

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

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LIGHTHOUSE BEACH COMPANY )  
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 )  
 ) MASTER DEED  
 ) HORIZONTAL PROPERTY REGIME  
SOUTH BEACH VILLAGE LAGOON VILLAS ) LI (51)  
HORIZONTAL PROPERTY REGIME LI )

At Hilton Head Island, County of Beaufort, and State of South Carolina, on this 24th day of May, 1972, Lighthouse Beach Company, a limited partnership organized and existing under the laws of the State of South Carolina, whose principal office is situated on Hilton Head Island, State of South Carolina, hereinafter referred to as Grantor, does hereby declare through Sea Pines Management Company, a duly authorized general partner of Grantor; with consent of the Prospect Company:

FIRST: That Grantor owns a property situated at Hilton Head Island, County of Beaufort, State of South Carolina, which is described as follows:

ALL that certain parcel or block of land in Sea Pines Plantation shown and designated as recorded on plat thereof in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 20 at Page 35, and being more particularly described as follows:

BEGINNING at Grid Coordinates 11,480 and 5710 South Beach Grid System, Sea Pines Plantation; thence S. 3° 43' W. a distance of 74.34 feet to a point; thence S. 46° 00' W. a distance of 109.79 feet to a point in a lagoon; thence N. 44° 00' W. a distance of 115.0 feet to a point in the lagoon; thence N. 21° 34' W. a distance of 448.98 feet to a point in the lagoon; thence N. 46° 00' E. a distance of 123.46 feet to a point; thence S. 74° 56' E. a distance of 32.98 feet to the point of curvature of a curve to the left, said curve's angle of intersection being 22° 40' and radius 167.59 feet; thence along the arc of the curve a distance of 66.30 feet to the point of tangency of the curve; thence S. 36° 47' E. a distance of 91.95 feet to the point of curvature of a curve to the right, said curve's angle of intersection being 28° 31' and radius 102.31 feet; thence along the arc of the curve a distance of 50.92 feet to the point of tangency of the curve; thence S. 8° 16' E. a distance of 69.83 feet to the point of curvature of a curve to the left said curve's angle of intersection being 7° 37' and radius 385.48 feet; thence along the arc of the curve a distance of 51.24 feet to the point of tangency of the curve; thence S. 15° 53' E. a distance of 57.48 feet to the point of curvature of a curve to the left, said curve's angle of intersection being 25° 41' and a radius of 82.34 feet; thence along the arc of the curve a distance of 36.91 feet to the point of tangency of the curve; thence S. 51° 32' E. a distance of 65.58 feet to the point of beginning.

SECOND: That Grantor (intending to create a horizontal property regime that shall be known as South Beach Village Lagoon Villas Horizontal Property Regime LI, hereinafter called the "Regime") has constructed on the parcel of land described above certain buildings and other improvements (which together with the land described in Paragraph "FIRST", all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto and hereinafter usually referred to as the "Property"), according to the plans attached hereto and identified as Exhibit "B", which were certified to by Richard E. Collins, Jr., A.I.A., an architect duly authorized and licensed to practice in the State of South Carolina on the 29th day of March, 1972, and which are made a part hereof.

THIRD: That the Property includes three (3) buildings containing ten (10) individual dwelling units (hereinafter referred to as "Dwelling Units") all of which are to be used for residential purposes. The Dwelling Units are all capable of individual utilization on account of having their own exits to the common elements of the Property, and they will be sold to one or more co-owners, each co-owner obtaining a particular and exclusive property right thereto, and also undivided interest in the general and limited common elements of the Property, as listed hereinafter in this Deed, necessary for their adequate use and enjoyment (hereinafter referred to as "common elements"), all of the above in accordance with the Horizontal Property Act of South Carolina.

FOURTH: That Property has a total area of 1.93 acres of which 13,910 square feet will constitute Dwelling Units, and 59,033 square feet will constitute common elements.

