

BJ&G:CSG: 10/22/82
A(67)

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

DELTA MANAGEMENT CORPORATION;)
REED REALTY, INC.; KKV ENTERPRISES,)
INC.; and RVF, INC.)

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TO)

MASTER DEED ESTABLISHING
HORIZONTAL PROPERTY
REGIME

OceanWalk HORIZONTAL PROPERTY)
REGIME)

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 30th day of November, in the year of our Lord One Thousand Nine Hundred and Eighty-Two, DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC., all South Carolina Corporations, with their principal place of business on Hilton Head Island, Beaufort County, South Carolina and with offices on Hilton Head Island, South Carolina, hereinafter collectively referred to in the singular as "Sponsor", does hereby declare:

FIRST: LAND

That Sponsor is the sole owner of the land described in Exhibit "A" attached hereto and made a part hereof which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 13.

SECOND: PROPERTY; REGIME

That Sponsor does hereby, by duly executing this Master Deed, submit the land referred to in Paragraph FIRST, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the

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& GRIFFIN, P. A.
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COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Parcel	Block
540	18	240A	

Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime that shall be known as OceanWalk Horizontal Property Regime (hereinafter sometimes referred to as the "Regime") to be governed by and be subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina as it is now constituted and as it may from time to time be amended.

THIRD: IMPROVEMENTS

That the improvements constructed on and forming a part of the Property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" hereto and made a part hereof which plot or site plan was prepared by Coastal Surveying Company, Inc., Jerry L. Richardson, R.L.S. (S.C.) No.4784, and which floor plans were prepared by Westmoreland, McGarity & Pitts Architects, Inc., architects duly licensed to practice in the State of South Carolina under Registration Certificate Number A-76001. Attached to this Master Deed as Exhibit "D" is a certificate by a duly licensed architect that the Apartments constructed on the Property were constructed in accordance with said plans.

FOURTH: APARTMENTS/BOUNDARIES

(a) General Description. That the Property includes one (1) five (5) story building containing a total of seventy-nine (79) individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential purposes only subject to the reservation of rights in favor of the Sponsor as described in Section FOURTEENTH. The basic construction for each Apartment is a post tension concrete slab, concrete columns, with four (4') inch interior steel studs with sheet rock painted. The Apartments are capable of individual utilization on account of having their own exits to the common elements of the Property and a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the Property, as hereinafter listed in this Master Deed, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements") all of the above in accordance with the Horizontal Property Act of South Carolina.

(b) Boundaries.

(1) The horizontal (upper and lower) boundaries of each Apartment are the interior unfinished surfaces of the floors and ceilings of each Apartment. The vertical or perimetric boundaries of each Apartment, extended to an intersection with the upper and lower boundaries are as follows:

(1) As to all Apartment exterior walls which physically divide the Apartment from common elements of the

building, it shall be the vertical plane of the interior surface of the exterior sheathing and the vertical plane of the centerline of all insulated glass windows and all doors.

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

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

(ii) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, 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 an Apartment, together with all speakers, telephones, and other communication equipment and all built-in light fixtures, wires, service outlets, vent outlets, heating and cooling Apartments and duct work, electrical switches, thermostats, hot water heaters, 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 Apartment or within the space above the ceiling and below the slab forming the floor of the Apartment above or, in the case of the fifth floor, the roof above, are a part of the Apartment.

(iii) Any chute, flue, duct, chase, conduit, bearing wall, bearing column and all other similar mechanical or physical fixtures except those designated in paragraph (ii) above, whether or not it lies partially within and partially outside the designated boundaries of an Apartment, is a common element.

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

FIFTH: AREA COMPRISING PROPERTY

That the Property as originally constituted, has a total of 4.074 acres of which 29,607 square feet are occupied by Apartments and 147,856 square feet will constitute the remainder of the common elements.

SIXTH: APARTMENT TYPES AND BUILDINGS

That there are three (3) basic types of Apartments in the OceanWalk Horizontal Property Regime, those being a two (2)

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Bedroom and Den having approximately 1,210 square feet (Type A), a two (2) Bedroom and Den having approximately 1,270 square feet (Type B) and a three (3) Bedroom and Den having approximately 1,570 square feet (Type C). These Apartments types are referred to as Type A, Type B, and Type C, and are more particularly described in Exhibit E attached hereto and made a part hereof. The Apartments in the property will be as follows:

On the first floor there are sixteen (16) Apartments, numbered as follows:

<u>Number</u>	<u>Type</u>
101	A
102	A
103	A
104	A
105	B
106	B
107	A
108	A
109	A
110	A
111	A
112	A
113	B
114	B
115	A
116	A

On the second floor there are sixteen (16) Apartments, numbered as follows:

<u>Number</u>	<u>Type</u>
201	A
202	A
203	A
204	A
205	B
206	B
207	A
208	A
209	C
210	A
211	A
212	A
213	B
214	B
215	A
216	A

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On the third floor there are sixteen (16) Apartments, numbered as follows:

<u>Number</u>	<u>Type</u>
301	A
302	A
303	A
304	A
305	B
306	B
307	A
308	A
309	C
310	A
311	A
312	A
313	B
314	B
315	A
316	C

On the fourth floor there are sixteen (16) Apartments, numbered as follows:

<u>Number</u>	<u>Type</u>
401	C
402	A
403	A
404	A
405	B
406	B
407	B
408	A
409	A
410	C
411	A
412	A
413	A
414	B
415	B
416	A

On the fifth floor there are fifteen (15) Apartments, numbered as follows:

<u>Number</u>	<u>Type</u>
501	A
502	A
503	A
504	A

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<u>Number</u>	<u>Type</u>
505	B
506	B
507	A
508	A
509	C
510	A
511	A
512	A
513	B
514	B
515	A

The Buildings and Apartment types for Phase II if applicable, and for Phase III, if applicable, of the OceanWalk Horizontal Property Regime may vary from the Apartment types for Phase I as herein provided.

SEVENTH: COMMON ELEMENTS

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

A. The General Common Elements are as follows:

(1) The Property excluding the limited common elements and the Apartments, and including, but not limited to the land on which the Apartments are constructed, the foundations, roofs, stairways and stair towers, halls, lobbies, atrium area, indoor swimming pool area, sauna rooms, exercise room, mechanical and equipment rooms, gazebo area, trash chutes, elevators and elevator shafts, mail box area, balconies, exterior portions of perimeter walls, floors separating Apartments, load-bearing columns or walls, mechanical chases, interior walls and partitions of areas other than within Apartments, slabs, concrete floors, public utility lines; and pipes, wires, conduits or air ducts located within slabs or elsewhere in the building other than within the Apartment boundary as described in ARTICLE IV(b). In each instance there shall also be included the space actually occupied by the above.

(2) Parking facilities located on the Property, which parking facilities consist of approximately 44,716 square feet, and are shown on the plat of the Property attached hereto and identified as Exhibit "B".

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

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

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

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

(7) The Regime Recreational Parcel as shown on the plat of the Property attached as Exhibit "B".

(8) Conference Room (Unit Number 516), which is a Type C floor plan. The intended use for said Unit is a conference facility and meeting room facility for the use, on a reservation basis, of Apartment Owners and their guests; provided, however, that in the event this facility is not utilized as a conference room or meeting facility for at least fifty (50) days or three hundred (300) hours, whichever is less, in any one year period, Sponsor may designate another use for the Apartment. The other use may include, but not necessarily be limited to, office facilities for regime management, or on-site rental management, or residential use. Rules of use shall be established by the Regime Management Agent and approved by the Sponsor on an annual basis.

B. The Limited Common Elements are as follows:

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

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

EIGHTH: GENERAL PLAN OF DEVELOPMENT

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

described in Exhibit "F" attached hereto and made a part hereof and said Phases are as shown on the plat attached hereto as Exhibit B.

B. Phase II. With regard to the Phase II property herein referred to, Sponsor reserves the right, in the manner more particularly hereinafter set forth, to cause the Phase II Property to become an integral part of OceanWalk Horizontal Property Regime once an appropriate amendment to this Master Deed has been filed as hereinafter provided. Phase II may contain one (1) Building with up to five (5) stories, containing up to fifty (50) individual Apartments of similar form, design and general valuation and constructed with similar basic materials and of a similar quality as the building constructed on Phase I property, it being understood that floor plans and other design criteria may be modified by Sponsor, or its successors.

C. Phase III. With regard to the Phase III property shown on the Exhibit "B" plot plan, Sponsor reserves in the manner more particularly hereinafter set forth, the right to construct a Building with up to five (5) stories, containing up to forty (40) Apartments of similar general type, architectural style, form, design and general valuation and constructed with similar basic materials and of similar basic quality as the building constructed on the Phase I property herein referred to. Provided, however, nevertheless, the Phase III shall be eligible for inclusion in the OceanWalk Horizontal Property Regime even if the herein described Phase II property has not previously been incorporated into said Regime in the manner provided in this Master Deed.

Reference is made to Exhibit "F" attached hereto for a description of the Phase II and Phase III Property.

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

Sponsor, its successors and assigns, hereby expressly reserves the right, to be exercised in its sole discretion, to submit the Phase II property, and Phase III property, or any one of them (for purposes of this Master Deed, the fifty (50) unit phase has been designated as Phase II and the forty (40) unit phase has been designated as Phase III; however, Sponsor expressly reserves the right to revise the order of these phases) to the provision of this Master Deed and thereby cause the Phase II and/or Phase III property to become and forever be a part of OceanWalk Horizontal Property Regime in the same manner as if made a part thereof in every particular upon the initial execution and filing of this Master Deed. This right may be exercised by Sponsor, its successors, grantees and assigns only upon the execution by it or them of an amendment or amendments to this Master Deed substantially in the form of those set forth herein as Exhibits G-1 and/or G-2, which amendments shall be

filed in the Office of the Clerk of Court for Beaufort County, South Carolina not later than December 31, 1987, with regard to the Phase II Property, and December 31, 1989 with regard to the Phase III Property. Any such amendments shall conform to the various provisions and conditions precedent established in this Master Deed and shall expressly submit the Phase II or Phase III Property, as applicable, to all of the provisions of this Master Deed and the By-Laws of the OceanWalk Horizontal Property Regime, a copy of which By-Laws is attached hereto as Exhibit "H" and made a part hereof, as either or both may be amended between the date of said Master Deed and By-Laws, and the filing of said Amendment to this Master Deed to include the Phase II or Phase III Property. Upon the exercise, if any, of this right to include Phase II and Phase III as a part of this Regime, the provisions of this Master Deed and all exhibits hereto shall then be understood and construed as embracing the Phase I property (The basic "Property" herein defined) and the Phase II Property, if applicable, and the Phase III Property, if applicable, as appropriate, together with all improvements then constructed 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.

