

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

BK S 133PG104

The Cumberland Corporation, )  
a South Carolina Corporation, )

MASTER DEED ESTABLISHING

TO: )

LAGOON VILLAS  
HORIZONTAL PROPERTY REGIME  
(An Expandable Regime)

Lagoon Villas Horizontal )  
Property Regime )

This Master Deed is made, published, and declared by  
THE CUMBERLAND CORPORATION, a South Carolina Corporation,  
(hereinafter referred to as "Grantor").

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of the  
property located in Charleston County, South Carolina described  
in Exhibit A attached hereto and incorporated herein (the  
"Property"); and

WHEREAS, Grantor desires to submit the Property to the  
provisions of the South Carolina Horizontal Property Act, Code  
of Laws of South Carolina (1976), §§ 27-31-10 et al., as such  
act may be amended from time to time (the "Act"); and

WHEREAS, Grantor is the owner in fee simple of the  
property described in Exhibit B attached hereto and incorporated  
herein (the "Additional Property") and desires to provide for  
the subsequent development in one additional stage of the  
Additional Property and desires to reserve the right to add or  
not to add all or any part of such subsequent stage to the con-  
dominium regime established hereby;

NOW, THEREFORE, Grantor hereby submits the Property to  
the Act and reserves certain rights as follows:

ARTICLE I

DEFINITIONS

Section 1. General. The terms used in this Master  
Deed, unless otherwise specified herein or unless the context  
otherwise requires, shall have the meanings specified in Act,  
such definitions being incorporated herein by reference.

T.M.S. 604-10-00-256

Section 2. Definitions. The following terms used in this Master Deed and in the Exhibits attached hereto shall have the meanings 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 the same may be amended from time to time.

(b) "Apartment" means a condominium apartment as defined in Section 1 of Article III of this Master Deed and may sometimes be referred to as a "unit".

(c) "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 Council.

(d) "Board of Directors" or "Board" means the group of persons selected, authorized and directed to manage and operate the Council as provided by the Act, this Master Deed and the Bylaws.

(e) "Building" means a structure or structures, containing in the aggregate four (4) Apartments, comprising a part of the Property.

(f) "Bylaws" means the bylaws attached hereto as Exhibit H, as modified or amended pursuant to Article XII of this Master Deed.

(g) "Common Elements" means the General and Limited Common Elements, as defined in Sections 2 and 3 of Article III and in the Act.

(h) "Common Expenses" or "common expenses" means the expenses for which the Unit Co-owners are liable to the Council and include:

(1) Expenses of administration, expenses of maintenance, insurance, operation, repair or replacement of the General Common Elements, and of the portions, if any, of the Apartments which are the responsibility of the Council.

(2) Special Assessments as provided for in this Master Deed.

(3) Expenses declared Common Expenses by provisions of this Master Deed.

(i) "Common Surplus" or "common surplus" means the excess of all receipts of the Council, including but not limited to Assessments over the amount of Common Expenses.

(j) "Condominium Property" means and includes the Phase I Land, the Buildings, all other improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, and shall include the additional phase and all improvements thereof which may be added to the Regime at the option of the Grantor.

(k) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an Apartment within the Condominium Property and shall include all record owners of an Apartment.

(l) "Condominium" means the Lagoon Villas Horizontal Property Regime.

(m) "Council of Co-owners" or "Council" means all of the Co-owners as defined in the Act.

(n) "Grantor" means The Cumberland Corporation, a South Carolina Corporation, its successors and assigns or if the additional phase is added to the Regime, the Grantor shall be the owner of the fee title of the Additional Property at the time such Additional Property or any portion thereof is added to the Regime. All rights reserved to the Grantor in this Master Deed shall be appurtenant to the title of the Additional Property and shall run with the land.

(o) "Majority of Co-owners" means the same as defined in Section 4 of Article IV.

(p) "Master Deed" means this deed or declaration establishing and recording the Property of the Regime and all exhibits hereto.

(q) "Owner" or "Apartment Owner" shall mean the same as Co-owner.

