible for maintenance and repair of the following, whether it shall be defined as within a Unit or not:

(1) the doorways, windows, vents, and other structural elements in the walls, floors, and ceilings of the Unit which are regarded as enclosures of space;

(2) the doors opening into the Unit and into any mechanical area integral to the Unit, including the frames, casings, hinges, handles, and other fixtures which are part of the doors;

(3) the window glasses, screens, frames, wells, and casings which are part of the windows opening from the Unit;

(4) the plumbing and mechanical vents which exclusively serve the Unit;

(5) the appliances, air conditioning and heat pump units, (compressors, air handlers and condensers), water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, flooring, trim, ceilings, walls, insulation, and other fixtures, furnishings, and building materials which are part of the Unit at the time of initial closing from Declarant to the Unit Owner, and any subsequent replacements thereof;

(6) the screens, lattice work, partitions, railings, or balustrades bounding or enclosing any deck, walkways, porch or service area that is integral and exclusive to the Unit, and the concrete surface, and/or topping within any such area;

(7) all pipes, wires, ducts, and other plumbing, mechanical, and electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit;

(8) the Owner's outside storage closets which constitute a Limited Common Element;

(9) any damage to the Unit itself or to a contiguous (i.e. either adjacent, upstairs or downstairs) Unit caused by a negligent action or inaction within the Owner's Unit, which directly or indirectly causes damage to the other Unit or to the Unit itself; and

(10) no Unit Owner may conduct exterior maintenance or exterior cleaning on their Unit without the express consent of the Association. Any interior maintenance or cleaning shall be conducted in such a manner as not to cause unreasonable noise or disturbance to other Unit Owners.

(b) Except in the event of an emergency situation, in the event that the Association determines that any Owner has failed or refused to discharge properly his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under this Master Deed, then the Association shall give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement at such Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Association may provide any such maintenance, cleaning, repair, or replacement at such Owner's sole cost and expense, and said cost shall be added to and become a part of the Assessment to which such Owner and his Unit are subject and shall become a lien against such Unit as provided herein.

Section 5. Uses of Units.

(a) Each Unit is restricted as to use by the Owner or Owners thereof, their lessees and invitees, it being the intent of the Declarant that the Building be used for residential purposes only which are consistent with and appropriate to the design of the Building.

(b) No Unit Owner shall do, suffer, or permit to be done, anything in his Unit which would impair the soundness or safety of the Regime, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other Units, or which would require any alteration of or addition to any of the Common Elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

(c) In case of any emergency originating in or threatening any Unit, regardless of whether the Owner or his tenant, if any, is present at the time of such emergency, the

Association's Board of Directors and all managerial personnel shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate and such entry shall not be deemed as a trespass. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit under the control of the Association a key to such Unit.

(d) Reference is made to ARTICLE XVII infra, regarding the recorded Covenants applicable to the Unit. The BERWICK GREEN HORIZONTAL PROPERTY REGIME is hereby designated as a Multi-Family Association pursuant to the provisions of ARTICLE I, Section (t) of said Covenants.

(e) The Declarant hereby declares and affirms that the use restrictions described herein shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Unit and upon the Declarant and upon all future Owners of Units.

(f) Notwithstanding anything else to the contrary in this Section 5, the Declarant shall be permitted to use one or more Units for purposes of a real estate sales model and office.

(g) Each Unit shall be used for single-family residential purposes only, and no trade or business of any kind may be carried on therein. Except for sales offices of the Declarant, the utilization of any Unit, or any portion thereof, as an office by any owner or tenant thereof shall be considered to be a violation of this Declaration where such utilization of a Unit as an office creates any type of regular customer, client, or employee vehicular or pedestrian traffic to and from any such dwelling. Additionally, no Unit, or any portion thereof, shall be used as the office or storage area for any building contractor or real estate developer, except those sales offices of the Declarant as permitted in this Declaration.

Section 6. Deeds to Units.

On the transfer of a Unit, a deed effecting that transfer conveys all the seller's interests in that Unit to the purchaser, including the seller's interest in the real and personal property of the Association, any reserve accounts applicable to that Unit, and in any cause of action or chose in action either of the Association or arising out of his ownership of that Unit, whether or not those interests are expressly described in the deed.

Section 7. Assessments for Common Expenses; Responsibilities for Maintenance.

The obligations of all Unit Owners with regard to assessments for Common Expenses and the maintenance and repair of the individual Units shall be as provided in the By-Laws of the Association which are attached hereto as Exhibit "G".

Section 8. Elevator Assessment, Limited Common Element, Maintenance.

The elevators which serve the second floor Units in each Building shall be considered a Limited Common Element appurtenant to such second floor Units. The Association shall be responsible for the maintenance and upkeep of said elevators, however, the costs thereof shall be charged to said second floor Unit Owners as an Elevator Assessment.

ARTICLE VI
AREAS COMPRISING PROPERTY

The Property as originally constructed has a total of approximately 0.63 acres on which are situated a residential building encompassing approximately 7,522 square feet of such acreage and the remaining approximately 19,919 square feet is made up of parking, sidewalks, outside landscape areas and other Common Elements. The Units within the Building are located on two (2) floors. There are approximately 5,565 square feet of paved parking drive area and service yard area on the Property.

ARTICLE VII
COMMON ELEMENTS

The Common Elements of the Property are as follows:

Section 1. The General Common Elements are as follows:

- (a) The Property, excluding the Limited Common Elements and the Units, and including, but not limited to the land on which the Units are constructed, the foundations, the roofs, exterior portions of perimeter walls, including exterior wall surfaces, those portions of partitions and walls separating Units not otherwise part of the Unit, load-bearing columns or walls, slabs, public utility lines; and pipes, wires or conduits located within slabs or elsewhere in the Buildings other than as described in ARTICLE V, Section 3. In each instance, there shall also be included the space actually occupied by the above.
- (b) Parking facilities located on the Property which are shown on the plat of the Property attached hereto and identified as Exhibit "B".
- (c) All roads, walkways, paths, wood decking and boardwalks, trees, shrubs, yards, (except such as are designated as Limited Common Elements) gardens, planter areas, fountains, etc.
- (d) The fire equipment rooms and appurtenant equipment room, and sprinkler systems and area occupying same.
- (e) All installations, and area occupying same, outside of the Units for services such as power, light, gas (including underground storage tanks) telephone, television, water and other similar utilities.

(f) All sewer, drainage and irrigation pipes, excluding those which are the property of any utility district.

(g) The mail box area and all appurtenances thereof.

(h) The easement for access as described on Exhibit "A".

(i) Such easements through the Units for pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Units, general Common Elements and Limited Common Elements and easements for access, maintenance, repair, reconstruction or replacement of structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the property, whether or not such easements are erected during construction of the Property or during reconstruction of all or any part thereof, except such easements as may be defined as "Limited Common Elements".

(j) All areas not designated as a Limited Common Element and not described as lying within the boundary of a Unit as described in ARTICLE V, Section 3 hereof and 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.