TENTH: REVOCATION AND AMENDMENT

That the dedication of the Property to the Horizontal Property Regime herein shall not be revoked, or the Property removed from the Horizontal Property Regime, or any of the provisions herein amended unless all of the co-owners and the mortgagees of all the mortgages covering the Apartments unanimously agree to such revocation, or amendment, or removal of the Property from the Horizontal Property Regime by duly recorded instrument; provided, however, that without the consent of the Apartment Owners or Mortgagees, the Sponsor, or its successors in title to all or any portion of Phase II, and/or Phase III Property, may at any time prior to the termination of the reservation of rights period specified in paragraph NINTH herein, amend this Master Deed in the manner set forth in Paragraph EIGHTH and NINTH so as to subject the Phase II and/or Phase III Property to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make the Phase II and/or Phase III Property an integral part of the OceanWalk Horizontal Property Regime. Any such amendment shall, when read in concert with this Master Deed, contain all of the particulars required by the said Horizontal Property Act of South Carolina as the same is now constituted or may hereafter be amended and from and after the recording of such amendment the OceanWalk Horizontal Property Regime shall include all of said Phase II and/or Phase III Property, as appropriate. The Phase II Apartments and Phase III Apartments are to be as described in Paragraph EIGHTH and NINTH. The designation of each Apartment in Phase II and Phase III by Apartment type and its proportionate interest in the common

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elements is set forth in Exhibit "I", which exhibit is attached hereto and made a part hereof. If Sponsor elects to make the Phase II and/or Phase III Property a part of this Regime as herein provided, Sponsor shall cause to be prepared and made a part of the Amendment by which the Phase II and/or Phase III Property is incorporated into the OceanWalk Horizontal Property Regime a schedule designating Apartment types, reflecting each Apartment's proportionate interest in the Common Elements, which schedule shall be similar in content and format to the Exhibit "I" schedule, prepared using the requirements and guidelines set forth in Paragraph EIGHTH and NINTH hereof. Upon the recordation of the Amendments to make the Phase II Property, if appropriate, and the Phase III Property, if appropriate, a part of the OceanWalk Horizontal Property Regime, the provisions regarding revocation and amendment set forth in this Paragraph TENTH shall have equal application thereto.

ELEVENTH: PERCENTAGE OF INTEREST OF APARTMENTS

The percentage of title and interest appurtenant to each Apartment and the Apartment owner's title and interest in the common elements (both general and limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the Council of Co-Owners (hereinafter usually referred to as "Council") of the Regime is based on the proportionate value of each Apartment to the value of the total Property as set forth in Exhibit "I" 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 "I" shall not be altered without the acquiescence of the co-owners representing all of the Apartments expressed in an amendment to this Master Deed duly recorded or except as provided in Paragraph EIGHTH, NINTH and TENTH herein with regard to the amendment of this Master Deed to admit the Phase II Apartments, and if appropriate, the Phase III Apartments into this Regime.

TWELFTH: ADMINISTRATION OF THE REGIME

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

The use of the term "OceanWalk Owners' Association" as used in this Master Deed or in the By-Laws (hereinafter sometimes referred to as the "Association") shall have the same connotation as the term "Council of Co-Owners" as such latter term is used in The Horizontal Property Act of South Carolina. The use of the

term "Board of Directors" when referring to the governing of the Association shall have the same connotation as the term "Board of Administration" is used in The Horizontal Property Act of South Carolina.

THIRTEENTH: HORIZONTAL PROPERTY REGIME CONSTITUTED

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

FOURTEENTH: RESERVATION OF RIGHTS TO SPONSOR/SPONSOR SUBJECT TO MASTER DEED

That the Sponsor herein reserves the right to utilize any unsold Apartments in the Regime for its own purposes, including, but not necessarily limited to, long term or short term rental, rental management or regime management offices, sales model and/or sales office and that Sponsor'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 Sponsor; provided, however, that so long as the Sponsor owns one or more of the Apartments, the Sponsor shall be subject to the provisions of this Master Deed and the Exhibits attached hereto and the Sponsor covenants to take no action which will adversely affect the rights of the Regime with respect to the assurances against latent defects in the Property or other rights assigned to the Regime by reason of the establishment of said Horizontal Property Regime.

FIFTEENTH: COMMON ELEMENTS NOT PARTITIONED

That the common elements shall remain undivided and no co-owner shall bring any action for partition and/or division except as provided in the By-Laws in case of destruction of two-thirds (2/3) or more of the Property and the Co-Owners decide not to reconstruct the Property.

SIXTEENTH: COMMON ELEMENTS NOT SEVERABLE FROM APARTMENTS

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

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COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

SEVENTEENTH: PROVISIONS AND COVENANTS APPLICABLE TO APARTMENTS

That each co-owner shall comply with the provisions of this Master Deed and authorized amendments thereto, all restrictions, covenants, conditions and affirmative obligations of record in the Office of the Clerk of Court for Beaufort County, South Carolina, and as may be amended; and the By-Laws, Decisions and Resolutions of Association, Board of Directors 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 Apartments shall also be conveyed subject to all easements of record and the recorded plat and plans of the Property and amendments thereto.

EIGHTEENTH: NON-USE NOT EXEMPTION OF LIABILITY FOR COMMON EXPENSES

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

NINETEENTH: ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

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

TWENTIETH: ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

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

TWENTY-FIRST: INSURANCE

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

TWENTY-SECOND: RECONSTRUCTION AND REPAIR

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

TWENTY-THIRD: 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 of such a Project may be effected without the prior approval of the Apartment Owners and the eligible holders holding mortgages on all remaining Apartments, whether existing in whole or in part, and which have at least seventy-five (75%) percent of the votes of such remaining Apartments subject to eligible holder mortgages.

The Association shall represent the Apartment 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 Apartment 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, for the use and benefit of the Apartment Owners and their mortgagees as their interests may appear.

TWENTY-FOURTH: EASEMENT FOR ENCROACHMENT

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

TWENTY-FIFTH: OTHER REGIME EASEMENTS

Each Apartment Owner shall have an easement in common with the Owners of all other Apartments to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements, if any, located in any of the other Apartments and serving his Apartment. Each Apartment shall be subject to an easement in favor of the Owners of all other Apartments to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements serving such other Apartments and located in such Apartment. The Board of Directors shall have the

right of access to each Apartment to inspect the same to remove violations therefrom and to maintain, repair or replace common elements contained therein or elsewhere in the building or buildings.

TWENTY-SIXTH: SEVERABILITY

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

TWENTY-SEVENTH: 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.

TWENTY-EIGHTH: 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.

TWENTY-NINETH: 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.

THIRTIETH: 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.

THIRTIETH: EXHIBITS

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

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

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IN WITNESS WHEREOF, the Sponsor has executed this Master Deed, by the appropriate officers and the appropriate corporate seals affixed hereto this 30th day of November in the year of Our Lord One Thousand Nine Hundred and Eighty-two and in the Two Hundred and Sixth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DELTA MANAGEMENT CORPORATION
(SEAL)

Marilyn E. Donohue
Judith Murphy

By: K. S. Viswanathan

Attest: John P. Reed

REED REALTY, INC.

Marilyn E. Donohue
Judith Murphy

By: John P. Reed

Attest: Cam Griffin

KKV ENTERPRISES, INC.

Marilyn E. Donohue
Judith Murphy

By: K. S. Viswanathan

Attest: Robert J. Fallick

RVF, INC.

Marilyn E. Donohue
Judith Murphy

By: K. S. Viswanathan

Attest: Barbara A. Parnass

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& GRIFFIN, P. A.
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COUNSELLORS AT LAW
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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Marilyn E. Donohue
who, on oath, says, that s/he saw the within named DELTA
MANAGEMENT CORPORATION, by Kumar K. Viswanathan its President
sign the within Master Deed, and John P. Reed
its Vice President, attest the same, and that said
Corporation by said officers, seal said Deed, and as its act and
deed, deliver the same and that s/he with Judi Murphy
witnessed the execution thereof.

Marilyn E. Donohue

SWORN to before me this 30
day of November, 1982
Judi Murphy (L.S.)
Notary Public for South Carolina
My Commission Expires: 8-14-90

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Marilyn E. Donohue
who, on oath, says, that s/he saw the within named REED REALTY,
INC., by John P. Reed its President sign
the within Master Deed, and Cary S. Griffin its
Secretary, attest the same, and that said Corporation
by said officers, seal said Deed, and as its act and deed,
deliver the same and that s/he with Judi Murphy
witnessed the execution thereof.

Marilyn E. Donohue

SWORN to before me this 30
day of November, 1982
Judi Murphy (L.S.)
Notary Public for South Carolina
My Commission Expires: 8-14-90

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE 1795

PERSONALLY appeared before me Marilyn E. Donohue
who, on oath, says, that s/he saw the within named KKV
ENTERPRISES, INC., by Kumar K. Viswanathan its President sign
the within Master Deed, and Betsy Y. Puthoff its
Assistant Secretary, attest the same, and that said Corporation
by said officers, seal said Deed, and as its act and deed,
deliver the same and that s/he with Judi Murphy
witnessed the execution thereof.

