

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

CCM, INC., A SOUTH CAROLINA)
CORPORATION,)

TO)

LIGHTHOUSE ONE HORIZONTAL)
PROPERTY REGIME XLIII)

1617

MASTER DEED
HORIZONTAL PROPERTY REGIME

This Master Deed is made, published, and declared by CCM, Inc.,
A South Carolina Corporation (hereinafter referred to as "Grantor"), this
14th day of September, 1978.

ARTICLE I. ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME.

The purpose of this Master Deed is to establish, pursuant to the
Horizontal Property Act of the State of South Carolina, a horizontal property
regime to be known as Lighthouse One Horizontal Property Regime XLIII
(hereinafter referred to as the "Regime"). The land and improvements to be
submitted to the provisions of the Horizontal Property Act and to the terms
of this Master Deed are described in their totality in Article II as the
Condominium Property. Grantor, by filing of record this Master Deed, pub-
lishes and declares that the Condominium Property shall be owned, occupied,
used, conveyed, encumbered, leased, and improved in accordance with the
provisions of the Horizontal Property Act of the State of South Carolina,
and in accordance with the covenants, restrictions, encumbrances, and obli-
gations set forth or incorporated by reference in this Master Deed, all of
which shall be deemed to be covenants and obligations running with the land.

ARTICLE II. THE CONDOMINIUM PROPERTY.

Section 1. Land. Grantor owns in fee simple the tract of land
containing 0.376 acres which is described in Exhibit "A" of this Master.

Deed, subject to the following encumbrances:

- 1.1 Declaration of Covenants, Restrictions, Affirmative
Obligations by Lighthouse Beach Company, Inc. recorded in
Deed Book 150 at Page 41, in the Office of the Clerk

Beaufort County Tax Map Reference
Map 17 Parcel 1141 Blk Dist 070

of Court for Beaufort County, South Carolina.

1.2 Easements for installation, operation, and maintenance of electric and telephone distribution lines and accessory equipment.

1.3 Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. filed by Lighthouse Beach Company and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 172 at Page 316; as amended in Book 195 at Page 103.

1.4 Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. filed in Deed Book 224 at Page 103⁶ in the Office of the Clerk of Court for Beaufort County, South Carolina.

1.5 An express reservation of a twenty-foot wide non-exclusive easement for pedestrian and vehicle traffic, said easement to provide ingress and egress over the subject property to the balance of Parcel A, which may be relocated.

1.6 Those certain covenants, conditions and restrictions set forth in that certain Deed executed by The Travelers Insurance Company to CCM, Inc. dated the 14th day of September, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 254 at Page 619.

Section 2. Villas. Grantor has constructed upon the land described in Exhibit "A" of this Master Deed a certain building enclosing eight (8) condominium units (hereinafter referred to as "Villas" or "Dwelling Units"). The site location of the building and eight (8) units are shown on the plat of the condominium property contained in Exhibit "C" of this Master Deed. The Villas are of the general design as graphically depicted in the certified architect's plans which are compiled and annexed to this Master Deed in Exhibit "C". The Villas are also described verbally in Article VI of this Master Deed. Each Villa is composed of the interior cubic space, fixtures, appliances, furnishings, walls, floors, ceilings, and building materials enclosed within the following boundaries:

2.1 The upper boundaries of the Villa shall extend to the inner surface of the roof sheathing over the Villa. The lower boundaries of the Villa shall extend to the bottom of the granular fill beneath the structural slab underlying the lowest level of the Villa.

2.2 The perimetrical boundaries of the Villa shall extend to the rear surface of the wall sheathing to which the exterior siding of the Villa is attached and to the center-line of the frame party wall adjacent to the Villa.

2.3 The boundaries of each Villa shall extend also to include the area enclosed or bounded by the screens, partitions, railings, balustrades, or fences of any deck, terrace, balcony, stoop and steps, porch, courtyard, patio, or service area which is an integral and exclusive part of that particular Villa. If any such area is not thus bounded or enclosed, the boundaries of the Villa shall be extended to include the area defined or actually covered by any such deck, terrace, balcony, stoop and steps, porch, courtyard, patio, or service area.