FIFTH: That the Dwelling Units and common elements of the Property will be as follows:

1. In the "A" Building there are four (4) Dwelling Units; one (1) "A" type Dwelling Unit and three (3) "B" type Dwelling Units, numbered consecutively B-1581, B-1582, B-1583 and A-1584 and hereinafter usually referred to as Dwelling Units B-1581, B-1582, B-1583, and A-1584.

In the "B" Building there are four (4) Dwelling Units; two (2) "A" type Dwelling Units and two (2) "B" type Dwelling Units, numbered consecutively A-1585, B-1586, B-1587 and A-1588 and hereinafter usually referred to as Dwelling Units A-1585, B-1586, B-1587 and A-1588.

In the "C" Building there are two (2) Dwelling Units; one (1) "B" type Dwelling Unit and one (1) "A" type Dwelling Unit, numbered consecutively B-1589 and A-1590 and hereinafter usually referred to as Dwelling Units B-1589 and A-1590.

In each "A" type Dwelling Unit the heating and air conditioning equipment will be by General Electric or comparable.

In each "B" type Dwelling Unit the heating and air conditioning equipment will be by General Electric or comparable.

The Dwelling Units are described hereinbelow. The Dwelling Units include (a) the space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows, and such other structural elements that ordinarily are regarded as enclosures of space; (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions) and (c) the decorated inner surfaces of said perimeter and interior walls (including the decorated inner surfaces of all interior load-bearing walls) and floors, ceilings, consisting (as the case may be) of wallpaper, paint, plaster

carpeting, tiles and all other furnishings materials and fixtures affixed or installed and for the sole and exclusive use of any Dwelling Unit, commencing at the point of disconnection from the structural body of the building and from utility lines, pipes or systems serving the Dwelling Unit. No pipes, wires, conduits, or other public utility lines or installations constituting a part of the overall systems designed for the service of any particular Dwelling Unit of a building, nor any property of any kind, including fixtures and appliances within any Dwelling Unit, shall be removed or removed without jeopardizing the soundness, safety, or usefulness of the remainder of the building, shall be deemed to be a part of any Dwelling Unit.

(a) Lagoon Villa Type "A": All two bedroom Villas measure 39.83 feet wide and 36.66 feet deep in their maximum interior dimensions and contain a net interior area of 1026 square feet.

The Villa is entered through a private screened court of 203 square feet having access to both a service yard and a recessed front porch of 42 square feet which opens into a mechanical equipment closet of 22.5 square feet and into a foyer of 25.3 square feet directly opposite.

The foyer, as referenced above, contains a coat closet of 12 square feet and discharges into a living room of 261.6 square feet which opens onto the front porch and onto a rear patio of 168 square feet. The living room provides access to a dining room of 122.9 square feet, a kitchen of 90.6 square feet, and opposite a hall of 18.6 square feet.

The dining room located adjacent to the rear patio opens into the kitchen which is equipped with a double compartmented sink with garbage disposal, a dishwasher, electric range and refrigerator-freezer.

The kitchen opens into a laundry room of 33.9 square feet containing a washer and electric dryer and providing access onto the above referenced front service yard of 55.4 square feet containing a storage closet of 26.6 square feet.

The hall, as referenced above, contains a linen closet of 5.8 square feet and provides access to a three (3) fixture private bath of 42.1 square feet and to two (2) bedrooms. One bedroom of 150.2 square feet is located to the front of the Villa with access onto the front entry court and contains two (2) closets of 10.6 square feet each. A second bedroom of 181.5 square feet is located to the rear, adjacent to the above referenced patio, and contains a closet of 18.2 square feet and access to a three (3) fixture private bath of 36.3 square feet.

All two bedroom Villas shall be provided with such heating, cooling and water heating equipment as shown on the Plans of the Property (attached hereto and identified as Exhibit B.)

(b) Lagoon Villa Type "B": All three bedroom Villas measure 44.83 feet wide and 44.0 feet deep in their maximum interior dimensions and contain a net interior area of 1400 square feet.