Marilyn E. Donohue

SWORN to before me this 30
day of November, 1982
Judi Murphy (L.S.)
Notary Public for South Carolina
My Commission Expires: 8-14-90

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Marilyn E. Donohue
who, on oath, says, that s/he saw the within named RVF, INC. by
R. Vance Fulkerson its President sign the within Master
Deed, and Dorothea N. Rasmussen its Secretary,
attest the same, and that said Corporation by said officers, seal
said Deed, and as its act and deed, deliver the same and that
s/he with Judi Murphy witnessed the
execution thereof.

Marilyn E. Donohue

SWORN to before me this 30
day of November, 1982
Judi Murphy (L.S.)
Notary Public for South Carolina
My Commission Expires: 8-14-90

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

INDEX OF EXHIBITS AND ATTACHMENTS

- Exhibit "A" - Description of Phase I Land, Regime Recreational Parcel and Easements.
- Exhibit "B" - Plats (survey) of Phase I Land and Regime Recreational Parcel, together with boundary survey of Phase II and Phase III Land.
- Exhibit "C" - Plot Plans and Floor Plans (including Site Plan for Phase I, Phase II and Phase III).
- Exhibit "D" - Architect's Certificate/
- Exhibit "E" - Description of Apartment Types in Phase I and future Phases, if applicable, and Recreational Parcel.
- Exhibit "F" - Description of Phase II and Phase III Property.
- Exhibit "G-1" - Form of Amendment to incorporate the Phase II Property into OceanWalk Horizontal Property Regime.
- Exhibit "G-2" - Form of Amendment to incorporate the Phase III Property into OceanWalk Horizontal Property Regime.
- Exhibit "H" - By-Laws of the OceanWalk Horizontal Property Regime
- Exhibit "I" - Percentage of Undivided Interest in The Common Elements.
- Exhibit "J" - Joinder of Mortgagee

EXHIBIT "A"OceanWalk HORIZONTAL PROPERTY REGIMEDESCRIPTION OF PHASE I LAND,
RECREATIONAL PARCEL AND EASEMENT

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 2.305 acres, more or less, being shown and described on a plat entitled "An As-Built Survey of OceanWalk Horizontal Property Regime Phase I" which plat was prepared by Coastal Surveying Company, Inc., certified to by Jerry L. Richardson R.L.S. (S.C.) #4784 said plat being dated October 20, 1982, and revised November 30, 1982, and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 13. Said property is more particularly described as follows, to-wit:

Commencing at a point which marks the northeast intersection of the 100' right-of-way known as South Forest Beach Drive and the 100' right-of-way known as LeMoyné Avenue and proceeding N26°08'00"W for a distance of 332.46 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 37.25 feet to a concrete monument which marks the Point of Beginning; thence proceeding N26°08'00"W for a distance of 628.99 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 140 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 152.50 feet to a concrete monument; thence proceeding S62°22'38"E for a distance of 92.98 feet to a concrete monument; thence proceeding S31°31'52"E for a distance of 105.04 feet to a concrete monument; thence proceeding S05°40'50"E for a distance of 30.00 feet to a concrete monument; thence proceeding S15°40'50"E for a distance of 85.73 feet to a concrete monument; thence proceeding S45°46'17"E for a distance of 43.85 feet to a concrete monument; thence proceeding S12°18'55"W for a distance of 75.52 feet to a concrete monument; thence proceeding S46°04'55"W for a distance of 74.09 feet to a concrete monument; thence proceeding S06°05'13"E for a distance of 65.19 feet to a concrete monument; thence proceeding S63°38'31"W for a distance of 53.70 feet to a concrete monument which marks the Point of Beginning.

ALSO, all that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 1.043 acres, more or less, being shown and described as a portion of former Parcel "E" on the above described plat of record. Said property is more particularly described as follows, to-wit:

Commencing at a point which marks the northeast intersection of the one hundred (100') foot right-of-way known as South Forest Beach Drive and the one hundred (100') foot right-of-way known as LeMoyne Avenue and proceeding N26°08'00"W for a distance of 998.70 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 400.01 feet to a concrete monument which marks the Point of Beginning; thence proceeding S26°05'53"E for a distance of 54 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 28 feet to a concrete monument; thence proceeding S26°05'53"E for a distance of 163.36 feet to a concrete monument; thence proceeding S63°50'30"W for a distance of 28 feet to a concrete monument; thence proceeding S26°05'53"E for a distance of 120 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 661.40 feet to a concrete monument located on the one hundred (100') foot right-of-way known as South Forest Beach Drive; thence proceeding N63°52'00"E for a distance of 50 feet to a concrete monument; thence proceeding N26°08'00"E for a distance of 998.76 feet to a concrete monument; thence proceeding S63°51'34"W for a distance of 50 feet to the concrete monument which marks the Point of Beginning.

For a more detailed description as to the courses, metes, bounds and distances and location of the above described Phase I property, reference may be had to the above mentioned plat of record. In case of conflict, if any, between the above described metes and bounds, courses and distances description and the said plat of record, said plat shall be controlling.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress unto the Sponsor herein, its successors, 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 of the Phase I property, said reservation being unto the Sponsor herein its successors and assigns and grantees.

FURTHER, SAVE AND EXCEPT from the above described 2.305 and 1.043 acre parcels of property title to and ownership of all water and sewer lines located on said parcel or hereafter installed thereon, together with all pipes, pumps, pumping station 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 Sponsor expressly reserves the right to improve the Phase I Property by clearing, constructing parking facilities and recreational amenities on the presently unimproved portions of the Phase I Property, said recreational facilities and parking facilities to be utilized for the Phase II Property, if applicable, and/or Phase III Property, if applicable, pertaining to the OceanWalk Horizontal Property Regime.

FURTHER, Sponsor expressly reserves the right to install lines, equipment and facilities for utility purposes and to grant easements over the Phase I Property for the installation of additional lines, equipment or facilities for utility purposes, from time to time.

FURTHER, Sponsor does likewise reserve unto itself, its successors or assigns the right to grant similar easements as described hereinabove to future phases of the OceanWalk Horizontal Property Regime over and across the Phase I Property.

The above property is submitted to the OceanWalk Horizontal Property Regime subject to all existing utility easements in favor of the Forest Beach Public Service District, et al, of record in the Office of the Clerk of Court for Beaufort County, South Carolina.

ALSO RECREATIONAL PARCEL:

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 0.726 acres, more or less, and shown and described as "Recreational Parcel" on that certain plat entitled "An As-Built Survey of OceanWalk Horizontal Property Regime Phase I" said plat being prepared by Coastal Surveying Company, Inc., certified to by Jerry L. Richardson, R.L.S. (S.C.) #4784 dated October 20, 1982, and revised November 30, 1982, which plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 13. Said property is more particularly described as follows, to-wit:

To find the Point of Beginning commence at a point which marks the northeast intersection of the 100' right-of-way known as South Forest Beach Drive and the 100' right-of-way known as LeMoyné Avenue and proceeding N26°08'00"W for a distance of 998.70 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 140 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 152.50 feet to a concrete monument; thence proceeding S62°22'38"E for a distance of 92.98 feet to the concrete monument which marks the Point of Beginning; thence proceeding N63°51'34"E for a distance of 85 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 30 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 28 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 143.50 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 120 feet to a concrete monument; thence proceeding S26°05'53"E for a distance of 163.36 feet to a concrete monument; thence proceeding S63°50'30"W for a distance of 138 feet to a concrete monument; thence proceeding S26°01'58"E for a distance of 120 feet to a concrete monument; thence proceeding S26°01'58"E for a distance of 10.85 feet to a concrete monument; thence proceeding S56°42'55"W for a distance of 96.02 feet to a concrete monument; thence proceeding N05°40'50"W for a distance of 30.00 feet to a

concrete monument; thence proceeding N31°31'52"W for a distance of 105.04 feet to the Point of Beginning.

For a more detailed description as to the courses, metes, bounds and distances and location of said Recreational Parcel, reference may be had to the above mentioned plat of record. In case of conflict, if any, between the above described metes and bounds, courses and distances description and the said plat of record, said plat shall be controlling.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress unto the Sponsor herein, its successors, 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 of the Recreation Parcel property, said reservation being unto the Sponsor herein its successors and assigns and grantees.

FURTHER, SAVE AND EXCEPT from the above described Recreational Parcel title to and ownership of all water and sewer lines located on said parcel or hereafter installed thereon, together with all pipes, pumps, pumping station 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 Sponsor expressly reserves the right to improve the Recreational Parcel Property by clearing, constructing parking facilities and recreational amenities on the presently unimproved portions of the Recreational Parcel Property, said recreational facilities and parking facilities to be utilized for the Phase II Property, if applicable, and/or Phase III Property, if applicable, pertaining to the OceanWalk Horizontal Property Regime.

FURTHER, Sponsor expressly reserves the right to install lines, equipment and facilities for utility purposes and to grant easements over the Recreational Parcel Property for the installation of additional lines, equipment or facilities for utility purposes, from time to time.

FURTHER, Sponsor does likewise reserve unto itself, its successors or assigns the right to grant similar easements as described hereinabove to future phases of the OceanWalk Horizontal Property Regime over and across the Recreational Parcel Property.

EASEMENTS:

ALSO, the non-exclusive right of ingress and egress over and across that certain right-of-way known and described as LeMoyné Avenue subject to the terms and conditions of that certain Easement Agreement dated December 15, 1981, by and between Ocean Walk Limited Partnership and Sea Pines Plantation Company which Easement Agreement is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 338 at Page 719.

ALSO, the non-exclusive right of ingress and egress over and across the road leading from the Phase I property to the Recreational Parcel across the property depicted as Phase II on the above mentioned plat of record.

ALSO, a general use easement for those amenities, byways, lanes, paths, walkways, bike trails and other rights-of-way on that certain parcel depicted as former Parcel "E" on the aforementioned plat of record, now or hereafter in existence as they now exist or may hereafter be modified by the Sponsor, or its successors and assigns and which are intended for the general use of all Apartment Owners and their proper guest and invitees, which said use shall be upon the terms and conditions as may be established from time to time by Sponsor, its successors and assigns for all such Apartment Owners.