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

(s) "Phase I" or "Phase One" means the Property and all improvements thereon subject to the Regime.

(t) "Phase II" or "Phase Two" means the Additional Property and any improvements thereon or any parts thereof so designated.

(u) "Regime" means the Lagoon Villas Horizontal Property Regime created by this Master Deed.

ARTICLE II

ESTABLISHMENT OF EXPANDABLE HORIZONTAL PROPERTY REGIME

Section 1. Establishment of Regime. The purpose of this Master Deed is to establish, pursuant to the Act, an expandable horizontal property regime to be known as Lagoon Villas Horizontal Property Regime. Grantor, by filing of record this Master Deed, hereby submits the Property as described in Exhibit A and all improvements thereon and all easements, rights, and appurtenances belonging thereto to the Act and the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of the Act, and in accordance with the covenants, restrictions, encumbrances, and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

Section 2. Additional Phase. Grantor intends to develop the Property and the Additional Property as described in Exhibit B as a two (2) phase condominium regime. The initial development consists of five (5) Apartment Buildings numbered 1, 2, 3, 10 and 11 respectively, containing four (4) Apartments each and a swimming pool and pool building on the Property and the Property will be referred to as Phase I. The Additional

Property will be referred to as Phase II and shall consist of six (6) Apartment Buildings numbered 4, 5, 6, 7, 8 and 9 respectively, containing four (4) apartments each, together with a building for linen storage and mail delivery. Grantor hereby reserves for itself and its successors and assigns the right in its sole discretion to develop the Additional Property or any part thereof and the right to submit the Additional Property or any part thereof to this Regime. No Co-owner or the Council shall have any right to interfere with the development, if any, by Grantor on the Additional Property or to interfere with the adding of Phase II to the Regime by Grantor. The rights to develop the Additional Property or any part thereof and the rights to submit all or any part of the Additional Property reserved by the Grantor shall constitute independent rights and covenants appurtenant to and running with the Additional Property and such rights shall belong to and may be exercised by any party owning title to the Additional Property. Grantor may, in its sole discretion, elect to commence all or any part of Phase II. Grantor reserves the right to develop the Additional Property or any part thereof in accordance with such design or designs as Grantor shall determine in its sole discretion, including but not limited to the use of architectural plans and designs substantially different from the architectural plans and designs for Phase I. In the event Grantor, its successors or assigns, in its sole discretion, elects to proceed to enlarge this Regime by adding Phase II, Grantor shall execute an amendment to this Master Deed which shall be filed for record in the F.M.C. Office for Charleston County, South Carolina, not later than three (3) years from the date of recording this Master Deed. Any such amendment shall fully describe the property being added to this Regime and shall submit such property to all of the provisions of this Master Deed and the exhibits hereto, as amended. Such amendment expanding this Regime, as aforesaid,

may be accomplished unilaterally by the Grantor or its successors and assigns without the approval or consent of the Council of Co-owners or any Co-owner, or any mortgagee of any Co-owner. Upon exercise of any such option to expand, as aforesaid, the provisions of this Master Deed shall then be understood and construed as embracing Phase I property and such property as may be submitted to the Regime in such amendment, together with all improvements constructed thereon. A chart showing the maximum percentage of interest in the Common Elements of each Co-owner at each stage of development, if the Grantor elects to proceed with the other phase of development, is attached hereto as Exhibit C.

Section 3. Reservations. Grantor hereby reserves unto itself, its successors and assigns, the following rights:

a. Access and Utilities. The Grantor reserves a nonexclusive easement on and across all streets and roads constructed, or to be constructed on any of the Property, which roads may be necessary or convenient, in the sole discretion of Grantor, for the purpose of pedestrian and motor vehicular access to and from the Additional Property or any portion thereof, or any contiguous properties of the Grantor, and a nonexclusive easement to connect into and use in common all utility systems within the Property including, without limitation, all pipes, wires, and other apparatus used in providing electricity, gas, water, sanitary sewer, storm sewer and drainage, and telephones; provided, however, that nothing contained in this paragraph shall be deemed to impose any affirmative obligation upon Grantor or future owner or owners of the Additional Property to construct thereon or on any portion thereof, any street, road, or utility system or to require that any such street, road, or utility system be located in any particular location or configuration so long as access and usage are provided as aforesaid regarding any street, road, or utility system as may from time to time be constructed.

b. Construction Easement. The Grantor further reserves a nonexclusive easement over and upon the General Common Elements of the Regime for the construction, maintenance, and marketing of improvements on the Additional Property.

