

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PAW Partnership, a South Carolina Limited Partnership)
to)
Springwood Villas Horizontal Property Regime)

MASTER DEED FOR SPRINGWOOD VILLAGES HORIZONTAL PROPERTY REGIME

This Master Deed is made, published and declared this 7th day of October, 1982 by PAW Partnership, a South Carolina limited partnership with its office at The Players Club, DeAyllon Avenue, Hilton Head Island, South Carolina, hereinafter referred to as "Grantor".

ARTICLE I.

DEFINITIONS.

As used in this Master Deed for Springwood Villas Horizontal Property Regime and Exhibits attached hereto and thereto, and all amendments hereto and thereof, unless the context otherwise requires, the following definitions shall prevail:

1.1 "Apartment" refers to each of the separate and identified Apartments delineated in the plot plan attached to the Master Deed as Exhibit "B" and the floor plans attached to the Master deed as Exhibit "C" together with the undivided share of Common Elements and Limited Common Elements appurtenant thereto.

1.2 "Apartment Owner" or "Owner of an Apartment" means the owner of an Apartment in fee simple or an owner of a contract to purchase real estate which gives the owner possessory rights to the Apartment but does not include anyone holding title as security for the payment and performance of obligation of an Owner. Additionally, Owner shall include those owners of an Apartment owning with others as tenants-in-common under a plan of Interval Ownership.

1.3 "Assessment" means a share of the funds required for the payment of Common Expenses which, from time to time, are assessed against the Apartment Owners.

Certified
A true Copy

W. Henry Jackson
W. Henry Jackson
Clerk of Court

1.4 "Association" means Springwood Owners' Association, Inc., a South Carolina non-profit corporation.

1.5 "Association Properties" means such property as is owned by the Association from time to time in accordance with the terms of this Master Deed.

1.6 "Board of Directors" or "Board" means the representative body responsible for administration of the Association.

1.7 "By-Laws" means the By-Laws of Springwood Owners' Association as it may be from time to time amended.

1.8 "Common Elements" means the portions of the Property not included in the Apartments or Limited Common Elements and as more fully described in Article IX hereof.

1.9 "Common Expenses" means the expenses for which the Apartment Owner is liable to the Association as are more fully described in Article IX hereof.

1.10 "Common Surplus" means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements, over and above the amount of Common Expenses.

1.11 "Condominium" means that form of ownership of property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each Apartment, as part thereof, an undivided share in Common Elements and Limited Common Elements.

1.12 "Condominium Documents" means this Master Deed, all Exhibits attached hereto and the By-Laws of the Association as the same may be amended from time to time.

1.13 "Grantor" means PAW Partnership, a South Carolina limited partnership, its successors and assigns.

1.14 "Horizontal Property Act" means and refers to the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976 (as amended).

1.15 "Institutional Mortgage" means the Grantor or a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender.

1.16 "Limited Common Elements" means those common elements which are reserved for the use of a certain Apartment or Apartments, to the exclusion of all other Apartments as are more fully described in Article III hereof.

1.17 "Master Deed" means this instrument, as it may be from time to time amended.

1.18 "Property" means the total of 4.009 acres of land described in Exhibit "A"; the buildings constructed or to be constructed thereon; the land shown future plats dedicating future phases to the Regime as prescribed herein; the proposed Condominium Units which are or may be enclosed within such buildings as described verbally in and of this Master Deed; and all other improvements and property, real, personal, and mixed, situated upon or appurtenant thereto, which are or which may be made part of Springwood Villas Horizontal Property Regime.

1.19 Unless the context otherwise requires all other terms in this Master Deed shall be assumed to have the meaning attributed to the said term by Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976 (as amended), as of the date of this Master Deed.

1.20 The following definitions shall refer only to those units committed to and sold under a plan of interval ownership:

1.20.1 "Interval Ownership" is a concept whereby Apartments and the share of the Common Elements assigned to the Apartment are conveyed for a stated time period in fee simple as tenants in common with all other purchasers of "Unit Weeks" in each such Apartment.

1.20.2 "Unit Book" during the period of ownership in an Apartment committed to Interval Ownership.