The within granted easements are hereby intended to be easements appurtenant to the 2.305 acre and 1.043 acre Phase I parcels and the Recreational Parcel property, both of which are more particularly described above as well as the Phase II and/or Phase III parcels of property if, and when, incorporated into the OceanWalk Horizontal Property Regime, for the use, benefit and to be incident to the ownership of the above described parcels, as applicable, and any portions thereof, or any condominium located therein or thereon now or at any time in the future.

1802

EXHIBIT "B"

OceanWalk HORIZONTAL PROPERTY REGIME

AS BUILT SURVEY

(to be attached)

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
MILTON HEAD ISLAND, S. C.

1803

EXHIBIT "C"

OceanWalk HORIZONTAL PROPERTY REGIME

PLOT PLANS AND FLOOR PLANS

(to be attached)

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
MILTON HEAD ISLAND, S. C.

EXHIBIT "D"

1804

OceanWalk HORIZONTAL PROPERTY REGIME

ARCHITECT'S CERTIFICATE

This is to certify that OceanWalk Horizontal Property Regime consisting of the Apartments numbered consecutively and including 101 through 116, 201 through 216, 301 through 316, 401 through 416, and 501 through 515 are built in accordance with the Plot Plan and Floor Plans attached to the Master Deed creating said Regime as Exhibit C except for minor variations which are customary in projects of this nature.

C. Davis Pitts

Westmoreland, McGarity & Pitts,
Architects, Inc.
S. C. Registration #A-76001

Certified to this 30 day
of November, 1982.

Elizabeth Pitts (L.S.)
Notary Public for South Carolina

My Commission Expires: Notary Public, South Carolina State of 1982
~~My Commission Expires Aug. 25, 1987~~
9-25-87

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
MILTON HEAD ISLAND, S. C.

Exhibit "E"

To

Master Deed of OceanWalk Horizontal Property Regime

Phase I of OceanWalk Horizontal Property Regime consists of a total of 79 Apartments, with one Apartment used as a conference room, (No.516) in a five story building with 16 Apartments per floor. Access to the Apartments is from corridors that lead from exit stairways on each end of the building. Located in the center of the project is a five story atrium with a swimming pool. In this atrium is a stairway and a glass backed elevator that give access to each floor which serve as common corridors to all Apartments.

On each floor there are Type A, A', B and B' Apartments. In addition, on the second floor there is a C Apartment, and on the third floor a C Apartment and C' Apartment. The fourth and fifth floors have C Apartments. All square footages noted are net except the total gross heated area for each Apartment. An A', B', and C' Apartment is simply a reversed floor plan of the A, B and C Apartment, respectively.

A Apartments

Each A Apartment (2 bedrooms, den, 2 baths) contains a total gross heated area of 1,210 square feet consisting of an entrance foyer, living/dining room, kitchen, master bedroom and bathroom, and a den area with another bedroom and bathroom. The entrance from the corridor into the Apartment is through two exterior doors. One door leads into the den area, the other into the entrance foyer off of the living/dining room area. A connecting door is located between the den area and the entrance foyer. The entrance foyer is 42 square feet. The kitchen area is 94.9 square feet. Located in the kitchen is a 10.75 square foot closet containing a washer and dryer. The living/dining room is 247.25 square feet. Adjacent to the dining area is a mechanical space of 10.1 square feet, containing the heating/air conditioning Apartment. A door from the living room leads into a master bedroom containing 173.7 square feet. In the master bedroom are two closets. One containing 14.5 square feet and the other 6.5 square feet. Off of the master bedroom is a bathroom containing 47.5 square feet.

Leading from the entry foyer through a door is a den of 125.4 square feet. In this den is a 12.5 square foot space for an optional kitchenette Apartment that has a sink, electric range, and refrigerator. Also located off of the den area is an 8.75 square foot mechanical room containing heating/air conditioning Apartment. Leading off of the den area is a 28 square foot corridor that leads to a bedroom and bathroom. The bathroom contains 38.75 square feet and the bedroom contains 172.9 square feet with a 14.5 square foot closet.

1806

All A and A' Apartments on the second through the fifth floors have a 90.7 square foot balcony located off the living/dining room area. From each of the second bedrooms there is a balcony of either 41 square feet or 59 square feet. On the ground floor these balconies are on grade level.

Apartment A' is a reverse floor plan of Apartment A.

B Apartments

Each B Apartment (2 bedrooms, den, 2 baths) has 1,270 gross square feet of heated area and consists of an entrance foyer, living/dining room, kitchen, master bedroom and bathroom, and a den area with another bedroom and bathroom. The entrance from the corridor into the Apartment is through two exterior doors. One door leads into the den area, the other into the entrance foyer, off of the living/dining room area. A connecting door is located between the den area and the entrance foyer. The entrance foyer is 425 square feet. The kitchen is 94.9 square feet. Adjacent to the dining area is a mechanical room of 10.1 square feet which contains the heating/air conditioning Apartment.

A door from the living room leads into a master bedroom containing 173.8 square feet. In the master bedroom are two closets. One containing 14.5 square feet and the other 6.5 square feet. Off of the master bedroom is a bathroom that has 47.5 square feet.

Leading from the entry foyer through a door is a den area having 152.4 square feet. In this den there is a 12.5 square foot space for an optional kitchenette Apartment with a sink, range and refrigerator. Located next to this kitchenette space is a closet of 5 square feet. The heating/air conditioning closet in the den area contains 8.75 square feet. A corridor of 32.4 square feet leads from the den into the bedroom and bathroom. The bathroom is 165 square feet while the second bedroom contains 165.4 square feet. In this second bedroom is a closet with 15.2 square feet. Off the corridor there is a closet that contains 3.4 square feet.

The B and B' Apartments located on the second through fifth floors each have a balcony of 90.65 square feet off the living room area and a 41 square foot balcony off the second bedroom. On the first floor these balconies are on grade level.

The B' Apartment is a reverse floor plan of the B Apartment.

C Apartments

Each C Apartment (3 bedrooms, den, 3 baths) has 1,570 square feet of heated area consisting of an entrance foyer, living/dining room, kitchen, master bedroom and bathroom, and a den area with two additional bedrooms and bathrooms. The

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

entrance from the corridor into the Apartment is through three exterior doors. One door leads into the den area, another into the entrance foyer off of the living/dining room area, and the third opens into a foyer for the third bedroom. A connecting door is located between the den area and the entrance foyer. The entrance foyer is 42 square feet. The kitchen area is 94.9 square feet. Located in the kitchen is a 10.75 square foot closet containing a washer and dryer.

The living/dining room is 247.25 square feet. Adjacent to the dining area is a mechanical space of 10.13 square feet, containing the heating/air conditioning Apartment. A door from the living room leads into a master bedroom containing 173.7 square feet. In the master bedroom are two closets. One containing 14.5 square feet and the other 6.5 square feet. Off of the master bedroom is a bathroom containing 46.5 square feet. Leading from the entry foyer through a door there is a den of 125.4 square feet. In this den is a 12.5 square foot space for an optional kitchenette Apartment that has a sink, electric range and refrigerator. Also located off of the den area is an 8.75 square foot mechanical room containing heating/air conditioning Apartment. Off of the den area is a 28 square foot corridor that leads to a bathroom and a vestibule used to create various bedroom groupings. The bathroom contains 38.75 square feet, and the vestibule has 19.1 square feet. Off the vestibule is a bedroom of 155.7 square feet with a 13 square foot closet and a foyer for the third bedroom. The foyer contains 49.7 square feet with a 12.5 square foot space for a second optional kitchenette Apartment that has a sink, electric range and refrigerator. Off of this foyer is a third bathroom of 51.2 square feet. The third bedroom contains 171 square feet and a 13 square foot closet.

All C and C' Apartments on the second through the fifth floors have a 90.7 square foot balcony located off the living/dining room area. From each of the second bedrooms there is a balcony of 41 square feet. On the ground floor these balconies are on grade level.

Apartment C' is a reverse floor plan of Apartment C.

Miscellaneous Common Elements

In addition to the living units there are various other spaces throughout the building. There are men's and women's toilets located on the ground level. On the second level across the corridor from the elevator is a 242 square foot health (exercise) room which contains a counter space with sink and a 24 square foot sauna. Also located on the second floor across the corridor from the south corner of the atrium is another sauna of 50 square feet. On the fifth level across the corridor from the elevator is a conference room of 1,570 square feet located in place a C' Apartment (No.516). The conference room, divisible by a folding door, contains two half bathrooms of 26.25 square feet each. Also within the conference room are two heating/air

1808

conditioning closets of 29.4 square feet and 31.8 square feet.;
and a kitchenette of 12.5 square feet containing a sink, electric
range and refrigerator.

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

EXHIBIT "F"OceanWalk HORIZONTAL PROPERTY REGIMEDESCRIPTION OF PHASE II AND PHASE III PROPERTYPHASE II

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 0.932 acres, more or less, and being shown and described on a plat entitled "As-Built Survey of OceanWalk Horizontal Property Regime Phase I" on a plat prepared by Coastal Surveying Company, Inc., certified to by Jerry L. Richardson, R.L.S. (S.C.) #4784, said plat being dated October 20, 1982, and revised November 30, 1982, and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 13. Said property is more particularly described as follows, to-wit:

Commencing at a point which marks the northeast intersection of the 100' right-of-way known as South Forest Beach Drive and the 100' right-of-way known as LeMoyné Avenue and proceeding N26°08'00"W for a distance of 332.46 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 37.25 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 628.99 feet to a concrete monument; thence proceeding N63°51'34"E for a distance of 140 feet to the concrete monument which marks the Point of Beginning; thence proceeding N63°51'34"E for a distance of 260.01 feet to a concrete monument; thence proceeding S26°05'53"E for a distance of 54.00 feet to a concrete monument; thence proceeding S63°51'34"W for a distance of 92 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 143.50 feet to a concrete monument; thence proceeding S63°51'34"W for a distance of 28 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 30 feet to a concrete monument; thence proceeding S63°51'34"W for a distance of 85 feet to a concrete monument; thence proceeding N62°22'38"W for a distance of 92.98 feet to a concrete monument; thence proceeding N26°08'00"W for a distance of 152.50 feet to the concrete monument which marks the Point of Beginning.

