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DATE: 11/07/2006 10:01:31 AM
INST # 2006089411 RCPT# 453866

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

AMENDED AND RESTATED
MASTER DEED
OF
HERITAGE VILLAS
HORIZONTAL PROPERTY REGIME XXII

RECORDED
2006 Dec -22 08:40 AM
Sharon O. Burns
BEAUFORT COUNTY AUDITOR

WHEREAS, The Landmarks Group, Inc., a Georgia corporation did, pursuant to the Horizontal Property Act of South Carolina, prepare and file with the Officer of the Register of Deeds a certain Master Deed captioned "Master Deed of Heritage Villas Horizontal Property Regime XXII, for the purpose of creating a horizontal property regime and establishing certain easements, covenants and restrictions to run with the land; and

WHEREAS, said Master Deed was in fact recorded in the Office of the Register of Deeds for Beaufort County, in Deed Book 214, Page 1197, on October 5, 1973; and

WHEREAS, said Master Deed, along with the Bylaws adopted pursuant thereto, have governed and controlled that certain property situate in Sea Pines Plantation, Hilton Head Island, South Carolina, as described on Exhibit "A" thereto, since the recording of the Master Deed; and

WHEREAS, at a date subsequent thereto, the Grantor, The Landmarks Group, Inc., did transfer ownership and control of the aforesaid Heritage Villas Horizontal Property Regime XXII to the Heritage Villas Owners Association on or about 1974; and

WHEREAS, over the passage of years various provisions contained in the aforesaid Master Deed and Bylaws have become outdated and in need of amendments; and

WHEREAS, in response thereto the Bylaws of the Heritage Villas Horizontal Property Regime XXII were previously amended by an amendment filed in the officer of the Register of Deeds for Beaufort County on February 22, 1983 in Book 364, at page 521; and

WHEREAS, no amendment to the Bylaws or Master Deed have been made since the aforesaid amendment in February 1983; and

WHEREAS, with the passage of time, numerous provisions contained in the aforesaid Master Deed and Bylaws have become outdated and in need of amendments; and

WHEREAS, the current Board of Directors of the Heritage Villas Owners Association did, in 2005, determine that it was in the best interest of the Association that the Master Deed and Bylaws be amended and restated to address changes in various circumstances affecting the Regime at that time; and

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BEAUFORT COUNTY TAX MAP REFERENCE

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WHEREAS, the Board of Directors did submit to the Owners their proposed amendments to the Master Deed and Bylaws of Heritage Villas Horizontal Property Regime; and

WHEREAS, at a special meeting of the Association duly noticed in accordance with the requirements of the Bylaws, and held on April 21, 2006, the proposed amendments were submitted to a vote of the Association; and

WHEREAS, said special meeting was ultimately recessed from time to time and then reconvened on June 9, 2006; and

WHEREAS, on June 9, 2006, at the reconvened special meeting the Association, by a vote of Seventy Six and two/tenths (76.2%) percent, did approve the proposed amendments to the Master Deed and Bylaws; and

WHEREAS, the Association did further approve that the Association, by and through its President, should cause the amendments to be recorded of record in the Office of the Register of Deeds for Beaufort County, South Carolina; and

WHEREAS, the President, pursuant to said directive, has caused all of the amendments approved by the Association, together with the amendments previously approved by the Association, to be incorporated herein in this Amended and Restated Master Deed; and

WHEREAS, this Amended and Restated Master Deed; is being submitted this date to the Office of the Register of Deeds for Beaufort County, South Carolina, for the purpose of amending and restating the terms and conditions of that certain Horizontal Property Regime known as Heritage Villas Horizontal Property Regime XXII and redefining those certain easements covenants and restrictions running with the land thereof.

NOW, THEREFORE, pursuant to the vote of the Association:

W I T N E S S E T H

ARTICLE I

THE PROPERTY

A. Property. As used herein, the term "Property" means and includes the land hereinafter identified and all improvements and structures now existing or hereafter placed thereon by Grantor and all easements, rights and appurtenances belonging thereto.

B. Land. The land ("Land") which is subject to this Master Deed is that certain tract or parcel described in Exhibit "A" attached hereto and consisting of 13.94 acres. The Land is owned by Grantor in fee simple subject to certain liens and encumbrances and is more particularly described and delineated on the plot plan (the "Plat") entitled "Heritage Villas" recorded in Plat Book 21 at Page 125 in the Office of the Clerk of Court for Beaufort County, South Carolina.

C. Dwellings. Grantor has constructed, as part of the Property, twenty-two (22) buildings covering a total ground area of 2.39 acres and containing a total of one hundred ten (110) residential apartments ("Dwellings"). The Dwellings consist of seven (7) types as follows:

A1 -- A two-story, three-bedroom townhouse containing 1608 square feet of interior floor space, excluding walls and partitions;

A2 -- Similar in all respects to A1 except that it is the mirror image of A1;

B1 -- A two-story, two-bedroom townhouse containing approximately 1282 square feet of interior floor space, excluding walls and partitions;

B2 -- Similar in all respects to B1 except that it is the mirror image of B1;

B3 -- A two-story, two-bedroom townhouse containing approximately 1264 square feet of interior floor space, excluding walls and partitions;

C1 -- A three-story, four-bedroom townhouse containing approximately 1813 square feet of interior floor space, excluding walls and partitions; and

C2 -- Similar in all respects to C1 except that it is the mirror image of C1.

The Dwellings are more particularly described as to number, location and type on the Plat and in Exhibit "B" attached hereto. Each Dwelling encompasses and includes all that portion of a building designated on the Plat as a Dwelling and consisting of all living and storage space bounded by the upper surface of the foundation slab or the sub-flooring, by the unexposed surfaces of the drywall or plastering forming interior walls and ceilings, and by the exterior surfaces of windows and window frames and of exterior doors and door frames; and all flooring, floor covering, tile, plaster, wall board, paint, wall covering, doors, door frames, windows, window frames, cabinets, fixtures, appliances and other building materials within the space so bounded. Each Dwelling also includes the heating and air conditioning equipment (condensing/compressor and air handler/furnace) and the water heater serving such Dwelling exclusively, regardless of where situated.

D. Common Elements. All portions of the Property not encompassed and included within the various Dwellings are part of the common elements (the "Common Elements") of the property. The Common Elements include, without limitation, the Land and all parking areas, walkways, paths, yards, gardens, trees and shrubs located thereon; the foundations, framing, exterior walls, party walls, and roofs of the buildings; the ducting, electrical wiring, and water and sewer pipes serving each individual Dwelling up to the point that it enters the Dwelling, as defined, under Section C above; the swimming pool and the mechanical equipment associated therewith; all devices or installations existing for common use; and all other elements of the Property rationally of

unless specifically included with a Dwelling. Ownership of the Common Elements is apportioned among and appurtenant to the individual Dwellings according to Dwelling type as follows:

A1	0.9533%
A2	0.9533%
B1	0.8286%
B2	0.8286%
B3	0.8286%
C1	1.0440%
C2	1.0440%

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

E. Limited Common Elements. The service area and the patio or deck immediately adjacent to a Dwelling are limited common elements ("Limited Common Elements") which are reserved for the use of such Dwelling to the exclusion of the other Dwellings.

F. Values. The value of each type of Dwelling is as follows:

A1	\$81,000.00
A2	\$81,000.00
B1	\$70,400.00
B2	\$70,400.00
B3	\$70,400.00
C1	\$88,700.00
C2	\$88,700.00

The value of the Property based upon the foregoing Dwelling values is \$8,496,400.00. Such values are set forth only for the purpose of apportioning the ownership of the Common Elements among the Dwellings and shall not be deemed to limit the price for which the Property or any Dwelling may be sold or exchanged.

G. Name. The name by which the horizontal property regime shall be known is "Heritage Villas Horizontal Property Regime XXII."

ARTICLE II

THE ASSOCIATION

A. Formation. Every owner, as hereinafter defined, shall be a member of and constitute the council of co-owners (the "Association"), an unincorporated association which shall be managed by a board of administrators (the "Board of Directors") elected by and from the Owners and by a professional administrator (the "Manager") if the Board of Directors so elect.

B. Owner. As used herein, the term "Owner" means as individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, who owns a Dwelling.

C. Bylaws. The association and the administration of the Property shall be governed by the bylaws (the "Bylaws") annexed hereto. The Bylaws may be modified or amended only in the manner set forth in Article VII hereof.