ARTICLE II

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME

2.1 "General". Grantor is the owner of the real property as described on Exhibit "A". The Grantor does hereby, by doing, executing this Master Deed, submit the real property, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto, to the provisions of the Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime (hereinafter referred to as the "Regime"), to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina.

2.2 "Regime Plans". Contemporaneous with the filing of this Master Deed, the Grantor has filed a site plan showing the location of all buildings and all other improvements and the location of the Common Elements and Limited Common Elements as well as a set of floor plans of the buildings which show graphically the dimensions, area and location of each Apartment. Each Apartment is identified by specific number on said Exhibit "A" and no Apartment bears the same designation as any other Apartment. Said site plan and floor plans (hereinafter collectively called the "Regime Plan" are recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 10 at Page 191 and are incorporated herein by reference. Attached as Exhibit "B" is a certificate executed by E.C. Wiggins, Jr., certifying that the buildings constructed on the property were constructed in accordance with said Regime Plans.

2.3 "Phase I".

2.3.1 The Phase I property includes six (6) buildings containing seventy-two (72) individual Apartments, all of which are to be used for residential purposes provided, however, the Grantor reserves unto itself, its successor and assigns, to market and convey the

Apartments contained in any one building as shown on the Floor Plans under a plan of Interval Ownership.

2.3.2 The Property in Phase I contains a total of approximately 4.009 acres of which 37,266 square feet will constitute Apartments and 91,372 square feet will constitute Common Elements and Limited Common Elements.

2.3.3 Phase I of the Property consists of six (6) identical three (3) story buildings, each containing twelve (12) Apartments. The flat at each end of the building is a three (3) Bedroom, three (3) Bath unit on the ground floor. The second and third floors of each building contain eight townhouses. The end townhouses have one bedroom and 1-1/2 baths on the second floor of the building and two bedrooms with two baths on the third floor of the building. Between the two end townhouses are six identical townhouses each with a 1/2 bath on the second floor of the building and two Bedrooms and two Baths on the third floor of the building.

The end three Bedroom flats contain approximately 1,533 square feet, the interior flats contain approximately 1,250 square feet, the end townhouses contain approximately 1,576 square feet and the interior townhouses contain approximately 1,250 square feet. All units have a storage room on the ground floor.

END FLAT 3-BEDROOM:

Opposite the entry door is a storage room. The Foyer leads to Bedroom #1, the Kitchen, Utility Room and the Dining Room. Across the Foyer from the front entrance are the washer and dryer in a Utility Room. A door near the front entrance leads to the #1 Bedroom, a walk-in closet and the Master Bath. The center of the foyer leads to the Kitchen equipped with range, refrigerator, disposal and dishwasher. The Kitchen has a pass through shelf to the Dining Room at the end of the Foyer. Beyond the Dining Room is the Living Room. A patio at the rear is off the Living Room. Leading from the Dining Room is a hall. Bedroom #2 which includes two closets has a private bath. Bedroom #3 includes two closets with a door to the #3 Bath which also has a door leading to

the hall. Two pair of bi-fold doors in the hall open to a linen closet which also contains the water heater and air handler.

INTERIOR FLAT TWO BEDROOM:

Opposite the entry door is a storage room. The Foyer leads to the Kitchen, Dining Room and a hall to the Bedrooms. The Kitchen is equipped with range, refrigerator, disposal, dishwasher, washer, dryer and pantry closet. The Dining Room is at the end of the Foyer and adjoins the Living Room at the rear of the building. Bedroom #1 includes two closets and has a private bath. A closet off the hall contains the water heater and air handler as well as shelving for storage. Bath #2 has a door from the Hall and Bedroom #2 which includes 2 closets. A patio at the rear is accessible through sliding glass doors from both the Living Room and Bedroom #1.

END TOWNHOUSE-3 BEDROOM ON SECOND AND THIRD FLOORS OF BUILDING:

A concrete stairway leads from the ground floor to a second floor balcony common to four townhouse living units, plus a common deck over the first floor storage rooms. The Foyer leads to the Master Bedroom, the Utility Room with washer and dryer and the Kitchen which contains range, dishwasher, disposal and refrigerator and a pass through to the Dining Room. The Living Room is at the rear of the building adjacent to the Dining Room. Off the Living Room is a closet for water heater and air handler. The Powder Room is located off the dining room under the stairway which leads from the Foyer to the third floor bedrooms. At the rear off the Living Room a sliding glass door leads to a balcony which is common to the next unit and has a metal spiral stairway to the ground floor. A hall at the head of the stairs from the Foyer leads to Bedroom #2 which includes two closets and leads to a private bath. At the top of the stairs is a linen closet.