The Villa is entered through a private screened court of 277.2 square feet having access to both a service yard and a recessed front porch of 50.6 square feet which opens into a mechanical equipment closet of 24 square feet and into a foyer of 24 square feet directly opposite.

The foyer, as referenced above, contains a coat closet of 11.3 square feet and discharges into a living room of 297.6 square feet which opens onto the front porch and onto a rear patio of 201.9 square feet. The living room provides access to a dining room of 147.6 square feet, a kitchen of 94.3 square feet, and opposite a hall of 76.6 square feet.

The dining room located adjacent to the rear patio opens into the kitchen which is equipped with a double compartmented sink with garbage disposal, a dishwasher, electric range and refrigerator-freezer.

The kitchen opens into a laundry room of 33.9 square feet containing a washer and electric dryer and providing access onto the above referenced front service yard of 66.6 square feet containing a storage closet of 25.5 square feet.

The hall, as referenced above, contains a closet of 11 square feet and provides access to a three (3) fixture private bath of 42.5 square feet and to three (3) bedrooms.

Two bedrooms are located to the front of the Villa and are provided with access onto the front entry court. One bedroom of 103.4 square feet contains a closet of 10.8 square feet, and the second bedroom of 154 square feet contains a walk-in closet of 31.6 square feet.

The third bedroom of 207.3 square feet is located to the rear and adjacent to the living room and patio. The bedroom contains a closet of 11.9 square feet with access through a 25.8 square foot dressing closet to a three (3) fixture private bath of 42.5 square feet.

All three bedroom Villas shall be provided with such heating cooling and water heating equipment as shown on the Plans of the Property (attached hereto and identified as Exhibit B).

## 2. Common Elements:

### (a) The General Common Elements are as follows:

(1) The Property excluding the limited common elements and the Dwelling Units, and including, but not limited to, the foundations, roofs, floors, ceilings, perimeter walls, load-bearing interior walls and partitions, slabs, stairways, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above.

(2) Parking facilities located on the Property, which parking facilities consist of approximately 4240 square feet, and are shown in the plat of the Property attached hereto and identified as Exhibit A.

(3) All roads, walkways, paths, trees, shrubs, yards, gardens, etc., located on the Property.

(4) 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 the common use.

(8) The Limited Common Elements are as follows:

(1) The rear and front yards and service areas (shown on the plat attached hereto and identified as Exhibit A) adjacent to each Dwelling Unit, the storage cabinets located in the service yards, and the fences screening the service areas are limited common elements and are each restricted to the use of the Dwelling Unit adjacent to such limited common elements, respectively.

SIXTH:

That the title and interest on each co-owner of a Dwelling Unit in the common elements listed in sub-paragraph 2 of Paragraph "FIFTH" and their proportionate share in the profits and common elements (both general and limited), as well as the proportionate representation for voting purposes in the meeting of the Council of Co-Owners (hereinafter usually referred to as "Council" of the Regime is based on the proportionate value of each Dwelling Unit to the total value of the Property as follows:

X (a) Dwelling Units A-1584, A-1585, A-1588 and A-1590 -- 9.147 per cent each based on a value of \$59,500.00 for each of said Dwelling Units and a total value of \$650,500.00 for the Property.

X (b) Dwelling Units B-1582, B-1583, B-1586 and B-1587 -- 10.53 per cent each based on a value of \$68,500.00 for each of said Dwelling Units and a total value of \$650,500.00 for the Property.

(c) Dwelling Units B-1581 and B-1589 -- 10.65 per cent each based on a value of \$69,500.00 for each of said Dwelling Units and a total value of \$650,500.00 for the Property.

SEVENTH: That the administration of the Regime consisting as aforesaid of the Property described in Paragraphs "FIRST" and "FIFTH" of this Deed shall be in accordance with the provisions of the By-Laws which are made a part hereof of this Deed and are attached hereto as Exhibit C.