2.4 Each Villa shall also encompass and include and each Villa Owner shall be responsible for maintenance and repair of the following: (i) the doorways, windows, vents, and other structural elements in the walls, floors, and ceilings of the Villa which are regarded as enclosures of space; (ii) the doors opening into the Villa and into any mechanical area or courtyard integral to the Villa, including the frames, casings, hinges, handles, and other fixtures which are part of the doors; (iii) the window glasses, screens, frames, wells, and casings which are part of the windows opening from the Villa; (iv) the metal flue and the plumbing and mechanical vents which exclusively serve the Villa; (v) the appliances, air conditioning and heating units, hot water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, flooring, trim, ceilings, walls, framing, floor joists, trusses, beams, insulation, structural slab and fill, and other

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fixtures, furnishings, and building materials which are part of the Villa when delivered to the initial Villa Owner; (vi) the screens, partitions, railings, balustrades, or fences bounding or enclosing any deck, terrace, balcony, courtyard, or service area that is integral and exclusive to the Villa, and the treated wood decking or concrete surface within any such area; and (vii) all pipes, wires, conduits, ducts, and other plumbing, mechanical, and electrical appurtenances which are integral and exclusive to the Villa, including lamps attached to the exterior of the Villa, and including water pipes serving the Villa extending to the meter, sewer pipes serving the Villa extending five (5) feet from the Villa, and the underground drainage system beneath the Villa.

Section 3. Common Elements. The Common Elements, either General or Limited, of the entire Condominium Property, are exclusive of the Villas, as shown on the Plat contained in Exhibit "C" of this Master Deed.

3.1 The General Common Elements shall include without limitation the following:

(a) The land upon which the building enclosing the Villas is situate, containing 16,381 square feet; the paved parking area, containing 3,421 square feet; the building area under roof containing 5,438 square feet; and the remaining common elements surrounding the Villas, containing 7,029 square feet; and all easements, rights, and hereditaments appurtenant to the Land described in Exhibit "A" and shown on the Plat contained in Exhibit "C".

(b) All improvements, exclusive of the Villas and Limited Common Elements, erected upon the Land described in Exhibit "A", including without limitation: (i) the roofs covering the Villas including shingles, roofing felt, sheathing, and flashing; (ii) the exterior siding, fascia, sheathing, and

building paper on the buildings enclosing the Villas; (iii) the pipes, wires, conduits, pumps, motors, and other equipment installed to provide utility service to the Villas or to portions of the Common Elements; (iv) the roads, streets, parking areas, street signs, storm draining, guttering, retaining walls, walkways, paths, trees, gardens, and landscaping located upon the land; (v) any swimming pool, bath house, and other recreational facilities which may now or hereafter be located upon the land; and elevators and elevator shafts, stair ways, foyers; and (vi) all other elements of the Condominium Property rationally of common use or necessary to its existence, maintenance, and safety.

3.2 The Limited Common Elements shall include the following:

- (a) If applicable, the rear and front yards and service areas (shown on the plat attached hereto and identified as Exhibit "A") adjacent to each Villa, the fences screening the service area and the patios adjacent to each Villa, if any.

ARTICLE III. DEFINITIONS.

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

- (1) "The Property" means the 0.376 acre tract of land ("Land") described in Exhibit "A"; the one (1) building constructed upon the Land covering a ground area of 5,438 square feet, situated as shown on the Plat of the Condominium Property contained in Exhibit "C"; the eight (8) Villas enclosed within such building which are described verbally in Articles II and VI of this Master Deed and which are portrayed graphically on the Plans contained in Exhibit "C"; and all other improvements and property, real, personal, and mixed, situated upon or appurtenant to the Land, which are made part of Lighthouse One Horizontal Property Regime XLIII by this Master Deed.

(2) "Assessment" means that portion of the Common Elements, as hereinafter defined, which is to be paid by each Villa Owner in proportion to his percentage interest in Common Elements.

(3) "Council of Co-Owners" means the entity responsible for operation and management of the Condominium Property; and shall initially be an unincorporated association composed of all Villa Owners (hereinafter referred to as "Council").

(4) "By-Laws" means the rules and procedures prescribed for government of the Council which are attached to this Master Deed as Exhibit "D". All references to "By-Laws" shall be construed to include amendments to the By-Laws duly adopted from time to time.