Section 2. The Limited Common Elements are as follows:

Limited Common Elements as defined in the Act are those Common Elements reserved for the use of certain Unit Owners to the exclusion of other Owners. In Berwick Green, the Limited Common Elements are as follows:

(a) All balconies, porches, stairways and decks immediately adjacent to each Unit or to which each Unit has direct access from the interior thereof as shown on the floor plans identified as Exhibit "C" and on the "as built" survey attached as Exhibit "B".

(b) The space lying between the upper boundary of each Unit as described in ARTICLE V and the floor above such Unit subject to easements for utilizing service as previously described.

(c) The Owner's remote storage areas (lockers) located on the garage level, which are numbered consistent with the Unit numbers and which are assigned specifically to each Unit for the sole and exclusive use of the Owner of such specific Unit.

(d) Each elevator which is for the sole and exclusive use of Owners of specific Units on the second floor of each Building. The costs and expenses for the maintenance and upkeep of such elevators shall be assessed by the Association against the Owner of a second floor Unit which said elevator serves.

(e) All other areas depicted as Limited Common Elements to the Units on the floor plans attached as Exhibit "C".

ARTICLE VIII
GENERAL PLAN OF DEVELOPMENT

Section 1. General. The Declarant 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 may be referred to as "Future Phase" Property. The Future Phase Property, as and if applicable, is described in Exhibit "F" attached hereto and made a part hereof. The total number of Units for all phases shall be no greater than seventy-six (76).

Section 2. Future Phases. With regard to the Future Phase Property herein referred to, Declarant reserves the right, in the manner more particularly hereinafter set forth, to cause the Future Phase Property or portions thereof to become an integral part of BERWICK GREEN HORIZONTAL PROPERTY REGIME once an appropriate amendment to this Master Deed has been filed as hereinafter provided. Future Phase Property may consist of up to eighteen (18) Buildings containing up to four (4) individual Units per Building. Said Future Phase Property Units shall be of similar form, design and general valuation and shall be constructed with similar basic materials as the Building constructed on Phase I Property, it being understood that floor plans and other design criteria (including an increase or decrease in the number of Units per Building) may be modified by Declarant, or its successors.

ARTICLE IX
RESERVATION OF RIGHT OF DECLARANT FOR FUTURE PHASE PROPERTY

Declarant, its successors and assigns, hereby expressly reserves the right, to be exercised in its sole discretion, to submit the Future Phase Property or portions thereof to the provisions of this Master Deed and thereby cause the Future Phase Property or portions thereof to become and forever be a part of BERWICK GREEN 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 Declarant, its successors, grantees and assigns only upon the execution by it or them of an amendment or amendments to this Master Deed to be filed in the RMC Office for Beaufort County, South Carolina. The right to submit Future Phase Property shall expire on the earlier of: September 14, 2028; or the date upon which the Declarant waives in writing its rights to submit Future Phase Property. Any such amendment shall conform to the various provisions and conditions precedent established in this Master Deed and shall expressly submit the Future Phase Property, as applicable, to all of the provisions of this Master Deed and the By-Laws of the Regime, a copy of which By-Laws is attached hereto as Exhibit "G" 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 Future Phase Property or portions thereof. While the reference has been made to a total of seventy-two (72) Units within the Future Phase Property, it is possible that, depending upon construction

scheduling, the Declarant may bring in Units within the Future Phase Property in one or more stages. If so, separate Amendments will be filed. Upon the exercise, if any, of this right to include the Future Phase Property or portions thereof 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 and the applicable Future Phase Property, together with all improvements then constructed thereon. 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.

ARTICLE X
REVOCATION AND AMENDMENT

The dedication of the Property to the BERWICK GREEN HORIZONTAL PROPERTY REGIME herein shall not be revoked, or the Property removed from the BERWICK GREEN 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 Units unanimously agree to such revocation, or amendment, or removal of the Property from the BERWICK GREEN HORIZONTAL PROPERTY REGIME by duly recorded instrument; provided, however, that without the consent of the Unit Owners or Mortgagees, the Declarant, or its successors-in-title to all or any portion of the Future Phase Property, may at any time prior to the termination of the reservation of rights period specified in ARTICLE IX herein, amend this Master Deed in the manner set forth in ARTICLE IX so as to subject the Future Phase Property to the provisions of this Master Deed and the Act so as to make the Future Phase Property an integral part of the Regime. Any such amendment shall, when read in concert with this Master Deed, contain all of the particulars required by the said Act as the same is now constituted or may hereafter be amended and from and after the recording of such amendment the Regime shall include all of said applicable Future Phase Property. The Future Phase Units are to be as described in ARTICLES VIII and IX. The designation of each Unit in the Future Phases by Unit type and its proportionate interest in the Common Elements is set forth in Exhibit "H", which exhibit is attached hereto and made a part hereof. If Declarant elects to make the Phase II Property a part of this Regime as herein provided, Declarant shall cause to be prepared and made a part of the Amendment by which the Phase II Property is incorporated into the Regime a schedule designating Unit types, reflecting each Unit's proportionate interest in the Common Elements, which schedule shall be similar in content and format to the Exhibit "H" schedule, prepared using the requirements and guidelines set forth in ARTICLES VIII and IX hereof. Upon the recordation of the Amendments to make the applicable Future Phase Property a part of the Regime, the provisions regarding revocation and amendment set forth in this ARTICLE X shall have equal application thereto.

ARTICLE XI
PERCENTAGE OF INTEREST OF UNITS

The percentage of title and interest appurtenant to each Unit and the Unit 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 Association is based on the proportionate

value of each Unit to the value of the total Property as set forth in Exhibit "H" 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 "H" shall not be altered without the acquiescence of the Co-Owner representing all of the Units expressed in an amendment to this Master Deed duly recorded as required by ARTICLE X hereof or except as provided in ARTICLE VIII, IX and X with regard to the amendment of the Master Deed to admit the Future Phase Units.

ARTICLE XII
ADMINISTRATION AND BY-LAWS

Section 1. Association; By-Laws.

As noted in ARTICLE II hereof, Declarant has caused to be incorporated under the laws of the State of South Carolina a corporation known as Berwick Green Owners' Association, Inc., which shall be an incorporated council of Co-Owners to serve as the body by which the Unit Owners will manage the affairs of the Regime. Each Unit Owner shall have voting rights in said Association in the same percentage as the percentage of interest his Unit has in the Common Elements. The administration of the Regime, and consequently of the Association, consisting as aforesaid of the Property described in ARTICLE I, II and III, 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 "G".

Section 2. Automatic Membership in Association.

Each Unit Owner shall automatically become and be a member of the Association so long as he continues to be a Unit Owner and shall exercise such percentage of vote in all matters as shown upon Exhibit "H" attached hereto. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record owners of the said Unit and filed with the Secretary of the Association. Further, should such Unit Owner be a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President of the corporation and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. All such certificates shall be valid until revoked, superseded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned.

ARTICLE XIII
BERWICK GREEN HORIZONTAL PROPERTY REGIME CONSTITUTED

As appears above, a BERWICK GREEN HORIZONTAL PROPERTY REGIME is hereby constituted under and subject to the provisions of the Act, so that Units 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 Unit Co-Owner having an exclusive and particular right over his respective Unit and in addition the specified undivided interest in the Common Elements of the Property.