D. Voting. On all matters relating to the Association or to the Property upon which a vote of the Owners is conducted, the Owners shall vote in proportion to their respective interests in the Common Elements. All action taken by a vote of the Owners shall be by the affirmative vote of a Majority of the Owners, as hereinafter defined, unless a different majority is specified in this Master Deed or in the Bylaws.

E. Majority. When used in this Master Deed, "Majority of the Owners" means the Owners of fifty-one (51%) percent or more of the basic value of the Property as a whole, in accordance with their interests in the Common Elements.

ARTICLE III

COMMON EXPENSES

A. Expenses. The Owners shall bear in proportion to their respective interests in the Common Elements the following expenses ("Common Expenses"):

1. Expenses of administration, maintenance, repair or replacement of the Common Elements;
2. Expenses declared to be Common Expenses by the Act, this Master Deed or the Bylaws; and
3. Expenses agreed upon as Common Expenses or lawfully assessed against the Owners as a group by the Association.

No owner, including Grantor, shall be required to bear any portion of the Common Expenses on account of any Dwelling which is not completed and ready for occupancy. During the period in which any Dwelling is not completed and ready for occupancy, the Common Expenses shall be borne entirely by the Owners of such Dwellings as are completed and ready for occupancy in proportion to the respective interests of such Owners in the Common Elements. Nothing herein shall be construed to relieve any Owner of the duty to pay their portion of the common expenses arising out of their ownership of a Dwelling which, as a result of casualty or natural disaster, is uninhabitable for a period of time.

B. Income. All income, rents, profits and revenues received by the Association shall be applied and expended in the following order:

1. To the payment of expenses incurred in generating or collecting such income, rents, profits and revenues;

2. To the payment of Common Expenses;

3. To distributions to the Owners in proportion to their respective interests in the Common Elements.

C. Liability of Owner. No Owner may exempt himself from Liability for his contribution towards the Common Expenses by Waiver of the use or enjoyment of the Common Elements or by abandonment of his Dwelling.

D. Sale of Dwelling. Upon the sale or conveyance of a Dwelling, all unpaid assessments against an Owner for his pro rate share of the Common Expenses shall first be paid out of the sales price of by the acquirer in preference over any other assessments or charges of whatever nature except the following:

1. Assessments, liens and charges for taxes past due and unpaid on the Dwelling; and

2. Payments due under mortgage instruments or encumbrances duly recorded.

E. Lien on Dwelling. All sums assessed by the Association but unpaid for the share of the Common Expenses chargeable to any Dwelling shall constitute a lien on such Dwelling prior and superior to all other liens except only (I) tax liens on the Dwelling in favor of any assessing unit, and (ii) mortgage and other liens, duly recorded, encumbering the Dwelling. Such lien may be foreclosed by suit by the Manager or the Board of Directors, acting on behalf of the Association, in like manner as a mortgage of real property. In any such foreclosure the Owner shall be required to pay a reasonable rental for the Dwelling after the commencement of the foreclosure action, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The Manager or the Board of Directors, acting on behalf of the Association, shall have power to bid for the Dwelling at any foreclosure sale and to acquire, hold, lease, mortgage, encumber and convey the same. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same.

F. Foreclosure Purchaser. Where the mortgagee of any mortgage of record or other purchaser of a Dwelling obtains title to the Dwelling as a result of foreclosure of such mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Dwelling accruing after the date of recording such mortgage but prior to the acquisition of title to such Dwelling by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Owners, including such acquirer, his successors and assigns.

G. Records. The Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Property and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses

incurred. Both said book and vouchers accrediting the entries made thereupon shall be available for examination by all the Owners at convenient hours on working days that shall be set and announced for general knowledge.

ARTICLE IV

EASEMENTS, COVENANTS AND RESTRICTIONS

A. Use of Property. Each Owner shall be entitled to the exclusive ownership and possession of his Dwelling and may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of other Owners.

B. Utility Easements. There shall be appurtenant to each Dwelling a non-exclusive easement for use of all pipes, wires, cable, conduits, utility lines, flues and ducts serving such Dwelling and situated in any other Dwelling. Each Dwelling shall be subject to an easement in favor of other Dwellings for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated in such Dwelling and serving such other Dwellings.

C. Encroachments. If any portion of the Common Elements now encroaches upon any Dwelling, or if any Dwelling now encroaches upon any other Dwelling or upon any portion of the Common Elements or if any such encroachment shall occur hereafter as a result of (i) settling of a Dwelling or Dwellings; (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the Association; (iii) repair or reconstruction of a Dwelling or Dwellings following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

D. Right of Access. The Association shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Dwelling from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Dwelling.

E. Maintenance of Common Elements. The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed and the Bylaws.

F. Unapproved Work.

1. (a) No Owner, or anyone acting on their behalf, shall do any work upon or impact any portion of the improvements of the property beyond that which is defined as the Dwelling of the Owner without first submitting the plans therefor to the Board of Directors for review. Should the Board, upon preliminary review, have any concerns that the proposed changes might impact the structural load bearing elements of the property, then upon the Board's request, the Owner shall provide

the Board with a Structural Engineering Certificate by a licensed engineer stating that such will not be affected, or, if it will be affected, what additional work by Owner shall be required to ensure the structural integrity of the Dwelling and all adjoining Dwellings. Once any and all requests for additional information have been complied with by the Owner, the Board shall determine whether to conceptually approve the proposed work. Upon the written approval of the Board, which will be an approval in concept only, the Owner may proceed to have the work performed, provided the person performing the work is a licensed contractor, who is fully insured, and further, provided an appropriate building permit, if necessary, is obtained from the Town of Hilton Head. Upon completion of the project, Owner shall furnish to the Board an as-built set of drawings depicting exactly what work was in fact actually performed in the Dwelling.

(b) To the extent that additional insureds may be named under a contractor's insurance for specific projects, the Owner is responsible for including the regime and the Board as additional insureds under said policy for any work being performed upon any portion of the property. Any work performed is done at the sole risk of the Owner, who, along with the Contractor, shall be solely responsible for any damage to the subject Dwelling, any other Dwellings within the regime and/or the Common Property which in any way arises out of or is a direct or proximate result of the work performed by the Owner or any representatives hired by him.

(c) The approval of the Board as referenced above shall in no way be construed as relieving the Owner of the sole responsibility for any damages arising out of the work performed. Nothing hereinabove shall be deemed to circumvent the association's statutory duty to insure the property. Should the association be statutorily required to cover any such loss, then the requirements set forth above shall be construed as requiring the Owner, and/or contractor to cover any and all damages not covered under the association's insurance policy, including any deductibles or other uninsured losses.

2. To the extent any Owner commences any work upon the property in violation of the provisions set forth hereinabove, the association shall be entitled to the immediate issuance of a Temporary Restraining Order prohibiting any further work to be performed upon the property, and upon a full hearing, to an Order requiring the Owner to remove any work performed in violation of the above requirements and the restoration of the property to the state in which it existed prior to performance of the unapproved work.

3. Any Owner that performs any work in conformity with the requirements of Sub-Paragraph 1 above, shall, upon the sale of their property, have the affirmative duty to notify and inform a prospective purchaser that modifications to the Dwelling have been affected with the knowledge and consent of the Board, but with the warning that the new Owner will be assuming any and all liability arising out of any defects in any of the work as contracted for by the current or previous Owner. Said notice shall be in writing and specifically direct any prospective purchasers to the relevant portions of this article of the Master Deed, so that they may fully understand their responsibility with regard to the modifications that have been affected to the Dwelling.

G. Partition. The Common Elements shall remain undivided and no Owner or any other person shall bring any action for partition or division of any part thereof, unless the Property has been removed from the provisions of the Act in the manner therein provided. Any covenant to the contrary shall be null and void.

H. Sea Pines Easements, Covenants and Restrictions. The Property and each Dwelling shall be subject to the easements, covenants and restrictions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 124 at page 35, in Deed Book 168 at page 54, and in Deed Book 206 and page 560, and in Deed Book 211 at page 1561, as amended from time to time.

ARTICLE V

INSURANCE

The Association shall insure the Property against risks, without prejudice to the right of each Owner to insure his Dwelling on his own account and for his own benefit.

ARTICLE VI

REPAIR AND RESTORATION

A. Reconstruction. In case of fire or any other disaster, the indemnity from any insurance obtained by the Manager or the Board of Directors shall, except as herein provided, be applied to reconstruct the Property. Reconstruction shall not be compulsory where it comprises the whole or more than two-thirds (2/3rds) of the Property. In such case, and unless otherwise unanimously agreed upon by the Owners, the indemnity shall be delivered pro rata to the Owners entitled to it in accordance with provisions made in the Bylaws or in accordance with the decision of three-fourths (3/4ths) of the Owners if there is no Bylaws provision. Should it be proper to proceed with the reconstruction, the provisions for such eventuality made in the Bylaws shall be observed, or, in lieu thereof, the decision of the Association shall prevail.