For a more detailed description as to the courses, metes, bounds and distances and location of the above described Phase II property, reference may be had to the above mentioned plat of record. In case of conflict, if any, between the above described metes and bounds, courses and distances description and the said plat of record, said plat shall be controlling.

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

PHASE III

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 0.918 acres, more or less, and being shown and described on a plat entitled "As-Built Survey of OceanWalk Horizontal Property Regime Phase I" on a plat prepared by Coastal Surveying Company, Inc., certified to by Jerry L. Richardson, R.L.S. (S.C.) #4784, said plat being dated October 20, 1982, and revised November 30, 1982, and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 13. Said property is more particularly described as follows, to-wit:

Commencing at a point which marks the northeast intersection of the 100' right-of-way known as South Forest Beach Drive and the 100' right-of-way known as LeMoyné Avenue and proceeding N63°52'00"E for a distance of 200 feet to a concrete monument which marks the Point of Beginning; thence proceeding N26°08'00"W for a distance of 200 feet to a concrete monument; thence proceeding N63°52'00"E for a distance of 200 feet to a concrete monument; thence proceeding S26°08'00"E for a distance of 200 feet to a concrete monument; thence proceeding S63°52'00"W along South Forest Beach Drive right-of-way for a distance of 200 feet to the concrete monument which marks the Point of Beginning.

For a more detailed description as to the courses, metes, bounds and distances and location of the above described Phase III property, reference may be had to the above mentioned plat of record. In case of conflict, if any, between the above described metes and bounds, courses and distances description and the said plat of record, said plat shall be controlling.

1811

H(67)

EXHIBIT "G-1"

To

Master Deed of OceanWalk Horizontal Property Regime

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

DELTA MANAGEMENT CORPORATION;)
REED REALTY, INC.; KKV ENTERPRISES,)
INC.; and RVF, INC.)

TO)

OceanWalk HORIZONTAL PROPERTY)
REGIME)

PROPOSED
FIRST AMENDMENT TO MASTER
DEED OF OceanWalk HORIZON-
TAL PROPERTY REGIME
REGIME

WHEREAS, on the 30th day of November, 1982, DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC. hereinafter referred to as "Sponsor", executed a certain Master Deed establishing the OceanWalk Horizontal Property Regime, which Master Deed was recorded on the 9th day of December, 1982, in Deed Book 358 at Page 1779 and in Plat Book 31 at Page 13 in the Office of the Clerk of Court for Beaufort County, South Carolina; and

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC., all South Carolina Corporations with their principal offices on Hilton Head Island, South Carolina, and with offices on Hilton Head Island, South Carolina hereinafter collectively referred to in the singular as "Sponsor", does hereby declare:

FIRST:

That Sponsor does hereby elect to exercise and does hereby exercise the options and rights hereinabove referred to and more particularly set forth in the Master Deed of the OceanWalk

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___, et seq., to amend said Master Deed to include the Phase II property more particularly described and set forth in Exhibit "A" hereto as a part of the OceanWalk Horizontal Property Regime in such a way that the said OceanWalk Horizontal Property Regime shall be composed of the properties formerly designated as Phase I and Phase II. Effective upon the filing of this Amendment, the property included in the OceanWalk Horizontal Property Regime shall be as described in Exhibit "B" hereto which description includes both the Phase I and Phase II properties.

SECOND:

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

THIRD:

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

FOURTH:

That the improvements constructed on and forming a part of the Property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" attached hereto and made a part of the Master Deed of the OceanWalk Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___ and Plat Book ___ at Page __, which plans are incorporated into and made a part of this Amendment in the same manner as if expressly appearing herein. Said plans are certified by Westmoreland, McGarity & Pitts Architects, Inc., architects duly licensed to practice in the State of South Carolina under Registration Number A-76001, and attached to this Amendment as Exhibit "D" is a certificate by a duly licensed architect that the buildings constructed on the property, and specifically the buildings added to the Regime by this Amendment were constructed in accordance with said plans.

BETHEA. JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

FIFTH:

That the property within Phase II which is being added to and combined with the Phase I property of OceanWalk Horizontal Property Regime includes one (1) building containing fifty (50) individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential purposes. The Apartments are capable of individual utilization on account of having their own exits to the common elements of the Property, and a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the property, as set forth in the Master Deed to said Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book _____ at Page _____ et seq., and as hereinafter set forth, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements"), all of the above in accordance with the Horizontal Property Act of South Carolina.

SIXTH:

That the Property comprising Phase II and being hereby added to the Property of the OceanWalk Horizontal Property Regime has a total of _____ acres, of which _____ square feet will constitute and be occupied by Apartments and a total of _____ square feet will constitute the remainder of the common elements.

SEVENTH:

That the total property of the OceanWalk Horizontal Property Regime, subsequent to the filing of this Amendment and including both the Phase I and Phase II property, has a total of _____ acres of which _____ square feet will constitute Apartments and _____ feet will constitute the remainder of the common elements.

EIGHTH:

There are three (3) basic types of Apartments in Phase I of the OceanWalk Horizontal Property Regime, those being as set forth and more particularly described in Exhibit "E" to the Master Deed for said Regime which Master Deed is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book _____ at Page _____, said Exhibit "E" being recorded in Deed Book _____ at Page _____, et seq. the contents and provisions of which are incorporated herein in the same manner as if the same were expressly set forth in this Amendment. The Apartments in the Phase II property of the OceanWalk Horizontal Property Regime are likewise set forth in Exhibit "E" attached hereto.

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

NINTH:

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

The parking facilities within the General Common Elements shall consist of approximately _____ square feet in the Phase I property, and _____ square feet in the Phase II property, with a total of _____ square feet of parking in the Regime subsequent to the execution and recording of this Amendment.

The Limited Common Elements referred to in the Master Deed to the OceanWalk Horizontal Property Regime are as shown on the plot plan and floor plans recorded in Plat Book _____ at Page _____ which is Exhibit "C" to the Master Deed.

TENTH:

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

ELEVENTH:

The purpose of this Amendment being to add the Phase II property to the OceanWalk Horizontal Property Regime so as to make it an integral part of said Regime, all provisions of the Master Deed establishing the OceanWalk Horizontal Property Regime as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, which are not modified herein are expressly incorporated into and reaffirmed by this Amendment in the same manner as if the same were expressly set forth herein. This Amendment is intended to comply with the provisions of the aforementioned Master Deed and the Horizontal Property Act of South Carolina. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control. The provisions hereof shall be deemed independent and severable, and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of this Amendment shall not affect the validity or enforceability of the remaining portions thereof and in such event, all of the other provisions of the Amendment shall continue in full force and effect as if such invalid provision had never been included therein.

IN WITNESS WHEREOF, the Sponsor has executed this Proposed First Amendment to Master Deed, by the appropriate officers and the appropriate corporate seals affixed hereto this ___ day of November in the year of Our Lord One Thousand Nine Hundred and Eighty-two and in the Two Hundred and Sixth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DELTA MANAGEMENT CORPORATION

_____ By: _____

_____ Attest: _____

REED REALTY, INC.

_____ By: _____

_____ Attest: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
WILTON HEAD ISLAND, S. C.

1816

KKV ENTERPRISES, INC.

By: _____

Attest: _____

RVF, INC.

By: _____

Attest: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

PROBATE

PERSONALLY appeared before me _____
who on oath, says that s/he saw the within named DELTA MANAGEMENT
CORPORATION, by _____ its _____, sign
the within Amendment, and _____ its _____,
attest the same and the said Corporation, by said Officers, seal
said Amendment, and as its act and deed, deliver the same and
that s/he with _____ witnessed the
execution thereof.

SWORN to before me this _____
day of _____, 1982.

(L.S.)

Notary Public for South Carolina
My Commission Expires: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

STATE OF SOUTH CAROLINA)
COUNTY OF)

PROBATE

1817

PERSONALLY appeared before me
who on oath, says that s/he saw the within named REED REALTY,
INC. by _____ its _____, sign the
within Amendment, and _____ its _____
attest the same and the said Corporation, by said Officers, seal
said Amendment, and as its act and deed, deliver the same and
that s/he with _____ witnessed the
execution thereof.

SWORN to before me this
_____ day of _____, 1982.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
COUNTY OF)

PROBATE

PERSONALLY appeared before me
who on oath, says that s/he saw the within named KKV ENTERPRISES,
INC., by _____ its _____, sign the
within Amendment, and _____ its _____
attest the same and the said Corporation, by said Officers, seal
said Amendment, and as its act and deed, deliver the same and
that s/he with _____ witnessed the
execution thereof.

SWORN to before me this
_____ day of _____, 1982.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

EXHIBIT "G-2"

To
Master Deed of OceanWalk Horizontal Property Regime

1819

STATE OF SOUTH CAROLINA)
)
 COUNTY OF BEAUFORT)

DELTA MANAGEMENT CORPORATION;)
 REED REALTY, INC.; KKV ENTERPRISES,)
 INC.; and RVF, INC.)