INTERIOR TOWNHOUSES-TWO BEDROOMS ON SECOND AND THIRD FLOORS OF BUILDING

The Foyer leads to a stairs to third floor, a guest closet, the Kitchen which is equipped with washer, dryer, refrigerator, range and disposal and includes a broom closet and the Dining Room.

A Power Room is at the front door and under the balcony. The Living Room is beyond the Dining Room and at the rear of the building. A sliding glass door leads from the Living Room to the balcony common with the adjacent unit. A broom closet and a linen closet are off the Living Room. A closet off the Living Room contains the water heater and air handler.

Each Apartment is described as follows: The lower boundary of any Apartment in the Regime is a horizontal plane (or planes), the elevation of which coincides with the elevation of the upper surface of the unfinished subfloor thereof, extended to intersect the lateral or parametrical boundaries thereof. The upper boundary of any Apartment in the Regime is a horizontal plane (or planes), the elevation of which coincides with the unexposed surface of the unfinished ceiling thereof, extended to intersect the lateral or parametrical boundaries thereof. The lateral or parametrical boundaries of any Apartment are vertical planes which coincide with the unexposed surface of the perimeter drywall thereof, to include the drywall, windows, and doors thereof extended to intersect the upper and lower boundaries thereof and to intersect the other lateral or parametrical boundaries of the Apartment.

The equipment and appurtenants located within any Apartment are designed to serve only that Apartment such as furnaces, air conditioning equipment, mechanical equipment, appliances, range hoods, non-bearing partition walls, floor material, outlets, electrical receptacles, fixtures, cabinets, and the same shall be considered a part of the Apartment and not a part of the Common Elements. Equipment and appurtenants located outside of any particular Apartment, but designated to serve only a particular Apartment, such as air conditioning compressors, pads and shall likewise be considered a part of the Apartment and not a part of the Common Elements.

The Owner of each Apartment shall be responsible for maintenance, repair, and upkeep of the Apartment and its appurtenants subject to rules, regulations, covenants, and conditions set forth or incorporated hereby by reference. Notwithstanding ownership of the Apartment, no

Apartment Owner may do anything or take action which does or might change the exterior appearance of the Apartment without the consent of the Association as defined herein.

ARTICLE III

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

3.1 Common Elements are as follows:

3.1.1 The Property excluding the Limited Common Elements as defined herein and the Apartments, and including, but not limited to the land on which the Apartments are constructed, the foundations, roofs, unfinished perimeter walls, walls and partitions, slabs, concrete floors, concrete ceilings, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above. Each Owner owns the doors, windows, and other apertures that bound his unit and is responsible for them.

3.1.2 Parking facilities located on the Property, which parking facilities consist of approximately 42,994 square feet, and are shown on the Regime Plans.

3.1.3 All roads, walkways, paths, trees shrubs, yards, (except such as are designated as Limited Common Elements) gardens and pools.

3.1.4 All installations outside of the Apartments for services such as power, light, telephone and water.

3.1.5 All sewer and drainage pipes, excluding those which are property of the utility district or company.

3.1.6 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.

3.2 Limited Common Elements are as follows:

3.2.1 The rear and front yards and service areas as shown on Exhibit "A" 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 the Limited Common Elements, respectively.

3.2.2 All terraces, stairs, stairways and balconies immediately adjacent to each Apartment or shared by two Apartments, or to which each Apartment shall have direct access from the interior thereof as shown on Exhibit "B". In the case of those stairs and balconies which serve two apartments, they are to be considered Limited Common Elements for the use of those two Apartments.

3.3 Use of Common Elements: The use of the Common Elements shall be at all times subject to such reasonable rules and regulations (a copy of the original rules and regulations is attached hereto as Exhibit "C") as may be prescribed and established governing such use or which may hereafter be prescribed and established by the Association.