(5) "Board of Administrators" means the body of persons selected, authorized, and directed to manage and operate the Condominium Property and the affairs of the Council, as provided by this Master Deed and the By-Laws (hereinafter referred to as "Board").

(6) "Common Elements" means all those portions of the Condominium Property not included within the Villas.

(7) "Common Expenses" means the actual and estimated expenses of operating and managing the Condominium Property, including reasonable reserved, as determined by the Board.

(8) "Common Surplus" means the excess of all receipts of the Council, including, but not limited to, assessments, rents, profits, and revenues from the Common Elements, over the amount of Common Expenses.

(9) "Condominium Property" means the Land described in Exhibit "A", the building, Villas and other improvements constructed upon the Land, real, personal, or mixed, intended for use in connection with this horizontal property regime, including an interest in the swimming pool site hereafter described.

(10) "Horizontal Property Act" means the Horizontal Property Act of the State of South Carolina, Title 27-31-100, Code of Laws of South Carolina, 1972, as amended. All references to the "Horizontal Property Act" adopted and enacted from time to time.

(11) "Land" means the tract of land described by courses and distances in Exhibit "A", and also referred to as the "Property".

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

(13) "Plat" means the physical survey of the completed improvements prepared by Coastal Surveying Company, Inc., showing the dimensions and site locations of the building, the eight (8) Villas, the parking areas, roads, walkways, and other improvements of the Regime, and entitled "Lighthouse One Condominiums, as Built Survey, Horizontal Property Regime XLIII, dated August 31, 1978, and recorded in Plat Book 27 at Page 50, Office of the Clerk of Court for Beaufort County, South Carolina, a copy of which is contained in Exhibit "C".

(14) "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

(15) "Villa" means one of the dwelling units enclosed within the boundaries defined in Article II, Section 2, which is subject to separate ownership.

(16) "Villa Owner" means the person or persons owning one or more of the Villas; or the person or persons owning one or more Time Sharing Interests of a Villa.

ARTICLE IV. LIGHTHOUSE ONE COUNCIL OF CO-OWNERS.

Section 1. Formation. Every Villa Owner shall be a member of the Council of Lighthouse One Horizontal Property Regime XLIII which initially shall be an unincorporated association. The Council shall be managed by a Board of Administration elected by and from the Villa Owners.

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

Section 3. Voting. On all matters relating to the Council or to the Condominium Property upon which a vote of the Villa Owners is taken, the Villa Owners shall vote in proportion to their respective interests in Common Elements as set forth in Exhibit "B". Any motion shall carry if it received the affirmative vote of a simple majority of Villa Owners, unless a different majority is specified in this Master Deed or in the By-Laws. A simple majority of the Villa Owners shall consist of fifty-one percent (51%) or more of the total interest in Common Elements.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Council in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Villa Owners.

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

Section 6. Incorporation. Nothing in this Master Deed shall preclude the Council from incorporating under the laws of the State of South Carolina if a requisite majority of the Council duly resolves to incorporate.

ARTICLE V. VILLAS: OWNERSHIP AND USE.

Section 1. Ownership of Villas. Each Villa, together with its undivided interest in Common Elements, shall constitute a separate parcel of real property; and each Villa Owner shall be entitled exclusive ownership and possession of his/her Villa, subject to: (1) the provisions of this Master Deed and the easements, restrictions, covenants, and encumbrances set forth herein; (11) the Declaration of Covenants, Restrictions, and Affirmative Obligations Applicable to All Class "B" Multi-Family Residence Areas, recorded in Deed Book 172, Page 316, Office of the

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Clerk of Court for Beaufort County, South Carolina and any recorded additions or amendments thereof; (iii) the By-Laws of the Council, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Association or its Board pursuant to the By-Laws; and (iv) the Horizontal Property Act of the State of South Carolina.

Section 2. Legal Description. Each Villa may be sufficiently described for purposes of deeds, mortgages, leases, and other conveyances by referring to its designated unit number and letter and by reciting that it is part of Lighthouse One Horizontal Property Regime XLIII as established by this Master Deed. The conveyance of an individual Villa shall be deemed to convey the undivided interest in Common Elements appurtenance to that Villa. The ownership of an undivided interest in Common Elements appurtenant to a Villa shall be inseparable from the Villa, and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Villa.