B. Costs. Where the Property is not insured or where the insurance indemnity is insufficient to cover the costs of reconstruction, the rebuilding

costs shall be paid by all the Owners directly affected by the damage, in proportion to the value of their respective Dwellings, or as may be provided in the Bylaws; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed with the reconstruction at the expense of all the Owners benefitted thereby, upon proper resolution setting forth the circumstances in the case and the cost of the works, with the intervention of the Association. The provisions of this paragraph may be changed by the unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

C. Damage to Dwellings. While generally an Owner is responsible for the maintenance and repair of the area described in Article 1 sub section C above, as being included in a Dwelling, notwithstanding the generality of the foregoing description of Dwelling boundaries, each Dwelling Owner shall also be responsible for any damage to the Dwelling itself or to any other Dwelling within the regime caused by a negligent action or inaction within the Owner's Dwelling, which directly or indirectly causes damage to another Owners Dwelling or to the Owners Dwelling itself. Notwithstanding the foregoing by allocating responsibilities in maintenance and repair to Owners, it is not the intention of the regime to effect the ultimate insurance obligations as well as the reconstruction obligations of the regime.

ARTICLE VII

AMENDMENTS

A. By Owners. This Master Deed and the Bylaws may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3rds) of the total interest in the Common Elements subject to the following conditions:

1. No amendment by the Owners shall alter the dimensions of a Dwelling or the percentage of the interest in the Common Elements appurtenant thereto without the consent of the Owner of such Dwelling; and

2. No amendment by the Owners shall be effective Prior to December 31, 1974, without the consent of Grantor so long as Grantor owns any Dwelling.

B. By Grantor. Grantor reserves the right to amend this Master Deed and the Bylaws at any time prior to December 31, 1974, without the consent of the Owners so long as Grantor owns any Dwelling, subject to the following conditions:

1. No amendment by Grantor shall divest an Owner of any portion of his Dwelling without the consent of such Owner;

2. No amendment by Grantor shall materially alter the plan of development set forth on the Plat without the consent of all Owners affected thereby.

C. Power of Attorney. Each Owner shall be deemed by his acceptance of a deed to a Dwelling to have consented to the powers of amendment herein reserved by Grantor and to any amendments previously or thereafter executed by Grantor pursuant thereto. Each Owner shall further be deemed by his acceptance of a deed to a Dwelling to have appointed Grantor his attorney-in-fact to give, execute and record the consent of said Owner to any and all amendments to this Master Deed which Grantor may wish to execute pursuant to the powers herein reserved.

D. Recording. No amendments to this Master Deed shall be effective unless and until recorded in accordance with the Act.

ARTICLE VIII

GRANTOR

A. Rights and Powers. Until December 31, 1974, or until Grantor no longer owns any Dwelling, whichever shall first occur, Grantor shall be entitled to exercise, without the consent of the Owners, all powers granted to the Owners or to the Board of Directors by the Act, this Master Deed, or the Bylaws, and any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved by Grantor. Grantor shall be entitled to withhold approval of any such action for any reason.

B. Successors. The term "Grantor" used in this Master Deed and in the Bylaws shall be deemed to include any person who succeeds to the title of Grantor to any portion of the Property by sale or assignment of all the interest of Grantor in the Property, if the instrument of sale or assignment expressly so provides, or by exercise of a right of foreclosure or power of sale granted in or conveyed by any mortgage, deed of trust or deed to secure debt given by Grantor and duly recorded prior to the recording of this Master Deed. Any such person shall be entitled to exercise all rights and powers conferred upon Grantor by the Act, this Master Deed, or the Bylaws.

ARTICLE IX

MISCELLANEOUS

A. Application. All Owners, tenants of Owners, employees of Owners and tenants, or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act and to this Master Deed and the Bylaws.

B. Compliance. Each Owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed or in the deed to the Dwelling of such Owner. Failure to comply with any of the same shall be ground for an action to recover sums due, or damages or injunctive relief, or both, maintainable by the Manager or the Board of Directors on behalf of the Association, or, in a proper case, by an aggrieved Owner.

C. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

D. Conflicts. This Master Deed is executed to comply with the requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall control.

E. Severability. The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.

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

G. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

H. Termination. All the Owners or the sole Owner of the Property may waive the horizontal property regime and regroup or merge the records of the Dwellings with the Common Elements, provided that the Dwellings are unencumbered or, if encumbered, that the creditors on whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the Property owned by the debtors.

IN WITNESS WHEREOF, the Association has executed this Amended and Restated Master Deed this 3 day of November, 2006.

HERITAGE VILLAS OWNERS ASSOCIATION

Signed, sealed and
Delivered in the
Presence of

By: Stuart W. Gibbs
Dr. Stuart Gibbs President

[Signature]
Witness

Attest: Don L. Gilbert
Don L. Gilbert Secretary

[Signature]
Witness

(CORPORATE SEAL)

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

Before me, the undersigned Notary Public, appeared Dennis R. Gerwing, who, being duly sworn, said that he saw HERITAGE VILLAS OWNERS ASSOCIATION, By Dr. Stuart Gibbs, its President, sign the within Amended and Restated Master Deed, and Don L. Gilbert, its Secretary, attest and seal the same, and that said Association, by said officers, deliver said Master Deed as its act and deed, and that he, with Christiana G. Martin, witnessed the same.

Sworn to before me this the 3 day of November, 2006.
Christiana G. Martin
Notary Public for South Carolina
My Commission Expires: 4/26/2011

[Signature]

EXHIBIT "A"
TO
MASTER DEED
OF
HERITAGE VILLAS
HORIZONTAL PROPERTY REGIME XXII

ALL that certain piece, parcel or tract of land situate, lying and being in Sea Pines Plantation on Hilton Head Island, Beaufort County, South Carolina, and being more particularly shown and described on a plat of 13.94 acres, a section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, prepared by Thomas & Hutton Engineering Company for The Landmarks Group, Inc. dated February 24, 1971, revised April 9, 1973. Said 13.94 acres commence at a concrete monument at its easternmost corner, which concrete monument is at the intersection of the northwesterly right-of-way line of Plantation Drive (60-foot right-of-way) and the southwesterly right-of-way line of Lighthouse Road (100-foot right-of-way); run thence South 54° 02' West along the right-of-way line of Plantation Drive a distance of 174.09 feet to a concrete monument; thence south 81° 07' West along said Plantation Drive right-of-way line a distance of 324.87 feet to a concrete monument; thence South 52° 44' West along said Plantation Drive right-of-way line 38.26 feet to a concrete monument; thence North 52° 52' West 1003.04 feet to a concrete monument; thence North 58° 15' East 268.72 feet; thence South 21° 21' East 99.70 feet; thence North 68° 39' East 130.37 feet; thence North 21° 35' West 27.91 feet; thence North 68° 31' East 130.92 feet; thence North 21° 15' West 21.82 feet; thence North 68° 33' East 130.17 feet; thence North 31° 22' West 121.33 feet; thence North 58° 15' East 117.51 feet to a concrete monument on the southwesterly right-of-way line of Lighthouse Road; thence in a southeasterly direction along said Lighthouse Road right-of-way line 229.24 feet along an arc of a curve to the right, said arc having a radius of 768.61 feet and subtending a central angle of 17° 05'; thence South 34° 16' East along said Lighthouse Road right-of-way line a distance of 693.27 feet to a concrete monument; thence South 38° 09' East along said Lighthouse Road right-of-way line a distance of 129.35 feet to the point of BEGINNING, all of which will more fully appear by reference to the above referred to plat.