EIGHTH: That, as appears above, a Horizontal Property Regime is hereby constituted under and subject to the provisions of the Horizontal Property Act of the State of South Carolina, so that Dwelling 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 Dwelling Unit co-owner having an exclusive and particular right over his respective Dwelling Unit and in addition the specified undivided interest in the common elements of the Property.

NINTH: That so long as the Grantor owns one or more of the Dwelling Units, the Grantor shall be subject to the provisions of this Deed and of Exhibit A, B, and C, attached hereto and the Grantor covenants to take no action which will adversely affect the rights of the Regime with respect to the assurances against latent defects in the Property or other rights assigned to the Regime by reason of the establishment of said Horizontal Property Regime.

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

ELEVENTH: That the percentage of the undivided interest in the common elements (both general and limited) established herein shall not be changed except with the unanimous consent of all the co-owners expressed in amendment to this Deed duly recorded.

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

THIRTEENTH: That each co-owner shall comply with the provisions of this Master Deed, the Declaration of Covenants and Restrictions, and Affirmative Obligations Applicable to all "Class B" Multi-Family Residence Areas by the Lighthouse Beach Company, dated April 1, 1970, and recorded in the Office of the Clerk of Court for Beaufort County at Book 172 of Deeds, Page 316, the Regime By-Laws, decisions and resolutions of the Council of Co-Owners, Board of Administration and their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of the Sea Pines Plantation Company, its successors and assigns, as set forth in Covenants, Restrictions, and Affirmative Obligations declared by Sea Pines Land Company, Inc., Sea Pines Plantation Company, Inc., and Lighthouse Beach Company, dated August 20, 1967, and recorded in the Office of the Clerk of Court for Beaufort County at Book 150 of Deeds, Page 41. The Dwelling Unit shall also be conveyed subject to the recorded plat and plan of the Property. In addition, the Dwelling Unit shall be conveyed subject to the South Beach Owners Association Restrictive Covenants, dated June 25 19 70, and recorded in the Office of the Clerk of Court, County of Beaufort, South Carolina, in Book 176 of Deeds at Page 203, and to the By-Laws of the South Beach Owners Association, Inc., as amended in Deed Book 182 at page 260 in said Clerk's office.

FOURTEENTH: That the dedication of the Property to the Horizontal Property Regime herein shall not be revoked, or the Property removed from the Horizontal Property Regime, or any of the Provisions herein amended unless all of the co-owners and the mortgagees of all the mortgages covering the Dwelling Units unanimously agree to such revocation, or amendment, or removal of the Property from the Horizontal Property Regime by duly recorded instrument.

FIFTEENTH: That no co-owner of a Dwelling 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 Dwelling Unit.

SIXTEENTH: That all present or future co-owners, tenants, future tenants, or any other person that might use the facilities of the Property in any manner, are subject to the provisions of this Deed, and that the mere acquisition or rental of any of the Dwelling Units shall signify that the provisions of this Deed are accepted and ratified.

SEVENTEENTH: That if the Property is totally or substantially damaged or destroyed, the repair, reconstruction, or disposition of the Property shall be as provided by the above-mentioned Statute of South Carolina.

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

NINETEENTH: That in a voluntary conveyance of a Dwelling Unit, the Grantee of the unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Regime against the latter for his share of the common expenses up until the time of the grant or conveyance without prejudice to the Grantees right to recover from the Grantor the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the manager or Council of Co-Owners, as the case may be, setting forth the amount of the unpaid assessments against the Grantor due the Regime and such Grantees shall not be liable for, nor shall the Dwelling Unit conveyed be subject to a lien for, any unpaid assessments made by the Council of Co-Owners against the Grantor in excess of the amount therein set forth.