Section 3. Maintenance and Repair. Every Villa Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Villa as defined in Article II, Section 2. However, no Villa Owner shall make structural modifications or alterations to his Villa, nor shall any Villa Owner alter any door, window, vent, flue, terrace, deck, balcony, or courtyard without obtaining prior written approval of the Board. Written notice of any intended modifications shall be given to the Board, setting forth details and requesting approval. The Board shall consider the request and decide whether approval shall be granted. The Board shall advise the Villa Owner of its decision in writing within One Hundred Twenty (120) days from its receipt of the request. Nothing in this section shall relieve any Villa Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Villa Owner shall undertake to modify any portion of the Common Elements.

ARTICLE VI. VILLAS: LOCATION AND DESCRIPTION.

Located on the property is one four-story building designated as "Lighthouse One" and containing eight (8) dwelling units designated "Units 1080, 1081, 1082, 1083, 1084, 1085, 1086, and 1087".

The four-story building is constructed of reinforced concrete masonry and reinforced concrete with an exterior stucco surface.

On the first floor are Dwelling Units 1080 and 1081 and common areas such as stairs, elevator, equipment room and foyer.

On the second floor are Dwelling Units 1082 and 1083 and common areas such as stairs, elevator and foyer.

On the third floor are Dwelling Units 1084 and 1085 and common areas such as stairs, elevator and foyer.

On the fourth floor are Dwelling Units 1086 and 1087 and common areas such as stairs, elevator and foyer.

Dwelling Unit 1080 also has a wooden deck, fenced landscaped yard, and steps as exterior improvements.

Dwelling Unit 1081 also have wooden deck and steps as exterior improvements.

Dwelling Units 1080 and 1081 on the first floor each contain: foyer, Kitchen, Living Room, Dining Room, Morning Room, Study, Master Bedroom, Bedroom, three (3) Baths, Utility Room, Front and Rear Porches.

Dwelling Units 1082 and 1083 on the second floor each contain: Foyer, Kitchen, Living Room, Dining Room, Morning Room, Study, Master Bedroom, Bedroom, three (3) Baths, Utility Room, and Rear Porch.

Dwelling Units 1084 and 1085 on the third floor each contain: Foyer, Kitchen, Living Room, Dining Room, Morning Room, Study, Master Bedroom, Bedroom, three (3) Baths, Utility Room, and Rear Porch.

Dwelling Units 1086 and 1087 on the fourth floor each contain: Foyer, Kitchen, Living Room, Dining Room, Morning Room, Study, Master Bedroom, Bedroom, three (3) Baths, Utility Room, and Rear Porch.

"SCHEDULE OF AREAS"

UNIT	HEATED AND COOLED AREA	DECKS AND FOYERS	TOTAL
"1080"	2093 SF	830 SF	2923 SF
"1081"	2093 SF	1060 SF	3153 SF
"1082"	2093 SF	470 SF	2563 SF
"1083"	2093 SF	470 SF	2563 SF

"1084"	2093 SF	470 SF	2563 SF
"1085"	2093 SF	470 SF	2563 SF
"1086"	2093 SF	470 SF	2563 SF
"1087"	2093 SF	470 SF	2563 SF

Reference is herein again craved to the certified Architect's Plans which are compiled and annexed to this Master Deed in Exhibit "C".

ARTICLE VII. COMMON ELEMENTS: OWNERSHIP AND USE.

Section 1. Ownership of Common Elements. Each Villa Owner shall own as an appurtenance to his Villa the undivided interest in the Common Elements specified in exhibit "B". The percentage interest set out in this column represent the values of each Villa in proportion to the total value of the Property, as well as the proportionate representation for voting purposes in the meeting of the Council of the Regime. The total value of the Property herein is ONE MILLION TWO HUNDRED SEVENTY THOUSAND EIGHT HUNDRED AND NO/100 (\$1,270,800.00) DOLLARS. The stated individual value for each Villa indicated in Exhibit "B" shall not be deemed to limit the price for which the Property or any Dwelling Unit may be sold or exchanged.

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

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

Section 4. Operation and Maintenance. The maintenance, repair, replacement, management, opration, and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for

such purposes shall be assessed as Common Expenses. The Board may, however, delegate these duties to a management agent.

ARTICLE VIII. COMMON EXPENSES.