EXHIBIT "B"
 TO
 MASTER DEED
 OF
 HERITAGE VILLAS
 HORIZONTAL PROPERTY REGIME XXII

<u>Dwelling Number</u>	<u>Building Number</u>	<u>Dwelling Type</u>
2201	1	B3
2202	1	B2
2203	1	C1
2204	1	C2
2205	1	B1
2206	1	A1
2207	2	B3
2208	2	B2
2209	2	A2
2210	2	A1
2211	3	B3
2212	3	B2
2213	3	C1
2214	3	C2
2215	3	B1
2216	3	A1
2217	4	A1
2218	4	A2
2219	4	B2
2220	4	B3
2221	5	A1
2222	5	B1
2223	5	C2
2224	5	C1
2225	5	B2
2226	5	B3
2227	6	A1
2228	6	A2
2229	6	B2
2230	6	B3
2231	7	A1
2232	7	B1
2233	7	C2
2234	7	C1
2235	7	B2
2236	7	B3
2237	8	A1
2238	8	A2
2239	8	B2
2240	8	B3

2241	9	A1
2242	9	A2
2243	9	B2
2244	9	B3
2245	10	A1
2246	10	A2
2247	10	B2
2248	10	B3
2249	11	A1
2250	11	B1
2251	11	C2
2252	11	C1
2253	11	B2
2254	11	B3
2255	12	A1
2256	12	B1
2257	12	C2
2258	12	C1
2259	12	B2
2260	12	B3
2261	13	A1
2262	13	B1
2263	13	C2
2264	13	C1
2265	13	B2
2266	13	B3
2267	14	A1
2268	14	B1
2269	14	C2
2270	14	C1
2271	14	B2
2272	14	B3
2273	15	A1
2274	15	A2
2275	15	B2
2276	15	B3
2277	16	A1
2278	16	B1
2279	16	C2
2280	16	C1
2281	16	B2
2282	16	B3
2283	17	A1
2284	17	A2
2285	17	B2
2286	17	B3
2287	18	A1
2288	18	A2
2289	18	B2
2290	18	B3

2291	19	A1
2292	19	B1
2293	19	C2
2294	19	C1
2295	19	B2
2296	19	B3
2297	20	A1
2298	20	A2
2299	20	B2
2300	20	B3
2301	21	A1
2302	21	A2
2303	21	B2
2304	21	B3
2305	22	A1
2306	22	B1
2307	22	C2
2308	22	C1
2309	22	B2
2310	22	B3

BYLAWS
OF
HERITAGE VILLAS
HORIZONTAL PROPERTY REGIME XXII

THESE BYLAWS of Heritage Villas Horizontal Property Regime XXII are promulgated pursuant to the Horizontal Property Act of South Carolina (the "Act") for the purpose of governing Heritage Villas Owners Association (the "Association") and the administration of Heritage Villas (the "Property"), which has been submitted to a horizontal property regime. The terms used herein are defined in the Master Deed by which the Property is so constituted, and these Bylaws incorporate and are subject to the provisions of said Master Deed.

ARTICLE I

OWNERS

A. Membership. Every owner shall be a member of the Association. A person who holds title to a Dwelling merely as security for payment of a debt shall not be entitled to exercise the rights of an Owner unless such person holds a proxy conferring such rights.

B. Voting. Each Owner shall be entitled to cast one vote for each ten thousandth (0.0001th) of a percent of such Owner's interest in the Common Elements. Votes of the Owners shall be cast only at meetings of the Owners convened in accordance with these Bylaws.

C. Quorum. A Majority of the Owners shall constitute a quorum for the transaction of business at meetings of the Owners.

D. Consents. Any action which may be taken by a vote of the Owners may also be taken by written consent to such actions signed by the same percentage of Owners required to approve an action if the Owners were actually present and voting.

E. Organizational Meeting. The organizational meeting of the Association shall be held at such time as a Majority of the Owners may determine, but in no event later than December 31, 1974.

F. Annual Meetings. An annual meeting of the Owners shall be held on each anniversary of the organizational meeting or at such other time during each year as may be determined by a vote of a Majority of the Owners. Any business which is appropriate for action of the Owners may be transacted at an annual meeting.

G. Special Meetings. Special meetings of the Owners may be called at any time by the President of the Association or by a majority of the Board of Directors and shall be called upon the written request of a Majority of the Owners. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Owners waive notice of any additional business.

H. Notice of Meetings: Written notice of every annual or special meeting of the Owners stating the time, date and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be

given to every Owner not fewer than ten (10) nor more than thirty (30) days in advance of the meeting. Failure to give proper notice of a meeting of the Owners shall not invalidate any action taken at such meeting unless an Owner who was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Owner objects shall be void.

I. Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may in writing waive notice of any meeting of the Owners either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed a waiver by such Owner of notice of the time, date and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

J. Place of Meeting. All meetings of the Owners shall be held upon the Property or at such other place within the county in which the Property is situated and convenient to the Owners as the President of the Association or the Board of Directors may direct.

K. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of Owners holding a majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could properly be transacted at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.

L. Order of Business. The order of business at all meetings of the Owners shall be as follows:

1. Roll call;
2. Proof of proper notice of the meeting or waiver of notice;
3. Reading of minutes of preceding meeting;
4. Report of the Board of Directors;
5. Reports of officers;
6. Reports of committees;
7. Election of inspectors of election (when required);
8. Election of Directors (when required);
9. Unfinished business;
10. New Business.

M. Minutes of Meetings. The Secretary of the Association shall prepare, or cause to be prepared, and keep accurate minutes of every meeting

of the Owners. Such minutes shall be made available for examination and copying by any Owner at any reasonable time.

N. Who May Act For An Owner. In the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof, and any other legal entity shall act by any managing agent thereof. When an Owner consists of two or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Owner unless another of such persons objects, in which case such persons shall act individually in proportion to their respective interests in their Dwellings.

O. Proxies. Any Owner may by written proxy designate an agent to cast the votes of such Owner. Unless otherwise stated therein a proxy shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall be honored until delivered to the Secretary of the Association.

ARTICLE II

Board of Directors

A. Form of Administration. The administration of the Association and the Property shall be vested in a Board of Directors consisting of five (5) Directors elected from the Owners.

B. Authorities and Duties. The authorities and duties of the Board of Directors shall include the following:

1. To provide for the surveillance and security of the Property;
2. To provide for the maintenance, repair and replacement of the Common Elements;
3. To employ and discharge the persons necessary for the operation, maintenance, repair and replacement of the Common Elements;
4. To collect from the Owners their respective shares of the Common Expenses;
5. To insure the Property as hereinafter provided;
6. To enact reasonable regulations governing the operation and use of the Common Elements;
7. To enforce the terms of the Act, the Master Deed and these Bylaws and the Regulations promulgated pursuant hereto as hereinafter provided; and
8. To administer the Association and the Property on behalf of and for the benefit of all owners.

C. Qualification. Only an individual who is an Owner, or who together with another person or other persons is an Owner, or who is an officer of a corporation, a general partner of a partnership, an associate of an association, a trustee of a trust, or a managing agent of any other legal entity which is an Owner, or which together with another person or other persons is an Owner, may be elected or continue to serve as a Director of the Association. A Dwelling shall be represented by no more than one Director, but a person who owns more than one Dwelling may be represented by a Director for each of such Dwellings.

D. Election and Term. The initial Board of Directors shall be elected at the organizational meeting of the Association. One Director shall be elected to serve until the first annual meeting of the Owners, two Directors shall be elected to serve until the second annual meeting of the Owners, and two Directors shall be elected to serve until the third annual meeting of the Owners. At each annual meeting of the Owners a Director or Directors shall be elected to succeed the Director or Directors whose term or terms expire at such meeting. Each such Director shall be elected to serve until the third annual meeting of the Owners following his election. A Director may be elected to succeed himself, and a Director shall be deemed to continue in office until his successor has been elected and has assumed office.

E. Removal. A Director may be removed from office with or without cause by the affirmative vote of Owners of two-thirds (2/3rds) of the total interest in the Common Elements. The unexpired portion of the term of any Director so removed shall be filled by a new Director elected by the affirmative vote of a Majority of the Owners.

F. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the Owners shall be filled by a new Director elected by the affirmative vote of a majority of the remaining directors even though such remaining Directors do not constitute a quorum.

G. Voting. Each Director shall have one (1) vote on all matters acted upon by the Board of Directors. The vote of a Director shall be cast only by such Director personally at a meeting of the Board of Directors convened in accordance with these Bylaws. Proxies shall be permitted in any vote of the Board of Directors, provided the Director executing said proxy is given complete notice in writing of the issue to be considered by the Board and specifically directs on said proxy his vote either for or against the proposal. The affirmative vote of a simple majority of the Directors present at the time of a vote, if a quorum is present at such time, shall be sufficient for any action unless otherwise specified in these Bylaws.

H. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business.

I. Consents. Any action which may be taken by vote of the Board of Directors may also be taken by written consent to such action signed by all Directors.