TWENTIETH: That the Board of Administration of the Regime or the Management Agent, or Manager, shall obtain and continue in effect blanket property insurance in form and amounts satisfactory to mortgagees holding first mortgages covering Dwelling Units, but without prejudice to the right of the co-owners to obtain additional individual dwelling unit insurance.

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

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed by the duly authorized officers of its general partner SEA PINES MANAGEMENT COMPANY, with the consent of THE PROSPECT COMPANY, the day and year first above written.

Signed, sealed and delivered in the presence of:

LIGHTHOUSE BEACH COMPANY  
By: Sea Pines Management Company  
General Partner

Virginia Corvino

[Signature] (L.S.)

Patsy M. Hancock

[Signature] (L.S.)

Signed, sealed and delivered in the presence of:

THE PROSPECT COMPANY,  
General Partner

J. I. Corsi  
(J. I. Corsi)

By: [Signature] (L.S.)  
(James A. Stewart) Vice President

S. J. Sadlak  
(D. J. Sadlak)

Attest: [Signature] (L.S.)  
(R. L. Buzard) Ass't. Secretary

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

P R O B A T E

PERSONALLY appeared before me \_\_\_\_\_  
and made oath that he saw the within named LIGHTHOUSE BEACH  
COMPANY by Sea Pines Management Company, General Partner, by its  
President and Secretary sign, affix the corporate seal, and as  
its Act and Oath, deliver the within written instrument, and that  
he with \_\_\_\_\_ witnessed the execution of said  
document.

SWORN TO before me this 24th  
day of May, 19 72.

Virginia Casner

Arthur S. Hancock (Seal)  
Notary Public for South Carolina  
My Commission Expires  
September 2, 1981



STATE OF CONNECTICUT )

COUNTY OF HARTFORD )

P R O B A T E

PERSONALLY appeared before me J. I. Corsi  
and made oath that she saw the within named THE PROSPECT COMPANY,  
a Special Partner of Lighthouse Beach Company, of the Vice  
<sup>Assistant</sup>  
President and Secretary, sign, affix the corporate seal, and as  
its act and Deed, acquiesce in the execution and delivery of the  
within written instrument, and that she with D. J. Sadlak  
witnessed the execution of said document.

SWORN TO BEFORE ME THIS 24th  
day of May, 19 72.

Timothy F. O'Connor  
Notary Public for Connecticut  
(Timothy F. O'Connor)  
My commission expires March 31, 1977.

J. I. Corsi  
(J. I. Corsi)

BY-LAWS OF:  
SOUTH BEACH VILLAGE LAGOON VILLAS  
HORIZONTAL PROPERTY REGIME LI

ARTICLE I  
PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Sea Pines Plantation, Hilton Head Island, in Beaufort County, State of South Carolina, known as South Beach Village Lagoon Villas, has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as South Beach Village Lagoon Villas, Horizontal Property Regime LI (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future co-owners, tenants, future Tenants, or their employecs, or any other person that 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. The mere acquisition or rental of any of the Dwelling Units (hereinafter usually referred to as "Dwelling Unit") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Dwelling Units will signify that these By-Laws and the provisions of the Master Deed are accepted and ratified, and will be complied with.

ARTICLE II  
VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the co-owner is entitled is the percentage assigned to the Dwelling Unit or Dwelling Units in the Master Deed.

Section 2. Majority of Co-owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding 51% or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

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

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

ARTICLE III  
ADMINISTRATION

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

Section 2. Place of Meetings. Meetings of the Council shall be held at such place convenient to the co-owners as may be designated by the Council.

Section 3. Annual Meetings. The annual meetings of the Council shall be held at the call of the Regime President once a year on the third Saturday in October. At such meetings there shall be elected by ballot of the co-owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Secretary to call a special meeting of the co-owners as directed by resolution of the Board of Administration or upon a petition signed by a majority of co-owners and having been presented to the Secretary. The 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 unless by consent of four-fifths 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 or record, at least five but not more than ten days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting. If any meeting of the Council cannot be organized because a quorum 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.