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

- 1.1 Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements.
- 1.2 Expenses incurred in administering the affairs of the Council including salaries, wages, and any compensation paid to a managing agent for such purpose.
- 1.3 Expenses incurred in providing public liability insurance and hazard insurance adequate to cover the Condominium Property, exclusive of Villa contents and furnishings, as provided in Article X of this Master Deed.
- 1.4 Contributions to provide sufficient reserves to make such general reserves to operate the Condominium Property and to administer the affairs of the Council.
- 1.5 Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.
- 1.6 Any other costs related to the operation of the Condominium Property or administration of the affairs of the Council which are declared by this Master Deed to be Common Elements, and any valid charge against the Condominium Property as a whole.

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

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

enjoyment of the Common Elements or by abandoning his Villa.

Section 4. Lien Upon Villa. All assessments of the Council for the share of Common Expenses chargeable to any Villa which are unpaid after becoming due shall, upon proper recording in the Office of the Clerk of Court for Beaufort County, South Carolina, constitute a lien against such Villa prior and superior to all other liens except: (i) liens for property taxes upon the Villa in favor of any taxing authority; and (ii) mortgage liens duly recorded prior to such delinquency. The lien for such assessments may be foreclosed by the Board acting in behalf of the Council in the same manner as a mortgage upon real property. In the event of foreclosure, the Villa Owner shall be required to pay a reasonable rental for the Villa during pendency of the foreclosure action, and a receiver may be appointed to collect the rentals during such period. The Board, in behalf of the Council, may bring suit for judgments against the Villa Owner in the amount of delinquent assessments. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorney's fees and other costs of collection.

Section 5. Sales of Villa. Upon the sale or conveyance of a Villa, all unpaid assessments against a Villa Owner for his pro-rata share of Common Expenses shall first be paid out of the sale price or by the Purchaser or grantee in preference over any other assessments, charges, or liens, except the following:

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

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

Section 6. Foreclosure Purchaser. If the mortgagee of a Villa acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Council upon the Villa so accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid assessments

occurring during such period shall be deemed Common Expenses collectible from all Villa Owners, including such purchaser, his successors, heirs, and assigns. The provisions of this Section, however, shall not release any Villa Owner from personal liability for unpaid assessments.

Section 7. Records. The Board, or a managing agent which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payment, shall be available for examination by the Villa Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

ARTICLE IX. RESTRICTIONS, COVENANTS, EASEMENTS.

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

1.1 The Declaration of Covenants, Restrictions, and Affirmative Obligations Applicable to all Class "B" Multi-Family Residence Areas by Lighthouse Beach Company, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina at Book 172 of Deeds, at Page 316, and any applicable recorded additions and amendments thereto (hereinafter called "Class 'B' Covenants").

1.2 This Master Deed, the Regime By-Laws, decisions and resolutions of the Council, Board, or their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of the Lighthouse Beach Company as set forth in the aforesaid Declaration.

Section 2. Utility Easements. Each Villa Owner shall have a non-exclusive easement appurtenant to his Villa for the use in common with other Villa Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any other Villa or within the Common Elements and serving his Villa. Each Villa shall be subject to an easement in favor of the owners of all other Villas to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving other Villas which are located in such Villa.

Section 3. Encroachments. There shall be an easement in favor of the Council to the extent any portion of the Common Elements encroaches upon any Villa, and there shall be an easement appurtenant to any Villa to the extent any portion of the Villa encroaches upon the Common Elements or upon another Villa, whether such encroachment presently exists or occur hereafter as a result of: (i) settling or shifting on any part of the Condominium Property; (ii) repair, alteration, or reconstruction of the Common Elements made by the Association or with its consent; (iii) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Horizontal Property Act.

Section 4. Right of Access. The Council shall have the right of access to each Villa during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Villa, or for making emergency repairs within the Villa necessary to prevent damage to the Common Elements or to another Villa. This easement and right of access may be exercised by the Board, by its agents and employees, or by a managing agent to whom the responsibility of maintaining has been delegated. Damages resulting to any Villa because of such maintenance repairs shall be corrected promptly at the expense of the Council.

Section 5. Public Utility Easements. The Condominium Property is subject to utility easements for installation, operation, and maintenance of electric and telephone distribution lines, and for installation, operation

and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Council.

ARTICLE X. INSURANCE.