Section 4. Rights in Common Elements. The undivided interests in Common Elements appurtenant to each Phase I Apartment in part is subject to divestment and reversion back to the Grantor or other owner of the Additional Property as provided below. The percentage undivided present interest in Common Elements in Phase I appurtenant to each Apartment is shown in Exhibit C attached hereto. At the time that Grantor or any other owner of the fee title to the Additional Property elects to add the additional phase to the Regime by filing an amendment to this Master Deed as provided in Section 2 above, the portion (as defined below) of the undivided interest in Common Elements in Phase I appurtenant to each Phase I Apartment shall revert to the then owner of the fee title of the Additional Property. The portion of the undivided interest in the Common Elements of Phase I appurtenant to each Phase I Apartment which shall revert to the owner of the fee title of the Additional Property shall be the amount such that the percentage interest in Common Elements, including those being added to the Regime, appurtenant to each Apartment in the Regime is equal to the percentage interest in Common Elements appurtenant to each Apartment as shown in Exhibit C hereto applicable for the phase being added to the Regime. Until the time that Grantor or any other owner of the Additional Property elects to add Phase II to the Regime, the reversionary interest in the undivided interest in Common Elements appurtenant to each Apartment shall belong, vest and shall be owned by the owner of the fee title to the Additional Property and shall constitute an appurtenance to the title running with the land. As Phase II is added, if added to the Regime by Grantor or other owner of the fee title to the Additional Property, a portion of the interest in Common

Elements appurtenant to each Apartment equal to the amount such that the percentage interest in Common Elements appurtenant to each Apartment shall equal those percentages set forth in Exhibit C hereto for each stage of the development, shall revert to the then owner of the fee title of the Additional Property, all as more particularly described in amendments to the Master Deed which may be filed by the Grantor or other owner of the Additional Property.

ARTICLE III

CONDONIMIUM PROPERTY

Section 1. Condominium Apartments: Location and Description. Phase I consists of Five (5) Apartment Buildings and a swimming pool and pool building. The location of the Buildings, the Apartments within the Buildings and other improvements on the Property is shown on the plot plan (the "Plot Plan") attached hereto and incorporated herein as Exhibit D. The Building and the Apartments contained therein, and the General and Limited Common Elements constructed on and forming part of Phase I are constructed in substantial accordance with the plans (the "Plans") identified as Exhibit E (E-1 through E-5) hereto and incorporated herein, which Plans are certified by registered architects duly licensed to practice in the State of South Carolina pursuant to the certification attached hereto as Exhibit F and incorporated herein by reference. A typical Building is a multi-unit structure containing two (2) floors with two (2) - two (2) bedroom Apartments on each floor and with General and Limited Common Elements. A typical Building contains approximately 1,176 square feet per floor. The typical Apartment is generally described on Exhibit G attached hereto and incorporated herein giving a graphic description and approximate areas.

Section 2. General Common Elements. The location of the General Common Elements are shown, insofar as possible, on the Plot Plan and the Plans and the General Common Elements consist of those elements of the Property defined as General Common elements by the Act and also include the following:

(a) All lobbies, common storage areas, roads, drive-ways, parking areas, non-load bearing walls (except for those located entirely within an Apartment), linen storage building, swimming pool, swimming pool building, decks (except for those portions of the decks hereinafter declared to be Limited Common Elements), and common mailbox facilities;

(b) Compartments for, and installations of, common telephone, television and/or cable television, sewer and/or irrigation lines and equipment and/or heating and trash disposal facilities.

