

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

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FILED AT 17.20.83 17.20.83

MASTER DEED

HarbourSide I & II
HORIZONTAL PROPERTY REGIME
AT
SHELTER COVE HARBOUR
PALMETTO DUNES RESORT
BY
GREENWOOD DEVELOPMENT CORPORATION

July 12, 1983

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BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
500	12	B	19	

GREENWOOD DEVELOPMENT CORPORATION)
)
 DECLARANT)
)
 TO) MASTER DEED ESTABLISHING
) HORIZONTAL PROPERTY
 HarbourSide I & II HORIZONTAL) REGIME
 PROPERTY REGIME)

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TABLE OF CONTENTS

<u>Article</u>	<u>Description</u>	<u>Page</u>
I	Land	1
II	Property; Regime; Association	1
III	Improvements	2
IV	Definitions	2
V	Description of Units; Boundaries	5
VI	Subdivision of Units and Relocation of Boundaries Between Commercial Units	7
VII	Alteration in Units, Commercial Or Residential	10
VIII	Area Comprising Property	10
IX	Unit Types and Buildings	11
X	Common Elements	14
XI	Revocation And Amendment	16
XII	Percentage of Interest of Units	16
XIII	Administration and By-Laws	16
XIV	Horizontal Property Regime Constituted	17
XV	Reservation of Rights to Declarant; Declarant Subject to Master Deed	18
XVI	Common Elements Not Partitioned	18
XVII	Common Elements Not Severable From Units	18
XVIII	Provisions and Covenants Applicable to Units	19
XIX	Permitted Use of Units	19
XX	Time-Sharing/Interval Ownership Prohibited	19
XXI	Non-Use Not Exemption of Liability for Common Expenses	20
XXII	All Users of Property Subject to Master Deed	20
XXIII	Assessments Subordinate to Mortgagee Taking Title	20
XXIV	Insurance	20
XXV	Reconstruction and Repair	21
XXVI	Condemnation	21
XXVII	Easement for Encroachment	21
XXVIII	Other Regime Easements	22
XXIX	Severability	22

<u>Article</u>	<u>Description</u>	<u>Page</u>
XXX	Non-Waiver	22
XXXI	Gender and Number	22
XXXII	Applicable Law	23
XXXIII	Captions	23
XXXIV	Exhibits	23

FILED IN DEED - 11 BOOK 171 PAGE 464
FILED AT 11:00 AM ON 07/10/87

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

GREENWOOD DEVELOPMENT CORPORATION)

TO

MASTER DEED ESTABLISHING
HORIZONTAL PROPERTY
REGIME

HarbourSide I & II HORIZONTAL
PROPERTY REGIME

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At Hilton Head Island, County of Beaufort, State of South Carolina, on this 12th day of July, in the year of our Lord One Thousand Nine Hundred and Eighty-Three, GREENWOOD DEVELOPMENT CORPORATION, a South Carolina Corporation, with its principal place of business on Hilton Head Island, Beaufort County, South Carolina and with offices on Hilton Head Island, South Carolina, hereinafter referred to as "Declarant", does hereby declare:

ARTICLE I

LAND

That Declarant is the sole owner of the land described in Exhibit "A" attached hereto and made a part hereof which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 139.

ARTICLE II

PROPERTY; REGIME; ASSOCIATION

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

Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a horizontal property regime that shall be known as HarbourSide I & II Horizontal Property Regime (hereinafter sometimes referred to as the "Regime") to be governed by and be subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina as it is now constituted and as it may from time to time be amended. Declarant does further declare that it has caused to be incorporated under the laws of the State of South Carolina an association known as The HarbourSide Owners' Association which shall, pursuant to the provisions of Section 27-31-90 of the Code of Laws of South Carolina, 1976, as amended (the Horizontal Property Act) constitute the incorporated Council of Co-Owners of the Regime and shall be governed by this Master Deed and the By-Laws attached hereto as Exhibit "F" incorporated herein and made a part hereof.

FILED BY DEED - 7 2006 171 PAGE 466
ARTICLE III 17:00:30 07/20/06

IMPROVEMENTS

That the improvements constructed on and forming a part of the Property are constructed in accordance with the as-built survey identified as Exhibit "B" attached hereto and made a part hereof and those floor plans identified as Exhibit "C" hereto and made a part hereof, and that certain as-built survey which as-built survey was prepared by Hussey, Gay & Bell, Consulting Engineers, certified to by Roy Hussey, R.L.S. No.2373, and which floor plans were prepared by Eugene R. Smith & Associates, Architects, Inc., architects duly licensed to practice in the State of South Carolina under Registration Certificate Number 1658. Attached to this Master Deed as Exhibit "D" is a certificate by said architect that the Units constructed on the Property were constructed in accordance with said plans.

ARTICLE IV

DEFINITIONS

That the terms used in this Master Deed and in the Exhibits thereto shall have the meanings stated in the Horizontal Property Act and as follows, unless the context otherwise requires:

(a) Act means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended.

(b) Assessment means a co-owner's pro rata share of the common expenses which from time to time is assessed against a co-owner by the Association.

(c) Association means the Council of Co-Owners as defined by the Act, and also means HarbourSide I & II Owners' Association, the corporate form by which the Council of Co-Owners shall operate the Regime.

(d) Board of Directors or Board means the group of persons selected, authorized and directed to manage and operate the Association as provided by the Act, this Master Deed and the By-Laws.

(e) Building means a structure or structures, containing in the aggregate two or more Apartments (or Units as herein defined), comprising a part of the property.

(f) Common Elements means the general and limited common elements, as defined herein in ARTICLE X and in the Act.

(g) Common expenses means the expenses for which the Unit co-owners are liable to the Association and include:

(1) Expenses of administration, expenses of maintenance, insurance, operation, repair or replacement of the common elements, and of the portions of Units, if any, which are the responsibility of the Association.

(2) Expenses declared common expenses by provisions of this Master Deed.

(h) Common surplus means the excess of all receipts of the Association, including but not limited to assessments over the amount of common expenses.

(i) Co-owner means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a Unit within the building.

(j) Condominium means HarbourSide I & II Horizontal Property Regime.

(k) Condominium ownership means the individual ownership of a particular Unit in a building and the common right to a share, with other co-owners, in the general and, as applicable, the limited common elements of the Property.

(l) Council of Co-Owners means all the co-owners as defined herein and it shall also refer to the Association as herein defined.

(m) Covenants means those certain covenants and restrictions commonly known as the Shelter Cove Harbour Covenants as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 342 at Page 1726, as amended by that document recorded in Deed Book 365 at Page 369 and as re-recorded in Deed Book 367 at Page 631.

(n) Declarant means Greenwood Development Corporation, a South Carolina Corporation with its principal place of business located on Hilton Head Island, South Carolina, and its successor.

(o) Majority of co-owners means the co-owners owning fifty-one (51%) percent or more of the basic value of the Property as a whole as these values are hereinafter set forth.

(p) Master Deed means the deed or declaration establishing and recording the property of the horizontal property regime and all exhibits thereto.

(q) Owner (Defined the same as "Co-owner" above in ARTICLE IV(i)).

(r) Person means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(s) Property means and includes the land, the Buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

(t) Regime means HarbourSide I & II Horizontal Property Regime created by the Master Deed and reference to the Association, as herein defined, shall likewise include reference to the Regime and vice versa.

(u) Unit as used herein shall have the same connotation as the term "Apartment" as used in the Horizontal Property Act and shall mean a part of the Property intended for any independent business or residential use, as hereinafter more specifically designated, including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building, and with a direct exit to a public street or highway, or to a common area or areas leading to such street or highway. The terms "unit" or "dwelling unit" when used herein shall refer to a residential unit as the context so indicates. The term "unit" or "commercial unit" when used herein shall refer, as the context so indicates, to a unit to be utilized for a business or commercial establishment of the type permitted as hereinafter provided in ARTICLE XIX.

(v) Utility services means and shall include, but shall not be limited to, electric power, gas, hot and cold water, heating, refrigeration, air conditioning, cable television, cable security systems, garbage and sewage disposal and any other services of these types which would generally be considered in the nature of a utility service.

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ARTICLE V

DESCRIPTION OF UNITS; BOUNDARIES

(a) General Description of Units. That the Property includes two (2) five (5) story buildings containing a total of seventy-two (72) individual residential Units and sixteen (16) commercial Units (hereinafter collectively referred to as "Units") all of which are to be used for residential purposes or for business or commercial purposes of the types hereinafter more specifically described in ARTICLE XIX hereof, subject to the reservation of rights in favor of the Declarant as described in ARTICLE XV. The Units are capable of individual utilization on account of having their own exits to the common elements of the Property and a particular and exclusive property right to said Unit by the Owner thereof, and also an undivided interest in the general and limited common elements of the Property, as hereinafter listed in this Master Deed, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements") all of the above in accordance with the Horizontal Property Act of South Carolina.

(b) Boundaries. Subject to the provisions of ARTICLE VI, the Unit boundaries are as follows:

(1) The horizontal (upper and lower) boundaries of each Unit are the interior unfinished surfaces of the floors and ceilings of each Unit. In the event that a drop ceiling is not installed in any of the First Floor Commercial Units, the upper boundary of such Unit shall be at a point nine (9) feet above the unfinished floor of said Unit. The vertical or perimetric boundaries of each Unit, extended to an intersection with the upper and lower boundaries are as follows:

(i) As to all Unit exterior walls which physically divide the Unit from common elements of the building, it shall be the vertical plane of the interior surface of the exterior sheathing and the vertical plane of the centerline of all insulated glass windows and all doors.

(ii) As to all Unit exterior walls which physically divide one Unit from another Unit, it shall be the vertical plane of the centerline of said exterior partition walls, whether actually existing or as designated as to location on the Exhibit "C" plans attached hereto.

(iii) All vertical planes of each Unit shall extend to intersections with each other.

(2) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, carpet, and any other materials constituting any part of the finished surfaces of the walls, floors, and ceilings which are the boundaries of a Unit, together with all speakers, telephones, and other communication equipment and all built-in light fixtures, wires, service outlets, vent outlets, heating and

cooling Units and duct work, electrical switches, thermostats, hot water heaters, toilet and other bathroom fixtures and any and all other similar mechanical or physical fixtures which are within the perimetric walls or ceilings and serving a single Unit or within the space above the ceiling and below the slab forming the floor of the Unit above or, in the case of the fifth floor, the roof above, are a part of the Unit even though it may be located beyond the prescribed boundary of said Unit.

(3) Any chute, flue, duct, chase, conduit, bearing wall, bearing column and all other similar mechanical or physical fixtures except those designated in paragraph V(b)(2) above, whether or not it lies partially within and partially outside the designated boundaries of a Unit, is a common element.

(4) Subject to the provisions of paragraph V(b)(3), all spaces, interior non-bearing partitions, and other fixtures and improvements within the boundaries of a Unit installed within the perimetric walls or ceilings whether as a part of the original construction or as a part of subsequent construction, are a part of the Unit.

(5) Notwithstanding the generality of the foregoing, each Unit Owner shall be responsible for maintenance and repair of the following, whether it shall be defined as within a Unit or not:

(i) the doorways, windows, vents, and other structural elements in the walls, floors, and ceilings of the Unit which are regarded as enclosures of space;

(ii) the doors opening into the Unit and into any mechanical area integral to the Unit, including the frames, casings, hinges, handles, and other fixtures which are part of the doors;

(iii) the window glasses, screens, frames, wells, and casings which are part of the windows opening from the Unit;

(iv) the metal flue and the plumbing and mechanical vents which exclusively serve the Unit;

(v) the appliances, air conditioning and heating units, hot water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, flooring, trim, ceilings, walls, framing, floor joists, trusses, beams, insulation, structural slab and fill, and other fixtures, furnishings, and building materials which are part of the Unit when delivered to the initial Unit Owner;

(vi) the screens, awnings, partitions railings, balustrades, bounding or enclosing any deck,

walkways, balcony, or service area that is integral and exclusive to the Unit, and the treated wood decking or concrete surface within any such area; and

(vii)

all pipes, wires, conduits, ducts, and other plumbing, mechanical, and electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit, and including water pipes serving the Unit extending to the meter, sewer pipes serving the Unit extending five (5) feet from the Unit, and the underground drainage system beneath the Unit, if applicable.

ARTICLE VI

SUBDIVISION OF UNITS AND RELOCATION OF BOUNDARIES BETWEEN COMMERCIAL UNITS

(a) That Declarant intends to provide a flexible and certain method consistent with the Act and the best interests of the Association and all its members, by which the boundaries of or between Commercial Units may be adjusted to meet the needs of individual Commercial Unit owners. To this end, Commercial Unit owners, subject to the conditions and procedures described in Section (d) (2) hereof, are entitled to:

(1) relocate the boundaries between adjoining Commercial Units and reallocate the assigned appurtenant interests of those Commercial Units accordingly; or

(2) subdivide any of their Commercial Units into two (2) or more Commercial Units and reallocate the assigned appurtenant interests of the Commercial Unit being subdivided among all the Commercial Units resulting from the subdivision.