ARTICLE IV

ADDITIONAL PROPERTY

4.1 The Grantor herein expressly reserves the option and right to expand this Regime pursuant to Section 27-31-100(g) of the Act and subject to the provisions of this Article. The consent of the Association as defined herein shall not be required for such expansion and annexation, and the Grantor may proceed with such annexation or expansion at its sole option. This option to annex and expand the Regime shall expire five (5) years after the date of recording of this Master Deed if not sooner exercised; however, the Grantor may at any time prior to the expansion or annexation of Additional Property as defined herein terminate its option to expand or annex by recording among the land records wherein this Master Deed is recorded and executed a notarized document terminating this option.

4.2 The property shall be referred to as Phase II and Phase III with Phase II being contiguous to Phase I and containing approximately 4.0 acres and with Phase III being contiguous to Phase II and containing approximately 3.5 acres (Phase II and Phase III hereinafter referred to as "Additional Property"). In the event the Grantor exercises its right and option to add Phase II and Phase III or

any part of it, the property of said Phase will become an integral part of Springwood Villas Horizontal Property Regime once appropriate amendments to this Master Deed have been filed as hereinafter provided. Phase II shall consist of not more than seventy-two (72) Apartments and Phase III shall consist of not more than sixty (60) Apartments.

4.3 The improvements to be placed upon Additional Property will be comparable with the improvements in Phase I and will be of the same or similar quality of construction and material and the architectural style will be substantially similar to the improvements in Phase I. The Apartments to be created in Additional Property will be substantially similar to the Apartments in Phase I, however, the Grantor reserves the right to change size, the design, and mix of the Apartments.

4.4 The Grantor reserves the right to create Common Elements and Limited Common Elements within the Additional Property.

4.5 In the event the Grantor determines to exercise this option to expand and annex, it shall have all easements necessary to carry forth the said expansion.

4.6 Any such expansion or annexation shall be accomplished by the recordation among the land records for Beaufort County, South Carolina of an Amendment to this Master Deed.

4.7 The Grantor reserves unto itself, its successor and assigns to market and convey the Apartments contained in any one building in both Phase II and Phase III under a plan of Interval Ownership.

4.8 There is hereby reserved unto the Grantor an irrevocable power of attorney, coupled with an interest, for the purpose of reallocating the percentage interest in voting rights appurtenant to each Apartment in the Regime in accordance with the provisions of this Master Deed and to execute, acknowledge, and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Paragraph. Each owner and each mortgagee of an Apartment in Springwood Villas, a Horizontal Property Regime, shall be deemed to have

acquiesced in amendments to this Master Deed and in amendments to Exhibit B for the purposes of annexation of Phase II and Phase III, into the Regime, and shall be deemed to have granted unto the Grantor an irrevocable power of attorney coupled with an interest to effluuate, execute, acknowledge, to deliver any such amendments and each such Apartment owner and mortgagee shall be deemed to have agreed and consented to execute such further instruments, if any, as may be required by the Grantor, its successors or assigns to promptly accomplish such amendments.

ARTICLE V.

NAMF

The Property shall be hereinafter named SPRINGWOOD VILLAS APARTMENTAL PROPERTY REGIME.

ARTICLE VI.

PERCENTAGE OF OWNERSHIP

The percentage of title and interest appurtenant to each Apartment and the Apartment Owners title and interest in the Common Elements and Limited Common Elements and their proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the Association is based on the proportionate value of each Apartment to the value of the total Property as set forth in Exhibit "D" attached hereto and made a part hereof. The proportionate representation for voting purposes and the percentage of the undivided interest in the Common Elements and Limited Common Elements shall not be altered without the acquiescence of the co-owners representing all of the Apartments and their mortgagees except as provided in Article IV herein with regard to the amendment of this Master Deed to admit Phase II and Phase III Apartments into this Regime. An Owner's acceptance of a deed to an apartment constitutes his consent to the Grantor's right to add Phase II and Phase III in accordance with this Master Deed. The value assigned to each Apartment is for purposes of determination of the proportionate representation for voting and ownership interest and does not reflect the actual market value of the Apartment at any given time.

ARTICLE VI.

ASSOCIATION

The Association shall administer the Regime in accordance with the provisions of this Master Deed and the By-Laws which are attached hereto as Exhibit "E" and are made a part hereof.

ARTICLE VII.