ARTICLE XIV
DECLARANT SUBJECT TO MASTER DEED;
DECLARANT USE

Section 1. Declarant Use; General.

So long as the Declarant owns one or more of the Units, the Declarant shall be subject to the provisions of this Master Deed and the Exhibits attached hereto and the Declarant 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 BERWICK GREEN HORIZONTAL PROPERTY REGIME; provided, however, that Declarant as in the case with any other Unit Owner, shall have the absolute right and privilege of leasing any or all of the units owned by it on a long term basis for the uses permitted by this Master Deed, and that Declarant's lessees, invitees, guests, etc., shall be entitled to all of the privileges and rights, and be subject to the requirements hereunder, of a Co-Owner with respect to the use of the Property excluding voting rights which shall remain with the Declarant.

Section 2. Declarant Use as Sales Model.

Provided further, that Declarant, and its successors and assigns, shall be entitled to use one or more of the Units (whether owned or leased by Declarant) as models for purposes of a sales model and/or office until the entire project as well as the contiguous properties to be developed by Declarant has been sold, it being the intent of Declarant that said reserved rights do not conflict with the residential use restriction described hereinabove.

ARTICLE XV
COMMON ELEMENTS NOT PARTITIONED

Except as provided, the Common Elements shall remain undivided and no Co-Owner shall bring any action for partition and/or division.

ARTICLE XVI
COMMON ELEMENTS NOT SEVERABLE FROM UNITS

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE XVII
PROVISIONS AND COVENANTS APPLICABLE TO UNITS

Each Co-Owner shall comply with the provisions of this Master Deed and authorized amendments thereto, the Declaration of Covenants, Restrictions of Indigo Run Plantation, which

covenants are dated May 2, 1985, recorded in the RMC Office for Beaufort County, South Carolina, in Deed Book 418 at Page 1716, as may be amended from time to time; and the By-Laws, Decisions and Resolutions of Board 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. The Units shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

ARTICLE XVIII
NONUSE NOT EXEMPTION OF LIABILITY FOR
COMMON EXPENSES

No Co-Owner of a Unit 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 Unit.

ARTICLE XIX
ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

All present or future Co-Owners, tenants, future tenants, or any other person that might use the facilities of the Property in any manner, including those who may lease from the Declarant, 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 Units shall signify that the provisions of this Master Deed and any authorized amendment thereto are accepted and ratified.

ARTICLE XX
ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage encumbering a Unit, such acquirer of title, his or its heirs, successors, assigns or grantees, shall not be liable for assessments by the Association which became due prior to the acquisition of title by such acquirer. It being understood, however, that prior to the acquisition of title through foreclosure or deed in lieu of foreclosure, the Association shall be free to file and claim liens for such assessments and enforcing same as provided by law, and that such assessment shall be subordinate to such mortgage.

ARTICLE XXI
INSURANCE

The Board of Directors of the Association shall be required to obtain and maintain those types and forms of insurance as are required by ARTICLE VIII of the By-Laws set forth in Exhibit "G" attached hereto and made a part hereof.

ARTICLE XXII
RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the provisions of ARTICLE IX of the By-Laws as set forth in Exhibit "G" shall govern all matters pertaining to reconstruction and repair.

ARTICLE XXIII
CONDEMNATION

In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no reallocation of interests in the Common Areas resulting from a partial condemnation may be effected without the prior approval of the Unit Owners and the eligible holders holding mortgages on all remaining Units, whether existing in whole or in part, and which have at least seventy-five (75%) percent of the votes of such remaining Units subject to eligible holder mortgages.

The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas, or part thereof. Each Unit Owner appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or the Insurance Trustee (as provided for in the By-Laws), for the use and benefit of the Unit Owners and their mortgagees as their interests may appear.

ARTICLE XXIV
EASEMENT FOR ENCROACHMENT

If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit 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 or; (c) as a result of repair or restoration of the building or any Unit 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.

ARTICLE XXV
OTHER REGIME EASEMENTS

Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board shall have the right of access to each Unit to inspect the same to remove

violations therefrom and to maintain, repair or replace Common Elements contained therein or elsewhere in the building.

ARTICLE XXVI
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.

ARTICLE XXVII
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.

ARTICLE XXVIII
GENDER AND NUMBER

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

ARTICLE XXIX
APPLICABLE LAW

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.

ARTICLE XXX
LIMITED WARRANTIES

The following Section is taken from the Purchase Agreement by and between Declarant and all initial purchasers for Units within the Regime. The purpose of reproducing said Section relating to warranties herein in this Master Deed is to provide actual notice to successors-in-title to original purchasers:

"At closing, Seller shall transfer to Purchaser all of Seller's right, title and interest in and to any manufacturer's warranty furnished to Seller covering any

equipment or appliance installed in the Property, and Seller makes no warranty or agreement of any kind with respect to any such equipment or appliance. If written notice is given to Seller by Purchaser within thirty (30) days of discovery of any defects not caused by Purchaser, his agents, guests, or invitees, then Seller will, at no cost to the Purchaser for a period of one (1) year from the date of closing, repair or replace the defective portion of the Property. The warranty shall not apply to fixtures and appliances covered by a warranty of a manufacturer or dealer, for which defects the Purchaser shall have such rights as are defined in the applicable warranty documents. Seller shall not be responsible for any incidental or consequential damages arising from any defect. THIS WARRANTY IS PERSONAL TO PURCHASER, AND SHALL AUTOMATICALLY TERMINATE AND BE OF NO FURTHER FORCE OR EFFECT UPON PURCHASER'S SALE, TRANSFER OR CONVEYANCE OF THE PROPERTY. SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED AS TO THE FITNESS, DESIGN OR CONDITION OF ITEMS OF TANGIBLE PERSONAL PROPERTY OR FIXTURES, THEIR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE."

ARTICLE XXXI
SHORT TERM LEASE RESTRICTIONS

The lease or rental of any Unit within the Property for a period of less than three (3) consecutive months shall be prohibited. Any lease or rental of any Unit within the Property for a period exceeding three (3) consecutive months shall not be considered to be a violation of this Declaration so long as the lease of any such Unit is undertaken in full compliance with the rules and regulations as may be promulgated and published from time to time by the Association. All leases of any Units within the Property shall be in writing, and prior to the commencement of any such lease, the Owner of such Unit shall provide the Secretary of the Association and the managing agent of the Association, if any, with copies of such lease. All lessees or tenants of Units within the Property shall in all respects be subject to the terms and conditions of this Declaration.

ARTICLE XXXII
CAPTIONS

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

ARTICLE XXXIII
EXHIBITS

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

IN WITNESS WHEREOF, Declarant has executed this Master Deed, and the appropriate corporate seal affixed hereto this 14th day of September in the year of Our Lord One Thousand Nine Hundred and Ninety-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:

BERWICK GREEN COMPANY, L.L.C.,
a South Carolina limited liability company

By: Melrose Asset Management
Company, Inc., a South Carolina
corporation, Its Managing Member

James H. Nicksa
Margaret B. Luckey

By: *[Signature]*
Its: *Vice President*

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, Margaret B. Luckey, a Notary Public for the State of South Carolina, do hereby certify that James H. Nicksa, Vice - President of Melrose Asset Management Company, Inc., a South Carolina corporation, Managing Member of Berwick Green Company, L.L.C., a South Carolina limited liability company, personally appeared before me this day and, in the presence of the two witnesses above named, acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 14th day of September, 1998.