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

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meetings.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of administrators.
- (h) Unfinished business.
- (i) New business.

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

#### ARTICLE IV BOARD OF ADMINISTRATION

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as "Board") comprised of five persons, all of whom must be co-owners of Dwelling Units in the Property.

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

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

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the common elements.
- (c) Collection of assessments from the co-owners.
- (d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.
- (e) Performing repairs caused by any natural disaster or man-made damage from the escrow account and any special assessment.

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

Section 5. Election and Term of Office. At the first Annual Meeting of the Council, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

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

Section 7. Removal of Members of the Board. At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of co-owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 8. Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order legally to constitute such 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 such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board member, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President on three 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 purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

Section 11. Waiver of Notice. Before or at any meeting of the Board, any Board member 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 the 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 the 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.

#### ARTICLE V OFFICERS

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

Section 2. Election of Officers. The officers of the Regime shall be elected annually by the Board at the organization 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.

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

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other 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 Council; he shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Regime funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books

belonging to the Regime. He shall be responsible for the deposit of all moncoys and other valuable effects in the name, and to the credit, of the Regime in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the offices of Secretary and Treasurer.

## ARTICLE VI OBLIGATIONS OF THE CO-OWNERS

Section 1. Assessments. All co-owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, and other hazards. The assessments shall be made pro rata according to the value of the Dwelling Unit owned, and as stipulated in the Master Deed.

Escrow Account. The transfer of ownership of an individual villa within the Regime carries with it the proportionate equity of that villa ownership in the Regime Escrow Account. Each villa owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance and repair of the Regime Property.

### Section 2. Maintenance and Repair.

(a) Every co-owner must perform promptly all maintenance and repair work within his own Dwelling Unit, which if omitted would affect the Property in its entirety or in a part belonging to other co-owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the Dwelling Unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Dwelling Unit shall be at the expense of the co-owner.

(c) A co-owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any common elements damaged through his fault.

### Section 3. Use of Dwelling Units -- Internal Changes.

(a) All Dwelling Units shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his Dwelling Unit or installations located therein without previously notifying the Regime in writing, through the management agent, if any, or through the President if no management agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Elements. A co-owner shall not place or cause to be placed in the passages or roads any furniture, packages, or obstructions of any kind. Such areas shall be used for no other purpose than for normal transit through them.

### Section 5. Right of Entry.

(a) A co-owner shall grant the right of entry to the management agent or to any other person authorized by the Board in case of any emergency originating or threatening his Dwelling 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 Dwelling 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 an emergency, such right of entry shall be immediate.

#### Section 6. Rules of Conduct.

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

(b) No residents of the Property shall:

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

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

#### ARTICLE VII AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by co-owners representing at least two-thirds of the total value of the Property as shown in the Master Deed.

#### ARTICLE VIII MORTGAGES

Section 1. Notice to Board. A co-owner who mortgages his Dwelling 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 Regime shall maintain such information in a book entitled "Mortgages of Dwelling Units".

Section 2. Notice of Unpaid Assessments. The Board shall at the request of a mortgagee of a Dwelling Unit report any unpaid assessments due to the Regime from the co-owner of such Dwelling Unit.

ARTICLE IX  
COMPLIANCE

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



STATE OF SOUTH CAROLINA )                   DECLARATION OF AMENDMENT  
  ) TO MASTER DEED FOR SOUTH BEACH LAGOON  
COUNTY    OF    BEAUFORT ) VILLAS HORIZONTAL PROPERTY REGIME LI

1101

WHEREAS, on the 24th day of May, 1972, Lighthouse Realty, Inc., hereinafter referred to as Grantor, established South Beach Lagoon Villas Horizontal Property Regime LI (the "Regime") by Master Deed filed in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 260 at Page 709 which said Master Deed and the Exhibits attached thereto are incorporated herein by this reference thereto; and