Section 3. Limited Common Elements. The location of the Limited Common Elements is shown insofar as possible on the Plans and the Limited Common Elements appurtenant to each Apartment including the following:

(a) The surface areas and railings of all decks accessible by normal means solely from the Apartment;

(b) All material, including but not limited to, studs, sheetrock and plywood, attached to or on the inside surface of perimeter walls, floors and ceilings of the Apartment;

(c) All doors, windows, screens, ventilation fans and vents located in the perimeter walls, floors or ceilings of the Apartment;

(d) All air-handling units, condensers, ducts and components and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewer lines located in the Apartment, provided, however, that the portion of said lines located in a common compartment for such lines shall be General Common Elements as described above. The air conditioning compressors and such connecting lines although located outside of an Apartment on a Limited Common deck are also Limited Common Elements. Each Apartment has a forty (40) gallon electric hot water heater, which is located in the attic and the hot water heater, together with the space occupied by the heater are Limited Common Elements.

ARTICLE IV

THE COUNCIL

Section 1. Members. Every Co-owner shall be a member of and constitute the Council of Co-owners which shall be managed by a Board of Directors elected by and from the Co-owners and by a professional management company if the Board of Directors or the Council so elect.

Section 2. Bylaws. The Council and the administration of the Condominium Property shall be governed by the Bylaws annexed hereto as Exhibit H. The Bylaws may be modified or amended only in the manner set forth in Article XII hereof.

Section 3. Voting. On all matters relating to the Council or to the Condominium Property upon which a vote of the Co-owners is conducted, the Co-owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each type of Apartment one vote (or percentage thereof) equal to the percentage ownership attributable to such Apartment. The total number of votes appurtenant to all Apartments is one hundred (100). The affirmative vote of a Majority of the Co-owners shall be required to adopt decisions, except where this Master Deed, the Bylaws or the Act require a greater percentage. All votes attributable to a single Apartment must be cast together and may not be split.

Section 4. Majority of the Co-owners. Whenever used in this Master Deed or the Bylaws, the term "Majority of the Co-owners" means the Co-owners entitled to cast a total of fifty-one (51%) percent of the total votes attributable to all the Apartments.

Section 5. Future Development. The Co-owners shall not be entitled to vote on any matter relating to the development of Phase II or the addition of such phase or any part thereof to the Regime.

Section 6. Decisions Binding on Co-owners. All agreements, decisions, and determinations lawfully made by the Council in accordance with the provisions of this Master Deed and the Bylaws shall be deemed binding on all Co-owners.

ARTICLE V

CONDOMINIUM APARTMENTS:

OWNERSHIP AND USE

Section 1. Ownership of Condominium Apartments.

Each Condominium Apartment together with its undivided interest in Common Elements, shall constitute a separate parcel of real property and each Condominium Apartment Owner shall be entitled to exclusive ownership and possession of such Owner's Condominium Apartment subject to: (i) the provisions of this Master Deed and the easements, restrictions and covenants, and encumbrances set forth herein; (ii) the Bylaws of the Council, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Council or its Board pursuant to the Bylaws; and (iii) the Horizontal Property Act of the State of South Carolina.

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

Section 3. Maintenance and Repair. Every Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Apartment as defined in Section 1 of Article III. However, no Owner shall make structural modifications or alterations to his Apartment nor shall any Owner alter any door, window, vent, flue, terrace, deck, balcony, or courtyard thereto without obtaining prior written approval of the Board. Written notice of any intended modification shall be given to the Board, setting forth details satisfactory to the Board and requesting approval. The Board shall consider the request and decide whether approval shall be granted, the Board having the authority to deny approval for any reason. The Board shall advise the Owner of its decision in writing within One Hundred Twenty (120) days from the date of the receipt of the request. Nothing in this section shall relieve the Owner from obtaining approval for alterations required by law or by other applicable covenants or restrictions. No Owner shall undertake to modify any portion of the Common Elements.