Margaret B. Luckey
Notary Public for South Carolina
My Commission expires: 3/9/08

INDEX OF EXHIBITSBERWICK GREEN HORIZONTAL PROPERTY REGIME

- Exhibit "A" - Description of Land (Phase I Property)
- Exhibit "B" - As-Built Survey (Phase I)
- Exhibit "C" - Elevations and Floor Plans of Building and Units
- Exhibit "D" - Architect's Certificate
- Exhibit "E" - Description of Units ("Walk Through")
- Exhibit "F" - Legal Description Future Phase Property
- Exhibit "G" - By-Laws of Berwick Green Horizontal Property Regime and Berwick Green Owners' Association, Inc.
- Exhibit "H" - Percentage of Interest applicable to Units

EXHIBIT "A" TO MASTER DEED OF
BERWICK GREEN HORIZONTAL PROPERTY REGIME
DESCRIPTION OF LAND

PHASE I

Phase I

All that certain piece, parcel or tract of land, lying and being on Hilton Head Island, South Carolina, containing 0.63 acres, more or less, and being more particularly described and depicted as Berwick Green Phase I on a plat entitled "Lot 1 Berwick Green", dated September 4, 1998, prepared by Coastal Surveying Co., Inc. and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book *166* at Page *169*.

Together with a non-exclusive easement for access, ingress and egress on, over and across that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, containing 1.12 acres, more or less, and being shown as PARCEL "A" RIGHT-OF-WAY on a plat of BERWICK GREEN, PHASE I, a Section of Indigo Run, prepared by Richard L. Stroman, SC RLS #5496, dated August 7, 1997, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 63 at Page 98.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress unto the Declarant herein, its successors and assigns and Grantees.

FURTHER, SAVE AND EXCEPT THEREFROM, the right of ingress and egress over and across all roads and walkways shown on the above-described plat, said reservation being unto the Declarant herein, its successors and assigns and Grantees, said reserved easement expressly for, but not limited to, the purpose of construction and all construction related activities of the Future Phase Property.

FURTHER, SAVE AND EXCEPT from the above-described property, title to and ownership of all water and sewer lines located on the Property or hereafter installed thereon, together with all pipes, pumps, pumping stations, or other equipment or facilities located thereon, together with an easement to such lines, equipment or facilities to allow for the maintenance, repair or replacement of such lines, facilities or equipment or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

FURTHER, the Declarant expressly reserves the right to improve the aforementioned property by clearing, tree pruning, constructing additional parking and common facilities, including, but not necessarily limited to recreational facilities, drainage facilities, lagoons, and the like, pertaining to BERWICK GREEN HORIZONTAL PROPERTY REGIME.

FURTHER, Declarant expressly reserves the right to install lines, equipment and facilities for utility and drainage purposes and to grant easements over the property for the installation of additional lines, equipment or facilities for utility and drainage purposes from time to time.

FURTHER, the above property is submitted to the BERWICK GREEN HORIZONTAL PROPERTY REGIME subject to that certain Declaration of Covenants, Conditions and Restrictions for Indigo Run Plantation, dated May 2, 1985, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 418 at Page 1716, and as further amended from time to time.

The property described above is a portion of the property conveyed to the BERWICK GREEN COMPANY, L.L.C., by Deed of Indigo Run Limited Partnership, dated December 31, 1997, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 1005 at Page 2403.

1089

EXHIBIT "B"

BERWICK GREEN HORIZONTAL PROPERTY REGIME

PLAT/AS-BUILT SURVEY OF PROPERTY

PHASE I

ALL that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, containing 0.63 acres, more or less, as shown on that certain plat entitled "Lot 1 Berwick Green", dated September 4, 1998, prepared by Coastal Surveying Co., Inc. and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book *160* at Page *169*.

1089A

EXHIBIT "C"
BERWICK GREEN HORIZONTAL PROPERTY REGIME
ARCHITECTURAL DRAWINGS OF FLOOR PLANS

PHASE I

Those certain floor plans and elevations described as:

<u>Sheet Nos.</u>	<u>Description</u>	<u>Prepared By</u>
4A.1	First Floor Plan	The FWA Group
4A.2	Second Floor Plan	The FWA Group
4B.1	Front Elevation	The FWA Group
4B.2	Side Elevation	The FWA Group

and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 166 at Page 169.

1090

EXHIBIT "D"

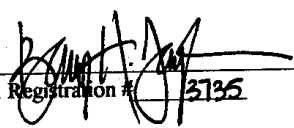
BERWICK GREEN HORIZONTAL PROPERTY REGIME

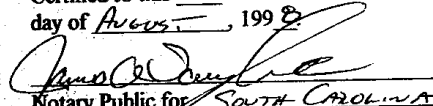
ARCHITECT'S CERTIFICATE

PHASE I

This is to certify the BERWICK GREEN HORIZONTAL PROPERTY REGIME, consisting of the four (4) Phase I Units are built substantially in accordance with the floor plans attached to the Master Deed creating said Regime, as Exhibit "C" to be recorded in the RMC Office for Beaufort County, South Carolina, except for minor variations which are customary in projects of this nature.

THE FWA GROUP

By: 
S.C. Registration # 3135

Certified to this 31
day of August, 1998

Notary Public for SOUTH CAROLINA
My Commission Expires: _____

My Commission Expires June 14, 2006

EXHIBIT "E"BERWICK GREEN HORIZONTAL PROPERTY REGIMEWALK THROUGH DESCRIPTION OF UNITS

There are two different floor plans used in Phase I of the Berwick Green Horizontal Property Regime. Each two story building in Phase I will contain two of each of the two floor plans. A walk through description of each floor plan is:

THE ABERDEEN

The Aberdeen contains a total gross heated area of 1,926 square feet. The heated square footage includes: a laundry room, a main foyer, a master suite with a walk-in closet, a second bedroom suite with a closet, three full baths, a linen and a mechanical closet, a grand room (living/dining room), den (19th hole), kitchen and breakfast room (café on the green). Additionally, the Aberdeen includes a 592 square foot garage, a 218 square foot golfer's porch and a 30 square foot loggia.

Access to the Aberdeen is from the loggia and garage. The garage provides direct access to the laundry room.

Through the loggia and front door is the main foyer. The main foyer contains approximately 60 square feet and provides access to three different areas. Off the main foyer to the right is the laundry room which contains approximately 75 square feet. Off the laundry room is a storage area of approximately 27 square feet. To the left of the main foyer is the second bedroom suite which contains approximately 140 square feet and is adjoined by a full bath and closet.

Directly ahead of the main foyer is the dining room which contains approximately 160 square feet. The dining room opens up to the living room which contains approximately 260 square feet. To the right rear of the dining room is a small hall and foyer. Off the living room and dining room is the den (19th hole) which contains approximately 220 square feet. Adjoining the den is a full bath.