TO

OceanWalk HORIZONTAL PROPERTY)
 REGIME)

PROPOSED
 SECOND AMENDMENT
 TO MASTER DEED OF
 OceanWalk HORIZONTAL
 PROPERTY REGIME

WHEREAS, on the 30th day of November, 1982, DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC., hereinafter referred to as "Sponsor", executed a certain Master Deed establishing the OceanWalk Horizontal Property Regime, which Master Deed was recorded on the 9th day of December, 1982, in Deed Book 358 at Page 179 and in Plat Book 31 at Page 13 in the Office of the Clerk of Court for Beaufort County, South Carolina; and

WHEREAS, on the _____ day of _____, 198, DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC., executed the First Amendment to Master Deed of OceanWalk Horizontal Property Regime which First Amendment was recorded on _____, 198, in Deed Book _____ at Page _____ and Plat Book _____ at Page _____; and

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that DELTA MANAGEMENT CORPORATION; REED REALTY, INC.; KKV ENTERPRISES, INC.; and RVF, INC., all South Carolina Corporations with their principal offices on Hilton Head Island, South Carolina, and with offices on Hilton Head Island, South Carolina hereinafter collectively referred to in the singular as "Sponsor", does hereby declare:

FIRST:

That Sponsor does hereby elect to exercise and does hereby exercise the options and rights hereinabove referred to and more particularly set forth in the Master Deed of the OceanWalk Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book ___ at Page ___, et seq., to amend said Master Deed to include the Phase III property more particularly described and set forth in Exhibit "A" hereto as a part of the OceanWalk Horizontal Property Regime in such a way that the said OceanWalk Horizontal Property Regime shall be composed of the properties formerly designated as Phase I, and Phase II, and Phase III. Effective upon the filing of this Amendment, the property included in the OceanWalk Horizontal Property Regime shall be as described in Exhibit "B" hereto which description includes the Phase I and Phase II and Phase III properties.

SECOND:

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

THIRD:

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

FOURTH:

That the improvements constructed on and forming a part of the property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" attached hereto and made a part of the Master Deed of the OceanWalk Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___ and Plat Book ___ at Page ___, which plans are incorporated into and made a part of this Amendment in the same manner as if expressly appearing herein. Said plans are certified by Westmoreland,

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

McGarity & Pitts Architects, Inc., architects duly licensed to practice in the State of South Carolina under Registration Certificate Number A-76001, and attached to this Amendment as Exhibit "D" is a certificate by a duly licensed architect that the buildings constructed on the property, and specifically the buildings added to the Regime by this Amendment were constructed in accordance with said plans.

FIFTH:

That the property within Phase III which is being added to and combined with the Phase I and Phase II property of OceanWalk Horizontal Property Regime includes one (1) building containing forty (40) individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential purposes. The Apartments are capable of individual utilization on account of having their own exits to the common elements of the Property, and a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the property, as set forth in the Master Deed to said Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___, et seq., and as hereinafter set forth necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements"), all of the above in accordance with the Horizontal Property Act of South Carolina.

SIXTH:

That the Property comprising Phase III and being hereby added to the property of the OceanWalk Horizontal Property Regime has a total of ___ acres of which ___ square feet will constitute and be occupied by Apartments and a total of ___ square feet will constitute the remainder of the common elements.

SEVENTH:

That the total property of the OceanWalk Horizontal Property Regime, subsequent to the filing of the Amendment and including the Phase I, and Phase II and Phase III property, has a total of ___ acres of which ___ square feet will constitute Apartments and ___ square feet will constitute the remainder of the common elements.

EIGHTH:

There are three (3) basic types of Apartments in Phase I of the OceanWalk Horizontal Property Regime, those being as set forth and more particularly described in Exhibit "E" to the Master Deed for said Regime which Master Deed is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___, said Exhibit "E" being recorded in Deed Book ___ at Page ___, et seq., the contents and provisions

of which are incorporated herein in the same manner as if the same were expressly set forth in this Amendment. The Apartments in the Phase II property of the OceanWalk Horizontal Property Regime are likewise set forth in Exhibit "E" of the First Amendment to Master Deed and recorded in Deed Book ___ at Page ___, et seq. The Apartments in the Phase III property of the OceanWalk Horizontal Property Regime are set forth as Exhibit "E" attached hereto.

NINTH:

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

The parking facilities within the General Common Elements shall consist of approximately ___ square feet in the Phase I property, and ___ square feet in the Phase II property, and ___ square feet in the Phase III property, with a total of ___ square feet of parking in the Regime subsequent to the execution and recording of this Amendment.

The Limited Common Elements referred to in the Master Deed to the OceanWalk Horizontal Property Regime are as shown on the plot plan and floor plans recorded in Plat Book ___ at Page ___ which is Exhibit "C" to the Master Deed.

TENTH:

The percentage of title and interest appurtenant to each Apartment and the Apartment Owner's title and interest in the common elements (both General and Limited) of the Property (Phase I, Phase II and Phase III) of the OceanWalk Horizontal Property Regime and their share in the profits and common monthly expenses as well as proportionate representation for voting purposes in the meeting of the OceanWalk Owners' Association (hereinafter usually referred to as "Association") of the Regime is based upon the proportionate value of each Apartment to the value of the total Property (Phase I, Phase II and Phase III) as set forth in Exhibit "I" to the Master Deed establishing said Regime, which Exhibit "I" is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book ___ at Page ___, et seq. under the column entitled "Percentages for Phases I, II and III", the provisions of which are incorporated herein and made a part hereof. Said percentages are likewise set forth in Exhibit

1823

"F" to this Amendment attached hereto and made a part hereof. The proportionate representation for voting purposes and the percentage of the undivided interests in the common elements (both General and Limited) provided in this paragraph and in Exhibit "F" hereto shall not be altered without the acquiescence of the co-owners representing all of the Apartments expressed in a duly recorded Amendment to this Master Deed for such Regime or by an Amendment filed by the Sponsor in accordance with the reservations set forth in the Master Deed.

ELEVENTH:

The purpose of this Amendment being to add the Phase III property to the OceanWalk Horizontal Property Regime so as to make it an integral part of said Regime, all provisions of the Master Deed establishing the OceanWalk Horizontal Property Regime and any previously recorded amendments as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, which are not modified herein are expressly incorporated into and reaffirmed by this Amendment in the same manner as if the same were expressly set forth herein. This Amendment is intended to comply with the provisions of the aforementioned Master Deed and the Horizontal Property Act of South Carolina. In case any of the provisions stated above conflict with the provisions of said statute, the provision of said statute shall control. The provisions hereof shall be deemed independent and severable, and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of this Amendment shall not affect the validity or enforceability of the remaining portions thereof and in such event, all of the other provisions of the Amendment shall continue in full force and effect as if such invalid provision had never been included therein.

IN WITNESS WHEREOF, the Sponsor has executed this Proposed Second Amendment to Master Deed, by the appropriate officers and the appropriate corporate seals affixed hereto this ____ day of November in the year of Our Lord One Thousand Nine Hundred and Eighty-two and in the Two Hundred and Sixth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DELTA MANAGEMENT CORPORATION

By: _____

Attest: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

1825

PERSONALLY appeared before me _____
who on oath, says that s/he saw the within named REED REALTY,
INC., by _____ its _____
_____, sign the within Amendment, and _____
its _____ attest the
same and the said Corporation, by said Officers, seal said
Amendment, and as its act and deed, deliver the same and that
s/he with _____ witnessed
the execution thereof.

SWORN to before me this _____
day of _____, 1982.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

PERSONALLY appeared before me _____
who on oath, says that s/he saw the within named KKV ENTERPRISES,
INC., by _____ its _____
_____, sign the within Amendment, and _____
its _____ attest the
same and the said Corporation, by said Officers, seal said
Amendment, and as its act and deed, deliver the same and that
s/he with _____ witnessed
the execution thereof.

SWORN to before me this _____
day of _____, 1982.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
MILTON HEAD ISLAND, S. C.

STATE OF SOUTH CAROLINA)
)
COUNTY OF)

1826

PERSONALLY appeared before me _____
who on oath, says that s/he saw the within named RVF INC., by
_____ its _____, sign
the within Amendment, and _____ its _____
_____ attest the same and the said Corporation, by
said Officers, seal said Amendment, and as its act and deed,
deliver the same and that s/he with _____
_____ witnessed the execution thereof.

SWORN to before me this _____
day of _____, 1982.

(L.S.)

Notary Public for South Carolina
My Commission Expires: _____

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

BJ&G:CSG:10/22/82
B(67)

EXHIBIT "H"

1827

BY-LAWS
OF
OceanWalk Horizontal Property Regime
AND
OceanWalk Owners' Association

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 thereon) located on Hilton Head Island, in Beaufort County, South Carolina, known as OceanWalk 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 OceanWalk Horizontal Property Regime (hereinafter referred to as "Regime").

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 OceanWalk Owners' Association (hereinafter referred to as "Association") which shall, pursuant to the provision of the aforementioned Master Deed, constitute the incorporated OceanWalk Owners' Association.

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 Apartments (hereinafter usually referred to as "Apartments") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Apartments will signify that these By-Laws, the provisions of the Master Deed, the provisions of rights, restrictions, conditions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina and any authorized recorded amendments to the foregoing Master Deed are accepted and ratified, and will be complied with.

ARTICLE II

1828

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. ELIGIBILITY. Any person who acquires title to an Apartment in the Regime shall be a member of the Association. There shall be one membership for each Apartment owned. Transfer of Apartment 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 Apartment ownership is vested in more than one person, then all of the persons so owning such Apartment shall agree upon the designation of one of the co-owners of such Apartment to act as a member of the Association. If Apartment 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 Apartment or Apartments 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 apartment owners present at a meeting at which a quorum shall be present shall be binding upon all apartment 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

OceanWalk Owners' Association

Section 1. ASSOCIATION RESPONSIBILITIES. The co-owners of the Apartments will constitute the Association of Co-owners (hereinafter usually referred to as "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the

BETHEA, JORDAN
& GRIFFIN, P. A.
ATTORNEYS AND
COUNSELLORS AT LAW
HILTON HEAD ISLAND, S. C.

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 April or at such other time as a majority of the co-owners may agree upon. 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. FIRST MEETING. The first meeting of the Association shall be held within one hundred twenty (120) days from the date that seventy-five (75%) percent of the Apartments in the Regime, or the first Phase thereof as defined in the Master Deed, have been conveyed by the Sponsor to individual co-owners.

Section 6. 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 7. 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 25% of the total value of the property in accordance with the percentages assigned in the Master Deed are present at said reconvened meeting.