WHEREAS, the above referred to Master Deed provides for amendment of the provisions contained therein upon the approval of all of the co-owners and the mortgagees of all of the mortgages covering the dwelling units within said Regime by duly recorded instrument; and

WHEREAS, the co-owners have unanimously consented to an amendment of the Master Deed to prohibit interval ownership of dwelling units in the Regime as more particularly set forth herein and have authorized Donald S. Patterson as the duly elected president and Bettie R. Williams the duly elected secretary of South Beach Village Lagoon Villas Horizontal Property Regime LI, to execute this Declaration of Amendment on behalf of the Regime; and

WHEREAS, First Federal Savings & Loan Association is the only mortgagee of record for dwelling units in the Regime and wishes to consent to the within amendment; and

WHEREAS, the Regime now wishes to amend said Master Deed as specifically provided for herein.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that South Beach Village Lagoon Villas Horizontal Property Regime LI does hereby state and declare:

1. The above "WHEREAS" clauses are hereby incorporated herein as an integral portion hereof.
2. By the execution and filing for record of this document, the Master Deed of South Beach Village Lagoon Villas Horizontal

HARLES A. SCARMINACH, P.A.  
ATTORNEY AT LAW

FRASER BUILDING  
P.O. BOX 5962  
HILTON HEAD ISLAND, S.C.  
29928-5962

had never been included herein.

IN WITNESS WHEREOF, SOUTH BEACH VILLAGE LAGOON VILLAS 1103  
HORIZONTAL PROPERTY REGIME LI, has this 14 day of July, 1982,  
signed, sealed, and delivered for recording the within document  
in Beaufort County, South Carolina.

WITNESSES:

SOUTH BEACH VILLAGE LAGOON  
VILLAS HORIZONTAL PROPERTY  
REGIME LI

Charles A. Scarminach  
Sara A. Parker

BY: Donald S. Patterson  
President

ATTEST: Bettie R. Williams  
Secretary

FIRST FEDERAL SAVINGS & LOAN  
ASSOCIATION OF CHARLESTON,  
SOUTH CAROLINA

Emma G. King  
Lorora P. Egan

BY: T.J. Simons, Jr.  
Senior Vice President

ATTEST: A.L. Hutchinson, Jr.  
Secretary

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PROBATE

PERSONALLY appeared before me Charles A. Scarminach  
who, on oath, says that (s)he saw the within named SOUTH BEACH  
VILLAGE LAGOON VILLAS HORIZONTAL PROPERTY REGIME LI by Donald S.  
Patterson, its President sign the within document, and Bettie R.  
Williams, its Secretary, attest the same, and that (s)he with  
Sara A. Parker witnessed the execution thereof.

SWORN to before me this 14 day  
of July, 1982.

Charles A. Scarminach  
(witness)

Sara A. Parker  
Notary Public for South Carolina  
My Commission expires: 1/10/85

STATE OF SOUTH CAROLINA )  
CHARLESTON )  
COUNTY OF ~~BEAUFORT~~ )

PROBATE

PERSONALLY appeared before me Emma G. King  
who, on oath, says that (s)he saw the within named FIRST FEDERAL  
SAVINGS & LOAN ASSOCIATION OF CHARLESTON, SOUTH CAROLINA by  
T.J. Simons, IV, its <sup>Senior Vice President</sup> President, sign the within docu-  
ment, and A.L. Hutchinson, Jr., its Secretary attest the  
same, and that (s)he with Lorora P. Egan  
witnessed the execution thereof.

SWORN to before me this 19th day  
of July, 1982.