(b) IN ORDER TO PROVIDE THE FLEXIBILITY AND CERTAINTY DESCRIBED IN SECTION (a) ABOVE, EACH UNIT OWNER SHALL BE DEEMED, BY ACCEPTANCE OF A DEED TO A UNIT IN THE CONDOMINIUM, TO HAVE THEREBY DELIVERED AN IRREVOCABLE LIMITED PROXY, ON BEHALF OF THAT UNIT OWNER AND HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, VESTED IN WHOMEVER SHALL HOLD THE OFFICE OF SECRETARY OF THE ASSOCIATION FROM TIME TO TIME. AT THE TIME OF TAKING TITLE TO THE UNIT, EACH UNIT OWNER SHALL ALSO BE DEEMED TO HAVE EXECUTED AN IRREVOCABLE LIMITED POWER OF ATTORNEY, COUPLED WITH AN INTEREST, IN FAVOR OF WHOMEVER SHALL HOLD THE OFFICE OF SECRETARY OF THE ASSOCIATION FROM TIME TO TIME. THE IRREVOCABLE LIMITED PROXY, AND THE IRREVOCABLE LIMITED POWER OF ATTORNEY COUPLED WITH AN INTEREST, SHALL AUTHORIZE AND REQUIRE THE SECRETARY TO CAST ALL VOTES IN THE ASSOCIATION APPERTAINING TO EACH OWNER'S UNIT IN FAVOR OF ANY PROPOSED AMENDMENT TO THE MASTER DEED OR BY-LAWS WHICH CONFORMS TO THE REQUIREMENTS OF

SECTIONS (e) AND (f) OF THIS ARTICLE, SO LONG AS THE AMENDMENT DOES NOT AFFECT THE BOUNDARIES OR ASSIGNED APPURTENANT INTERESTS OF THE UNITS WHOSE VOTES ARE BEING SO CAST. THE SECRETARY SHALL HAVE THE RESPONSIBILITY TO VOTE IN FAVOR OF ANY SUCH AMENDMENT, AS DESCRIBED IN SECTION (f) OF THIS ARTICLE.

(c) EVERY MORTGAGEE SHALL BE DEEMED, BY ACCEPTANCE OF A MORTGAGE TO A UNIT IN THE CONDOMINIUM, TO HAVE THEREBY CONSENTED TO AN AMENDMENT TO THE MASTER DEED WHICH CONFORMS TO THE REQUIREMENTS OF SECTION (e) AND (f) OF THIS ARTICLE, SO LONG AS THE AMENDMENT DOES NOT AFFECT THE BOUNDARIES OR ASSIGNED APPURTENANT INTERESTS OF THE UNIT WHICH IS SUBJECT TO THAT MORTGAGE. EVERY MORTGAGE OF A UNIT IN THE CONDOMINIUM MUST CONTAIN A PROVISION THAT THE MORTGAGEE CONSENTS TO ANY FUTURE AMENDMENT TO THE DECLARATION CHANGING THE BOUNDARIES AND ASSIGNED APPURTENANT INTERESTS OF A UNIT OTHER THAN THE COMMERCIAL UNIT SUBJECT TO THAT MORTGAGE, AND SUCH PROVISION IS HEREBY DEEMED TO BE INCLUDED IN EVERY SUCH MORTGAGE, WHETHER OR NOT IT SO APPEARS. ANY PROVISION OF ANY MORTGAGE INCONSISTENT WITH THIS SECTION IS VOID.

(d) A Commercial Unit owner may, at any time, deliver a letter to the President or the management agent of the Association stating his intention to subdivide his Commercial Unit into two (2) or more Commercial Units, together with a plan of the Commercial Unit which conforms with Sections 27-31-100, 27-31-110 and 27-31-120 of the Act showing the proposed boundaries of all Commercial Units to be created by the subdivision. In addition, the owners of adjoining Commercial Units may, at any time, deliver a letter to the President of the Association stating their intentions to relocate the boundaries between their Commercial Units, together with a plan of their Commercial Units which conforms with the above recited sections of the Act showing the proposed relocated boundaries of those Commercial Units. In either case, with respect to every proposed Commercial Unit which will result from the proposed subdivision or relocation:

(1) each Commercial Unit to be created pursuant to the provisions of this ARTICLE VI must contain at least 600 square feet of Commercial Unit space as herein defined;

(2) at least one boundary of each Commercial Unit to be created must be coterminous with a exterior wall, extending in one plane for at least 6 feet, which divides the Commercial Unit from a pedestrian area constituting a common element in the building; and

(3) Adequate provision must be made for any required fire and emergency exits, heating, air conditioning and utilities.

FILED IN DEED BOOK 178 PAGE 470
FILED AT 11:00 AM ON 07 12 01

(e) Within sixty (60) days after receipt of a letter from a Commercial Unit owner pursuant to Section (d) hereof, the President shall:

(1) cause an amendment to the Master Deed to be prepared which conforms to this Master Deed and the Act, together with a certified amendment to the plans which conforms to the requirements of the Act. The amendment to the Master Deed shall reallocate the assigned appurtenant interests among all the Commercial Units resulting from the relocation of boundaries in proportion to the relative sizes of those Commercial Units but shall not affect in any manner the percentage of interest appertaining to the other Commercial Units not otherwise redefined; and

(2) give written notice of the proposed amendment to all Unit owners and mortgagees, and call a meeting of the Unit owners in the manner described in Article III of the By-Laws. At the meeting of Unit owners, the proxies held by the Secretary pursuant to the provisions of paragraph VI(b) and VI(c) above shall constitute a quorum, whether or not any other Unit owners are present.

(f) If, prior to the meeting, the owners of the Units affected by the proposed amendment provide to the Secretary written consents to the amendment in recordable form signed by the mortgagees of their Units, and so long as the Board of Directors determines that the amendment and plans conform to this ARTICLE VI, the Secretary shall cast all the votes for which he holds proxies and a power of attorney in favor of the amendment. Following the vote, and upon payment by the affected Unit owners of all permit, recording, legal, architectural and other fees incurred by the Association, the Secretary shall execute the amendment to the Master Deed, and note thereon: (1) a statement of the number of votes required to approve the amendment; (2) the number of votes cast by him on behalf of Unit owners in favor of the amendment; (3) a statement of the number of consents by mortgagees required to approve the amendment; and (4) the number of consents by mortgagees received by him.

(g) The amendments to the Master Deed and plans to reallocate Commercial Units are only effective when executed in the manner required by this ARTICLE VI, and recorded. The consents to the amendment by the mortgagees of the affected Commercial Units shall also be recorded.

The owner of any Commercial Unit subdivided pursuant to this ARTICLE VI is the owner of all resulting Commercial Units created by such subdivision and shall be able to sell, lease and in all other respects treat such resulting Units as separate Commercial Units.

ARTICLE VII

ALTERATIONS IN UNITS, COMMERCIAL OR RESIDENTIAL

(a) Except as limited herein a Unit owner may make any improvements or alterations to his Unit that do not impair the structural integrity or mechanical systems, or lessen the support of, any portion of the building.

(b) Except as permitted in Paragraph (c), no person may change the appearance of the common elements, or the exterior appearance of a Unit, without permission of the Association.

(c) In the situation where a Unit owner owns adjoining Units, after giving notice to the Association, a Unit owner may alter a partition wall between such adjoining Units owned by him to create an opening in that wall. Such an alteration does not constitute a relocation of boundaries between Units as defined in ARTICLE VI.

(d) No alteration of a Unit, including an alteration of a Commercial Unit boundary pursuant to ARTICLE VI, which either affects the structural integrity or mechanical systems of the building or results in changes visible from outside the Unit, may be undertaken without the prior written approval of the Association. However, the Association shall approve any proposed alteration unless the Association determines in its discretion, reasonably applied, that the proposed alteration would adversely affect the exterior appearance of the building or any common elements therein, or the health, safety or quiet enjoyment of other Unit owners. Any Unit owner altering a Unit pursuant to this ARTICLE or ARTICLE VI shall: (1) provide for waivers of all mechanics lien rights which may arise as a result of the alteration; (2) provide certificates of insurance insuring against all losses commonly insured against arising out of the work naming the Association as an additional insured; (3) indemnify and hold the Association and other Unit owners harmless from the effect of the work; and (4) minimize the disturbance of other Unit owners and their business activities or enjoyment of their residential Unit during the work.

(e) When any alterations approved by the Association are completed, the affected Unit owners shall deliver to the Association a copy of the 'as built' plans and specifications certified to by an engineer or architect licensed to practice in South Carolina.

ARTICLE VIII

AREA COMPRISING PROPERTY

That the Property as originally constituted, has a total of 3.15 acres of which 19,260 square feet are occupied by Commercial Units on the ground level and total ground area under roof is 40,684 square feet, with the Residential Units located on floors

two through five above the commercial space. A total of 96,530 square feet constitute the remainder of the common elements which are not under roof.

ARTICLE IX

UNIT TYPES AND BUILDINGS

That there is no one basic type of commercial Unit, but various enclosures of space, shapes and configurations which are more fully shown on the Exhibit "C" plans containing various square footages as hereinafter delineated. There are ten (10) basic types of residential Units in the HarbourSide I & II Horizontal Property Regime located within two (2) buildings, those Commercial and Residential Units being as follows:

(A) Commercial Units:

(i) HarbourSide I (Building I)

<u>Unit</u>	<u>Square Feet</u>
I-A	1045
I-B	592
I-C	741
I-D	665
I-E	1071
I-F	1346
I-G	1329
I-H	2861

(ii) HarbourSide II (Building II)

<u>Unit</u>	<u>Square Feet</u>
II-A	836
II-B	1431
II-C	377
II-D	2738
II-E	990
II-F	610
II-G	601
II-H	2458

(b) Residential Unit Types:

These Units types are referred to as Type A, Type A₁, Type A₂, Type B, Type B₁, Type B₂, Type C, Type C₁, Type D, Type D₁, Type E and Type E₁, and are more particularly described in Exhibit "E" attached hereto and made a part hereof.

The Residential Units in HarbourSide I (Building I) of the property are as follows:

On the second floor or second and third floor there are thirteen (13) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7101	A ₁
7102	A ₂
7103	C ₂
7104	E
7105	B
7106	B
7107	B
7108	D
7109	D
7110	D
7111	A
7112	A ₂
7113	A ₁

On the third floor or third and fourth floor there are ten (10) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7114	C ₁
7115	E ₁
7116	B ₁
7117	B
7118	B
7119	D
7120	D
7121	D
7122	A ₂
7123	A ₁

On the fourth and fifth floors there are seven (7) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7124	B ₂
7125	B ₂
7126	B ₁
7127	B ₁
7128	D ₁
7129	D ₁
7130	D ₁

FILED IN DEED - 11 BOOK 373 PAGE 473
FILED AT 11.30.00 ON 07.10.82

The Residential Units in HarbourSide II (Building II) of the Property are as follows:

On the second floor or second and third floor there are fourteen (14) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7131	A
7132	B
7133	B
7134	A
7135	D
7136	D
7137	D
7138	B
7139	B
7140	C
7141	E
7142	B
7143	B
7144	A

On the third floor or third and fourth floor there are seventeen (17) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7145	A ₁
7146	A ₁
7147	B ²
7148	B
7149	A ₁
7150	A ₂
7151	D ²
7152	D
7153	D
7154	B
7155	B
7156	C ₁
7157	E ₁
7158	B ₁
7159	B
7160	A ₂
7161	A ₁

FILED IN DEED - "B" BOOK 370 PAGE 407
 FILED AT 17.00.00 ON 07/12/83

On the fourth and fifth floors there are eleven (11) Units, numbered as follows:

<u>Unit Number</u>	<u>Unit Type</u>
7162	B ₁
7163	B ₁
7164	B ₁
7165	D ₁
7166	D ₁
7167	D ₁
7168	B ₁
7169	E ₂
7170	E ₂
7171	B ₁
7172	B ₁

ARTICLE X

COMMON ELEMENTS

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

A. The General Common Elements are as follows:

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

(2) Parking facilities located on the Property, which parking facilities consist of approximately 60,380 square feet of paved area, and are shown on the plat of the Property attached hereto and identified as Exhibit "B".

(3) All roads, walkways, paths, trees, shrubs, yards, (except such as are designated as limited common elements) gardens, pools, planter areas, landscaping (including irrigation therefor) located upon the land which is a part of the Property.

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

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

(6) Easements through the Units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Units, general common elements and limited common elements and easements for access, maintenance, repair, reconstruction or replacement of structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the property, whether or not such improvements are erected during construction of the condominium Property or during re-construction of all or any part thereof, except such easements as may be defined as "Limited Common Elements".