Section 8. 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 (hereinafter referred to as the "Board") comprised of five (5) persons. Until succeeded by the Board Members elected by the Apartment Owners, Members of the Board of Directors need not be Apartment Owners. So long as the Sponsor (as defined in the Master Deed) owns one or more Apartments, the Sponsor shall be entitled to elect at least one member of the Board of Directors, who need not be an Apartment Owner. After the Sponsor has conveyed all Apartments and is no longer entitled to elect one member of the Board of Directors, all Board Members shall be Apartment 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. OTHER POWERS AND DUTIES. In addition to 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 and the Common Elements.

- (c) Collection, at the time of the closing of the sale of each Apartment, 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 in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold Apartment shall be paid to the Association within sixty (60) days after the date of the conveyance of the first Apartment in each Phase of the Regime.
- (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, establish and maintain on behalf of the Association an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the common elements.
- (f) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.
- (g) Collection of all assessments and fees from the co-owners.
- (h) 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.
- (i) 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.
- (j) Grant or relocate easements which are not inconsistent with the owners' full use and enjoyment of the common properties.

- (k) 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 Apartment Owners.
- (l) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Apartment Owners, the holders, insurers or guarantors of any first mortgage on any Apartment, 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 Masteller Group, an independent professional management company not affiliated with the Sponsor, whose contract extends for a period of one (1) year from the establishment of OceanWalk 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. Since an independent professional management company is being employed from the outset, and if at any time during the management of the Property by this or some other professional management entity any holders, insurers or guarantors of mortgages on Apartments within the Regime shall require that professional management of Regime/Association matters be maintained, and the Association is so advised in writing, any decision thereafter by the Association to establish self management by the Association shall require the prior consent of Apartment Owners holding sixty-seven (67%) percent of the votes in the Association and the approval of holders holding mortgages on Apartments within the Regime which have at least fifty-one (51%) percent of the votes of all Apartments in the Regime subject to holder mortgages.

Section 5. FIRST BOARD OF DIRECTORS. The first Board of Directors consisting of up to five (5) members shall be designated by the Sponsor. These appointments will be temporary and will continue only until the first annual meeting of the Apartment Owners held pursuant to the provisions of these By-Laws or until a special meeting is held with the purpose of electing a Board of Directors for the interim period between the special meeting and the final annual meeting. At the first Annual

Meeting of the Association, the initial term of office for two (2) members of the Board shall be fixed at three (3) years. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of one (1) member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The Director selected by the Sponsor shall serve for a period of one (1) year. Should the Sponsor sell or otherwise alienate voluntarily or involuntarily his ownership interest in the Apartment(s), his selected Director will automatically lose his place upon the Board and another will be elected as provided in Section 6 of this Article. 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 Sponsor'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 Property Administrators, Incorporated.

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 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. 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 an apartment owner (except as provided in Section 5 regarding Sponsor's appointee).

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting 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 one (1) such meeting shall be held each fiscal year. Notice of

regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days notice to each Board Member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two (2) Board members.

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

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

Section 13. FIDELITY BONDS. The Board shall 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 Administrators 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 Apartment Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Apartment 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 the Sponsor, to contract with the Sponsor and affiliated entities without fear of being charged with self-dealing. It is also intended that the liability of any Apartment Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors, shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Apartment Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, or the managing agent, or the manager, as the case may be, are acting only as agent for the Apartment Owners and shall have no personal liability thereunder (except as Apartment Owners), and that each Apartment 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 Apartment Owners in the common elements.

ARTICLE V

OFFICERS

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

Section 2. ELECTION OF OFFICERS. The officers of the 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. No officer shall continue to serve as such if, during his term of office, he shall cease to be an Apartment 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 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 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 Apartment 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 Apartment 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

OBLIGATIONS OF THE CO-OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All co-owners shall be obligated to pay the periodic assessments

imposed by the 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 Apartment 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. Sponsor will be liable for the amount of any assessment against completed Apartments within the Association which have not been sold and Sponsor shall have all voting rights attendant to the ownership of said apartment until said Apartments are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Apartment within the Association shall carry with it the proportionate equity of that Apartment'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. 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 General or Limited Common Elements or by abandonment of his Apartment.

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

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board shall take prompt action to collect any common charge due from any Apartment Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Apartment Owner in paying to the Board the common charges as determined by the Board, such Apartment 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 Apartment Owner, or by foreclosure of the lien on such Apartment 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.

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

Section 6. MAINTENANCE AND REPAIR.

(a) Each Co-owner must perform work within his own Apartment, 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 internal installations of the Apartments such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the Apartment shall be at the expense of the co-owner.

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

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all Apartments and the common elements through one or more meters and the Board shall, if practicable, pay as a common expense all charges for water consumed on the Property, including the Apartments, promptly after the bills for the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and may likewise, if practicable, be paid by the Board as a common expense.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Apartment through a separate meter and each Apartment Owner shall be required to pay the bills for electricity consumed or used in his Apartment. 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 9. USE OF APARTMENTS - INTERNAL OR EXTERNAL CHANGES

(a) All Apartments shall be utilized for residential purposes only. This shall expressly include the right of the Owner to rent such Apartments to others for residential purposes. Provided further, that so long as any Apartments remain unsold by Sponsor, Sponsor or its agent shall be authorized to maintain a sale model within the Association for purposes of promoting the sale of Apartments.

(b) A co-owner shall not make structural modifications or alterations in his Apartment or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the President if no Management Agent 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 Apartment, any stairs, decks, patio or balconies 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 Apartment in question.

Section 10. 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 them and for normal vehicular parking.

Section 11. RIGHT OF ENTRY.

(a) A co-owner shall grant the right of entry to the management agent or to any person authorized by the Board in case of any emergency originating in or threatening his Apartment, 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 Apartment 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 12. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the apartments 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 Apartment Owners and the occupants of Apartments 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 Apartments 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 or radio antennae, air conditioning fixtures, or similar objects outside of his dwelling or which protrudes through the walls or the roof of his Dwelling Apartment except as authorized by the Board.

Section 13. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY APARTMENT 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 Apartment in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Apartment 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 Apartment which lien shall be inferior to the lien of all prior Mortgages.

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ARTICLE VIII

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INSURANCE

The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed and which are also satisfactory to any mortgagee holding mortgages on five or more apartments, 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 an periodic appraisal of the Property for finance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every other year, 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 Apartments.

(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 mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid jointly to the Board of Directors as Insurance Trustee under the provisions of this Master Deed and to any mortgagee holding mortgages on five or more apartments, 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 Apartment 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 Apartment is located. If an Apartment 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

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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 Apartment Owner upon the contents and furnishings of their Apartments.

(d) Each Mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a copy of each appraisal as called for in paragraph 1 above. If any such Mortgagee disagrees with the values assigned to the units by such appraisal 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 cause a reappraisal to be made by a qualified appraiser approved by each of 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 Apartments within the Regime which are covered by the Master Policy. Such policies shall also provide that they shall not be cancelled 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 Apartment Owner and to liabilities of one Apartment Owner to another Apartment Owner.

(3) Workmen's Compensation Insurance. The Board of Directors, as necessary, shall obtain Workmen'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 Apartment Owners through periodic assessment as herein provided.

(5) Adjustment. Each Apartment 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 Apartment Owners.

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

(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 unanimously agreed upon by all Apartment Owners, the insurance indemnity received by the Board of Directors shall be distributed pro-rata to the Apartment 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 Apartment Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Apartment 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 Apartment Owners holding seventy-five percent (75%) 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 Apartments 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 Apartment Owners whose units are being reconstructed or repaired in proportion to the damage done to their respective Apartments.

(4) The insurance proceeds received by the Board of Directors 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 Apartment Owners who paid special assessments in proportion to their 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 jointly to the Board of Directors as Insurance Trustee and to any mortgagee holding mortgages on five or more Apartments. 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 Apartment 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 Apartments.

(2) Insurance proceeds paid on account of loss or damage to less than all of the Apartments, when the damage is to be

restored, shall be held for the benefit of Apartment Owners of the damaged Apartments and their respective Mortgagees in proportion to the costs of repairing each damaged Apartment.

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

(4) In the event a Certificate of Insurance has been issued to an Apartment Owner bearing a mortgagee endorsement, the share of the Apartment Owner shall be held in trust for the mortgagee and the Apartment 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 Apartment Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

ARTICLE XI

MORTGAGES

Section 1. NOTICE TO BOARD. A co-owner who mortgages his Apartment 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 Apartments."

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 Apartment number and address:

- (a) Any change in the condominium documents;
- (b) Any unpaid assessments due the Association from the co-owner(s) (mortgagor(s)) of the Apartment;
- (c) Any default by the co-owner (mortgagor) of an Apartment 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 Apartment 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 Apartment Owner may lease his Apartment or any interest therein except by complying with the provisions of Section 2 of this Article.

Section 2. PROVISIONS IN LEASE. Any lease of any Apartment within the Association shall be for a use consistent with the use provisions of these By-Laws and 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 power to terminate such lease, and bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of default by the tenant in the performance of said lease, or failure by the tenant to perform an obligation in the Master Deed, By-Laws or Rules and Regulations.

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ARTICLE XIII

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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 Apartments to which at least sixty-seven (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 Apartments which have at least fifty-one (51%) percent of the votes of Apartments 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 Apartment;
- i. The interests in the general or limited common elements;
- j. Convertibility of units into common areas or of common areas into Apartments;
- k. Leasing of Apartments;
- l. Imposition of any additional or further right of first refusal or similar restriction on the right of an Apartment Owner to sell, transfer, or otherwise convey his or her Apartment;

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- m. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Apartments.

Notwithstanding the foregoing, so long as the Sponsor remains the Owner of more than one Apartment in this Regime, these By-Laws shall not be amended so as to adversely affect the Sponsor without the Sponsor's consent.

Section 2. MATERIALITY OF AMENDMENTS; MORTGAGEE APPROVAL PROCEDURE.