CONDOMINIUM OWNERSHIP

To further implement this plan of Condominium ownership, to make feasible the ownership and sale of Apartments in the Regime, to preserve the character of the Condominium and to make possible the fulfillment of the purpose of cooperative living intended, the Grantor, its successors and assigns, by reason of this Master Deed, and all future Owners of Apartments in the Regime by their acquisition of title thereto, covenant and agree as follows: Each Apartment shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be leased, conveyed, devised, inherited, transferred, or encumbered along with its allocated percentage in the Common Elements and Limited Common Elements, in the same manner as any other parcel or real property, independently of all other Apartments, subject only to the provisions of this Master Deed, By-Laws of the Association, and the Act. Additionally, the undivided interest in the Common Elements and Limited 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 of the Apartment or other instrument.

ARTICLE VIII.

AMENDMENT

This Master Deed may be amended by the affirmative vote of the Owners of sixty-six and two-thirds (66-2/3%) percentage in interest in the Property and consent of holders of mortgages on Apartments having sixty-six and two-thirds (66-2/3%) percentage of interest in the Property based on the percentage interest set forth in Exhibit "D" No

such amendment shall be in effect until recorded in the Office of the Clerk of Court for Beaufort County, South Carolina. Provided, however, that this Master Deed may not be amended so as to deprive the Grantor of the rights granted or retained herein or to impose any additional duties, financial or otherwise, upon the Grantor without the consent in writing of the Grantor. Also, this Master Deed may not be amended in any way without the written consent of the Grantor until such time as the Grantor elects to terminate its control of the Association. The Grantor reserves the right to make changes in the Master Deed, whether to correct typographical or similar errors, provided that any such corrections shall not adversely affect the interest of any Owner, by recording an appropriate document in the Office of the Clerk of Court for Beaufort County. Any such corrected documents need to be executed by the Grantor only until the Grantor has transferred title of all Apartments including any additional phase as provided for herein or until such time as the Grantor elects to terminate control of the Condominium, whichever shall first occur.

ARTICLE IX.

COMMON EXPENSES

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

9.1.1 Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements and Limited Common Elements.

9.1.2 Expenses incurred in administering the affairs of the Association including salaries, wages, and any compensation paid to a management firm for such purpose.

9.1.3 Expenses incurred in providing public liability insurance and hazard insurance adequate to cover the Property, exclusive of contents and furnishings contained in individual Apartments.

9.1.4 Contributions to provide sufficient reserves to
make such major repairs or replacements to the Common Elements and
limited Common Elements as may be required from time to time.

9.1.5 Any other costs related to the operation of the
Property or administration of the affairs of the Association.

9.2. Assessments. All assessments of Common Expenses that be
required by the Board and made payable at such times as the Board
determines, but not less frequently than quarterly.

9.3. Liability of Owner. No Owner may exempt himself from
liability for Common Expenses by waiving the use or enjoyment of the
Common Elements or by abandoning his Apartment.

9.4. Lien Upon Apartment. All assessments of the Association
for the share of Common Expenses chargeable to any Apartment which are
unpaid after becoming due shall constitute a lien against such Apartment
prior and superior to all other liens except: (i) liens for property
taxes upon the Apartment in favor of any taxing authority; and (ii)
mortgage liens duly recorded prior to such delinquency. The lien of
such assessments may be foreclosed by the Board acting on behalf of the
Association in the same manner as a mortgage upon real property. In the
event of foreclosure the Owner shall be required to pay a reasonable
rental for the Apartment 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 Association, may bring suit for judgments
against the 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.

9.5. Foreclosure Purchaser. If the Institutional Mortgagee of
an Apartment acquires title by foreclosure of its mortgage, or by deed
in lieu of foreclosure, or if a purchaser acquired title at a
foreclosure sale, such purchaser shall not be liable for the share of

Common Expenses assessed by the Association upon the Apartment so acquired 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 Owners, including such purchaser, his successors, heirs, and assigns. The provisions of this section, however, shall not release any Owner from personal liability for unpaid assessments.

9.6. Records. The Board, or a management firm, 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 Property. Such records, together with the vouchers authorizing payments, shall be available for examination by the Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

ARTICLE X.