(7) All areas not designated as a limited common element and not described as lying within the boundary of a Unit as described in ARTICLE V, Section (b) and all other elements of the Property constructed or to be constructed on the Property, rationally of common use or necessary to the existence, upkeep and safety of the Property and in general all other devices or installations existing for common use.

B. The Limited Common Elements are as follows:

(1) As it relates to Unit I-H and Unit II-D, the exterior area shown on the Exhibit "B" plat as "LIMITED COMMON" and which is located in close proximity to said Units, shall be appurtenant to such Units respectively and the Unit owners shall be solely responsible for the maintenance and repair of such areas.

(2) As it relates to all sixteen (16) Commercial Units set forth in ARTICLE IX hereof, that area contiguous with the Northeastern, Northwestern and Southwestern store fronts of Building No. 1 and the Northeastern, Northern, Western and Southwestern store fronts of Building No. 2, respectively, shall be Limited Common Elements appurtenant to all sixteen (16) such Commercial Units located on ground level.

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

(4) The space lying between the upper boundary of each Unit as herein described in ARTICLE V and the floor or roof above such Unit, subject to such easements for utilizing service as previously described herein.

ARTICLE XI

REVOCATION AND AMENDMENT

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

ARTICLE XII

PERCENTAGE OF INTEREST OF UNITS

That the percentage of title and interest appurtenant to each Unit and the Unit owner's title and interest in the common elements (both general and limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the HarbourSide I & II Owners' Association (hereinafter usually referred to as "Association") of the Regime is based on the proportionate value of each Unit to the value of the total Property as set forth in Exhibit "G" attached hereto and made a part hereof. The proportionate representation for voting purpose and the percentage of the undivided interest in the common elements (both general and limited) provided in this paragraph and in Exhibit "G" shall not be altered without the consent of the co-owners representing all of the Units expressed in an amendment to this Master Deed duly recorded or except as provided in ARTICLE VI with regard to the amendment to this Master Deed for purposes of subdividing Units or relocating Unit boundaries.

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ARTICLE XIII

ADMINISTRATION AND BY-LAWS

Section 1. ASSOCIATION; BY-LAWS

That as noted in ARTICLE II hereof, Declarant has caused to be incorporated under the laws of the State of South Carolina a corporation known as HarbourSide I & II Owners' Association, which shall be an incorporated Council of Co-Owners to serve as the body by which the Unit owners will manage the affairs of the Regime. Each Unit owner shall have voting rights in said Association in the same percentage as the percentage of interest his Unit has in the common elements. The administration of the Regime, and consequently of the Association, consisting as aforesaid of the Property described in ARTICLES I, II and III,

shall be in accordance with the provisions of the By-Laws which are attached hereto as Exhibit "F", are incorporated herein and made a part hereof.

The use of the term "HarbourSide I & II Owners' Association" as used in this Master Deed or in the By-Laws (hereinafter sometimes referred to as the "Association") shall have the same connotation as the term "Council of Co-Owners" as such latter term is used in The Horizontal Property Act of South Carolina. The use of the term "Board of Directors" when referring to the governing of the Association shall have the same connotation as the term "Board of Administration" is used in The Horizontal Property Act of South Carolina.

Section 2. AUTOMATIC MEMBERSHIP IN ASSOCIATION

That each Unit owner shall automatically become and be a member of the Association so long as he continues to be a Unit owner and shall exercise such percentage of vote in all matters as shown upon Exhibit "G" attached hereto. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record owners of the said Unit and filed with the Secretary of the Association. Further, should such Unit owner be a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President of the corporation and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. All such certificates shall be valid until revoked, superseded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned.

ARTICLE XIV

HORIZONTAL PROPERTY REGIME CONSTITUTED

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

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ARTICLE XV

RESERVATION OF RIGHTS TO DECLARANT; DECLARANT SUBJECT TO
MASTER DEED

That the Declarant herein reserves the right to utilize any unsold Units in the Regime for its own purposes, including, but not necessarily limited to, long term or short term rental, rental management or regime management offices, sales model and/or sales office and for retail commercial where appropriate applicable to the sixteen (16) ground level Units only) and that Declarant's lessees, invitees, guests, etc. shall be entitled to all of the privileges and rights, and be subject to the requirements hereunder, of a co-owner with respect to the use of the Property excluding voting rights which shall remain with the Declarant; provided, however, that so long as the Declarant owns one or more of the Units, the Declarant shall be subject to the provisions of this Master Deed and the Exhibits attached hereto and the Declarant covenants to take no action which will adversely affect the rights of the Regime with respect to the assurances against latent defects in the Property or other rights assigned to the Regime by reason of the establishment of said Horizontal Property Regime.

FILED 11-08-02 - 7 BOOK 373 PAGE 482
FILED AT 17.00.02 BY 07/12/02

ARTICLE XVI

COMMON ELEMENTS NOT PARTITIONED

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

ARTICLE XVII

COMMON ELEMENTS NOT SEVERABLE FROM UNITS; DEED TO UNITS

That the undivided interest in the common elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. The deed effecting the transfer of a Unit shall include, unless expressly stated to the contrary, and even without reference thereto, all of the Seller's interest in the Seller's real and personal property associated with said Unit, including the Seller's interest in the real and personal property of the Association, any reserve accounts applicable to that Unit and any cause of action or chose in action either of the Association or arising out of his ownership of that Unit, whether or not those interests are expressly described in the deed.

ARTICLE XVIII

PROVISIONS AND COVENANTS APPLICABLE TO UNITS

That each co-owner shall comply with the provisions of this Master Deed and authorized amendments thereto, those Covenants as defined in ARTICLE IV, and the By-Laws, Decisions and Resolutions of Association, Board of Directors or other representatives, as lawfully enacted from time to time, together with any lawfully adopted amendments thereto. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief, as applicable. The Units shall also be conveyed subject to all easements of record and the recorded plat and plans of the Property and amendments thereto.

ARTICLE XIX

PERMITTED USE OF UNITS

That the permitted uses for the first floor Commercial Units shall be only for retail establishments such as gift shops, men's, women's or children's clothing and/or shoe stores, jewelry store, book store, art gallery, restaurants at approved locations, ice cream parlor, wine and liquor store, florist or flower shops, hair dressers, gift shops, specialty food stores, and similar tasteful retail establishments of a type which will complement the style and ambiance of the Shelter Cove Harbour Area.

That the Residential Units in the Regime shall be used for residential purposes only as declared elsewhere herein.

ARTICLE XX

TIME-SHARING/INTERVAL OWNERSHIP PROHIBITION

That the Declarant herein subjects the HarbourSide I & II Horizontal Property Regime to the further limitation and restriction that it shall be used and occupied for whole-time Commercial Units on the ground floor, and elsewhere as whole-time residential dwelling Units in the same manner as other condominium Units constructed as such within the multi-family residential areas of Palmetto Dunes Resort, and such dwelling Units constructed on said property, including commercial and residential, shall not be utilized for purposes of time-sharing or interval ownership, time-sharing or interval licenses, time-sharing or interval leases, or similar plans as those items are currently generally utilized in the real estate industry or as those or similar terms are expressed or defined in Chapter 32, Code of Laws of South Carolina, 1976, as amended.

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ARTICLE XXI

ASSESSMENT FOR COMMON EXPENSES; NON-USE NOT EXEMPTION OF
LIABILITY FOR COMMON EXPENSES

That the obligation of all Unit Owners with regard to assessments for common expenses and maintenance and repair of the common elements as well as responsibility for maintenance and repair of all or portions of the Units shall be as provided in this Master Deed and the By-Laws of the Association which are attached hereto as Exhibit "F".

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

ARTICLE XXII

ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

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

ARTICLE XXIII

ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

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

ARTICLE XXIV

INSURANCE

The Board of Directors of the HarbourSide I & II Owners' Association shall be required to obtain and maintain those types and forms of insurance as are required by ARTICLE VIII of the

RECORDED IN BOOK 1000 PAGE 100
1987-10-15 11:00 AM BY 071288

By-Laws as set forth in Exhibit "F" attached hereto and made a part hereof.

ARTICLE XXV

RECONSTRUCTION AND REPAIR

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

ARTICLE XXVI

CONDEMNATION

In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no reallocation of interests in the common areas resulting from a partial condemnation of such a Project may be effected without the prior approval of the Unit Owners and the eligible holders of mortgages on all remaining Units, and which have at least seventy-five (75%) percent of the votes of such remaining Units subject to eligible holder mortgages.

The Association shall represent the Unit Owners and eligible holders of mortgages in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas, or any part thereof. Each Unit Owner and eligible holder of mortgages appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or the Insurance Trustee, for the use and benefit of the Unit Owners and their mortgagees as their interests may appear.

ARTICLE XXVII

EASEMENT FOR ENCROACHMENT

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

ARTICLE XXVIII

OTHER REGIME EASEMENTS

Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements, if any, located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements serving such other Units and located in such Unit. The Board of Directors shall have the right of access to each Unit to inspect the same to remove violations therefrom and to maintain, repair or replace common elements contained therein or elsewhere in the building or buildings.

ARTICLE XXIX

SEVERABILITY

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

ARTICLE XXX

NON-WAIVER

No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE XXXI

GENDER AND NUMBER

The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

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ARTICLE XXXII

APPLICABLE LAW

This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control.

ARTICLE XXXIII

CAPTIONS

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

ARTICLE XXXIV

EXHIBITS

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

IN WITNESS WHEREOF, the Declarant has executed this Master Deed, by the appropriate officers and the appropriate corporate seals affixed hereto this 12th day of July in the year of Our Lord One Thousand Nine Hundred and Eighty-three and in the Two Hundred and Eighth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

GREENWOOD DEVELOPMENT CORPORATION
(SEAL)

Carly Self
Glenn R. Hoffman

By: *John W. Davis*
John W. Davis, Senior
Vice President

Attest: *Wayne A. Justesen Jr*
Assistant Secretary

BEAUFORT COUNTY DEVELOPMENT STANDARDS
- FINAL PLAN APPROVAL -

This is to certify that the Beaufort County Joint Planning Commission has found the site plan shown hereon to be in compliance with the Beaufort County Development Standards Ordinance and has authorized issuance of a development permit.

Date of Planning Commission approval 4/5/02

Development Permit # 0456

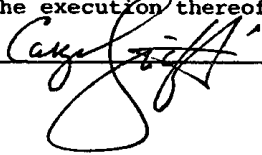
Certified by *R. H. Bailey*

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Cary S. Griffin
who, on oath, says, that s/he saw the within named GREENWOOD
DEVELOPMENT CORPORATION, by John W. Davis, its Senior Vice
President, sign the within Master Deed, and Wayne Q. Justesen, Jr.
its Assistant Secretary, attest the same, and that said Corpo-
ration by said officers, seal said Deed, and as its act and deed,
deliver the same and that s/he with Elaine R. Hoffman
witnessed the execution thereof.



SWORN to before me this 12th
day of July, 1983

Elaine R. Hoffman (L.S.)
Notary Public for South Carolina
My Commission Expires: 2/12/91

FILED IN DEED - " " BOOK 373 PAGE 488
FILED AT 17.00.00 ON 07/12/83

INDEX OF EXHIBITS AND ATTACHMENTS

- Exhibit "A" - Description of Land and Easements.
- Exhibit "B" - Plats (survey) of Land.
- Exhibit "C" - Plot Plans and Floor Plans.
- Exhibit "D" - Architect's Certificate.
- Exhibit "E" - "Walk Through" description of Residential Unit Types.
- Exhibit "F" - By-Laws of the HarbourSide I & II Horizontal Property Regime.
- Exhibit "G" - Percentage of Undivided Interest in The Common Elements.