Section 1. Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property exclusive only of the contents and furnishings of the individual Villas.

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

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

1.3 If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving: (i) any rights of the insurer to subrogation against the Council, its

agents and employees, and against the individual Villa Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Villa Owners upon the contents and furnishings of their Villas.

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

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

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

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

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

ARTICLE XI. RECONSTRUCTION AND REPAIR.

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Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board shall be distributed pro-rata to the Villa Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Villa Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Villa Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially repaired in the following manner:

1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Villa Owners holding seventy-five 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 Villa Owners whose Villas are affected by the alterations unanimously consent.

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

1.3 If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Villa Owners whose units are

directly affected by the damage in proportion to the damage done to their respective Villas.

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

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

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

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

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

2.4 In the event a Certificate of Insurance has been issued to a Villa Owner bearing a mortgagee endorsement, the share of the

Villa Owner shall be held in trust for the mortgagee and the Villa Owner as their interests may appear; provided, however, that no mortgagee shall have any right to 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 paid jointly to the Villa Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

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

ARTICLE XII. AMENDMENTS.

Section 1. By Villa Owners. This Master Deed and the By-Laws of the Council may be amended from time to time at a duly held meeting of the Council by the affirmative vote of the Villa Owners holding two-thirds (2/3) or more of the total interest in Common Elements; provided, however, that no amendment shall alter the dimensions of a Villa or its appurtenant interest in Common Elements without the written consent of the Villa Owner and its mortgagees, if any, affected by the proposed alteration. Duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Council.

ARTICLE XIII. TERMINATION.

Section 1. Casualty or Condemnation. If two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article XI or Article XII, as the case may be.

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

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

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

ARTICLE XIV. MISCELLANEOUS PROVISIONS.

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

Section 2. Applicable Law. The provisions of this Master Deed shall be construed under the laws of the State of South Carolina.

Section 3. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability, or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

Section 4. 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 required.

Section 5. Exhibits. All exhibits to this Master Deed shall be an integral part of this instrument.

Section 6. Captions. Captions are inserted in this Master Deed for convenience only, and are not to be used to interpret the provisions of this instrument.

IN WITNESS WHEREOF, Grantor has executed this Master Deed in its name this day, month and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CCM, INC., A South Carolina Corporation

By: John L. Crawford
JOHN L. CRAWFORD, VICE PRESIDENT

ATTEST: Sara K. Crawford
SARA K. CRAWFORD, ASST. SECRETARY

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me Mary G. Mitchell who, on oath says that she saw the within named CCM, Inc., A South Carolina Corporation by John L. Crawford its Vice President sign, seal and deliver the within instrument and Sara K. Crawford its Assistant Secretary attest the same, said instrument being dated the 14th day of September, 1978 and that she with Marvin H. Dukes witnessed the execution thereof.

SWORN to before me this 14th

day of September, 1978.

Marvin H. Dukes (U.S.)
Notary Public for South Carolina
My Commission Expires: May 16, 1979.

INDEX TO EXHIBITS

EXHIBIT "A".....	Description of Land
EXHIBIT "B".....	Percentage Interests in Common Elements
EXHIBIT "C".....	1. Plat of Land 2. Architect's Certificate of Substantial Completion 3. Certified Plans
EXHIBIT "D".....	By-Laws

ALL that certain piece, parcel or tract of land situate, lying and being in Harbour Town, Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina with all improvements thereon and being more particularly shown and described on a plat of Lighthouse One Horizontal Property Regime XLIII prepared by Coastal Surveying Company, Inc. dated August 31, 1978 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 27 at Page 50. Said tract of land hereindescribed is also shown as Parcel B-R containing 0.376 acres on a plat recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 26 at Page 94.

Together with the right of ingress and egress over Lighthouse Lane a thirty (30) foot right of way as shown on said plat.

This being the same property conveyed to CCM, Inc. by Deed of The Travelers Insurance Company dated September 14, 1977 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 254 at Page 619.