RESTRICTIONS, COVENANTS, EASEMENTS

10.1. Covenant to Comply with Restrictions and Obligations.

Each Owner by acceptance of a deed to an Apartment ratifies and covenants to observe in behalf of himself, his heirs, successors, and assigns, the following:

10.1.1 The covenants, restrictions and affirmative obligations recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 78 at Page 306, Deed Book 206 at Page 1143, Deed Book 274 at Page 1255, and any applicable recorded additions and amendments thereto.

10.1.2 This Master Deed, the By-Laws, decisions and resolutions of the Association, 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.

10.1.3 A Declaration of Interval Ownership if recorded prior to the conveyance of any Apartment.

10.2. Utility Easements. Each owner shall have a non-exclusive easement appurtenant to his Apartment for the use in common with other owners of all pipes, wires, ducts, lines, cables, conduits, public utility lines, and other Common Elements or Limited Common Elements located on any other Apartment or within the Common Element and serving his Apartment.

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

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

10.5. Public Utility Easements. The 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 Property. If the location or nature of any utility easement is adverse to the Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Association.

ARTICLE XI.

INSURANCE

11.1. Hazard Insurance. The Board shall insure the 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 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 Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual Apartments.

11.1.1 All hazard insurance policies obtained by the Board shall designate the Board as the named insured as Insurance Trustee for the benefit of all Apartment 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.

11.1.2 All hazard insurance policies obtained by the Board 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.

11.1.3 If obtainable, all hazard insurance policies upon the Property shall include provisions waiving; (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Apartment Owners and their

servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Owners for the contents and furnishings of their Apartments.

11.2. Public Liability Insurance. The Board may obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable.

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

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

11.5. Insurance by Apartment Owner. Each Apartment Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, 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.

11.6. 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 XII.

RECONSTRUCTION AND REPAIR

12.1. Reconstruction. In the event of casualty loss or damage to the Property, the Board 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. Reconstruction or repair shall be mandatory. Repairs shall be conducted in the following manner:

12.1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the property unless the Apartment Owners holding more than (75%) percent of the total interest in Common Element and their mortgagees, if any, vote to accept different plans and specifications and all owners whose Apartments are affected by the alterations unanimously concur.

12.1.2 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.

12.1.3 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 to the Owners whose Apartments are directly affected by the damage in proportion to the damage done in their respective Apartments.

12.1.4 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 Apartment Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association.

12.2. Insurance Trust. In the event of a casualty loss to the 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 Association, the Owners, and their respective mortgagees in the following shares:

12.2.1 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 appurtenant to each of the Apartments.

12.2.2 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 Owners of the damaged Apartments in proportion to the costs of repairing each damaged Apartment.

12.2.3 In the event a Certificate of Insurance has been issued to an Owner bearing an Institutional mortgagee endorsement, the share of the Owner shall be held in trust for the Institutional Mortgagee and the Owner as their interests may appear; provided, however, that no Institutional 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 Institutional 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 Owners and their respective Institutional Mortgagee pursuant to the provisions of this Master Deed.

12.3 Adjustment. Each Owner shall be deemed to have delegated to the Board its right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of Institutional Mortgagees of such Apartment Owners.

ARTICLE XIII.

TERMINATION

13.1. Casualty or Condemnation. If two-thirds (2/3) or more of the Property is substantially destroyed or taken by condemnation, the Property may be removed from the provisions of this Master Deed and the Act.

13.2. Voluntary Termination. This horizontal property regime may also be terminated, removing the Property from the provisions of this Master Deed and the Act, if the record owners of title to the Apartments and the record owners of mortgages upon the Apartments agree

in a written instrument to termination unanimously or in such percentage as may then be required for termination by the Act. Termination shall become effective upon recording of such written instrument, duly executed by the requisite number of Owners and Institutional Mortgagees.

13.3. Ownership Upon Termination. Upon termination of this Regime, the Owners shall own the Property to tenants in common in undivided shares and the holders of mortgages and liens upon the Apartments shall have mortgages and liens upon the respective undivided common interest of the Owners. The undivided share of each tenant in common shall be the same as the undivided interest in Common Elements prior to termination. Any asset of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the Owners as tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

13.4. Partition. After termination, the Property shall be subject to an action for partition by any Owner in which event the net proceeds from the judicial sale shall be divided among all Owners in proportion to their respective interest in Common Elements and paid to each Owner and Institutional Mortgagee.