The kitchen and breakfast room contain 270 square feet. An entrance between the breakfast room and the living room is provided. To the rear of the living room is a golfer's porch of approximately 218 square feet.

To the left rear of the living room is the door to the master bedroom suite which contains approximately 190 square feet and is connected to a walk-in closet and separate hanging closet and a master bath.

THE CARLTON

The Carlton is on the second floor and has a garage, lower foyer, storage area and loggia located on the first floor. The Carlton has approximately 3,010 heated square feet which includes a lower foyer, storage area, elevator, staircase, upper foyer, three bedroom suites, a master bedroom suite, grand room (living/dining room), kitchen, breakfast room and mechanical and linen closets and a golfer's porch of 226 square feet.

Located on the first floor are the garage which contains 570 square feet, the loggia which contains 38 square feet, and the lower foyer/storage area which contains approximately 120 square feet.

Access to the Carlton is obtained through the lower foyer. Access to the lower foyer can be obtained by either the garage or the loggia which is located to the rear of the garage. The loggia can be accessed by a concrete walkway on the side of the building.

Once in the lower foyer, access to the upper foyer is either by the staircase or an elevator. The upper foyer provides access to five different areas of the Carlton.

To the left rear of the upper foyer (towards the front of the building) is a hallway which provides access to the laundry room which contains approximately 60 square feet. This hall provides access to the linen closet and continues back towards the front of the building and terminates at the opening for bedroom suites II and III. Bedroom suite II contains approximately 165 square feet and is connected to a closet and full bath. Bedroom suite III contains approximately 210 square feet, and is connected to a walk-in closet and a full bath.

To the right of the upper foyer is the den/suite IV which contains approximately 190 square feet. To the right rear of the upper foyer is the kitchen which opens into the café on the green (breakfast room). The kitchen and breakfast room have a combined area of 290 square feet.

To the left and towards the rear of the building, the upper foyer leads to a hallway that contains a linen closet and provides access to the master suite. A walk-in closet and hanging closet for the master suite are located to the left and right of the hallway before the door to the master suite. The master bedroom contains approximately 230 square feet. The master bathroom is off the master bedroom hallway.

The upper foyer also opens directly into the grand room (living/dining room) which has a combined area of approximately 460 square feet. Located to the rear of the living room is the golfer's porch.

EXHIBIT "F"BERWICK GREEN HORIZONTAL PROPERTY REGIMEPHASE IFUTURE PHASE PROPERTY

ALL that certain piece, parcel or tract of land situate, lying and being on Hilton head Island, Beaufort County, South Carolina, containing 12.565 acres, more or less, and being shown as BLOCK FF on a plat entitled "A Boundary Place of Block FF, a Section of Indigo Run" prepared by Antoine Vinel, SC RLS #9064, dated August 26, 1998, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book *110* at Page *170*.

ALL that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, designated as LOT NUMBER THREE (3) BERWICK GREEN, PHASE I, a portion of Block FF, a Section of INDIGO RUN PLANTATION, and being more particularly shown and described on the plat thereof prepared by Richard L. Stroman, SC RLS #5496, dated August 7, 1997, and recorded in the RMC Office for Beaufort County, South Carolina, in Plat Book 63 at Page 98.

EXHIBIT "G"
BY-LAWS OF
BERWICK GREEN HORIZONTAL PROPERTY REGIME
AND
BERWICK GREEN OWNERS' ASSOCIATION, INC.

PHASE I

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Horizontal Property Regime The Property (the term "Property" as used herein means and includes the land, the building, all improvements and structures thereon) located in Indigo Run on Hilton Head Island in Beaufort County, South Carolina, known as BERWICK GREEN HORIZONTAL PROPERTY REGIME has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, which said Property shall henceforth be known as the BERWICK GREEN HORIZONTAL PROPERTY REGIME (the "Regime"). All defined terms not specifically defined herein shall have the same meaning as ascribed to such terms in the Master Deed.

Section 2. Association. In conjunction with the creation of the above-described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as Berwick Green Owners' Association, Inc. (the "Association") which shall, pursuant to the provision of the aforementioned Master Deed, constitute the incorporated Berwick Green Owners' Association, Inc.

Section 3. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 4. Personal Application. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the dwelling units (the "Units") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Units will signify that these By-Laws, the provisions of the Master Deed, the Covenants as defined in Article IV(m) of the Master Deed and any authorized recorded amendments to the foregoing Master Deed are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. Eligibility. Any person who acquires title to a Unit in the Regime shall be a member of the Association. There shall be one membership for each Unit owned. Transfer of Unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If Unit ownership is vested in more than one person, then all of the persons so owning such Unit shall agree upon the designation of one of the Co-Owners of such Unit to act as a member of the Association. If Unit ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation to act as a member of the Association.

Section 2. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the percentage assigned to the Unit or Units in the Master Deed.

Section 3. Majority of Co-Owners. As used in these By-Laws, the term "majority of Co-Owners" shall mean those Co-Owners holding fifty-one (51%) percent or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed, and any authorized amendments thereto.

Section 4. Quorum. Except as otherwise provided in Section 6 and elsewhere in these By-Laws, the presence in person or by proxy of a majority of Co-Owners as defined in Section 3 of this Article shall constitute a quorum.

Section 5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 6. Majority Vote. The vote of a majority of the Unit Owners present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III

BERWICK GREEN OWNERS' ASSOCIATION, INC.

Section 1. Association Responsibilities. The Co-Owners of the Units will constitute the Association of Co-Owners (the "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations,

removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of Co-Owners.

Section 2. Place of Meetings. Meetings of the Association shall be at such place, convenient to the Co-Owners, as may be designated by the Association.

Section 3. Annual Meetings. The annual meetings of the Association shall be held at the call of the President once a year during the month of December or at such other time as a majority of the Co-Owners may agree upon. The first annual meeting shall occur during December, 1999. At such meetings there shall be elected by ballot of the Co-Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Co-Owners may also transact such other business of the Association as may properly come before them.

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least fifteen (15), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting. If any meeting of the Association cannot be organized because a quorum has not attended, the Co-Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting, a quorum shall be constituted if Co-Owners holding at least twenty-five (25%) percent of the total value of the property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 7. Order of Business. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.

- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

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

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors (the "Board") comprised of five (5) persons. Until succeeded by the Board Members elected by the Unit Owners, Members of the Board of Directors need not be Unit Owners. So long as the Declarant has the right to submit Future Phase Property to the Master Deed, the Declarant shall be entitled to elect at least three (3) members of the Board of Directors, who need not be a Unit Owner. After the termination of the Declarant's right to submit Future Phase Property to the Master Deed, all Board Members shall be Unit Owners.

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

Section 3. Specific Powers and Duties. In addition to the general powers and duties referenced above, duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.
- (b) Care, upkeep and surveillance of the Property, the Common Elements and the Limited Common Elements.
- (c) Collection from the Co-Owners (excluding the Declarant), at the time of the closing of the sale of each Unit, at least two (2) month's estimated common expense assessments for the purpose of establishing a working capital fund for the Association. These funds shall be maintained for the use and benefit of the Association.
- (d) Establishment of the annual budget. The budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and

authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the Co-Owners present at such meeting, in person or by proxy.