FILED IN DEED - " BOOK 373 PAGE 489
FILED AT 17.09.83 ON 27/12/83

EXHIBIT "A"

TO

MASTER DEED OF HARBOURSIDE I & II HORIZONTAL PROPERTY REGIME

DESCRIPTION OF LAND

ALL that certain piece, parcel or tract of land, situate, lying and being in Shelter Cove, Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, shown and described as PARCEL NO. 1, containing 0.86 acres, more or less, shown and described on a Plat entitled "HarbourSide I & II Horizontal Property Regime at Shelter Cove Harbour, Palmetto Dunes Resort, Hilton Head Island, Beaufort County", which Plat was prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. (S.C.) #2373, which said Plat is dated July 12, 1983, and is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 139. For a more detailed description as to courses and distances, metes and bounds, as follows, to-wit:

From the Point of Beginning which is located on the southwestern corner of said Parcel No. 1, proceed N 67° 09' 15" W for a distance of 8.5 feet to a point; continuing on said course and bearing for a distance of 24.5 feet to a point; thence S 22° 50' 40" W for a distance of 5.5 feet to a point; thence N 67° 09' 15" W for a distance of 10.6 feet to a point; thence S 22° 50' 40" W for a distance of 3 feet to a point; thence N 67° 09' 15" W for a distance of 10 feet to a point; thence S 22° 50' 40" W for a distance of 2.5 feet to a point; thence N 67° 09' 15" W for a distance of 47.7 feet to a point; thence N 22° 50' 45" E for a distance of 24.5 feet to a point; thence N 67° 09' 15" W for a distance of 10.6 feet to a point; thence N 22° 50' 45" E for a distance of 10.5 feet to a point; thence N 67° 09' 15" W for a distance of 4.5 feet to a point; thence N 22° 50' 45" E for a distance of 32.8 feet to a point; thence S 67° 09' 15" E for a distance of 10.2 feet to a point; thence N 22° 50' 45" E for a distance of 57 feet to a point; thence N 67° 09' 15" W for a distance of 10.2 feet to a point; thence N 22° 50' 40" E for a distance of 63 feet to a point; thence S 67° 09' 15" E for a distance of 4.5 feet to a point; thence N 22° 50' 45" E for a distance of 10.5 feet to a point; thence N 67° 09' 15" W for a distance of 28.5 feet to a point; thence N 22° 50' 45" E for a distance of 32.75 feet to a point; thence N 83° 05' 45" E for a distance of 28.25 feet to a point; thence S 67° 09' 15" E for a distance of 30 feet to a point; thence N 83° 05' 45" E for a distance of 19.50 feet to a point; thence S 67° 09' 15" E for a distance of 13.25 feet to a point; thence N 22° 50' 45" E for a distance of 7.0 feet to a point; thence

N 83° 05' 55" E for a distance of 18 feet to a point; thence S 6° 54' 15" E for a distance of 8 feet to a point; thence N 83° 05' 55" E for a distance of 8.0 feet to a point; thence S 6° 54' 15" E for a distance of 8.25 feet to a point; thence S 22° 50' 45" W for a distance of 11 feet to a point; thence S 67° 09' 15" E for a distance of 44.54 feet to a point; thence S 7° 01' 55" E for a distance of 37.37 feet to a point; thence proceeding in a southwesterly direction along the curve having an arc of 134.53 feet, a delta angle of 57° 30', a radius of 134.05 feet, a chord bearing of S 21° 43' 05" W and a chord distance of 128.95 feet to a point; thence S 50° 28' 05" W for a distance of 84.62 feet to a point which marks the point of beginning.

For a more detailed description as to courses and distances, metes and bounds of the above-described Parcel No. 1 containing 0.86 acres, reference is had to the above-mentioned plat of record. In a case of conflict between the above-described metes and bounds description and said plat, said plat shall be controlling.

ALSO, ALL that certain piece, parcel or tract of land, situate, lying and being in Shelter Cove, Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, shown and described as PARCEL NO. 1-A, containing 0.52 acres, more or less, on a Plat entitled "HarbourSide I & II Horizontal Property Regime at Shelter Cove Harbour, Palmetto Dunes Resort, Hilton Head Island, Beaufort County", which Plat was prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. (S.C.) #2373, which said Plat is dated July 12, 1983, and is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 139. For a more detailed description as to courses and distances, metes and bounds, as follows, to-wit:

From the Point of Beginning labeled POINT "A" on the above-described Plat which Point of Beginning is located in the southeastern corner of Parcel 1-A, proceed S 86° 46' 15" W for a distance of 38.82 feet to a point; thence N 54° 47' 35" W for a distance of 23.50 feet to a point; thence N 16° 21' 25" W for a distance of 32.24 feet to a point; thence proceeding in a northerly direction along a curve having a delta angle of 17° 16' 45", a radius of 574.38 feet, a chord bearing of N 24° 59' 47" W and a chord distance of 172.57 feet to a point; thence N 8° 02' 35" E for a distance of 22.14 feet to a point; thence N 50° 28' 05" E for a distance of 66.89 feet to a point; thence S 34° 22' 45" E for a distance of 87.26 feet to a point; thence N 65° 07' 15" E for a distance of 85.17 feet to a point; thence S 34° 22' 45" E for a distance of 48.67

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feet to a point; thence S 65° 07' 15" W for a distance of 115 feet to a point; thence S 24° 52' 45" E for a distance of 75.14 feet to a point; thence S 3° 13' 45" E for a distance of 70.42 feet to a point which marks the point of beginning.

For a more detailed description as to courses and distances, metes and bounds of the above-described Parcel No. 1-A containing 0.52 acres, reference is had to the above-mentioned plat of record. In a case of conflict between the above-described metes and bounds description in said plat, said plat shall be controlling.

ALSO, ALL that certain piece, parcel or tract of land, situate, lying and being in Shelter Cove, Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, shown and described as PARCEL NO. 2, containing 1.10 acres, more or less, on a Plat entitled "HarbourSide I & II Horizontal Property Regime at Shelter Cove Harbour, Palmetto Dunes Resort, Hilton Head Island, Beaufort County", which Plat was prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. (S.C.) #2373, which said Plat is dated July 12, 1983, and is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 139. For a more detailed description as to courses and distances, metes and bounds, as follows, to-wit:

From the point of beginning in the southeastern corner of said Parcel No. 2, proceed S 36° 33' 05" W for a distance of 124.13 feet to a point; thence S 70° 13' 25" W for a distance of 122 feet to a point; thence N 37° 02' 25" W for a distance of 66.78 feet to a point; thence S 52° 57' 35" W for a distance of 9 feet to a point; thence N 37° 02' 25" W for a distance of 10.5 feet to a point; thence S 52° 57' 35" W for a distance of 4.5 feet to a point; thence N 37° 02' 25" W for a distance of 62.9 feet to a point; thence N 52° 57' 35" E for a distance of 4.5 feet to a point; thence N 37° 02' 25" W for a distance of 10.5 feet to a point; thence N 52° 57' 35" E for a distance of 15.5 feet to a point; thence N 37° 02' 25" W for a distance of 34.4 feet to a point; thence N 52° 57' 35" E for a distance of 24.5 feet to a point; thence N 37° 02' 25" W for a distance of 15.6 feet to a point; thence N 52° 57' 35" E for a distance of 10.6 feet to a point; thence N 37° 02' 25" W for a distance of 4.5 feet to a point; thence N 52° 57' 35" E for a distance of 11.3 feet to a point; thence N 37° 02' 25" W for a distance of 14.0 feet to a point; thence N 52° 57' 35" E for a distance of 40 feet to a point; thence S 37° 02' 25" E for a distance of 14 feet to a point; thence N 52° 57' 35" E for a distance of 11.3 feet to a point; thence S 37° 02' 25" E for a

distance of 4.5 feet to a point; thence N 52° 57' 35" E for a distance of 10.6 feet to a point; thence S 37° 02' 25" E for a distance of 5.5 feet to a point; thence N 52° 57' 35" E for a distance of 19.5 feet to a point; thence S 37° 02' 25" E for a distance of 4.5 feet to a point; thence N 52° 57' 35" E for a distance of 10.6 feet to a point; thence S 37° 02' 25" E for a distance of 10.6 feet to a point; thence N 52° 57' 35" E for a distance of 19.4 feet to a point; thence S 37° 02' 25" E for a distance of 4.5 feet to a point; thence N 52° 57' 35" E for a distance of 10.5 feet to a point; thence S 37° 02' 25" E for a distance of 10.5 feet to a point; thence N 52° 57' 35" E for a distance of 44.5 feet to a point; thence S 37° 02' 25" E for a distance of 24.5 feet to a point; thence N 52° 57' 35" E for a distance of 5.7 feet to a point; thence S 37° 02' 25" E for a distance of 10.5 feet to a point; thence N 52° 57' 35" E for a distance of 4.3 feet to a point; thence S 37° 02' 25" E for a distance of 62.7 feet to a point; thence S 52° 57' 35" W for a distance of 4.3 feet to a point; thence S 37° 02' 25" E for a distance of 10.5 feet to a point; thence S 52° 57' 35" W for a distance of 10.5 feet to a point; thence S 37° 02' 25" E for a distance of 24.5 feet to a point; thence N 52° 57' 35" E for a distance of 19.06 feet to a point; thence proceeding in a southerly direction along a curve having a delta angle of 12° 53' 35", a radius of 65 feet, a chord bearing of S 39° 54' 30" E and a chord distance of 14.60 feet to a point; thence continuing in a southerly direction along a curve having a delta angle of 2° 46' 30", a radius of 392.35 feet, a chord bearing of S 44° 58' 10" E and a chord distance of 19.0 feet to a point which marks the point of beginning.

For a more detailed description as to courses and distances, metes and bounds of the above-described Parcel No. 2 containing 1.10 acres, reference is had to the above-mentioned plat of record. In a case of conflict between the above-described metes and bounds description in said plat, said plat shall be controlling.

ALSO, ALL that certain piece, parcel or tract of land, situate, lying and being in Shelter Cove, Palmetto Dunes Resort, Hilton Head Island, Beaufort County, South Carolina, shown and described as PARCEL NO. 2-A, containing 0.67 acres, more or less, on a Plat entitled "HarbourSide I & II Horizontal Property Regime at Shelter Cove Harbour, Palmetto Dunes Resort, Hilton Head Island, Beaufort County", which Plat was prepared by Hussey, Gay & Bell, Consulting Engineers, and certified to by Roy Hussey, R.L.S. (S.C.) #2373, which said Plat is dated July 12, 1983, and is recorded in the Office of the Clerk of Court for Beaufort County,

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South Carolina, in Plat Book 31 at Page 139. For a more detailed description as to courses and distances, metes and bounds, as follows, to-wit:

From the point of beginning in the northeastern corner of said Parcel No. 2-A, proceed in a southerly direction along a curve having a delta angle of 20° 28' 10", a radius of 392.35 feet, a chord bearing of S 26° 35' 30" E and a chord distance of 139.43 feet to a point; thence S 16° 21' 25" E for a distance of 18.45 feet to a point; thence S 27° 20' 30" W for a distance of 29.32 feet to a point; thence proceeding in a westerly direction along a curve having a delta angle of 11° 17' 30", a radius of 930.50 feet, a chord bearing of S 62° 16' 45" W and a chord distance of 183.08 feet to a point; thence N 19° 46' 35" W for a distance of 131.61 feet to a point; thence N 66° 43' 25" E for a distance of 60 feet to a point; thence N 48° 13' 25" E for a distance of 74.38 feet to a point; thence N 36° 33' 05" E for a distance of 70.30 feet to a point which marks the point of beginning.

For a more detailed description as to courses and distances, metes and bounds of the above-described Parcel No. 2-A containing 0.67 acres, reference is had to the abovementioned plat of record. In a case of conflict between the above-described metes and bounds description in said plat, said plat shall be controlling.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress unto the Declarant herein, its successors and assigns and grantees.

FURTHER SAVE AND EXCEPT THEREFROM, the right of ingress and egress over and across all roads and walkways shown on the above-described plat of the HarbourSide I and II property, said reservation being unto the Declarant herein, its successors and assigns and grantees.

FURTHER SAVE AND EXCEPT from the above-described property title to and ownership of all water and sewer lines located on said parcel or hereafter installed thereon, together with all pipes, pumps, pumping stations, or other equipment or facilities located thereon, together with an easement to such lines, equipment or facilities to allow for the maintenance, repair or replacement of such lines, facilities or equipment or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

FURTHER, THE DECLARANT EXPRESSLY RESERVES the right to improve the aforementioned property by clearing, constructing additional parking

facilities pertaining to the HarbourSide I and II Horizontal Property Regime.

FURTHER, DECLARANT EXPRESSLY RESERVES the right to install lines, equipment and facilities for utility purposes and to grant easements over the property for the installation of additional lines, equipment or facilities for utility or drainage purposes from time to time.

FURTHER, the above property is submitted to the HarbourSide I and II Horizontal Regime subject to that certain Reciprocal Easement Agreement by and between SouthEastern Development Corporation and Greenwood Development Corporation dated June 3, 1982, and recorded in the office of the Clerk of Court, Beaufort County, South Carolina, in Deed Book 349, at Page 154.

FURTHER, the above property is submitted to the HarbourSide I and II Horizontal Property Regime subject to that certain Declaration of Covenants, Conditions and Restrictions running with certain land of Greenwood Development Corporation, etc., said Declaration dated February 22, 1982, and recorded in the Office of the Clerk of Court, Beaufort County, South Carolina, in Deed Book 342, at Page 1726, as amended by that certain Supplemental Declaration of Rights, Restrictions, Covenants, Conditions, etc. dated March 16, 1983, and recorded in the Office of the Clerk of Court, Beaufort County, South Carolina, in Deed Book 365, at Page 1669, and re-recorded in Deed Book 367, at Page 631.