J. Referendum. Any action taken by a vote of a Majority of the Owners shall be binding upon the Board of Directors and shall supersede any inconsistent action previously or thereafter taken by the Board of Directors, but no such action by the Owners shall impair the enforceability of any contract duly authorized or entered into by the Board of Directors pursuant to

authority granted in the Act, the Master Deed or these Bylaws.

K. Annual Meetings. An annual meeting of the Board of Directors shall be held during each fiscal year within ten (10) days following the annual meeting of the Owners. The time, date and place of the annual meeting of the Board of Directors shall be fixed at the annual meeting of the Owners by mutual agreement of a majority of the Directors present at such meeting, and no further notice thereof shall be necessary. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting.

L. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, dates and places as the Board of Directors may determine from time to time, but at least three (3) regular meetings shall be held each fiscal year. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting.

M. Special Meetings. Special meetings of the Board of Directors may be called from time to time by the President of the Association and shall be called upon the written request of one-third (1/3) of the Directors. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Directors waive notice of any additional business.

N. Notice of Meetings. Written notice of every regular or special meeting of the Board of Directors stating the time, date and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be given to every Director not fewer than three (3) nor more than ten (10) days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless a Director who was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Director objects shall be void.

O. Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may in writing waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be deemed waiver by such Director of notice of the time, date and place thereof unless such Director specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

P. Place of Meeting. All meetings of the Board of Directors shall be held upon the Property or at such other place convenient to the Directors as the President of the Association or the Board of Directors may direct.

Q. Recess. Any meeting of the Board of Directors may be recessed from time to time for periods not exceeding two (2) hours by vote of Owners holding a majority of the Directors present, regardless of whether a quorum is present. Any business which could properly be transacted at the original session of a meeting may be transacted at a subsequent session following a recess of such meeting and no additional notice of such subsequent sessions shall be required.

R. Minutes of Meetings. The Secretary of the Association shall prepare or cause to be prepared and keep accurate Minutes of every meeting of the Board of Directors. A copy of such Minutes shall be made available for examination or copying by any Owner at any reasonable time.

S. Compensation. The Directors shall serve without compensation but shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

ARTICLE III

OFFICERS

A. Designation. The Association shall have a President, a Vice President, a Secretary and a Treasurer. The association may also have one or more assistants to the Secretary and to the Treasurer and such other officers as may be necessary from time to time. The offices of the Secretary and the Treasurer may be filled by the same individual.

B. Qualifications. The President and the Vice President must be Directors, and all other officers must be individuals who are qualified to be Directors.

C. Election and Term. Officers of the Association shall be elected at each annual meeting of the Board of Directors and at such other times as may be required to fill vacancies in any office. All officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An officer may be reelected to any number of terms.

D. Removal. Any officer may be removed from office at any time with or without cause by the Board of Directors or by the Owners. An officer removed by the Owners shall be replaced only by the Owners.

E. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors at which he is present. He shall have all of the general powers and duties which are usually vested in the office of president of an unincorporated association, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

F. Vice President. The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Director to take the place and perform the duties of the President 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 of Directors.

G. Secretary. The Secretary shall keep the minutes of all meetings of the Owners and of the Board of Directors, shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of secretary of an unincorporated association.

H. Treasurer. The Treasurer shall have custody of and responsibility for Association funds and securities and shall keep the financial records and books of account belonging to the Association. If a Manager is employed as hereinafter provided, custody of Association funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the Manager if the Board of Directors so determine, but in such case the Treasurer shall verify the amounts of Association funds and securities in the custody of the Manager and review and reconcile the accounts maintained by the manager at such intervals as may be determined by the Board of Directors.

I. Compensation. The officers may receive such compensation as the Owners may determine and shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

ARTICLE IV

MANAGER

A. Employment. The Board of Directors may employ a Manager to assist in or take charge of the administration of the Association and the Property.

B. Qualification. The Manager may be an individual or a corporation or other legal entity. No individual who is a Director or an officer of the Association or who resides in the home of a Director or an officer of the Association shall be the Manager.

C. Authority and Duties. The Manager shall have such authority and duties as may be determined by the Board of Directors and shall report to the Board of Directors or to the President, as the Board of Directors may determine.

D. Compensation. The Manager shall receive such compensation as the Board of Directors may determine.

ARTICLE V

FINANCES

A. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Owners shall otherwise determine

B. Budget. The Board of Directors shall prepare and submit to the Owners at each annual meeting of the Owners a proposed budget for the Association for the fiscal year in which the meeting is held. The proposed budget shall set forth with particularity the anticipated Common Expenses for the fiscal year and the amount of money needed to establish reasonable reserves for the payment of future or unforeseen Common Expenses.

C. Approval of Budget. The proposed budget, as it may be amended upon motion of any Owner, shall be submitted to a vote of the Owners and when approved by the affirmative vote of a Majority of the Owners shall become the budget of the Association for the fiscal year (the "Budget"). The terms of the Budget shall be binding upon the Board of Directors until such terms are amended by action of the Owners.

D. Regular Assessments. The funds required by the Budget shall be collected from the Owners by the Board of Directors in equal monthly or quarterly assessments as the Board of Directors may determine.

E. Special Assessments. The funds required from time to time to pay any Common Expenses which are not covered by the Budget but which are approved by the Owners shall be collected from the Owners by the Board of Directors in such installments as the Owners shall determine.

F. Individual Assessments. Any payments to the Association which one or more, but less than all, of the Owners shall be obligated to make pursuant to the terms of the Act, the Master Deed or these Bylaws shall be due upon demand and shall be collected by the Board of Directors.

G. Collection. Owners shall be personally liable for all assessments and shall pay the same promptly when due. The Board of Directors shall take prompt and appropriate action to collect by suit, foreclosure or other lawful method any overdue assessment. If any overdue assessment is collected by an attorney or by action at law or in equity, the Owner owing the same shall be required to pay all reasonable costs of collection, including attorney's fees.

H. Penalty. An assessment not paid within ten (10) days following the date when due shall result in the Owner being assessed a one-time penalty of \$100, and further, the Owner thereof shall be assessed interest on the unpaid principal assessment at a rate of 1½ % of the delinquent amount per month from the date when due. The penalty and interest shall be added to and collected in the same manner as the assessment, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid assessments. The Board shall have the right and duty to attempt to recover such assessments, together with interest thereon, and expenses of the proceeding, including attorney's fees in any action to recover the same brought against such Dwelling Owner, or by foreclosure of the lien of such Dwelling granted by Section 27-31-210 Code of Laws of South Carolina, 1976, as amended. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210 Code of Laws of South Carolina, 1976, as amended, shall be controlling. In addition to the foregoing, during the period a Dwelling Owner remains in default regarding any assessments, the Board may suspend said Owner from the use of any common amenities of the regime. For purposes of this paragraph only, an unpaid assessment shall not be deemed overdue until the Board of Directors has delivered to the Owner owing the same a demand for payment, unless the Board of Directors has within thirty (30) days prior to the date when due delivered to such Owner a written notice of the amount and the date due in which case no further demand shall be necessary. The Board of Directors may in its discretion waive all or any portion of a penalty or interest imposed pursuant to this paragraph if it affirmatively appears that the failure to pay the assessment by circumstances beyond the control of the Owner.

I. Accounts. The Board of Directors shall maintain on behalf of the Association a checking account with a state or federally chartered bank having an office in the county where the Property is situated. The Board of Directors may also maintain on behalf of the Association an interest-bearing savings account with a state or federally chartered bank, savings and loan association or building and loan association. If a Manager is employed, said accounts may be maintained in the name of the Manager if the Board of

Directors approve. All funds of the Association shall be promptly deposited in one of said accounts, except that the Board of Directors may maintain a petty cash fund of not more than fifty dollars (\$50.00) for payment of minor current expenses of the Association. The books and records relating to any account of the Association shall be made available for examination and copying by any Owner at any reasonable time.

J. Payments. The Board of Directors shall provide for payment of all debts of the Association from the funds collected from the Owners. Expenditures specifically approved in the Budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of Five Hundred (\$500.00) Dollars, or such amount as the Board shall from time to time establish, shall be reviewed and approved by the President or the Board of Directors before payment is made. All checks and requests for withdrawals drawn upon any account of the Association shall be signed by the President and the Treasurer or by any two (2) alternate officers of the Association. If a Manager is employed, the Board of Directors may authorize the Manager to draw checks upon the account of the Association to pay expenditures specifically approved in the Budget. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

K. Bonding. The Board of Directors shall secure from a surety company rated "AAA" or better by Best's Insurance Reports a fidelity bond in an amount of not less than Twenty-Five Thousand Dollars (\$25,000.00) covering every individual authorized to withdraw funds from any checking or savings account maintained by the Association. The cost of the bond shall be a Common Expense.