Section 4. Maintenance of Limited Common Areas. Without limiting the insurance coverage carried by the Regime on Limited Common Elements, each Owner shall be responsible for the maintenance, repair and replacement with comparable material of equal quality all Limited Common Elements appurtenant to his Apartment. The Board shall be responsible for insuring the Limited Common Element under the master hazard policy for the Regime. Each Owner may, however, insure those Limited Common Elements appurtenant to his Apartment for his own interest. All parts of a Condominium Apartment shall be kept in good condition and repair by and at the expense of the Owner and shall be maintained by the Owner in a clean and safe condition, free of nuisance. Each Owner will promptly comply with any requirements of the insurance underwriter of the insurance obtained by the Board for the Limited Common Elements and other facilities when

so requested by the Board or its designated agent. If an Owner fails to repair, maintain, or replace any Limited Common Element appurtenant to his Apartment as may be required pursuant to this Master Deed, said Limited Common Elements may be maintained, repaired or replaced by the Council at the expense of such Owner in this Master Deed, such expenses to be collected by special assessments from such Owner as provided in Article VII hereof. Such assessments may include all costs, including reasonable attorney's fees, incurred by the Council in the abatement of any nuisance maintained by the Owner therein.

Section 5. Value of Apartments. For purposes of this Master Deed only, the total value of the Condominium Property if the Grantor elects to do all phases is Five Million, Two Hundred Eighty Thousand and No/100ths (\$5,280,000.00) Dollars; and the values for the individual phases and each Apartment therein are listed in Exhibit C hereto. The stated values for each apartment within each phase as indicated in Exhibit C shall in no way be deemed to establish or limit the price for which the Property or the Additional Property or any apartment or other improvements thereon may be sold or exchanged.

Section 6. Use of Apartments. Except as specifically provided herein, Apartments are restricted exclusively to residential use. Owners may, however, rent or lease an Apartment, subject to the provisions of this Master Deed, the Bylaws, and the rules and regulations of the Board. Any Apartments owned by the Grantor or the Isle of Palms Beach and Racquet Club Company, Inc. may be used as model units and/or sales office for the various projects on the Isle of Palms for which the Isle of Palms Beach and Racquet Club Company, Inc. is involved or may be involved in the future and the Isle of Palms Beach and Racquet Club Company, Inc. shall have the right to show and use such Apartments as model units and/or as sales offices.

Section 7. Pets. Except as provided in the Bylaws, no pets shall be allowed on the Condominium Property without the written consent of the Board.

Section 8. Use of Unsold Apartments by Grantor. Notwithstanding anything in this Master Deed to the contrary, until Grantor has conveyed title to all of the Apartments, neither the Council nor any Owner shall interfere with the sale of unsold Apartments. Grantor, its successors and assigns, may make such use of unsold Apartments and the Common Elements as may facilitate completion and sale of such Apartments, including but not limited to the maintenance of a sales office in an Apartment, the use of an Apartment as a model unit for Phase I or any subsequent phase, the showing of Apartments, and the display of signs.

Section 9. Prohibition On Interval Ownership. No Apartment in Phase I nor the Apartments in Phase II which may be added to the Regime may be submitted to interval ownership or other form of time-share ownership without the express written consent of the Isle of Palms Beach and Racquet Club Company, Inc., such written consent to be in the form of a resolution duly adopted by the Board of Directors of said Corporation.

ARTICLE VI

COMMON ELEMENTS: OWNERSHIP AND USE

Section 1. Ownership of Common Elements. Each Owner, either of Phase I or hereafter established Phase II, shall own as an appurtenance of his Apartment the undivided interest in the Common Elements specified in Exhibit C. The percentage interests set out therein represent the values of each Apartment in proportion to the total value of the Property, as well as the proportionate representation for voting purposes in the meeting of the Council.

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XIII, and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning

of Article XI, the Common Elements shall remain undivided; and no Apartment Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Owner shall have the right to use the General Common Elements for their intended purposes in common with all other Owners of the Condominium Property. Each Apartment Owner shall have the right to use the Limited Common Elements appurtenant to his Apartment subject to such rules and regulations as may be established by the Board. Each Owner shall have also a non-exclusive easement appurtenant to his Apartment for ingress and egress over the General Common Elements for access to and from the Owner's Apartment, which shall extend to the family members, guests, agents, and servants of the Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the Bylaws of the Council, and all rules and regulations adopted by the Council pursuant to the Bylaws.