An addition or amendment to the By-Laws or Master Deed shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request and proof of mailing such request in affidavit form, together with an affidavit of non-receipt, shall be sufficient evidence of such approval.

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 Apartment Owners at the address of the Apartment or at such other address as may have been designated by such Apartment 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 "I"
OceanWalk Horizontal Property Regime
Percentage of Undivided Interest In The Common Elements
and Value for South Carolina Statutory Purposes.

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The percentage of undivided interest in the common elements appurtenant to each Apartment in the OceanWalk Horizontal Property Regime (including Phase I; Phase I and Phase II, if applicable; and Phase I, Phase II and Phase III, if applicable). It should be further noted that the Unit types and percentages reflected for Phase III are estimates and are subject to modification as provided in the Master Deed in the event that the Sponsor elects to include Phase III as a part of the OceanWalk Horizontal Property Regime. The actual percentage of undivided interest in the common elements applicable in the event of the inclusion of Phase III will be determined upon identification of Apartment type, number and value of Phase III, if applicable.

<u>Apartment Number</u>	<u>Value</u>	<u>Percentage Phase I only</u>	<u>Percentage For Phases I and II</u>	<u>Percentage For Phases I, II and III</u>
101	122,000	1.26	.77	.58
102	122,000	1.26	.77	.58
103	122,000	1.26	.77	.58
104	122,000	1.26	.77	.58
105	122,000	1.26	.77	.58
106	122,000	1.26	.77	.58
107	122,000	1.26	.77	.58
108	122,000	1.26	.77	.58
109	122,000	1.26	.77	.58
110	122,000	1.26	.77	.58
111	122,000	1.26	.77	.58
112	122,000	1.26	.77	.58
113	122,000	1.26	.77	.58
114	122,000	1.26	.77	.58
115	122,000	1.26	.77	.58
116	122,000	1.26	.77	.58
201	122,000	1.26	.77	.58
202	122,000	1.26	.77	.58
203	122,000	1.26	.77	.58
204	122,000	1.26	.77	.58
205	122,000	1.26	.77	.58
206	122,000	1.26	.77	.58
207	122,000	1.26	.77	.58
208	122,000	1.26	.77	.58
209	126,500	1.33	.88	.62
210	122,000	1.26	.77	.58
211	122,000	1.26	.77	.58
212	122,000	1.26	.77	.58
213	122,000	1.26	.77	.58
214	122,000	1.26	.77	.58
215	122,000	1.26	.77	.58
216	122,000	1.26	.77	.58

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<u>Apartment Number</u>	<u>Value</u>	<u>Percentage Phase I only</u>	<u>Percentage For Phases I and II</u>	<u>Percentage For Phases I, II and III</u>
301	122,000	1.26	.77	.58
302	122,000	1.26	.77	.58
303	122,000	1.26	.77	.58
304	122,000	1.26	.77	.58
305	122,000	1.26	.77	.58
306	122,000	1.26	.77	.58
307	122,000	1.26	.77	.58
308	122,000	1.26	.77	.58
309	126,500	1.33	.88	.62
310	122,000	1.26	.77	.58
311	122,000	1.26	.77	.58
312	122,000	1.26	.77	.58
313	122,000	1.26	.77	.58
314	122,000	1.26	.77	.58
315	122,000	1.26	.77	.58
316	126,500	1.34	.88	.62
401	126,500	1.34	.88	.62
402	122,000	1.26	.77	.58
403	122,000	1.26	.77	.58
404	122,000	1.26	.77	.58
405	122,000	1.26	.77	.58
406	122,000	1.26	.77	.58
407	122,000	1.26	.77	.58
408	122,000	1.26	.77	.58
409	126,500	1.34	.88	.62
410	122,000	1.26	.77	.58
411	122,000	1.26	.77	.58
412	122,000	1.26	.77	.58
413	122,000	1.26	.77	.58
414	122,000	1.26	.77	.58
415	122,000	1.26	.77	.58
416	122,000	1.26	.77	.58
501	122,000	1.26	.77	.58
502	122,000	1.26	.77	.58
503	122,000	1.26	.77	.58
504	122,000	1.26	.77	.58
505	122,000	1.26	.77	.58
506	122,000	1.26	.77	.58
507	122,000	1.26	.77	.58
508	122,000	1.26	.77	.58
509	126,500	1.34	.89	.62
510	122,000	1.26	.77	.58
511	122,000	1.26	.77	.58
512	122,000	1.26	.77	.58
513	122,000	1.26	.77	.58
514	122,000	1.26	.77	.58
515	122,000	1.26	.77	.58
Phase I Totals		\$ 9,665,000	100%	

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<u>Apartment Number</u>	<u>Value</u>	<u>Percentage Phase I only</u>	<u>Percentage For Phases I and II</u>	<u>Percentage For Phases I, II and III</u>
Phase II				
117	122,000		.77	.58
118	122,000		.77	.58
119	122,000		.77	.58
120	122,000		.77	.58
121	122,000		.77	.58
122	122,000		.77	.58
123	122,000		.77	.58
124	122,000		.77	.58
125	122,000		.77	.58
126	122,000		.77	.58
217	122,000		.77	.58
218	122,000		.77	.58
219	122,000		.77	.58
220	122,000		.77	.58
221	122,000		.77	.58
222	122,000		.77	.58
223	122,000		.77	.58
224	122,000		.77	.58
225	122,000		.77	.58
226	122,000		.77	.58
317	122,000		.77	.58
318	122,000		.77	.58
319	122,000		.77	.58
320	122,000		.77	.58
321	122,000		.77	.58
322	122,000		.77	.58
323	122,000		.77	.58
324	122,000		.77	.58
325	122,000		.77	.58
326	122,000		.77	.58
417	122,000		.77	.58
418	122,000		.77	.58
419	122,000		.77	.58
420	122,000		.77	.58
421	122,000		.77	.58
422	122,000		.77	.58
423	122,000		.77	.58
424	122,000		.77	.58
425	122,000		.77	.58
426	122,000		.77	.58

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<u>Apartment Number</u>	<u>Value</u>	<u>Percentage Phase I only</u>	<u>Percentage For Phases I and II</u>	<u>Percentage For Phases I, II and III</u>
517	122,000		.77	.58
518	122,000		.77	.58
519	122,000		.77	.58
520	122,000		.77	.58
521	122,000		.77	.58
522	122,000		.77	.58
523	122,000		.77	.58
524	122,000		.77	.58
525	122,000		.77	.58
526	122,000		.77	.58
Phase I and II Totals		\$15,765,000	100%	
<u>Phase III</u>				
127	126,500			.62
128	126,500			.62
129	126,500			.62
130	126,500			.62
131	126,500			.62
132	126,500			.62
133	126,500			.62
134	126,500			.62
227	126,500			.62
228	126,500			.62
229	126,500			.62
230	126,500			.62
231	126,500			.62
232	126,500			.62
233	126,500			.62
234	126,500			.62
327	126,500			.62
328	126,500			.62
329	126,500			.62
330	126,500			.62
331	126,500			.62
332	126,500			.62
333	126,500			.62
334	126,500			.62
427	126,500			.62
428	126,500			.62
429	126,500			.62
430	126,500			.62
431	126,500			.62
432	126,500			.62
433	126,500			.62
434	126,500			.62

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<u>Apartment Number</u>	<u>Value</u>	<u>Percentage Phase I only</u>	<u>Percentage For Phases I and II</u>	<u>Percentage For Phases I, II and III</u>
<u>Phase III contd.</u>				
527	126,500			.62
528	126,500			.62
529	126,500			.62
530	126,500			.62
531	126,500			.62
532	126,500			.62
533	126,500			.62
534	126,500			.62
Phases I, II, III Totals \$20,825,000				100%

NOTE: The total Statutory value of the Property in Phase I only is \$9,665,000. The total value of the Property in Phase I and Phase II combined is \$15,765,000. The total value of the property in Phase I, Phase II and Phase III (as estimated) combined is \$20,825,000. The values for Phase II and Phase III are estimated. These valuations are for purposes of the South Carolina Horizontal Property Act.

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All those certain Apartments of OceanWalk Horizontal Property Regime, a condominium regime according to the foregoing Master Deed thereof to which this Joinder is attached, together with all of the undivided shares in the common elements appertaining to the following described Apartment Numbers: 101 through 515, inclusive.

This Joinder of Mortgagee shall in no way affect or diminish the lien of the existing mortgage on the remaining portions of the property described in the aforementioned mortgages described hereinabove.

WITNESSES:

LINCOLN FEDERAL SAVINGS AND LOAN ASSOCIATION

Nancy J. Guss
Forrest R. Goodrum

By: James P. Messersmith
Attest: Eleanor Carpenter

STATE OF NEW JERSEY)
COUNTY OF UNION)

PROBATE

PERSONALLY appeared before me Forrest R. Goodrum who, on oath, says that s/he saw the within named LINCOLN FEDERAL SAVINGS AND LOAN ASSOCIATION by James P. Messersmith Sr. Vice Pres. its Assist. Sec. attest the same, and the said Corporation, by said officers, seal said Instrument, and, as its act and deed, deliver the same, and that s/he with Nancy J. Guss witnessed the execution thereof.

Forrest R. Goodrum

SWORN to before me this 30th day of November, 1982.

[Signature] (L.S.)
Notary Public for New Jersey

My Commission Expires: _____
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb 20, 1984

BETHEA, JORDAN & GRIFFIN, P. A. ATTORNEYS AND COUNSELLORS AT LAW MILTON HEAD ISLAND, S. C.

RECORDED THIS 21st DAY OF December 1982
IN BOOK N PAGE 1183
PERS. S [Signature] 2
AUDITOR, BEAUFORT COUNTY, S. C.

FILED AT 9:00 O'CLOCK A.M. BEAUFORT COUNTY S. C. DEC 9 1982 RECORDED IN BOOK 1394 PAGE 1779
Nancy J. Leary, Esq.
CLERK OF COURT OF COMMON PLEAS