L. Accounting and Audits. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and an informal financial review by the Board shall be conducted on an annual basis.

ARTICLE VI

MAINTENANCE AND IMPROVEMENTS

A. Maintenance by Board of Directors. The Board of Directors shall provide for the maintenance, repair and replacement of the Common Elements, including the Limited Common Elements, and shall employ and dismiss the personnel required for such maintenance, repair and replacement. The Board of Directors shall also provide for the maintenance, repair and replacement of all exterior portions of the Dwellings, except window panes and other glass surfaces.

B. Owner's Responsibilities for Maintenance, Repair and Replacement. While generally an Owner is responsible for the maintenance, repair and replacement of all matters within the area described in Article I Section C as being included in a Dwelling, notwithstanding the generality of the foregoing description of Dwelling boundaries, each Dwelling Owner shall also be responsible for maintenance, repair and/or replacement of the following, whether it shall be defined as within a Dwelling or not:

1. The doorways, windows, vents, grills and other structural elements in the walls, floors and ceilings of the vent Dwelling, which are regarded as enclosures of space;

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

3. The window glasses, screens, frames and casings which are part of the windows opening from the Dwelling;

4. The exhaust fans exclusively serve the Dwelling;

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

6. The Owner's outside storage closets.

C. Each Dwelling Owner shall also be responsible for any damage to the Dwelling itself or to a contiguous (i.e., either adjacent) Dwelling caused by a negligent action or inaction within the Owner's Dwelling, which directly or indirectly causes damage to the other Dwelling or to the Dwelling itself.

D. Notwithstanding the foregoing, it is understood that, although allocating responsibilities of maintenance and repair to Owners, it is not the intention of the Association to affect the ultimate insurance obligations, as well as the reconstruction obligations of the Regime.

1. Except in the event of an emergency situation, should the Association determine that any Owner has failed or refused to discharge properly his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under either the Master Deed or these By-Laws, then the Association shall give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at such Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner.

2. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Association may provide any such maintenance, cleaning, repair, or replacement at such Owner's sole cost and expense, and said cost shall be added to and become a

part of the Assessment to which such Owner and his Dwelling are subject and shall become a lien against such Dwelling as provided herein.

E. Default by Owner. In the event that any Owner fails to perform the maintenance required of such Owner by these Bylaws or by any lawful regulation enacted pursuant hereto and such failure creates or permits a condition which is hazardous to life, health or property or which unreasonably interferes with the rights of another Owner or which substantially detracts from the value or appearance of the Property, the Board of Directors shall, after giving such Owner reasonable notice and opportunity to perform such maintenance, cause such maintenance to be performed and charge all reasonable expenses of so doing to such Owner by an individual assessment.

F. Expenses. Except as hereinafter provided, the expenses of all maintenance, repair and replacement provided by the Board of Directors shall be Common Expenses. The expenses of maintenance, repair or replacement which are necessitated by (i) the failure of an Owner to perform the maintenance required by these Bylaws or any lawful regulation enacted pursuant hereto, (ii) the willful act, neglect or abuse of an Owner, or (iii) an uninsured loss which is to be borne by an Owner in accordance with Article VII of these Bylaws shall be charged to such Owner by an individual assessment.

G. Improvements. The Board of Directors shall provide for the making of such improvements to the Common Elements as may be approved from time to time by the Owners. The cost of such improvements shall be Common Expenses; provided, however, that no Owner shall without his consent be assessed in any one year for the making of improvements to the Common Elements an amount in excess of one (1%) percent of the current assessed (appraised) value of his Dwelling as determined by the Beaufort County Assessor's Office or Appraisal Commissioned by the Board.

ARTICLE VII

REPAIR AND RESTORATION

A. Decision of Owners. In the event of substantial damage to or destruction of any portion of the Property, the damage or destruction shall promptly be appraised by the Board of Directors. If more than two-thirds (2/3rds) of the Property has been destroyed, the Board of Directors shall promptly call a special meeting of the Owners to determine in the manner provided in the Master Deed whether the Property shall be repaired or restored. In the event that the Owners determine not to repair or restore the Property, the Secretary shall execute a certificate to that effect and cause the same to be recorded in the same manner as these Bylaws.

B. Reconstruction. Unless the Owners affirmatively determine in the manner provided in the Master Deed not to repair or restore the Property following damage or destruction thereof, the Board of Directors shall promptly provide for such repair or restoration. Such repair or restoration shall encompass and include repair and replacement of all floor coverings, fixtures and appliances originally installed in a Dwelling by Declarant or equivalent replacements thereof installed by any subsequent Owner. If the cost of such repair or restoration exceeds One Hundred Thousand (\$100,000.00) Dollars, or if the repair or restoration is of such a technical nature as the Board of Directors believes warrants the expertise of an architect, then the Board of Directors shall employ an architect licensed to practice in the jurisdiction

in which the property is situated to supervise the repair or restoration. It shall be the duty of such architect to inspect the progress of the repair or restoration at regular intervals and submit written authorizations to the Insurance Trustee hereinafter defined for the payment for work performed. When an architect is not required by the terms hereof, the Board of Directors may perform such inspections and submit such authorizations.

C. Costs. The Board of Directors shall employ for the purpose of repairing or restoring the Property the proceeds of any insurance obtained on the Property by the Board of Directors as trustee for the Owners. If such insurance proceeds do not cover the cost of the repair or restoration, the deficiency shall be borne by the Association as a Common Expense up to an amount equal to the sum of (i) the amount deducted pursuant to a "loss deductible" clause of the insurance policy plus (ii) fees and expenses of the Insurance Trustee hereinafter identified. Any deficiency in excess of such amount shall be borne by the Owners in proportion to their respective interests in the portion or portions of the Property repaired or restored.

ARTICLE VIII

CONDEMNATION

A. Rights of Owners. If any portion of the Property is condemned by any authority having the power of eminent domain, each Owner shall be entitled to receive notice of such condemnation and to participate in the proceedings incident thereto unless otherwise prohibited by law. Each Owner shall be entitled to an individual award to be determined by the value of his interest in the portion or portions of the Property condemned.

B. Duties of the Association. In the event that any award is received by the Association on account of condemnation of any portion or portions of the Common Elements, the Board of Directors shall promptly pay such award to the Insurance Trustee hereinafter identified as trustee for the Owners to be disbursed in the same manner as if it were insurance proceeds. The Board of Directors shall promptly call a special meeting of the Owners to determine whether any condemned portion of the Common Elements shall be replaced. If the Owners determine to replace any condemned portion of the Common Elements, the Board of Directors shall provide for the replacement of such portions in the same manner as if such portions had been destroyed by casualty.

ARTICLE IX

INSURANCE

A. Hazard Insurance. The Board of Directors shall insure the Property for the full replacement cost thereof against all hazards and risks normally covered by a standard "all-risk" policy, including fire and lightning, and the hazards and risks covered by "extended coverage" and by "special extended coverage." The amount of insurance to be obtained shall be determined by an annual appraisal of the replacement cost of the Property without regard to depreciation. Such insurance shall cover only the Dwellings and the Common Elements. No insurance of the contents of any Dwelling (other than the fixtures originally installed therein during construction and being a part of such Dwelling) or any improvements made to a Dwelling by the Owner shall be provided by the Board of Directors. The Board of Directors shall be required to obtain and maintain insurance, as set forth below, in forms and amounts as hereinafter prescribed, without prejudice of the right of an Owner to obtain

additional individual insurance at his own expense:

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

a. The Hazard Insurance obtained by the Board of Directors may provide for a deductible in such amounts as the Board of Directors in their sole discretion deem to be commercially reasonable and in the overall best financial interests of the Members of the Regime, which deductible may be set forth in terms of a specific dollar amount or percentage of a loss, whichever the Board of Directors deems appropriate.

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

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

d. Each mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request, a statement of the replacement value as determined here in this Section 1. If any such mortgagee disagrees with the values assigned to the Property by such determination and presents an appraisal prepared at such mortgagee's expense showing higher values which has been performed by a qualified

appraiser, then the Board shall either adopt the higher value or shall cause a reappraisal to be made by a qualified appraiser approved by the Board and by the appraisers who conducted the prior appraisals and the findings of the third appraiser shall be conclusive to determining such value for insurance purposes.