- (e) As a part of the annual budget described in (d) above, establishment and maintenance on behalf of the Association of an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Elements and Limited Common Elements.
- (f) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Common Elements and Limited Common Elements.
- (g) Collection of all assessments and fees from the Co-Owners, including, at the Board's discretion and with approval from the governing Board of Indigo Run Property Owners' Association, Inc., all Indigo Run Property Owners' Association, Inc. assessments to be paid over to that Association.
- (h) Borrowing funds deemed necessary to carry out its duties hereunder, and in doing so, pledging future assessments to be collected from Co-Owner.
- (i) Performing repairs caused by any natural disaster or man-made damage from the reserve account and any special assessment, or causing the same to be done.
- (j) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed, or causing the same to be done as set forth in Article VIII hereof.
- (k) Grant or relocate easements which are not inconsistent with the Owners' full use and enjoyment of the Common Properties.
- (l) Making of repairs, additions and improvements to or alterations of, the property and repairs to and restoration of the property in accordance with the other provisions of these By-Laws; provided, however, that the Board of Directors shall not undertake any repair covered by the warranty without the consent of a majority of the Unit Owners.
- (m) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Unit Owners, the holders, insurers or guarantors of any first mortgage on any Unit, current copies of the Master Deed, By-Laws, other Rules or Regulations pertaining to the Association, and the books, records and financial statements of the Association.

Section 4. Management Agent. The initial management agent shall be the Declarant, whose contract extends for a period of two (2) years from the establishment of BERWICK GREEN HORIZONTAL PROPERTY REGIME. Thereafter, the Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any such management contracts shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts.

Section 5. First Board of Directors. The first Board of Directors consisting of five (5) members shall be designated by the Declarant. These appointments will be temporary and will continue only until the first annual meeting of the Unit Owners held pursuant to the provisions of these By-Laws. If staggered terms are permissible under South Carolina law, at the first Annual Meeting of the Association, the initial term of office for one (1) member of the Board shall be fixed at one (1) year. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of two (2) members of the Board shall be fixed at three (3) years. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. During the period in which the Declarant's designees constitute a majority of the Board of Directors, the Board of Directors shall not enter into any contract having a term which extends beyond the term of the Management Agreement with the management agent described in Section 4 above.

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

Section 7. Removal of Members of the Board. Except for the Declarant's designees, at any annual or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be a Unit Owner (except as provided in Section 5 regarding Declarant's designees).

Section 8. Organizational Meeting. The first meeting of a newly elected Board shall be held within thirty (30) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two (2) such meetings shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or by mail, express delivery service such as Federal Express, telephone, telefax or telegraph, at least fifteen (15) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President on seven (7) days notice to each Board Member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least three (3) Board members.

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

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

Section 13. Fidelity Bonds. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

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

Section 15. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Directors, who are

members of or employed by Declarant to contract with Declarant and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors, shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE V

OFFICERS

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

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. Except for appointees of the Declarant, no officer shall continue to serve as such if, during his term of office, he shall cease to be a Unit Owner.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the Co-Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

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

ARTICLE VI

NOTICES

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

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

ARTICLE VII

OBLIGATION OF THE CO-OWNERS

Section 1. Assessments for Common Expenses. All Co-Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association Common Expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Unit Owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Declarant will be liable for the amount of any assessment against completed Units within the Association which have not been sold and Declarant shall have all voting rights attendant to the ownership of said Unit until said Unit is sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by

the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

In addition to the Assessment for Common Expenses, Owners of second floor Units shall be required to pay an Elevator Assessment as defined in the Master Deed. The Elevator Assessment due, if any, shall be added to and become a part of said second floor Unit Owner's Assessment for Common Expenses.

The transfer of ownership of an individual Unit within the Association shall carry with it the proportionate equity of that Unit's ownership in the Association escrow or reserve account set aside to provide a contingency fund for the maintenance and repair of the Association Property.

Section 2. Assessments to Remain in Effect Until New Assessments Made. The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed by the board at a duly held Board meeting. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements or by abandonment of his Unit.

Section 3. Special Assessments. In addition to the annual Assessments for Common Expenses as authorized in Sections 1 and 2 of this Article VII, the Board may levy, in any assessment year, special assessments for Common Expenses, applicable to that year only, provided that any such assessment shall be approved by Co-Owners holding fifty-one (51%) percent or more of the total value of the Property, voting in person or by proxy at a meeting duly called for this purpose. The Directors may make such special assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted.

Section 4. Records. The Manager or Board of Directors shall keep detailed records of the receipts and expenditures affecting the Common Elements and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner during reasonable business hours.

Section 5. Default in Payment of Common Charges. The Board shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying to the Association the common charges as determined by the Board, such Unit Owner shall be obligated to pay a late charge of one and one-half (1 1/2%) percent of the delinquent amount per month on such unpaid common charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to

recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling. In addition to the rights and duties provided herein, the Board shall also have the right to suspend the voting privileges of the Unit Owner until all due and unpaid Assessments are paid.

Section 6. Statement of Common Charges. The Board shall, for a reasonable fee not to exceed Ten (\$10.00) Dollars, promptly provide any purchaser, Unit Owner, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that Unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid common charges payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

Section 7. Maintenance and Repair.

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

(b) All the repairs of the Units and of those items described in Section 4 of Article V of the Master Deed, and of all other accessories and Limited Common Elements appertaining or belonging to the Unit shall be at the expense of the Co-Owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed, unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the Unit Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Unit Owner, in which such case the expense shall be charged to such Unit Owner.

Section 8. Water Charges and Sewer Rents. Water shall be supplied and sewer services shall be supplied to all Units through one or more meters by the Hilton Head No. 1 Public Service District or its successor, and each Owner shall be required to pay for all charges for water consumed and sewer services in his Unit promptly after the bills for the same have been rendered.

Section 9. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board shall pay all bills for electricity consumed in such portions of the Common Elements, as a common expense.

Section 10. Use of Units--Internal or External Changes.

(a) Except for Units used by Declarant as a sales office as provided for in the Master Deed, all Units shall be utilized for residential purposes only. This shall expressly include the right of the Owner to rent such Units to others for residential purposes in accordance with the provisions of Article V of the Master Deed and of Article XII of these By-Laws.

(b) A Co-Owner shall not make internal structural modifications or alterations in his Unit or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the President if no manager is employed. The Association shall have the obligation to answer within thirty (30) days from the actual receipt of such notice and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A Co-Owner shall make no changes or additions whatsoever to the exterior of the Unit, any stairs or decks, appurtenant thereto, or to any of the Limited Common Elements without prior written approval of the Board. The Board may also approve minor additions to landscaping and other exterior minor changes or additions of this nature which in its sole discretion will not interfere or conflict with the overall scheme and appearance of the common areas. If any changes as described herein are approved by the Board, the Co-Owner requesting such change shall be totally financially responsible for the cost of such change and the incurred costs, if applicable, of the maintenance and repair of such change. The Board, through its agent, may include this additional maintenance cost in the periodic assessment for the Unit in question.