Section 4. Operation and Maintenance of General Common Elements. The maintenance, repair, replacement, management, operation, and use of the General Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expenses as provided in Article VII hereof. The Board may, however, delegate these duties to a management firm.

Section 5. Use and Maintenance of Limited Common Elements. The Owners shall be responsible for the maintenance, repair, and replacement of the Limited Common Elements as provided in Section 4 of Article V. The use of the Limited Common Elements shall be subject to the rules and regulations of the Board. The Board may in its discretion, incur expenses for the maintenance, repair or replacement of Limited Common Elements in accordance with the provisions of Section 4 of Article V hereof, such expenses to be recovered as special assessments.

ARTICLE VII

COMMON EXPENSES

Section 1. General. To provide funds necessary for proper operation and management of the Condominium Property, the Board is hereby granted the right to make, levy and collect Assessments against the Owners and the Apartments.

Section 2. Specially Assessed Common Expenses. Each Owner shall be liable for and shall pay a share, on the basis of the allocation made by the Board of the common expenses incurred by the Association (a) with respect to Limited Common Areas appurtenant to such Owner's Apartment, or (b) which are occasioned by the conduct of the Owner or by the licensees or invitees of any such Owner and are not recoverable from insurance covering the condominium Property.

Section 3. Other Common Expenses. Each Owner shall be liable for and shall pay a share, on the basis of the allocation made as provided in Section 4 of this Article VII, of the Common Expenses not specially assessed which shall include, but not be limited to, all charges for taxes (except ad valorem taxes and other such taxes assessed separately on each Condominium Apartment or on the personal property or any other interest of the Owners), insurance (including fire and other casualty and liability insurance), wages, accounting fees, legal fees, management fees, and other expenses of upkeep, maintenance and management of Regime actually incurred by the Board, the costs of operation of the General Common Elements and the costs of and reserves for maintenance, repair and replacement of the General Common Elements, which reserve shall be replaced on a periodic basis payable in regular installments rather than by special assessments.

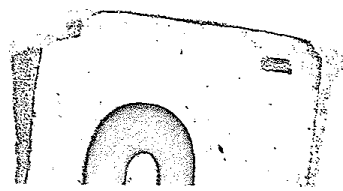
Section 4. Allocation of Liability for Common Expenses. For the purpose of determining the Assessments to be made as hereinabove provided, the Board shall determine for each year, as soon as practicable, the estimated aggregate amount of

the Common Expenses for such year. For purposes of such determination, each year shall be the calendar year, except that the first year shall begin on the date upon which the Regime is legally constituted and end on the 31st day of December of said year. The Board may, from time to time during each year, make reasonable adjustments in said estimated amounts on the basis of actual costs incurred. Assessments for the estimated amount of Common Expenses for each year, as determined by the Board, shall be allocated and assessed by the Board among the Apartments in accordance with their respective percentage of undivided interest in and to the Common Elements as set out in Exhibit C hereto.

Section 5. Assessments. All Assessments of Common Expenses shall be fixed by the Board and made payable at such times as the Board determines, but not less frequently than quarterly. The Board shall also have the authority to set late charges for the delinquent payment of assessments.

Section 6. Liability of Owner. No Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or by abandoning his Apartment.

Section 7. Lien Upon Apartments. All Assessments of the Council or the Board for the share of Common Expenses chargeable to an Apartment which are unpaid after becoming due together with all late charges shall, constitute a lien against such Apartment prior and superior to all other liens except: (i) liens for property taxes upon the Apartment in favor of any taxing authority; and (ii) mortgage liens duly recorded prior



to such delinquency. The lien of such assessments and late charges may be foreclosed by the Board acting in behalf of the Council in the same manner as a mortgage upon real property. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection. The lien created by this section shall cover rents accruing during the pendency of the foreclosure action and any reasonable amount of attorney's fees and other costs of collection. The Board, in behalf of the Council, may bring suit for judgments against the Owner without instituting foreclosure proceedings in the amount of delinquent Assessments.