Emma G. King  
(witness)

Lorora P. Egan  
Notary Public for South Carolina  
My Commission expires: 9.23.87

FILED AT BEAUFORT COUNTY S. C. RECORDED IN BOOK 351 PAGE 1101  
10:45 O'CLOCK JUL 26 1982  
A.M.  
Nancy J. Lowry, Dep.  
CLERK OF COURT OF COMMON PLEAS

HARLES A. SCARMINACH, P.A.  
ATTORNEY AT LAW  
FRASER BUILDING  
P.O. BOX 5962  
HILTON HEAD ISLAND, S.C.  
29928-5962

STATE OF SOUTH CAROLINA ) AMENDMENT TO BY-LAWS OF Lagoon I Villas  
 ) HORIZONTAL PROPERTY REGIME LI  
COUNTY OF BEAUFORT )

WHEREAS, the Master Deed of the Lagoon I Villas  
Horizontal Property Regime No. LI is recorded in the  
County of Beaufort, State of South Carolina, in Deed Book ~~213~~ <sup>199</sup>,  
Page ~~213~~ <sup>13</sup>; and

WHEREAS, the By-Laws of that property regime are recorded  
as an Exhibit to the Master Deed; and

WHEREAS, the Council of the Regime at the last duly consti-  
tuted meeting held for such purpose, which was held on the 28<sup>th</sup> day  
of November, 1977, did approve this Amendment with the requisite  
approval of the co-owners representing at least two-thirds of the  
total value of the property;

NOW, THEREFORE, the By-Laws are hereby amended by the addi-  
tion of the following Clause to Article VI, Section 1 which concerns  
assessments:

"The Board of Administration or their designated represen-  
tatives shall take prompt and appropriate action to collect  
by suit, foreclosure or other lawful method any overdue  
assessment. If any overdue assessment is collected by  
attorney or by action at law, the Owner owing the same shall  
be required to pay all reasonable costs of collection,  
including, but not limited to, attorney's fees."

IN WITNESS WHEREOF, the Regime has caused these Presents to  
be executed in its name, by its duly authorized officers, as of  
this 18<sup>th</sup> day of January, 1978.

Lagoon I Villas  
Horizontal Property Regime LI

WITNESSES:

Ann S. Frazier  
Betty M. Phillips

BY: Charles C. Dixon, Jr.  
President

WITNESSES:

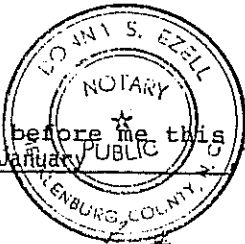
John Smith  
Cora K. Manuel

ATTEST: Beulah S. Williams  
Secretary

STATE OF SOUTH CAROLINA     )  
   )  
 COUNTY OF BEAUFORT            )                    PROBATE

PERSONALLY appeared before me Betty M. Phillips, and  
 (Witness #2)  
 made oath that (s)he saw the within named Lagoon I Villas,  
 REGIME, by Charles C. Dixon, Jr., its President,  
 sign, seal, and as its act and deed, deliver the within written  
 instrument, and that (s)he with Donna S. Ezell  
 (Notary Public)  
 witnessed the execution thereof.

Betty M Phillips  
 Witness #2



SWORN to before me this 18th  
 day of January 1978.

Donna S. Ezell  
 Notary Public for North Carolina  
 My Commission Expires: 7/25/82

STATE OF <sup>SOUTH</sup> SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PROBATE

PERSONALLY appeared before me Eosa K. Merrill and  
(Witness #2)  
made oath that (s)he saw the within named Lagoon I Villas,  
REGIME, by Lettie A. Williams, its Secretary,  
sign, seal, and as its act and deed, deliver the within written  
instrument, and that (s)he with Glenn Smith  
(Notary Public)  
witnessed the execution thereof.

Eosa K. Merrill  
Witness #2

SWORN to before me this 33rd  
day of January, 1977.

Glenn Smith  
Notary Public for <sup>SOUTH</sup> South Carolina  
My Commission Expires: My Commission Expires October 7, 1979

5 PPC

FILED AT	BEAUFORT COUNTY S. C.	RECORDED IN BOOK
11:35 O'CLOCK	FEB 23 1978	260 PAGE
A. M		709

Paul Peterson  
CLERK OF COURT OF COMMON PLEAS