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

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

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

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

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

6. Insurance by Unit Owners. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, floor coverings, decorations, and furnishings within the Unit, which improves the condition of the Unit, as compared to its original construction. Each Unit Owner shall also be responsible for obtaining at his own expense, insurance covering his liability for the safety of the premises within his Unit.

As set forth in Article VI, Section C of the Amended Master Deed, the Owner is responsible for any damage to his Unit or another Unit caused by his negligent action or inaction. If a claim is made against the Association's policy as a result of such negligence by an Owner, then the Board may make a

determination to assess any non-reimbursable expenses, such as the deductible, attorney's fees, and the like, against the negligent Owner, and such assessment shall be collectible just as any other assessment described in Article V of these Amended and Restated Bylaws.

7. Distinction on Owner's Coverage and Regime Coverage. As reflected above, both the Association and the Owner have certain insurers' responsibilities. The Board, acting through the Management Agent, shall have the discretion to balance competing interests of said insurers, should such an occasion arise. Each Owner shall, upon request, provide to the Management Agent, the name and address of his insurer.

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

B. Liability Insurance. The Board of Directors shall also obtain premises liability insurance on the Property providing for a single-limit indemnity of not less than One Million Dollars (\$1,000,000.00) and covering bodily and personal injury and property damage. The Board of Directors shall not be required, however, to obtain public liability insurance covering accidents occurring within the limits of a Dwelling or off the Property. The Board of Directors shall cause premises medical payment coverage to be included within the policy of liability insurance with indemnity limits of Five Hundred (\$500.00) Dollars per person and Ten Thousand (\$10,000.00) Dollars for each accident.

C. General Provisions. All insurance obtained on the Property by the Board of Directors shall be written in the name of the Board of Directors as trustee for the Owners, and the cost of such insurance shall be a Common Expense. All such insurance shall be obtained from a company or companies licensed to do business in the State of South Carolina and rated "AAA" or better in Best's Insurance Report. No such insurance shall be permitted to expire except upon resolution of a Majority of the Owners to that effect. Certificates of all policies of hazard insurance obtained on the Property by the Board of Directors as trustee for the Owners, shall be delivered upon request to any Owner or any person holding a security interest in a Dwelling.

D. Hazard Policy Provisions. All policies of hazard insurance on the Property obtained by the Board of Directors as trustee for the Owners shall provide as follows:

1. The indemnity payable on account of any damage to or destruction of the Property shall be payable to any persons holding security interests in any Dwelling as their interests may appear;

2. The policy shall not be cancelled without thirty (30) days' prior written notice to the Board of Directors and to every holder of a security interest in any Dwelling who is named in the policy or an endorsement thereto;

3. No Owner shall be prohibited from insuring his own Dwelling for his own benefit, and each Owner shall be responsible for obtaining the Owner's insurances set forth in Article IX, Section 6 hereinabove;

4. No insurance obtained by an Owner on his own Dwelling shall be brought into contribution with the insurance obtained by the Board of Directors, except in the event that damages incurred by the property are the direct and proximate result of either an Unapproved Work, or a remodeling project which, while permitted by the Board, is negligently performed subsequent to the date of the amending of these Bylaws;

5. No right of subornation shall exist against any Owner or members of his household, except in the event that damages incurred by the property are the direct and proximate result of either an Unapproved Work, or a remodeling project which, while permitted by the Board, is negligently performed subsequent to the date of the amending of these Bylaws;

6. The insurer shall not be entitled to reconstruct in lieu of paying the indemnity in cash if the Owners determine in the manner provided in the Master Deed not to repair or restore the Property; and

7. The policy shall not be cancelled on account of the Actions of one or more, but fewer than a Majority, of the Owners.

If a policy of insurance containing all of the foregoing provisions cannot be obtained at a reasonable cost, one or more of such provisions may be waived by a unanimous resolution of the Board of Directors preceded by ten (10) days' notice to every Owner or by resolution of a Majority of the Owners.

E. Claims. The Board of Directors, as trustee for the Owners, shall have exclusive authority to negotiate and settle on behalf of the Owners all claims arising under policies of hazard insurance obtained on the Property by the Board of Directors as trustee for the Owners. In the event of damage to or destruction of any portion of the Property, the Board of Directors shall promptly file claim for any indemnity due under any such policies. The Board of Directors shall simultaneously notify the holders of any security interests in the Property who may be entitled to participate in such claim of the filing of the same.

F. Insurance Proceeds. The net proceeds received by the Board of Directors from any indemnity paid under a policy of hazard insurance obtained on the Property by the Board of Directors as trustee for the Owners shall promptly be paid by the Board of Directors to an Insurance Trustee as trustee for the Owners as hereinafter provided. The insurance Trustee shall be a

state or federally chartered bank selected by the Board of Directors and having trust powers and capital and surplus of Five Million Dollars (\$5,000,000.00) or more. The Insurance Trustee shall hold the insurance proceeds in trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

1. If the Owners determine in the manner provided in the Declaration not to repair or restore the Property, the Insurance Trustee shall distribute the insurance proceeds among all the Owners in proportion to their respective interests in the portion or portions of the Property damaged or destroyed.

2. If the Board of Directors is required to provide for the repair or restoration of the Property, the Insurance Trustee shall disburse the insurance proceeds to the person or persons employed by the Board of Directors to effect such repair or restoration in accordance with written authorizations submitted to the Insurance Trustee by the architect supervising the repair or restoration or by the Board of Directors. Any portion of the insurance proceeds remaining after all the costs of repair or restoring the Property have been paid shall be disbursed to the Owners in proportion to their interests in the portion or portions of the Property repaired or restored.

In making disbursements of the insurance proceeds, the Insurance Trustee shall be entitled to rely without further inquiry upon the written authorizations submitted as provided above or upon any written certification of facts submitted to the Insurance Trustee by the Board of Directors as hereinafter provided. The Insurance Trustee shall in no event be responsible for obtaining insurance on the Property, paying the premiums on any such insurance or filing claims for any payments due under any such insurance.

G. Insurance by Owners. Each Owner shall be responsible for obtaining such amounts of the following types of insurance as he deems necessary or desirable:

1. Hazard insurance on his Dwelling for his own benefit;
2. Hazard insurance on the contents of his Dwelling and on improvements made to his Dwelling; and
3. Liability insurance covering accidents occurring within the boundaries of his Dwelling.

Any Owner who obtains hazard insurance on his Dwelling for his own benefit shall within thirty (30) days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance.

ARTICLE X

RESTRICTIONS AND REGULATIONS

A. Restrictions. The use of the Property shall be subject to the

following restrictions:

1. Dwellings shall be used only as residences. No Owner shall rent or lease less than all of his Dwelling.

2. No Owner shall maintain or permit any nuisance within his Dwelling or unreasonably interfere with the use and enjoyment of the Property by any other person entitled to the same by creating anywhere on the Property or permitting within his Dwelling the creation of excessive noise, smoke or offensive odors. No person shall maintain on the Property, and no Owner shall permit within his Dwelling any condition which is unreasonably hazardous to the life, health or property of any person.

3. No Owner, or any person acting on their behalf, shall do any work upon or impact any portion of the improvements of the property beyond that which is defined as the Dwelling of the Owner, except in conformity with the provisions of Article IV F(1) of the Master Deed.

4. No person shall make any additions to or perform any work upon the Common Elements or otherwise alter the Common Elements without the express authorization of the Board of Directors. No Owner shall alter or permit the alteration of the external appearance of any portion of his Dwelling without the express approval of the Board of Directors.

5. The use or establishment of time sharing, time interval ownership or time-sharing lease agreements, as described in definitions 9 and 10 of Section 27-32-10 of the Code of Laws of South Carolina (1976), as amended shall be prohibited within any of the units of this Regime.

B. Regulations. The Board of Directors shall adopt and amend from time to time such reasonable regulations ("Regulations") governing the operation and use of the Common Elements as they may deem necessary or desirable. The operation and use of the Common Elements shall be governed by the Regulations appended to those Bylaws until such Regulations are amended or repealed by the Board of Directors. It shall not be necessary to record Regulations newly adopted or the amendment or repeal of existing Regulations, but no Owner shall be bound by any newly adopted Regulations or any amendment or repeal of an existing Regulation until a copy of the same has been delivered to such Owner.