ARTICLE XIV.

RIGHTS OF DEVELOPER TO REPRESENTATION

ON BOARD OF DIRECTORS

14.1 So long as the Grantor is the Owner of three (3) or more Apartments in the Regime, the said Grantor shall have the right to designate and select all of the persons who shall serve as members of each Board of Directors of the Association. Whenever the Grantor shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be provided in the By-Laws of the Association, and the Developer shall have the right to remove any person or persons selected by it to act and serve on said Board of

Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed for the remainder of the unexpired term of any director or directors so removed. Any director designated and selected by the Grantor need not be a resident in the Regime. Anything to the contrary notwithstanding, the power in the Developer to designate directors shall terminate five (5) years from the date of recording this Master Deed.

14.2 Any representative of the Grantor serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any management contract or other matter between the Grantor and the Association where the Grantor may have a pecuniary or other interest. Similarly, the Grantor as a member of the Association shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between the Grantor and the Association where the Grantor may have a pecuniary or other interest.

ARTICLE XV.

MISCELLANEOUS PROVISIONS

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

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

15.3. 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.

15.4. 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 requires.

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

15.6. 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:

PAW Partnership, a South Carolina
limited partnership

[Signature]
[Signature]

By: Jerry Whitlow

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

PROBATE

PERSONALLY appeared before me MARTY A. DAVID
who, on oath, says that she saw the within named PAW Partnership, a
South Carolina limited partnership, by JERRY WHITLOW,
its authorized General Partner, sign the within Master Deed, and as its
act and deed, deliver the same, and that she with EDWARD M.
HUGHES witnessed the execution thereof.

SWORN to before me this

7th day of OCTOBER, 1982.

Edward M. Hughes (L.S.)
Notary Public for South Carolina

My Commission Expires: 11/1/84

<u>UNIT</u>	<u>STYLE</u>	<u>STATUTORY VALUE</u>	<u>PERCENTAGE OF OWNERSHIP</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE II*</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE III**</u>
86	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
87	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
88	2 bedroom flat	109,000.00	.013516	.006759	.004770
89	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
90	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
91	2 bedroom flat	109,000.00	.013516	.006759	.004770
92	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
93	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
94	3 bedroom flat	125,000.00	.015500	.007750	.005471
95	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
96	3 bedroom townhouse	<u>123,000.00</u>	<u>.015253</u>	<u>.007626</u>	<u>.005383</u>
TOTALS		\$8,064,000.00	0.999948	0.499980	0.352944

* The percentage of ownership shown after the completion of Phase II is based on the assumption that seventy-two (72) Apartments will be constructed therein. If the Grantor elects to construct fewer Apartments in Phase II, the percentage of ownership attributable to each Apartment shall increase. Such increase shall be set forth in the Amendment to the Master Deed submitting Phase II.

** The percentage of ownership shown after the completion of Phase III is based on the assumption that sixty (60) Apartments will be constructed therein. If the Grantor elects to construct fewer Apartments in Phase III, the percentage of ownership attributable to each Apartment shall increase. Such increase shall be set forth in the Amendment to the Master Deed submitting Phase III.

EXHIBIT "A"

All that certain piece, parcel or tract of land, together with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina containing 4.009 acres and being known as Springwood Villas as shown on a plat entitled "Springwood Villas - Phase I" prepared by Coastal Surveying Co., Inc. dated October 7, 1977 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 48 at Page 311 and being more particularly described and shown on said plat, which plat is incorporated herein and made a part hereof by reference.

Also, a non-exclusive easement and right-of-way for access, egress and ingress to and from the property described above and any improvements now or hereafter contained therein across the "access roadway easement" from DeAllyon Avenue as shown on said plat.

EXHIBIT "A"

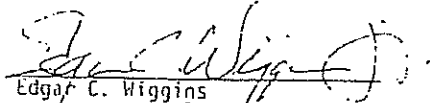
All that certain piece, parcel or tract of land, together with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina containing 4.009 acres and being known as Springwood Villas as shown on a plat entitled "Springwood Villas - Phase I" prepared by Coastal Surveying Co., Inc. dated October 7, 1982 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book _____ at Page 141 and being more particularly described and shown on said plat, which plat is incorporated herein and made a part hereof by reference.