FURTHER, the above property is submitted to the HarbourSide I and II Horizontal Property Regime subject to all easements as shown on the above plat of record and to all existing utility easements in favor of the Broad Creek Public Service District or Greenwood Development Corporation or Shelter Cove Harbour Company, of record in the Office of the Clerk of Court, Beaufort County, South Carolina.

EASEMENTS

ALSO, all that certain Easement for ingress and egress over all roads, roadways, streets, byways, lanes, paths, walkways and bike trails in Palmetto Dunes Resort (including the Shelter Cove portion of Palmetto Dunes Resort) between U. S. Highway 278 and the property in Palmetto Dunes Resort on Hilton Head Island, Beaufort County, South Carolina, which is more particularly shown and described above as Parcels 1, 1-A, 2 and 2-A on the aforementioned plat of record.

This Grant of Easement over the above described parcels shall cease to exist upon dedication or conveyance of the roads, roadways, streets, etc. to the Broad Creek Public Service District or to its successors, or to Shelter Cove Harbour Company or to some other appropriate community association or public body for use as a private road by the owners of land in Palmetto Dunes, their guests or invitees or some combination thereof, but such cessation shall be confined to the extent of such dedication or conveyance,

AND ALSO, a general use easement for those amenities, streets, roads, roadways, byways, lanes, paths, walkways, bike trails and other rights-of-way within Palmetto Dunes Resort on Hilton Head Island, Beaufort County, South Carolina, as they now exist or may hereafter be modified by Greenwood Development Corporation, its successors or assigns, and which are intended for the general use of all home and condominium owners and their proper guests and invitees, which said use shall be upon the terms and conditions as may be established from time to time by Greenwood Development Corporation, its successors or assigns, for all such owners of similar property within Palmetto Dunes Resort.

The within-granted easements are hereby intended to be easements appurtenant to the ownership of the above-captioned parcels or any portion thereof, shown on the above-described plat and are for the use, benefit and incident to the ownership of the above-described parcels or any portion thereof or condominium located therein now or in the future.

ALSO, a non-exclusive perpetual easement appurtenant to the aforementioned parcels described above for pedestrian ingress and egress over and across all roads, streets, paths, and byways lying between the above-described property and the mean high water mark of the Atlantic Ocean.

ALSO, a non-exclusive perpetual easement appurtenant to the aforementioned parcels described above for pedestrian ingress and egress over and across all roads, streets, paths, byways lying between the above-described property and the mean high water mark of the Broad Creek and Shelter Cove Marina.

EXHIBIT "B"

(SEE ATTACHED PLATS (SURVEY) OF LAND)

FILED IN DEED - W BOOK 372 PAGE 497
FILED BY 17,30,39 ON 07/12/93

EXHIBIT "C"

(SEE ATTACHED PLOT PLANS AND FLOOR PLANS.)

FILED IN DEED - " BOOK . 373 PAGE 498
FILED AT 17.02.02 ON 07/12/02

EXHIBIT "D"

ARCHITECT'S CERTIFICATE

This is to certify that HarbourSide I & II Horizontal Property Regime consisting of the Units numbered consecutively I-A through and including I-H, II-A through and including II-H, 7101 through and including 7172 are built in accordance with the Plot Plan and Floor Plans attached to the Master Deed creating said Regime which will be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, except for minor variations which are customary in projects of this nature.



Eugene R. Smith, A.I.A.
Eugene R. Smith & Associates, A.I.A.
Architects, Inc.
Registration #1658

Certified to this 12th
day of July, 1983.

Leslie Howard (L.S.)
Notary Public for South Carolina

My Commission Expires: 1-5-91

EXHIBIT "E"
"Walk Through" Description of Residential Unit Types

Each Residential Unit comes equipped with a basic appliance package consisting of a refrigerator with icemaker, an electric range with self-cleaning oven, a range hood, a dishwasher, a disposal and a washer and dryer. All of the foregoing appliances are General Electric and the heating and airconditioning system for each Unit is also by General Electric.

The Residential Units, by Unit Types, are as follows:

TYPE "A"

Each Type "A" Unit (2BR/2B) contains a total gross heated area of 1,261 on one floor, consisting of foyer, living/dining room, kitchen, two bedrooms/two baths, washer/dryer closet and Owner's closet.

Entrance to the Unit is gained through a 66.63 SF foyer, adjacent to the foyer is a 258.22 SF master bedroom with separate outside entry, a 16.31 SF closet, a 5.63 SF linen closet, a 35 SF dressing/lavatory space, and a 44.31 SF master bath. Off the master bedroom is a 63 SF exterior balcony. Also off the above mentioned foyer is a 12.49 SF washer/dryer water heater closet, an 11.49 SF A/C closet. Along a 20 SF bedroom hall is a 10.19 SF Owner's closet and a 44.72 SF bath #2.

At the end of the above mentioned bedroom hall is a 199.85 SF #2, a 32.83 SF walk-in closet and access to bath #2 from the bedroom proper. Opening off the bedroom is a 166 SF exterior balcony, (also opening off the living room) with a 31.19 SF storage closet. A 394.26 SF living/dining room opens off the end of the foyer mentioned above. Opening off the living/dining room is an exterior balcony mentioned above along with a 14.18 SF wet bar. Opening off the dining is a 95 SF kitchen. The kitchen contains all cabinets and appliances.

TYPE "A₁"

Each Type "A₁" Unit (1BR/1½B) contains a total gross heated area of 1,002 square feet on two floors consisting of foyer/stair hall, living/dining room, kitchen and half bath on the first floor and one bedroom, one bath and washer/dryer closet on the second floor.

Entrance to the Unit is gained through an 89.63 SF foyer/stair hall. Adjacent to the foyer is a 7.23 SF guest closet, a 37.31 SF half bath, and an 11.10 SF A/C closet. Off the foyer is a 184.86 SF living room and 90.44 SF dining room, with an 81.30 SF exterior balcony opening off the living room.

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Adjacent to the dining room is an 86.31 SF kitchen containing all cabinets and appliances.

Access to the second floor is by way of a spiral stair at the above mentioned foyer. The top of the stairs opens into a 20.80 SF hall which opens into a 267.23 SF master bedroom with adjacent 59.5 SF Whirlpool Spa. Further into the bedroom is a 25.37 SF closet, a 45.23 SF dressing/lavatory space with adjacent 20.55 SF washer/dryer water heater closet, and a 7.12 SF linen closet. Opening off the dressing space is a 49.35 SF master bath.

TYPE "A₂"

Each Type A₂ Unit (1BR/1½B) contains a total gross heated area of 1,123 square feet on two floors consisting of foyer, living/dining room, kitchen, half bath and washer/dryer closet on the first floor and one bedroom, one bath and Owner's closet on the second floor.

Entrance to the Unit is gained through a 37.5 SF foyer into a 474.39 SF living/dining room with adjacent spiral stair. Opening off the living/dining room is a 205.82 SF exterior balcony with a 32.15 SF storage closet. Opening off the dining room is a 93.85 SF kitchen, including all cabinets and appliances with a pass through window to the above mentioned balcony. Also off the dining room is a 15.18 SF hall with adjacent 15.18 SF washer/dryer closet and a 36.86 SF half bath.

A spiral stair from the living room/foyer area mentioned above accesses the second floor. The top of the stairs opens into a 13.89 SF hall, opening into a 213.09 SF bedroom with adjacent 40.85 square feet closet and a 14.15 SF Owner's closet through the opposite end of the closet. Also off the bedroom is a 143.05 SF main bath with Whirlpool Spa and 7.13 SF linen closet through which an access panel opens to a 57 SF± water heater attic space.

TYPE "B"

Each Type "B" Unit (2BR/2B) contains a total gross heated area of 1,259 square feet on one floor, consisting of foyer, living/dining room, kitchen, two bedrooms, two baths, washer/dryer space, and an Owner's closet.

Entrance to the Unit is gained through a 35.32 SF foyer. Adjacent to the foyer is an 8.33 SF A/C closet and a 109.23 SF kitchen with adjacent 8.01 SF washer/dryer closet, 7.13 SF water heater closet, and a 29.58 SF Owner's closet. The kitchen also contains all cabinets and appliances. Further into the Unit is a 384.38 SF living/dining room. Beyond the living room is a 168.64

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SF exterior balcony with a 16.90 SF storage closet. Adjacent to the above mentioned dining room is a 33.77 SF bedroom hallway with an adjacent 5 SF linen closet. This hallway opens into a 53.46 SF master bedroom dressing/hallway with adjacent 19.58 SF closet and 74.22 SF master bath. Beyond this hall is the 205.97 SF master bedroom proper opening onto the living room balcony mentioned above. Further off the bedroom hallway mentioned above is a 211.73 SF second bedroom with adjoining 13.75 SF closet and 59.54 SF bathroom. Access to this bedroom/bath suite can be gained through a separate exterior entry adjacent to the main "B" Unit front door.

TYPE "B₁"

Each Type "B₁" Unit (2BR/2 $\frac{1}{2}$ B) contains a total gross heated area of 1,647 square feet on two floors consisting of foyer, living/dining room, kitchen, utility room and half bath on the first floor and two bedrooms/two baths and an Owner's closet on the second floor.

Entrance to the Unit is gained through a 54.19 SF foyer. Off the foyer is a short hall containing 10.09 square feet with an adjacent 33.94 SF half bath and a 7.34 SF guest closet. Further into the Unit through an 86.79 SF stair hall is a 493.09 SF living/dining room. Beyond the living room is a 139.3 SF exterior balcony containing a 26.7 SF storage closet. Opening off the above mentioned dining room is a 113.33 SF kitchen with a 33.94 SF utility room beyond. The kitchen also contains all cabinets and appliances.

Access to the second floor is gained by way of a spiral stair way in the above mentioned stair hall. The top of the stairs opens into a 41.79 SF hallway with adjoining 19.38 SF washer/dryer closet. Opening off the second floor hall is a 303.82 SF master bedroom with an adjacent 53.11 SF Whirlpool Spa. Opening off the master bedroom is a 49.13 SF walk-in closet, a 33.4 SF dressing/lavatory space, and a 42.73 SF bathroom. Additionally, off the second floor stair hall is a 188.03 SF second bedroom with an adjacent 14.18 SF closet, a 44.40 SF bath and an adjacent 24 SF Owner's closet.

TYPE "B₂"

Each Type "B₂" Unit (2BR/D/3B) contains a total gross heated area of 2,356 square feet on two floors consisting of foyer, living/dining room, kitchen, bath #3, wet bar, study and Owner's closet on the first floor and two bedrooms/two baths, washer/dryer closet and utility room on the second floor.

Entrance to the Unit is gained through a 163.98 SF foyer/stair hall. Off the foyer is a 19.15 SF Owner's closet, a 147.08 SF study with 20.01 SF closet and adjoining 64.06 SF bath

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#3 with 3.76 SF linen closet. Further into the Unit along a 79.29 SF hall is an 11.81 SF wet bar, an 11 SF guest closet, and a 126.35 SF kitchen with adjacent 11.10 SF A/C closet and 6.05 SF water heater closet. The kitchen also contains all cabinets and appliances. The above mentioned hall opens into a 515.22 SF living/dining room, including a 9.34 SF fireplace/TV wall, which in turn opens onto a 285.72 SF exterior balcony with an 8 SF grill/cook top and adjoining 20 SF storage closet.

Access to the second floor is through the stair hall mentioned above. The top of the stairs opens into a 79.98 SF hallway. Adjoining the hall is a 37.19 SF utility closet, a 21 SF washer/dryer space, and a 262.88 SF bedroom #2 with adjoining 14.75 SF closet, 4.08 SF linen closet, 30.22 SF dressing/lavatory space and a 39.59 SF bat #2. At the end of the above mentioned hall is a 444.86 SF master bedroom containing a 13.35 SF fireplace with adjoining 72 SF Whirlpool Spa, 58.31 SF walk-in closet, 40.81 SF dressing/lavatory space, and a 62.25 SF master bath.

TYPE "C"

Each Type "C" Unit (1BR/1B) contains a total gross heated area of 757 square feet on one floor, consisting of foyer, living/dining room, kitchen, washer/dryer closet, one bedroom, one bath, and Owner's closet.

Entrance to the Unit is gained through a 19.49 SF foyer. Adjacent to the foyer is a 100.49 SF kitchen with a 9.51 SF washer/dryer closet. The kitchen contains all cabinets and appliances. Further into the Unit is a 295.01 SF living/dining room which opens onto a 77.05 SF exterior balcony. Adjacent to the foyer is a 26.4 SF bedroom hall with adjacent 14.99 SF A/C closet and a 5.62 SF linen closet. The bedroom hall leads into the 206.68 SF bedroom with adjacent 5.63 SF Owner's closet, 52.5 SF bath, and 21.06 SF closet. The bedroom also opens onto the living room balcony mentioned above.