Section 8. Sales of Apartments. Upon the sale or conveyance of an Apartment, all unpaid Assessments (including late charges, costs and attorney's fees) against an Apartment for the pro-rata share of Common Expenses attributable thereto shall first be paid out of the sale price of the Apartment or by the purchaser or grantee in preference over any other assessments, charges, or liens, except the following:

- (a) Lien for taxes and special assessments upon the Apartment which are unpaid.
- (b) Payment due under mortgages upon the Apartment which are duly recorded prior to such sale or conveyance.

Section 9. Foreclosure Purchaser. If a mortgagee of a mortgage of record or other purchaser acquires title to an Apartment at the foreclosure sale of such mortgage, such mortgagee or other purchaser shall not be liable for the share of Common Expenses assessed by the Association upon such Apartment so acquired accruing after the date of recording of such mortgage but prior to the date of acquisition of title. The

unpaid assessments occurring during such period shall be deemed Common Expenses collectible from all Owners, including such mortgagee or other purchaser, its or his successors, heirs, and assigns. The provisions of this Section 9, however, shall not release any Owner from personal liability for unpaid assessments.

Section 10. Records. The Board, or a management firm, which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payments, shall be available for examination by the Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

ARTICLE VIII

RESTRICTIONS, COVENANTS, EASEMENTS

Section 1. Covenant to Comply with Restrictions and Obligations. Each Owner by acceptance of a deed to an Apartment in this Regime ratifies and covenants to observe on behalf of the Owner, the heirs, successors, and assigns of each Owner, the following:

(a) All covenants, restrictions and affirmative obligations of record in the Office of the R.M.C. for Charleston County affecting properties in the Wild Dunes Beach and Racquet Club and any applicable record additions and amendments thereto.

(b) This Master Deed, the Bylaws, decisions and resolutions of the council, the Board, or their representatives, as such may be lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief.

Section 2. Utility Easements. Each Owner shall have a nonexclusive easement appurtenant to his Apartment for the use in common with other Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other utilities

located in any other Apartment or within the Common Elements and serving his Apartment. Each Apartment shall be subject to an easement in favor of the Owners of all other Apartments to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other utilities serving such other Apartments which are located in such Apartment Building.

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

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

such maintenance repairs shall be corrected promptly by the Council and shall be a Common Expense.

Section 5. Public Utility Easements. The Condominium Property is subject to easements for access, ingress, and egress to adjacent utility-owned property and to utility easements for installation, operation, and maintenance of electric and telephone distribution lines, and for installation, operation and maintenance of water and sewer lines. The Board may grant such additional easements and relocate existing easements affecting the Condominium Property for the installation of utilities, including the right to install, maintain, lay, repair and replace water lines, pipes, sewer lines, gas mains, telephone, cable, and television wires and equipment and electrical conduits, if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Council.

ARTICLE IX

INSURANCE

The Board shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and amount as hereinafter prescribed the following insurance, without prejudice of the right of the co-owner to obtain additional individual insurance at his own expense:

Section 1. Hazard Insurance. The Board shall insure the Condominium Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, wind-driven water, earthquake, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Condominium Property as determined by periodic appraisals of the Condominium Property for insurance valuation purposes by a qualified appraiser not less frequently than every other year. The Board shall also obtain an agreed

value-endorsement each year to the master policy and the amount of coverage shall in no event be less than the agreed value. The Board shall also have the authority to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property, exclusive only of those items within the individual Apartments as described in Section 6 of this Article IX. These requirements regarding insurance shall include the following:

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

(b) All hazard insurance policies obtained by the Board shall provide for the issuance of certificates of insurance to each Owner. Each certificate shall evidence the insurance coverage of the master policy and shall indicate the amount of insurance covering the building within which the Apartment is located. If an Apartment is mortgaged, a certificate of insurance shall also be issued to the mortgagee bearing a standard mortgagee endorsement, if requested in writing.

(c) If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving (1) any rights of the insurer to subrogation against the Council, its agents and employees, and against the individual Co-owners and their servants, agents, and guests; and (2) any rights of the insurer to contribution from hazard insurance purchased by the Owner upon the contents and furnishings of their Apartments.