Section 11. Use of Common Elements. Except as authorized by Section 9(c), a Co-Owner shall not place or cause to be placed in the passages, parking areas, roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Co-Owners and shall be used for no other purpose than for normal transit through or use of such areas and for normal vehicular parking.

Section 12. Right of Entry.

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

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

Section 13. Rules of Conduct. In order to assure the peaceful and orderly use and enjoyment of the units and Common Elements of the Association, the Co-Owners may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person

or represented by proxy whose aggregate interest in the common element constitutes two-thirds of the total interest, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons on said property of the Association as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each owner by posting same with postage prepaid addressed to the owner at the last registered address of the owner and shall be binding upon all Unit Owners and the occupants of Units in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

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

(b) No Co-Owner of the Property shall:

- (1) Post any advertisements or posters of any kind in or on the Property except as authorized by the Association;
- (2) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the Property;
- (3) Clean dust mops, rugs or similar objects from the windows or balconies by beating on the exterior part of the Property;
- (4) Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;
- (5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Units in the Property;
- (6) Maintain any pets which cause distress to Co-Owners through barking, biting, scratching or damaging of property;
- (7) Operate or utilize any charcoal or gas grills, either permanent or portable, on the decks or balconies or in the close proximity of the Units, it being understood that such use is a violation of local fire ordinances;
- (8) Operate, park, or store on the Property any recreational vehicles, motor homes, motorcycles, mopeds, trucks, trailers, commercial vans or boats;
- (9) Leave garage doors open for indefinite periods of time.

(c) No Co-Owner, resident, or lessee shall install wiring for electrical or telephone installations, television antenna or satellite signal receiving dish or radio antenna, air conditioning

fixtures, or similar objects outside of his Unit or which protrudes through the walls or the roof of his Unit except as authorized by the Board

Section 14. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorneys fees, and until such expense is recovered it shall be a lien upon said Unit which lien shall be inferior to the lien of all prior Mortgages.

ARTICLE VIII

INSURANCE

The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed, the following insurance, without prejudice of the right of the Co-Owner to obtain additional individual insurance at his own expense:

(1) **Hazard Insurance.** The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by the Board upon recommendation made by the Regime's insurer, it being understood that the Board, at its discretion, may have an appraisal made of the Property for this purpose, or in the amount reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual Units.

(a) All hazard insurance policies obtained by the Board of Directors shall designate the Board of Directors as the named insured as Insurance Trustee for the benefit of all the Owners and their mortgages collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board of Directors as Insurance Trustee under the provisions of this Master Deed, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of this Master Deed.

(b) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate

the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

(c) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owner upon the contents and furnishings of their Units.

(d) Each Mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a statement of the replacement value as determined in Paragraph 1 above. If any such Mortgagee disagrees with the values assigned to the Property by such determination and presents an appraisal prepared at such Mortgagee's expense showing higher values which has been performed by a qualified appraiser, then the Board shall either adopt the higher value or shall cause a reappraisal to be made by a qualified appraiser approved by the Board and by the appraisers who conducted the prior appraisals and the findings of the third appraiser shall be conclusive to determine such value for insurance purposes.

(e) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Units within the Regime which are covered by the Master Policy. Such policies shall also provide that they shall not be canceled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice.

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

(3) Workmen's Compensation Insurance. The Board of Directors, as necessary, shall obtain Workman's Compensation Insurance to meet the requirements of law.

(4) Premiums. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as Common Expenses to be paid by the Unit Owners through periodic assessment as herein provided.

(5) Adjustment. Each Unit Owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of mortgagees of such Unit Owners.

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

As set forth in Section 4 of Article V of the Master Deed, the Co-Owner is responsible for any damage to his Unit or another Unit caused by his negligent action or inaction. If a claim is made against the Association's policy as a result of such negligence by a Co-Owner, then the Board may make a determination to assess any non-reimbursable expenses, such as the deductible, attorney's fees, and the like, against the negligent Co-Owner, and such assessment shall be collectible just as any other assessment described in Section 1 of Article VII of these By-Laws.

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

ARTICLE IX

RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the Board of Directors shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this Article IX. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Property is destroyed or substantially damaged. If two-thirds or more of the Property is destroyed or substantially damaged, reconstruction shall not be mandatory and unless reconstruction is agreed upon by seventy-five (75%) percent or more of the Unit Owners, the insurance indemnity received by the Board of Directors shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or line or as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. If less than two-thirds (2/3) of the Property is destroyed or substantially damaged, then such Property shall be repaired in the following manner:

(1) Any reconstruction or repair must follow substantially the original plans and specifications of the Property unless the Unit Owners holding seventy-five (75%) percent or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

(2) The Board of Directors shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board of Directors deems necessary.

(3) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose units are being reconstructed or repaired in proportion to the damage done to their respective Units.

(4) The insurance proceeds received by the Board and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors and the mortgagees, shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments in an amount not to exceed such payments. Any balance remaining after such distribution shall be retained by the Association.

ARTICLE X

INSURANCE TRUST

In the event of casualty loss to the Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board of Directors as Insurance Trustee. The Board of Directors, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article X, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following share:

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

(2) Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the benefit of Unit Owners of the damaged Units and their respective Mortgagees in proportion to the costs of repairing each damaged Unit.

(3) Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all applicable Unit Owners, and their respective Mortgagees the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Unit.

(4) In the event a Certificate of Insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds required by the loan documents to be paid jointly to the Unit Owners and their respective mortgagees pursuant to the provisions of the Master Deed.

ARTICLE XI

MORTGAGES

Section 1. Notice to Board. A Co-Owner who mortgages his Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Units" or in the individual Unit file.

Section 2. Notice to Mortgagee. The Board shall give reasonable advance written notice of the following events to all mortgagees of which it has notice or from which it receives a written request (the term "mortgagee" to include the holder, insurer or guarantor with respect to any such mortgage). Such written request must identify the name and address of the holder, insurer or guarantor and the Unit number and address:

- (a) Any change in the condominium documents;
- (b) Any unpaid assessments due the Association for over ninety (90) days from the Co-Owner(s) (mortgagor(s)) of the Unit;
- (c) Any default by the Co-Owner (mortgagor) of a Unit in the performance of such Co-Owners' obligations under the Master Deed and associated condominium documents when such default is not cured within sixty (60) days;
- (d) Any notice of special or annual meetings of the Association;
- (e) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- (f) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

- (g) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Master Deed;
- (h) Any proposed change from professional management of the Property to self management of the Property by the Association.

Section 3. Statements to Mortgagee. Upon written request to the Association from any Mortgagee of which it has notice as herein provided, the Board, Manager or Management Agent shall supply such Mortgagee with a reasonably current financial statement of the Association within a reasonable time of such request. Moreover, if no audited current financial statements are available, the holders of fifty-one (51%) percent or more of first mortgages shall be entitled to have such an audited statement prepared at their expense.

ARTICLE XII

RESTRICTIONS UPON LEASES OF UNITS

Section 1. Leases. No Unit Owner may lease his unit or any interest therein except by complying with the provisions of Section 2 and 3 of this Article and all provisions of the Master Deed.