TYPE "C₁"

Each Type "C₁" Unit (2BR/2½B) contains a total gross heated area of 1,368 square feet on two floors, consisting of foyer, living/dining room, kitchen, washer/dryer closet, half bath and an Owner's Closet on the first floor and two bedrooms and two baths on the second floor.

Entrance to the Unit is gained through a 20.25 SF foyer. Adjacent to the foyer is a 100.49 SF kitchen with adjoining 9.51 SF washer/dryer closet. The kitchen contains all cabinets and appliances. Off the foyer is a 387.32 SF living room with spiral stair to the second floor and adjacent 120.88 SF dining room. Also adjacent to the foyer in a 17.44 SF hallway is a 14.63 SF

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A/C closet, a 4.27 SF closet, a 5.83 SF Owner's closet, and a 32.07 SF half bath.

Access to the second floor is by way of a spiral stair off the living room mentioned above. The top of the stairs opens into a 24.50 SF bedroom hall. This hall opens to the 212 SF master bedroom with adjoining 83.3 SF Whirlpool Spa, a 33.13 SF closet, a 34.32 SF dressing/lavatory space and a 40.32 SF master bath. The above mentioned bedroom hall also opens onto a 168.89 SF second bedroom with adjoining 44.81 SF bath and 24.94 SF closet. An access panel in this bedroom gives way to a 40 SF ± water heater/attic space.

TYPE "D"

Each Type "D" Unit (1BR/1½B) contains a total gross heated area of 995 square feet on one floor, consisting of a foyer, living/dining room, kitchen, one bedroom, one and a half baths, washer/dryer space and Owner's closet.

Entrance to the Unit is gained through a 56.65 SF foyer. Off the foyer is a 206.59 SF bedroom with an adjacent 15.91 SF closet and a 60.93 SF bathroom. Also off the foyer is a 5.43 SF guest closet and a short hall containing 9.51 square feet from which access is gained to a 27.56 SF bath and an 8.01 SF A/C closet. Further into the Unit along a 92.01 SF hallway is a 106.90 SF kitchen containing a 4.38 SF pantry, a 7.34 SF washer/dryer closet, an 8.44 SF Owner's closet and a 5.43 SF water heater closet. The kitchen also contains all cabinets and appliances. Beyond the kitchen is a 380.33 SF living/dining room. Opening off this space is a 91.65 SF exterior balcony.

TYPE "D₁"

Each Type "D₁" Unit (2BR/2½B) contains a total gross heated area of 1,851 square feet on two floors, consisting of foyer, living/dining room, kitchen, utility room and half bath on the first floor and two bedrooms/two baths and an Owner's closet on the second floor.

Entrance to the Unit is gained through a 54.19 SF foyer. Off the foyer is a short hall containing 10.09 SF with an adjacent 33.94 SF half-bath and a 7.34 SF guest closet. Further into the Unit through an 86.79 SF stair hall is a 592.17 SF living/dining room. Beyond the living room is a 145.11 SF exterior balcony containing an 18 SF storage closet. Opening off the above mentioned dining room is a 113.33 SF kitchen with a 33.94 SF utility room beyond. The kitchen also contains all cabinets and appliances.

Access to the second floor is gained by way of a spiral stairway in the above mentioned stair hall. The top of the stairs opens into a 41.79 SF hallway with adjoining 19.38 SF

washer/dryer closet. Opening off the second floor hall is a 373.95 SF master bedroom with 61.75 SF Whirlpool Spa. Opening off the master bedroom is a 68.31 SF walk-in closet, a 40.26 SF dressing/lavatory space and a 42.73 SF bathroom. Additionally, off the second floor stair hall is a 188.03 SF second bedroom with an adjacent 14.18 SF closet, a 44.40 SF bath, and adjacent 24 SF Owner's closet.

TYPE "E"

Each Type "E" Unit (1BR/1½B) contains a total gross heated area of 887 square feet on one floor, consisting of foyer, living/dining room, kitchen, one bedroom, 1½ baths, a washer/dryer closet and an Owner's closet.

Entrance to the Unit is gained through a 50.99 SF foyer with adjacent 30.22 SF half-bath, 7 SF washer/dryer closet and 8.14 SF A/C closet. The foyer leads into a 365.21 SF living/dining room with adjacent 81.19 SF kitchen, containing all cabinets and appliances. Off the kitchen is a 15.59 SF pantry/water heater closet. Leading off the living/dining room is a 93.34 SF exterior balcony. Adjacent to the dining room is a 191.43 SF one bedroom with adjacent 61.70 SF closet/lavatory space with adjoining 61.70 SF bathroom. The bedroom also has an adjacent 14 SF Owner's closet and 50.68 SF exterior balcony.

TYPE "E₁"

Each Type "E₁" Unit (1BR/1½B) contains a total gross heated area consisting of 1,276 square feet on two floors consisting of a foyer, living/dining room, kitchen, Owner's closet, washer/dryer closet, and half bath on the first floor and one bedroom and one bath on the second floor.

Entrance to the Unit is gained through a 49.06 SF foyer with adjacent 31.19 SF half bath, and 6.25 SF closet. Further along the foyer is an 18.88 SF hall as access to a 75.86 SF kitchen with adjacent 12.22 SF A/C closet, and 7.9 SF washer/dryer closet. The kitchen also contains all cabinets and appliances. The end of the foyer opens into a 37.54 SF corridor space leading into a 172.20 SF dining room and adjoining 369.80 SF living room. Opening off the dining room end of the living room is a 121.95 SF exterior balcony with 16.39 SF storage closet/water heater space. Off the opposite end of the living room is a 37 SF Owner's closet and a second exterior balcony containing 52 square feet with adjoining 12.58 SF storage closet/water heater space.

The living room also contains a spiral stair leading to the second floor. The top of the stairs opens into a 12.85 SF landing leading into a 261.14 SF one bedroom with adjoining 68.25 SF Whirlpool Spa. Also opening off the bedroom is a 41.15 SF dressing/lavatory space, a 22.16 SF closet and a 40 SF bathroom.

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EXHIBIT "F"
BY-LAWS OF HARBOURSIDE I & II HORIZONTAL PROPERTY REGIME
AND
HARBOURSIDE I & II OWNERS' ASSOCIATION

TABLE OF CONTENTS

<u>Article</u>	<u>Title</u>	<u>Page</u>
I	Plan of Unit Ownership	1
II	Voting, Majority of Co-Owners Quorum, Proxies	2
III	HarbourSide I & II Owners' Association	2
IV	Board of Directors	4
V	Officers	9
VI	Notices	10
VII	Obligations of the Co-Owners	10
VIII	Insurance	18
IX	Reconstruction and Repair	21
X	Insurance Trust	22
XI	Mortgages	23
XII	Restrictions Upon Leases of Units	24
XIII	Amendments	24
XIV	Miscellaneous Matters	26

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BY-LAWS
OF
HARBOURSIDE I & II HORIZONTAL PROPERTY REGIME
AND
HARBOURSIDE I & II OWNERS' ASSOCIATION

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located on Hilton Head Island, in Beaufort County, South Carolina, known as HarbourSide I & II Horizontal Property Regime has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, which said Property shall henceforth be known as the HarbourSide I & II Horizontal Property Regime (hereinafter referred to as "Regime").

Section 2. ASSOCIATION. In conjunction with the creation of the above described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as HarbourSide I & II Owners' Association (hereinafter referred to as "Association") which shall, pursuant to the provision of the aforementioned Master Deed, constitute the incorporated HarbourSide I & II Owners' Association.

Section 3. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property, the Association and the Regime.

Section 4. PERSONAL APPLICATION. All present or future co-owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any Unit, whether commercial or residential, as defined in the Master Deed of the Property, or the mere act of occupancy of any Unit will signify that these By-Laws, the provisions of the Master Deed, the provisions of that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RUNNING WITH CERTAIN LANDS OF GREENWOOD DEVELOPMENT CORPORATION IN BEAUFORT COUNTY, SOUTH CAROLINA AND PROVISIONS FOR MEMBERSHIP IN SHELTER COVE HARBOUR COMPANY, A SOUTH CAROLINA NON-PROFIT CORPORATION, dated February

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22, 1982, recorded March 4, 1982, in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 342 at Page 1726, that certain SUPPLEMENTAL DECLARATION of Greenwood Development Corporation recorded in said Office in Deed Book 365 at Page 1669 and re-recorded in said Office in Deed Book 367 at Page 631 and any authorized recorded amendments to the foregoing Master Deed are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. ELIGIBILITY. Any person who acquires title to a Unit in the Regime shall be a member of the Association. There shall be one membership for each Unit owned. Transfer of Unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If Unit ownership is vested in more than one person, then all of the persons so owning such Unit shall agree upon the designation of one of the co-owners of such Unit to act as a member of the Association. If Unit ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation to act as a member of the Association.

Section 2. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the co-owner is entitled is the percentage assigned to the Unit or Units in the Master Deed.

Section 3. MAJORITY OF CO-OWNERS. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding fifty-one (51%) percent or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed, and any authorized amendments thereto.

Section 4. QUORUM. Except as otherwise provided in Section 6 and elsewhere in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 3 of this Article shall constitute a quorum.

Section 5. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 6. MAJORITY VOTE. The vote of a majority of the Unit owners present at a meeting at which a quorum shall be present shall be binding upon all Unit owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

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ARTICLE III

HarbourSide I & II Owners' Association

Section 1. ASSOCIATION RESPONSIBILITIES. The co-owners of the Units will constitute the Association of Co-owners (hereinafter usually referred to as "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of co-owners.

Section 2. PLACE OF MEETINGS. Meetings of the Association shall be at such place, convenient to the co-owners, as may be designated by the Association.

Section 3. ANNUAL MEETINGS. The annual meetings of the Association shall be held at the call of the President once a year during the month of April or at such other time as a majority of the co-owners may agree upon. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Association as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the Secretary to call a special meeting of the co-owners as directed by resolution of the Board of Directors, at the request by a majority of the Directors, or upon a petition signed by a majority of co-owners and having been presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice except by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

Section 5. FIRST MEETING. The first meeting of the Association shall be held within one hundred twenty (120) days from the date that seventy-five (75%) percent of the Units in the Regime as defined in the Master Deed, have been conveyed by the Declarant to individual co-owners, but in no event later than one hundred eighty (180) days from the filing of the Master Deed.

Section 6. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner of record, at least fifteen (15), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. ADJOURNED MEETING. If any meeting of the Association cannot be organized because a quorum has not

attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if co-owners holding at least 25% of the total value of the property in accordance with the percentages assigned in the Master Deed are present at said reconvened meeting.

Section 8. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

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

ARTICLE IV

BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of seven (7) persons at least one (1) of whom shall be an owner of a Commercial Unit. Until succeeded by the Board Members elected by the Unit Owners, Members of the Board of Directors need not be Unit Owners. So long as the Declarant (as defined in the Master Deed) owns one or more Units, the Declarant shall be entitled to elect at least one member of the Board of Directors, who need not be a Unit Owner. After the Declarant has conveyed all Units and is no longer entitled to elect one member of the Board of Directors, all Board Members shall be Unit Owners.

Section 2. GENERAL POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Association or individual co-owners.

Section 3. OTHER POWERS AND DUTIES. In addition to duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the Common Elements.
- (c) Collection, at the time of the closing of the sale of each Unit, of at least two (2) month's estimated common expense assessments for the purpose of establishing a working capital fund for the Association. These funds shall be accounted for in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold Unit shall be paid to the Association within sixty (60) days after the date of the conveyance of the first Unit in the Regime.
- (d) Establishment of the annual budget. The budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the co-owners present at such meeting, in person or by proxy.
- (e) As a part of the annual budget described in (d) above, establish and maintain on behalf of the Association an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the common elements.
- (f) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.
- (g) Collection of all assessments and fees from the co-owners, including all Shelter Cove Harbour Company assessments which shall be paid over to Shelter Cove Harbour Company.
- (h) Performance of repairs caused by any natural disaster or man-made damage, to be funded from the reserve account and any special assessment, as applicable, or causing the same to be done.
- (i) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the

Master Deed, or causing the same to be done as set forth in ARTICLE VIII hereof.

- (j) Grant or relocate easements which are not inconsistent with the owners' full use and enjoyment of the common properties.
- (k) Making of repairs, additions and improvements to or alterations of, the property and repairs to and restoration of the property in accordance with the other provisions of these By-Laws; provided, however, that the Board of Directors shall not undertake any repair covered by the warranty without the consent of a majority of the Unit Owners.
- (l) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Unit Owners or the holders, insurers or guarantors of any first mortgage on any Unit, current copies of the Master Deed, By-Laws, other Rules or Regulations pertaining to the Association, and the books, records and financial statements of the Association.