C. Enforcement. The Board of Directors shall enforce the terms of the Act, the Master Deed and these Bylaws and the Regulations promulgated pursuant hereto and shall take prompt and appropriate action to correct any violations of the same. In addition to any other remedy to which the association or any Owner may be entitled, the Board of Directors may impose against an Owner reasonable fines not to exceed a total of \$100 per day for any violation of the terms of the act, master deed, these by-laws or any regulations promulgated pursuant hereto. The actual amount of any daily fine levied against an Owner shall be decided by two-thirds vote of the Board of Directors, as they in their sole discretion deem appropriate. The actual amount being assessed against any individual Owner, as well as the maximum daily amount accessible against any Owner pursuant to the provisions of this Article, may be adjusted from time to time by a two-thirds vote of the Board, as they in their sole discretion deem appropriate. Any fines approved by the

Board hereunder shall be collected by individual assessment. Each day during which a violation occurs or continues shall be deemed a separate offense for which the maximum penalty approved by the Board may be assessed.

D. Responsibility of Owners. Each Owner shall be deemed responsible for the conduct of members of his household and his tenants, agents, guests and pets, but the responsibility of the Owner shall not relieve any member of his household or any of his tenants, agents or guests for any liability to the Association or to an Owner for their own acts.

ARTICLE XI

LIABILITIES AND INDEMNIFICATION

A. Liability of Owners. No Owner shall be liable upon a debt or tort of the Association for any amount in excess of such portion of the total liability of the Association which bears the same ratio to the total liability as the percentage interest of such Owner in the Common Elements bears to the whole. All correspondence of the Association and all contracts executed by the Association shall incorporate the following recital:

Heritage Villas Owners Association is an unincorporated association established pursuant to the Horizontal Property Act of South Carolina. No member of the Association shall be liable upon a debt of the Association for an amount in excess of such portion of the debt which bears the same ratio to the total debt as the number of votes in the Association to which the member is entitled bears to the total number of votes in the Association to which all members are entitled.

B. Indemnification Among Owners. Each Owner shall be entitled to contribution from and indemnification by every other Owner to the extent that such Owner discharges or is required to discharge any portion of any liability of the Association in excess of such Owner's proportionate share thereof, except that no Owner shall be required to provide contribution or indemnification on account of a debt which was liquidated in amount and due and payable prior to the time such Owner became an Owner.

C. Liability of Directors and Officers. No Director or officer of the Association shall be liable to any Owner for any decision, action or omission made or performed by such Director or officer in the course of his duties unless such Director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Act, the Master Deed or these Bylaws.

D. Indemnification of Directors and Officers. The Association shall indemnify and defend each Director and each officer of the Association from any liability claimed or imposed against him by reason of his position or actions as a Director or an officer of the Association if all of the following conditions are satisfied:

1. Such Director or officer is not required to bear such liability by the terms of the Act, the Master Deed or these Bylaws;

2. Such Director or officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and

3. Such Director or officer cooperates with the Association in defending against the liability.

The expense of indemnifying a Director or an officer shall be a Common Expense and shall be borne by all the Owners, including such Director or officer, in proportion to their respective interests in the Common Elements.

ARTICLE XII

ATTESTATIONS AND CERTIFICATIONS

A. Attestation of Documents. The presence of the signature of the Secretary or an assistant secretary of the Association on any contract, conveyance or any other document executed on behalf of the Association by another officer of the Association shall attest:

1. That the officer of the Association executing the document does in fact occupy the official position indicated, that one in such position is duly authorized to execute such document on behalf of the Association and that the signature of such officer subscribed to the document is genuine; and

2. That the execution of the document on behalf of the Association has been duly authorized.

B. Certification of Documents. When any document relating to the Property or the Association is certified as authentic by the Secretary or an assistant secretary of the Association, a third party without knowledge or reason to know to the contrary may rely on such document as being what it purports to be.

C. Certification of Actions and Facts. When a written statement setting forth (i) actions taken by the Owners or by the Board of Directors or (ii) facts relating to the Property or the Association as determined by the Board of Directors is executed by the Secretary or an assistant secretary of the Association, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

ARTICLE XIII

AMENDMENTS

A. Procedure. These Bylaws may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3rds) of the total interest in the Common Elements. No amendment shall be effective unless and until recorded as an amendment to the Master Deed in accordance with the Act.

B. Effect. All Owners, tenants of Owners, employees of Owners and tenants, and any other persons that may in any manner use the Property or any part thereof shall be bound to abide by any amendment to these Bylaws duly adopted and recorded as specified herein.

ARTICLE XIV

MISCELLANEOUS

A. Record of Ownership. Any person who acquires title to a Dwelling except a person who acquires title to a Dwelling merely as security for a debt, shall promptly inform the Board of Directors of the identity of such person and the date upon and manner in which title to the Dwelling was acquired. The Board of Directors shall maintain a record of the names of all Owners and of the dates upon which they acquired title to their Dwellings.

B. Notices. Any notices or documents placed in the mail receptacle or affixed to the front door of a Dwelling by or at the direction of the Board of Directors shall be deemed delivered to the Owner of such Dwelling, unless the Owner of such Dwelling has previously specified to the Board of Directors in writing another address for delivery of such notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of an Owner shall be deemed delivered to the Board of Directors.

C. Waiver. No provision of these Bylaws or of the Regulations promulgated pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

D. Conflicts. In the event of any conflict between these Bylaws and the Act or the Master Deed, the Act or the Master Deed shall control, as appropriate. In the event of a conflict between these Bylaws and the Regulations promulgated pursuant hereto, these Bylaws shall control.

E. Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

F. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

G. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

REGULATIONS
OF
HERITAGE VILLAS
HORIZONTAL PROPERTY REGIME XXII

1. No personal property, other than vehicles properly parked in a parking space, shall be stored or left unattended on any portion of the Common Elements.

2. No trash, refuse or junk shall be thrown or placed on any portion of the Common Elements except in appropriate receptacles provided therefor.

3. No clothing or bedding shall be hung or spread for drying or airing outside a Dwelling.

4. No sunbathing shall be done on any portion of the Common Elements except the area provided therefore immediately surrounding the swimming pool.

5. No glass containers shall be brought into or used in the immediate vicinity of the swimming pool.

6. No child less than twelve (12) years of age shall be permitted to use the swimming pool except under the immediate supervision of a person at least eighteen (18) years of age. Further, it is the responsibility of the Owner of a Dwelling wherein a minor is either residing or visiting to ensure that any child 12 years of age or older that is going to be using the swimming pool unsupervised, is a capable swimmer and that said minor abides by all of the published rules and regulations concerning the use of the pool. Further, said Owner assumes sole responsibility for any injury to or damages suffered by said minor, and further, assumes sole responsibility for any damage or injury caused by said minor to any third person or any property of the Regime or third party.

7. No dogs, cats or other pets shall be permitted upon the common Elements unless on leash and attended by some responsible individual. Any individual attending any dog, cat or other pet upon the premises shall be responsible for the removal of any excrement left upon any portion of the common elements by the dog, cat or pet they are attending. The failure by said individual to immediately remove all of said excrement from the common elements and to properly dispose of the same in an appropriate trash receptacle shall subject said individual to a fine not less than fifty (\$50.00) dollars for a first offense and not less than one hundred (\$100.00) dollars nor more than two hundred fifty (\$250.00) dollars for a second or subsequent offense.

8. No Owner shall make any modifications to the exterior or outside of any Dwelling or Dwelling building or other area of the property, including, but not limited to the installation of any wires, condensate drains, satellite dishes, rain gutters, or other type of modification, without first obtaining the express approval of the Board of Directors. Such approval shall be in concept only as provided for under Article IV Paragraph F of the By-laws of the Heritage Villas Horizontal Property Regime. Such approval shall be required regardless of whether a building permit is necessary for the desired modification.

9. Each Owner shall be responsible for maintaining the aesthetic appearance and safety of all personal patio areas adjacent to their respective Dwellings including furniture, outdoor grills, planters and similar such items that are situate upon said patios, or are observable by other Owners. The Regime through its maintenance department will routinely monitor said conditions and report to the Board any Owners found to be in violation. Upon the discovery of an apparent violation by an Owner, the Board shall send a notice to the Owner and provide the Owner fifteen (15) days to respond. Should the Owner fail to rectify the situation within the aforesaid fifteen (15) day period, or a reasonable extension thereof specifically granted to the Owner by the Board, then the Regime's maintenance department will rectify the situation and the Owner will be charged accordingly through an individual assessment.

10. No signage, other than that identifying Dwelling numbers, or Dwelling Owner's names, traffic, safety or other signage as approved by the Board, shall be allowed on the property for any purpose.

11. These regulations may be amended from time to time by a two-thirds vote of the Board as they in their sole discretion deem appropriate.