Section 2. Lease Restrictions. All leases shall be subject to all provisions of the Master Deed and any and all rules or regulations adopted by the Association in accordance with these By-Laws and the Master Deed.

Section 3. Mandatory Lease Provisions. All leases shall provide that the terms and conditions of the Master Deed and all exhibits shall be complied with by the tenant and that the Association shall have the unilateral right and power to terminate such lease and bring summary proceedings to evict the tenant in the name of the landlord under such lease in the event of default by tenant thereunder, or failure by the tenant to fully comply with the provisions of the Master Deed, By-Laws or Rules and Regulations.

ARTICLE XIII

AMENDMENTS

Section 1. Requirements for Amendments. Except as provided in the Master Deed for an amendment or amendments to admit further Phases to the Regime, if appropriate, and except where a greater percentage is expressly required, either herein, in the Master Deed or by the Horizontal Property Act, these By-Laws or the Master Deed to which it is attached may be amended only with the consent of the Owners of Units to which at least sixty-six and 67/100ths (66.67%) percent of the votes in the Association are allocated and the approval of eligible holders about which the Association has received written notice holding mortgages on Units which have at least sixty-six and 67/100ths (66.67%) percent of the votes of Units subject to eligible holder

mortgages, as it relates to modification of any material provisions of the said By-Laws and Master Deed, etc., which establish, provide for, govern or regulate any of the following:

- a. Voting;
- b. Assessments, assessment liens or subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the Common Elements;
- d. Insurance or Fidelity Bonds;
- e. Rights to use of the Common Elements;
- f. Responsibility for maintenance and repair of the several portions of the Property;
- g. Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project except as expressly provided in the Master Deed;
- h. Boundaries of any Unit;
- i. The interests in the Common Elements or Limited Common Elements;
- j. Convertibility of units into common areas or of common areas into Units;
- k. Leasing of Units;
- l. Imposition of any additional or further right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- m. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

Notwithstanding the foregoing, so long as the Declarant retains the right to submit Future Phase Property to the Master Deed, these By-Laws or the Master Deed shall not be amended so as to adversely affect the Declarant without the Declarant's consent.

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 1. Gender, Number. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

Section 2. Definitions. The definitions contained in Article IV and elsewhere in the Master Deed also apply to these By-Laws.

Section 3. Execution of Documents. The President or Vice President and Secretary or Assistant Secretary are responsible for preparing, executing, filing and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. Notices. All notices required by these By-Laws shall be hand delivered or sent by mail to the Association at the address of the President; to Unit Owners at the address of the Unit or at such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. Captions. The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision of the By-Laws.

Section 6. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 7. Conflict. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event of any conflict between these By-Laws and the provisions of such Statute or the Master Deed, the provisions of such Statute or the Master Deed, as the case may be, shall control.

Section 8. Waiver. No restriction, condition, obligation, or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

EXHIBIT "H" TO MASTER DEED
BERWICK GREEN HORIZONTAL PROPERTY REGIME
PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS
AND VALUE FOR SOUTH CAROLINA STATUTORY PURPOSES

PHASE I

For purposes of the South Carolina Horizontal Property Act and pursuant to the terms of the Master Deed, the percentage interest appurtenant to each Unit of the Regime shall be established in accordance with the following formula:

$$\frac{V}{A} = P$$

- "P" - Percentage Interest of each Unit.
- "V" - Valuation of the respective Units as set forth in this Exhibit "H" and in the amendments to Master Deed for Future Phase Property.
- "A" - Aggregate Valuation of all Units existing in the Regime and added to the Regime as provided in Articles VIII and IX of the Master Deed.

UNIT TYPES/STATUTORY VALUES:

As set forth in Section 2 of Article V, there are two (2) basic types of Units in BERWICK GREEN. These Residence Types have the following statutory value for purposes of the South Carolina Horizontal Property Act:

- Aberdeen = \$ 400,000
- Carlton = \$ 600,000

STATUTORY PERCENTAGE INTEREST:

Based upon the above values, the percentage of undivided interest in the common elements appurtenant to each Unit in BERWICK GREEN HORIZONTAL PROPERTY REGIME is set forth below:

<u>Unit No./Type</u>	<u>Statutory Value</u>	<u>Percentage</u>
<u>Phase I</u>		<u>Phase I</u>
Aberdeen	\$ 400,000	20%
Aberdeen	\$ 400,000	20%

Carlton	\$ 600,000	30%
Carlton	\$ 600,000	30%

OVERALL SUMMARY - COMPOSITE CHART:

Subsequent to the filing of this Master Deed the total number of Units by Type and Percentage Interest is as follows:

<u>Residence Type</u>	<u>Individual % Interest</u>	<u>Total # of Residences</u>	<u>Total Percentage</u>
1. Aberdeen	1.05265	38	40%
2. Carlton	1.57895	38	60%
			100.00%

FUTURE PHASE:

IN THE EVENT DECLARANT ELECTS TO EXPAND THE REGIME AS PROVIDED FOR IN ARTICLES VIII AND IX OF THE MASTER DEED, ALL UNITS ADDED TO THE REGIME SHALL HAVE THE SAME STATUTORY VALUATIONS AS SET FORTH ABOVE; PROVIDED, HOWEVER, THAT DECLARANT DOES RESERVE THE RIGHT TO MODIFY FLOOR PLANS FOR FUTURE PHASE UNITS AND, IN SUCH EVENT, THE STATUTORY VALUATION MAY VARY.

The following chart demonstrates the adjustment in the Percentage Interest assuming that Phase II is added to the Regime comprising twenty-four (24) Units in such phase and assuming the same average statutory valuation and mix of Units as Phase I. However, the exact adjustment of Percentage Interest is not subject to calculation until the exact number and size of all Units to be added to the Regime is established. There may be a fewer number of Units. In the event that addition of Units to the Regime results in a calculation of percentage interest in accordance with the above formula which does not total one hundred (100%) percent, the amount necessary to bring such total to one hundred (100%) percent shall be allocated by the Board of Directors or its designated Management Agent.

**ASSIGNED PERCENTAGE INTERESTS
ASSUMING FUTURE PHASE II IS ADDED TO THE REGIME**

<u>Residence Type</u>	<u>Statutory Valuation</u>	<u>Phase I %</u>	<u>Projected Phase I & II %</u>
1. Aberdeen	\$400,000	20%	2.66666
2. Carlton	\$600,000	30%	4.00000

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NOTE: The total statutory value of the Property in Phase I only is \$2,000,000. For the purpose of this example, the total value projected for Phase I and Phase II combined is \$15,000,000.

THESE VALUATIONS ARE FOR PURPOSES OF THE SOUTH CAROLINA HORIZONTAL PROPERTY ACT.

RECORDED
INDEXED
MAY 10 1990
SOUTH CAROLINA
NOTARY PUBLIC

Hugh 5951
FILED
JOHN A. SULLIVAN - RMC
BEAUFORT COUNTY, S.C.

98 SEP 24 PM 1:09 /MLC
BK 1088 PG 1063
FOLDER#

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RECORDED THIS 20th DAY
OF October 1998
IN BOOK AE PAGE 2207
Sharon P. Burris
AUDITOR, BEAUFORT COUNTY, S.C.