Section 4. MANAGEMENT AGENT. The initial management agent shall be Property Administrators, Incorporated, an independent professional management company not affiliated with the Declarant, whose contract extends for a period of one (1) year from the establishment of HarbourSide I & II Horizontal Property Regime. Thereafter, the Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any such management contracts shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts. Since an independent professional management company is being employed from the outset, and if at any time during the management of the Property by this or some other professional management entity, any holders, insurers or guarantors of mortgages on Units within the Regime shall require that professional management of Regime/Association matters be maintained, and the Association is so advised in writing, any decision thereafter by the Association to establish self management by the Association shall require the prior consent of Unit Owners holding sixty-seven (67%) percent of the votes in the Association and the approval of holders holding mortgages on Units within the Regime which have at least fifty-one (51%) percent of the votes of all Units in the Regime subject to holder mortgages.

Section 5. FIRST BOARD OF DIRECTORS. The first Board of Directors, consisting of up to seven (7) members, shall be

designated by the Declarant. These appointments will be temporary and will continue only until the first annual meeting of the Unit Owners held pursuant to the provisions of these By-Laws or until a special meeting is held with the purpose of electing a Board of Directors for the interim period between the special meeting and the first annual meeting. At the first Annual Meeting of the Association, the initial term of office for three (3) members of the Board shall be fixed at three (3) years. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of two (2) members of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The Director selected by the Declarant shall be the Director designated to serve for a period of one (1) year. Should the Declarant sell or otherwise alienate voluntarily or involuntarily, his ownership interest in the Unit(s), his selected Director will automatically lose his place upon the Board and a replacement Director will be elected as provided in Section 6 of this Article. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. During the period in which the Declarant's designees constitute a majority of the Board of Directors, the Board of Directors shall not enter into any contract having a term which extends beyond the term of the Management Agreement with Property Administrators, Incorporated.

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

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any annual or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a majority of co-owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be a Unit owner (except as provided in Section 5 regarding Declarant's appointee).

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly

elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

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

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

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

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

Section 14. COMPENSATION. No member of the Board of Administrators shall receive any compensation from the Regime for acting as such.

Section 15. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

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The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Directors, who are members of or employed by the Declarant, to contract with the Declarant and affiliated entities without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors, shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all Unit Owners in the common elements.

ARTICLE V

OFFICERS

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

Section 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Unit Owner.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all

meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the co-owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. SECRETARY-TREASURER. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

ARTICLE VI

NOTICES

Section 1. DEFINITION. Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board of Directors, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Directors, such manager or such Unit Owners at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing.

Section 2. SERVICE OF NOTICE-WAIVER. Whenever any notice is required to be given under the provisions of the Master Deed, or law, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

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ARTICLE VII

OBLIGATIONS OF THE CO-OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All co-owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association common expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Unit Owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Declarant will be liable for the amount of any assessment against completed Units within the Association which have not been sold and Declarant shall have all voting rights attendant to the ownership of said Units until said Units are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Unit within the Association shall carry with it the proportionate equity of that Unit's ownership in the Association escrow or reserve account set aside to provide a contingency fund for the maintenance and repair of the Association Property.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Unit.

Section 3. RECORDS. The Manager or Board of Directors shall keep detailed records of the receipts and expenditures affecting the General and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments

involved shall be available for examination by the Owner during reasonable business hours.

Section 4. **DEFAULT IN PAYMENT OF COMMON CHARGES.** The Board shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying to the Board the common charges as determined by the Board, such Unit Owner shall be obligated to pay a late charge of one and one-half (1 1/2%) percent of the delinquent amount, per month, on such unpaid common charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding or other effort commenced to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling.

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

Section 6. **MAINTENANCE AND REPAIR.**

(a) Maintenance and Repair Generally. No Unit owner shall do or cause to be done any work affecting an individual Unit which would jeopardize the soundness or safety of the condominium property, reduce the value thereof or impair any easement or hereditament therein. Further, and unless otherwise stated herein, no Unit owner shall make or cause to be made any structural addition or alteration to his Unit or to the general common elements or limited common elements nor make any alteration, replacement or change in or to the general common elements or limited common elements nor shall he alter, replace or perform any work of any kind on the exterior of the building

without in each and every such case first obtaining in writing the specific consent of the Board of Directors.

(b) Areas of Association Responsibility. It shall be the responsibility of the Association to maintain, repair and replace:

(1) All portions of the Unit which contribute to the support of the building, including main bearing walls, but excluding improvements to or decorating of the interior surfaces of walls, ceilings and floors within the Unit.

(2) All portions of the Unit which constitute a part of the exterior of the building, except the repair or replacement of windows or other glass surfaces which shall be the responsibility and liability of the respective Unit owners or except as provided in ARTICLE V, Section (b)(5) of the Master Deed.

(3) All of the general common elements and limited common elements, unless otherwise stated herein.

(4) All incidental damages caused by work done by direction of the Association.

(c) Areas of Unit Owner Responsibility. It shall be the responsibility of the Unit owner:

(1) To maintain in good condition and repair all portions of the Unit and interior surfaces therein including the walls, ceilings, floors, interior doors, solely internal partitions, windows, screens and glass.

(2) To maintain and repair the fixtures and equipment in the Unit including, but not limited to, all heating and air conditioning units whether within or without the Unit, all hot water heaters, all plumbing fixtures, all appliances, and all conduits, ducts and duct work, pipes, plumbing, wiring and other facilities for furnishing of utility services which are contained within the units.

(3) To make no alteration in or addition to or service any part of or do any work which would jeopardize the safety and soundness of any portion of his Unit contributing to the support of such Unit or to the support of any other Unit, which supporting portion shall include but not be limited to the exterior walls of his Unit, any load bearing walls or columns within such Unit and any wall dividing one or more units, except as otherwise provided by these By-Laws or the Master Deed.

(4) To permit the Association or its agents or employees to enter into each Unit 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

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accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to another Unit or to determine compliance with the Master Deed or these By-Laws.

(d) Violations; Remedies. In the event the owner of any Unit fails to maintain his Unit and any general common elements or limited common elements as are required in these By-Laws or attempts to make or does make any structural addition or alteration without the written consent of the Association or in making the same damages any other Unit or the general common elements or limited common elements or threatens to do so or otherwise violates the Master Deed and By-Laws of the Association, the Association shall have the right to proceed in any Court of Equity to seek injunctive relief or to otherwise proceed to seek damages for any injury thereby caused. The Association shall further have the right to levy an assessment on any Unit and/or owner thereof for the cost and expenses of repairs or replacement within an individual Unit for which the owner is responsible but refuses to make and for any damages caused by a Unit owner as specified above. Any such assessment shall be deemed to be a lien as conferred by Section 27-31-210 of the Code of Laws of South Carolina, 1976, as amended, said lien being subordinate to any duly recorded mortgage lien on a Unit as recited in said Section 27-31-210.

(e) Directors Not Personally Liable. Nothing contained in this Section shall be construed so as to impose personal liability upon any member of the Board of Directors for the maintenance, repair or replacement of any Unit or general common element or limited common element or to give rise to a cause of action against them. Further, the Board of Directors shall not be liable for damages of any kind except for willful misconduct or bad faith.

Section 7. WATER AND SEWER CHARGES. Water and sewer service for all Units will be furnished by Broad Creek Public Service District or its successors. Sewage service shall be furnished to each Unit on a fixed charge per Unit basis as established by the Public Service District and collected by the Public Service District by separate billing unless the Association elects to collect sewer charges as a part of the common monthly expense assessment. Water service shall be billed by four (4) methods, depending upon type of Unit or use) as follows:

(a) As to the common area water usage, it shall be billed through the use of one or more meters and the cost of such water shall be a common expense to all Units in the Regime just as any other common expense;

(b) As to the Commercial Units operated as restaurants or other food service facilities, these shall be separately metered and billed directly by the Broad Creek Public Service District;

(c) As to all other Commercial Units, their water usage will be metered by one or more meters and the cost of such water usage of such Commercial Units shall be billed to them monthly as a part of their common monthly assessment, with each Unit's share being determined by each Unit's relative value as among all other Commercial Units, excluding restaurants served under paragraph (b) above, as established by the Exhibit "G" Schedule; and

(d) As to all Residential Units, this water use shall be separately metered by use of one or more meters and the cost of such service shall be collected by the Regime as a part of the common monthly assessments, with each Residential Unit being responsible for its relative share as against all Residential Units, utilizing the schedules set forth in Exhibit "G" attached hereto.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the common elements shall be separately metered, and the Board shall pay all bills for electricity consumed in such portions of the common elements, as a common expense.

Section 9. USE OF APARTMENTS - INTERNAL OR EXTERNAL CHANGES

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

(b) All Commercial Units shall be utilized for approved commercial purposes only as provided in ARTICLE XIX of the Master Deed.

(c) No alteration of a Unit, including an alteration of a Unit boundary pursuant to the provisions of ARTICLE V and ARTICLE VI of the Master Deed, which either affects the structural integrity or mechanical systems of the building or results in changes visible from outside the Unit, may be undertaken without the prior written approval of the Association. However, the Association shall approve any proposed alteration unless the Association determines that the proposed alteration would adversely affect the exterior appearance of the building or any common elements therein, or the health, safety or quiet enjoyment of other Unit owners. Any Unit owner altering a Unit pursuant to

this Section or ARTICLES V and VI of the Master Deed shall: (1) provide for waivers of all mechanics lien rights which may arise as a result of the alteration; (2) provide certificates of insurance insuring against all losses commonly insured against arising out of the work naming the Association as an additional insured; (3) indemnify and hold the Association and other Unit owners harmless from the effect of the work; and (4) minimize the disturbance of other Unit owners and their business activities or the reasonable enjoyment of their Unit during the work. The Association shall have the obligation to answer within thirty (30) days from the actual receipt of such written request for approval and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(d) A Unit owner may make any reasonable improvements or alterations to the interior of his Unit that do not impair the structural integrity or mechanical systems, or lessen the support of, any portion of the building.

Section 10. USE OF COMMON ELEMENTS. Except as authorized by Section 9(c) a co-owner shall not place or cause to be placed in the passages, parking areas, roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the co-owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 11. RIGHT OF ENTRY.

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

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

Section 12. RULES AND REGULATIONS. In order to assure the peaceful and orderly use and enjoyment of the Units and common elements of the Association, the co-owners may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common element constitutes two-thirds of the total interest, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons on said property of the Association as it may deem necessary. Such Rules

and Regulations, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each owner by posting same with postage prepaid addressed to the owner at the last registered address of the owner and shall be binding upon all Unit Owners and the occupants of Units in the Regime within fifteen (15) days of the posting of such amendment, modification or revocation. The following shall constitute the initial Rules of Conduct for the Regime:

(a) Each Unit owner shall keep his Unit in a good state of preservation and cleanliness. He shall not allow anything whatever to hang or fall from the windows or doors of the premises, nor shall he sweep or throw from the premises any dirt or other substance into any of the corridors or halls, ventilators or elsewhere in the building or upon the grounds. Refuse shall be placed in containers in such manner and at such times and places as the Board or its agent may direct.

(b) The parking areas, entrances, vestibules, elevators, stairways, corridors, halls and landings must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Units in the building.

(c) Unit owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emanate from their Units.

(d) Unit owners shall not permit or keep in their Unit any inflammable, combustible or explosive material, chemical or substance, except such products as are required in normal professional use.

(e) Water closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

(f) No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Unit owner on any part of the outside of the Unit or Building, hung from windows or placed on window sills or placed in the inside of windows facing out, without the prior written consent of the Board. Signs, after approval by the Board as to style, background, color and frame finish, may be affixed only to the door of the Unit or, in the case of commercial Units, at such other location as the Board shall approve. No more than one (1) such sign (door plaque) may be affixed for each 1,000 feet in the residential Unit.

(g) No awnings, radio or television aerials or other projections shall be attached to the outside walls of the building and no blinds, levelers, shades or screens shall be

attached to, hung or used on the exterior of any window or door of the Unit, without the prior written consent of the Board. No blinds, levelers, shades, screens, draperies or drapery backing which are visible through the exterior windows other than a previously Board-approved dark or neutral, one tone color, shall be hung or used without the prior written consent of the Board.

(h) No vehicle belonging to a Unit owner or to an employee, or visitor of a Unit owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the building or parking lots by any other vehicle.

(i) Unit owners, their employees, tenants or visitors shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the building; provided, however, that repair personnel may enter upon the roof to maintain or repair the various air conditioning compressors located on the roof of the building.

(j) The Board or its agent may from time to time curtail or relocate any space devoted to storage or service purposes in the building.

(k) The Board or its designee shall have the right of access to any Unit for the purpose of making inspections, repairs, replacements or improvements, or to remedy certain conditions which would result in damage to other portions of the building. In the event it finds vermin, insects or other pests, it may take such measures as it deems necessary to control or exterminate same.