Also, a non-exclusive easement and right-of-way for access, egress and ingress to and from the property described above and any improvements now or hereafter contained therein across the "access roadway easement" from DeAllyon Avenue as shown on said plat.

FILED	BEAUFORT	RECORDED
AT	COUNTY	IN
	S. C.	BOOK
10:30		355
O'CLOCK	OCT 8 1982	PAGE
A. M.		832
CLERK OF COURT OF COMMON PLEAS		

EXHIBIT "I"

Pursuant to S.C. Code Ann. § 47-3-110 (1976), I certify that the above Plans described in this Master deed fully depict (within reasonable construction tolerance) the layout, location, number, identification, and dimension of the buildings and improvements contained in Phase I of the Regime.



Edgar C. Wiggins
Lic. No. 803
Architect, Registered South Carolina

Wilton Head Island, South Carolina

October 7, 1982.

EXHIBIT "C"

INITIAL RULES AND REGULATIONS

1. No pets.
2. Bikes must be parked in service yards.
3. No clothing, towels, suits, etc., on balcony rails.
4. Children 10 years and younger must be accompanied by an adult while at the pool. The pool is closed at 10:00 P.M.
5. No glass bottles, etc., allowed in pool or pool area. Posted pool rules must be followed by order of S.C. Health Department.
6. Lock all doors and windows when you leave your villa.

7. All curtains and window dressings must be lined with white fabric.

The Board of Directors reserves the right to ADD TO, REVOKE, CHANGE, AMEND or INTERPRET these rules and regulations as they deem in the best interest of the health, safety and welfare of the owners and the property.

EXHIBIT "H"

<u>Unit</u>	<u>STYLE</u>	<u>STATUTORY VALUE</u>	<u>PERCENTAGE OF OWNERSHIP</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE 11A</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE 11B</u>
25	3 bedroom flat	\$ 125,000.00	.015500	.007750	.005471
26	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
27	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
28	2 bedroom flat	109,000.00	.013516	.006759	.004770
29	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
30	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
31	2 bedroom flat	109,000.00	.013516	.006759	.004770
32	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
33	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
34	3 bedroom flat	125,000.00	.015500	.007750	.005471
35	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
36	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
37	3 bedroom flat	125,000.00	.015500	.007750	.005471
38	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
39	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
40	2 bedroom flat	109,000.00	.013516	.006759	.004770
41	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
42	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
43	2 bedroom flat	109,000.00	.013516	.006759	.004770
44	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
45	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
46	3 bedroom flat	125,000.00	.015500	.007750	.005471
47	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
48	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
49	3 bedroom flat	125,000.00	.015500	.007750	.005471
50	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
51	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
52	2 bedroom flat	109,000.00	.013516	.006759	.004770
53	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
54	2 bedroom townhouse	105,000.00	.013020	.006510	.004596

<u>UNIT</u>	<u>STYLE</u>	<u>STATUTORY VALUE</u>	<u>PERCENTAGE OF OWNERSHIP</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE II*</u>	<u>PERCENTAGE OF OWNERSHIP AFTER PHASE II</u>
55	3 bedroom flat	109,000.00	.013516	.006759	.004770
56	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
57	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
58	3 bedroom flat	125,000.00	.015500	.007750	.005471
59	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
60	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
61	3 bedroom flat	125,000.00	.015500	.007750	.005471
62	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
63	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
64	2 bedroom flat	109,000.00	.013516	.006759	.004770
65	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
66	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
67	2 bedroom flat	109,000.00	.013516	.006759	.004770
68	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
69	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
70	3 bedroom flat	125,000.00	.015500	.007750	.005471
71	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
72	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
73	3 bedroom flat	125,000.00	.015500	.007750	.005471
74	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
75	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
76	2 bedroom flat	109,000.00	.013516	.006759	.004770
77	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
78	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
79	2 bedroom flat	109,000.00	.013516	.006759	.004770
80	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
81	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
82	3 bedroom flat	125,000.00	.015500	.007750	.005471
83	2 bedroom townhouse	105,000.00	.013020	.006510	.004596
84	3 bedroom townhouse	123,000.00	.015253	.007626	.005383
85	3 bedroom flat	125,000.00	.015500	.007750	.005471