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EXHIBIT "B"

% OWNERSHIP LIGHTHOUSE ONE VILLAS
HORIZONTAL PROPERTY REGIME XLIII

<u>UNIT NO.</u>	<u>VALUE</u>	<u>%</u>
1080	\$159,500	12.551%
1081	159,500	12.551%
1082	149,500	11,764%
1083	149,500	11,764%
1084	156,500	12,315%
1085	156,500	12,315%
1086	169,900	13,370%
1087	169,900	13,370%
TOTAL		100,000%

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BY-LAWS OF LIGHTHOUSE ONE VILLAS
HORIZONTAL PROPERTY REGIME XLIII

ARTICLE I

PLAN OF VILLA OWNERSHIP

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

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

Section 3. Personal Application. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws in the Master Deed establishing said Regime. For the purpose of this document, a "Co-Owner" is defined and shall mean an owner or owners of an individual Villa within the Regime. The mere acquisition or rental of any of the Villas (also referred to herein as "Dwelling Unit(s)" or "Dwelling(s)") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Villas will signify that these By-Laws, the provisions of the Master Deed and the provisions of the Declaration of Covenants, Restrictions and Affirmative Obligations Applicable to all Class "B" Multi-Family Residence Areas, by Lighthouse Beach Company, and recorded in the Office of the Clerk of Court for the County of Beaufort, in Book 172 of Deeds at Page 316, and any applicable recorded additions thereto are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

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

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

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

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

ARTICLE III

ADMINISTRATION

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

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

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

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

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

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

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

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meetings.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Review financial statement and monthly Regime charges.
- (g) Election of administrators.
- (h) Election of Management Agent.
- (i) Unfinished business.
- (j) New business.

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

ARTICLE IV

BOARD OF ADMINISTRATION

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

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

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

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the common elements.
- (c) Collection of assessments from the Co-Owners.
- (d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.

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

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

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

Section 7. Removal of Members of the Board. At any regular or special meeting of the Council duly called, any one or more of the members of

the Board may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

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

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

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

Section 11. Waiver of Notice. Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all the members

are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

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

ARTICLE V

OFFICERS

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

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

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or

without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. Officers.

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

(b) Vice President -- The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

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

ARTICLE VI

OBLIGATIONS OF THE CO-OWNERS

Section 1. Assessments. Upon notice from the Board, all Co-Owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime Expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and other hazards. The assessment shall be made pro-rata according to the value of the Villa owned, as stipulated in the Master Deed. The transfer of ownership of an individual Villa within the Regime carries with it the proportionate equity of that Villa Ownership in the Regime Escrow Account. Each Villa Owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance and repair of Regime Property.

Section 2. Maintenance and Repair.

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

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

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

Section 3. Use of Villas - Internal Changes.

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

(b) A Co-Owner shall not make structural modifications or alterations in his Villa or installations located therein without previously notifying the Regime in writing, through the management agent, if any, or through the President if no management agent is employed. The Regime shall have

the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

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

Section 5. Right of Entry.

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

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

Section 6. Rules of Conduct.

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

(b) No Co-Owner, resident or lessee of the Property shall:

- (1) post any advertisements, or posters of any kind, in or on the property except as authorized by the Regime;
- (2) hang garments, rugs, or similar objects, from the windows or from any of the facades of the Property;
- (3) dust rugs, mops or similar objects by beating on the exterior part of the Property;
- (4) throw garbage or trash outside the disposal installations provided for such purposes in the service areas;

(5). act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Villas in the Property.

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

ARTICLE VII

AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by Co-Owners representing at least two-thirds (2/3) of the total value of the Property as shown in the Master Deed.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Board. A Co-Owner who mortgages his Villa shall notify the Board through the management agent, if any, or the President if there is no management agent of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgagees of Villas".

Section 2. Notice of Unpaid Assessments. The Board shall, at the request of a mortgagee of a Villa, report any unpaid assessments due to the Regime from the Co-Owner of such Villa.

ARTICLE IX

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COMPLIANCE

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

DSNHS

FILED AT <i>2:15</i>	BEAUFORT COUNTY S. C.	RECORDED IN BOOK <i>269</i> PAGE <i>1617</i>
U.S. CK <i>P. M.</i>	SEP 14 1978	
<i>Roxanne W. Bently, Jr.</i> CLERK OF COURT OF COMMON PLEAS		

RECORDED THIS 19th DAY
OF Sept 1978
IN BOOK Q PAGE 262
RECEIVED \$ _____
Y. Gray
AUDITOR, BEAUFORT COUNTY, S. C.