(l) Servants and employees of the Association are employed to deal with the common property only and such servants or employees of the Board or its agent shall not be sent out of the building by any Unit owner at any time for any purpose.

(m) Complaints regarding the services of the building shall be made in writing to the Board or its agent, except in the case of an emergency.

(n) Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board.

(o) Use of the Unit by a Unit owner shall not be changed to any unauthorized use.

(p) No Unit owner, or lessee shall install wiring for electrical or telephone installations, television or radio antennae, air conditioning units, or similar objects outside of his Unit or which protrudes through the walls of his Unit or the roof of the building except as authorized by the Board.

(q) No water beds shall be kept or used in any Unit.

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Section 13. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorneys fees, and until such expense is recovered it shall be a lien upon said Unit which lien shall be inferior to the lien of all prior Mortgages.

ARTICLE VIII

INSURANCE

The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed and which are also satisfactory to any mortgagee holding mortgages on five or more Units, the following insurance, without prejudice of the right of the co-owner to obtain additional individual insurance at his own expense:

(1) Hazard Insurance. The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, earthquake and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by a periodic appraisal of the Property for finance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every other year, or in the amount reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual Units.

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

controlled by the Horizontal Property Act and the provisions of this Master Deed.

(b) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each 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.

(c) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owner upon the contents and furnishings of their Units.

(d) Each Mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a copy of each appraisal as called for in paragraph 1 above. If any such Mortgagee disagrees with the values assigned to the Units by such appraisal and presents an appraisal prepared at such Mortgagee's expense showing higher values which has been performed by a qualified appraiser, then the Board shall cause a reappraisal to be made by a qualified appraiser approved by each of the appraisers who conducted the prior appraisals and the findings of the third appraiser shall be conclusive to determine such value for insurance purposes.

(e) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various 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.

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(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 to consent to such adjustment.

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

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

ARTICLE IX

RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the Board of Directors shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this ARTICLE IX. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Property is destroyed or substantially damaged. If two-thirds or more of the Property is destroyed or substantially damaged, reconstruction shall not be mandatory and unless reconstruction is unanimously agreed upon by all Unit Owners, the insurance indemnity received by the Board of Directors shall be distributed pro-rata to the Unit Owners and

their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements.

If less than two-thirds (2/3) of the Property is destroyed or substantially damaged, then such Property shall be repaired in the following manner:

(1) Any reconstruction or repair must follow substantially the original plans and specifications of the Property unless the Unit Owners holding seventy-five percent (75%) or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications. Moreover, approval of such plans is likewise subject to the approval requirements set forth in the Shelter Cove Covenants of 1982, and the Supplemental Shelter Cove Covenants of 1983.

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

(3) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose units are being reconstructed or repaired in proportion to the damage done to their respective Units.

(4) The insurance proceeds received by the Board of Directors and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors and the mortgagees, shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

ARTICLE X
INSURANCE TRUST

In the event of casualty loss to the Property, all insurance proceeds indemnifying the loss or damage shall be paid jointly to the Board of Directors as Insurance Trustee and to any mortgagee holding mortgages on five or more Units. The Board of Directors, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE X and in ARTICLE IX, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following share:

(1) Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Units.

(2) Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the benefit of Unit Owners of the damaged Units and their respective Mortgagees in proportion to the costs of repairing each damaged Unit.

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

(4) In the event a Certificate of Insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds required by the loan documents to be paid jointly to the Unit Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

ARTICLE XI
MORTGAGES

Section 1. NOTICE TO BOARD. A co-owner who mortgages his Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Units."

Section 2. NOTICE TO MORTGAGEE. The Board shall give reasonable advance written notice of the following events to all mortgagees of which it has notice or from which it receives a written request (the term "mortgagee" to include the holder, insurer or guarantor with respect to any such mortgage). Such written request must identify the name and address of the holder, insurer or guarantor and the Unit number and address:

- (a) Any change in the condominium Master Deed or By-Laws;
- (b) Any unpaid assessments due the Association from the co-owner(s) (mortgagor(s)) of the Unit;
- (c) Any default by the co-owner (mortgagor) of a Unit in the performance of such co-owners' obligations under the Master Deed and associated condominium documents when such default is not cured within sixty (60) days.
- (d) Any notice of special or annual meetings of the Association.
- (e) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- (f) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (g) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Master Deed.
- (h) Any proposed change from professional management of the Property to self management of the Property by the Association.

Section 3. STATEMENTS TO MORTGAGEE. Upon written request to the Association from any Mortgagee of which it has notice as herein provided, the Board, Manager or Management Agent shall supply such Mortgagee with a reasonably current financial statement of the Association within a reasonable time of such request. Moreover, if no audited current financial statements are available, the holders of fifty-one (51%) percent or more of first mortgages shall be entitled to have such an audited statement prepared at their expense.

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ARTICLE XII

RESTRICTIONS UPON LEASES OF UNITS

Section 1. LEASES. No Unit Owner may lease his Unit or any interest therein except by complying with the provisions of Section 2 of this Article.

Section 2. PROVISIONS IN LEASE. Any lease of any Unit within the Association shall be for a use consistent with the use provisions of these By-Laws and shall provide that the terms and conditions of the Master Deed and all exhibits shall be complied with by the tenant and that the Association shall have the power to terminate such lease, and bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of default by the tenant by tenant's failure to perform an obligation in the Master Deed, By-Laws or Rules and Regulations.

ARTICLE XIII

AMENDMENTS

Section 1. REQUIREMENTS FOR AMENDMENTS. Except where a greater percentage is expressly required, either herein, in the Master Deed or by the Horizontal Property Act, these By-Laws or the Master Deed to which it is attached may be amended only with the consent of the Owners of Units to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of eligible mortgage holders about which the Association has received written notice holding mortgages on Units which have at least fifty-one (51%) percent of the votes of Units subject to eligible holder mortgages, as it relates to modification of any material provisions of the said By-Laws and Master Deed, etc., which establish, provide for, govern or regulate any of the following:

- a. Voting;
- b. Assessments, assessment liens or subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the common elements;
- d. Insurance or Fidelity Bonds;
- e. Rights to use of the common elements;
- f. Responsibility for maintenance and repair of the several portions of the Property;

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- g. Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project except as expressly provided in the Master Deed;
- h. Boundaries of any Unit;
- i. The interests in the general or limited common elements;
- j. Convertibility of Units into common areas or of common areas into Units;
- k. Leasing of Units;
- l. Imposition of any additional or further right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- m. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

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

Section 2. MATERIALITY OF AMENDMENTS; MORTGAGEE APPROVAL PROCEDURE.

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

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 1. GENDER; NUMBER. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

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Section 2. DEFINITIONS. The definitions contained in ARTICLE IV and elsewhere in the Master Deed also apply to these By-Laws.

Section 3. EXECUTION OF DOCUMENTS. The President or Vice President and Secretary or Assistant Secretary are responsible for preparing, executing, filing and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. NOTICES. All notices required by these By-Laws shall be hand delivered or sent by mail to the Association at the address of the President; to Unit Owners at the address of the Unit or at such other address as may have been designated by such Unit owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received by the Association.

Section 5. CAPTIONS. The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision of the By-Laws.

Section 6. INVALIDITY. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 7. CONFLICT. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event of any conflict between these By-Laws and the provisions of such Statute or the Master Deed, the provisions of such Statute or the Master Deed, as the case may be, shall control.

Section 8. WAIVER. No restriction, condition, obligation, or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

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FILED AT 11:00.00 ON 07-12-80

EXHIBIT "C"
MASTER DEED OF HARBOURSIDE I & II HORIZONTAL PROPERTY REGIME
SCHEDULE OF PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS
APPURTENANT TO UNITS IN THE HARBOURSIDE I & II HORIZONTAL PROPERTY REGIME
PURSUANT SECTION 27-31-60, CODE OF LAWS OF SOUTH CAROLINA, 1976,
AS AMENDED

<u>Unit Number</u>	<u>Value for Statutory Purposes</u>	<u>Unit's Percentage of Undivided Interest in Common Elements</u>
HarbourSide I (Building I)		
I-A	\$143,000.00	0.834
I-B	81,000.00	0.473
I-C	101,000.00	0.589
I-D	90,000.00	0.525
I-E	147,000.00	0.858
I-F	184,000.00	1.074
I-G	182,000.00	1.062
I-H	391,000.00	2.281
7101	\$125,000.00	.729
7102	145,000.00	0.846
7103	131,000.00	0.764
7104	142,000.00	0.829
7105	219,000.00	1.278
7106	215,000.00	1.255
7107	215,000.00	1.255
7108	155,000.00	0.904
7109	149,000.00	0.869
7110	155,000.00	0.904
7111	222,000.00	1.295
7112	135,000.00	0.788
7113	125,000.00	0.729
7114	229,000.00	1.336
7115	192,000.00	1.120
7116	226,000.00	1.319
7117	217,000.00	1.266
7118	217,000.00	1.266
7119	157,000.00	0.916
7120	151,000.00	0.881
7121	157,000.00	0.916
7122	175,000.00	1.021
7123	155,000.00	0.904
7124	354,000.00	2.066
7125	267,000.00	1.558
7126	267,000.00	1.558
7127	267,000.00	1.558
7128	281,000.00	1.640
7129	278,000.00	1.622
7130	281,000.00	1.640

FILED IN DEED - 1 BOOK 171 PAGE 411
 FILED AT 12:00 PM ON 07/12/93

\$7,323,000.00

42.728

Unit Number

Value for
Statutory
Purposes

Unit's Percentage of
Undivided Interest
in Common Elements

HarbourSide II (Building II)

II-A	\$114,000.00	0.665
II-B	196,000.00	1.144
II-C	52,000.00	0.303
II-D	375,000.00	2.188
II-E	135,000.00	0.788
II-F	83,000.00	0.484
II-G	82,000.00	0.479
II-H	336,000.00	1.961
7131	\$179,000.00	1.044
7132	184,000.00	1.074
7133	189,000.00	1.103
7134	222,000.00	1.295
7135	155,000.00	0.904
7136	149,000.00	0.869
7137	155,000.00	0.904
7138	215,000.00	1.255
7139	215,000.00	1.255
7140	137,000.00	0.799
7141	149,000.00	0.869
7142	193,000.00	1.126
7143	188,000.00	1.097
7144	179,000.00	1.044
7145	125,000.00	0.729
7146	145,000.00	0.846
7147	186,000.00	1.085
7148	189,000.00	1.103
7149	145,000.00	0.846
7150	175,000.00	1.021
7151	157,000.00	0.916
7152	151,000.00	0.881
7153	157,000.00	0.916
7154	217,000.00	1.266
7155	222,000.00	1.295
7156	245,000.00	1.430
7157	192,000.00	1.120
7158	195,000.00	1.138
7159	190,000.00	1.109
7160	149,000.00	0.869
7161	125,000.00	0.729
7162	229,000.00	1.336
7163	232,000.00	1.354
7164	235,000.00	1.371
7165	281,000.00	1.640
7166	278,000.00	1.622
7167	286,000.00	1.669
7168	350,000.00	2.042
7169	350,000.00	2.042
7170	246,000.00	1.435
7171	242,000.00	1.412
7172	239,000.00	1.395
	\$17,138,000.00	100%

RECORDED THIS 2 DAY
OF August 1983
IN BOOK 0 PAGE 600
FEE \$
Auditor, BEAUFORT COUNTY, S. C.
Mary Ann [Signature]

OF THE BEAUFORT COUNTY, S. C. DEPARTMENT OF RECORDS AND CLERK OF COURTS
7131 179,000.00 1.044
7132 184,000.00 1.074
7133 189,000.00 1.103
7134 222,000.00 1.295
7135 155,000.00 0.904
7136 149,000.00 0.869
7137 155,000.00 0.904
7138 215,000.00 1.255
7139 215,000.00 1.255
7140 137,000.00 0.799
7141 149,000.00 0.869
7142 193,000.00 1.126
7143 188,000.00 1.097
7144 179,000.00 1.044
7145 125,000.00 0.729
7146 145,000.00 0.846
7147 186,000.00 1.085
7148 189,000.00 1.103
7149 145,000.00 0.846
7150 175,000.00 1.021
7151 157,000.00 0.916
7152 151,000.00 0.881
7153 157,000.00 0.916
7154 217,000.00 1.266
7155 222,000.00 1.295
7156 245,000.00 1.430
7157 192,000.00 1.120
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7160 149,000.00 0.869
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7162 229,000.00 1.336
7163 232,000.00 1.354
7164 235,000.00 1.371
7165 281,000.00 1.640
7166 278,000.00 1.622
7167 286,000.00 1.669
7168 350,000.00 2.042
7169 350,000.00 2.042
7170 246,000.00 1.435
7171 242,000.00 1.412
7172 239,000.00 1.395
\$17,138,000.00 100%

BAF