(d) Each mortgagee of which the Board has notice, as evidenced by a certificate of insurance having been requested and issued to said mortgagee, shall be entitled to receive upon request a copy of each appraisal as called for in Section 1 above.

(e) Each hazard insurance policy shall contain a mortgagee provision designating the interests of the various mortgagees as to the various Apartments with 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 as described in Section 1(d) of this Article IX.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable, but in no event less than \$500,000 for injury, including death, to a single person; \$1,000,000 for injury or injuries, including death, arising out of a single occurrence, and \$50,000 property damage. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the council to an Owner, and to liabilities of one Owner to another Owner.

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

Section 4. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses to be paid by the Owners through periodic Assessments as provided in this Master Deed.

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

Section 6. Insurance by Owners. Each Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, floor coverings, wallcoverings, decorations, light fixtures, internal partition walls (not including those separating two or more Apartments) internal doors, heating and cooling equipment and duct work, plumbing fixtures, hot water heaters, appliances and furnishings within his own Apartment and all additions and improvements made by him to his Apartment. Moreover, each Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Apartment and on the Limited Common Elements appurtenant thereto. All such insurance policies, to the extent obtainable, shall include, however, provisions waiving (1) any right of the

insurer to subrogation claims against the Council and against individual Owners, as well as their agents, servants, employees, and guests; and (2) any right of the insurer to contribution or pro-ration because of the master hazard policy.

Section 7. Substitution of Insurance Trustee.

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

ARTICLE X

INSURANCE TRUST

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

Section 1. Damage to Common Elements only.

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

Section 2. Damage to Less than All Apartments.

Insurance proceeds paid on account of loss or damage to less than all of the Apartments, when the damage is to be restored, shall be held for the benefit of the Owners of the damaged Apartments and their respective mortgagees in proportion to the costs of repairing each damaged Apartment.

Section 3. When Property Not to Be Restored.

Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all the Owners and

their respective Mortgagees, the share of each Owner being equal to the undivided share or interest in Common Elements appurtenant to his Apartment.

Section 4. Rights of Mortgagees. In the event a certificate of insurance has been issued to an Owner bearing a mortgagee endorsement, the share of the Owner in the insurance proceeds shall be held in trust for the mortgagee and the Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Owners and their respective mortgagees pursuant to the provisions of this Master Deed, and then only if the decision is made not to rebuild.

#### ARTICLE XI

##### RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article XI and the Act. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, unless otherwise unanimously agreed upon by the Co-owners, the insurance indemnity received by the Board shall be distributed pro-rata to the Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any 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 Owners and their mortgagees

jointly in proportion to their respective interest in Common Elements. When any proceeds are to be distributed under this Master Deed to an Owner for which a mortgagee is involved, such proceeds shall be made payable jointly to the Owner and the mortgagee and shall be delivered to the mortgagee. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, then such Condominium Property shall be repaired in the following manner:

Section 1. Plans and Specifications. Any reconstruction or repair must follow substantially the original plans and specification of the Condominium Property unless the Owners holding seventy-five percent (75%) or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Apartments are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

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

Section 3. Insurance Proceeds. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid by a special assessment from the Owners whose Apartments are being reconstructed or repaired in proportion to the damage done to their respective Apartments.

Section 4. Application of Insurance Proceeds. The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. 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 Owners who paid special assessments in proportion to their payments.

(b) Upon transfer of any special Grantor right, the liability of a transferor Grantor is as follows:

(1) A Transferor is not relieved of any obligations or liability arising before the transfer and remains liable for warranty obligations imposed upon him by the Act. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(2) If a transferor retains any special Grantor rights, the transferor is subject to liability for all obligations and liabilities imposed on a Grantor by the Act or by the Master Deed and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(c) Unless otherwise provided in the mortgage, in case of foreclosure of the mortgage, deed in lieu of foreclosure, judicial sale, or sale under Bankruptcy Act or receivership proceedings, of any Units owned by a Grantor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon his request, succeeds to all special Grantor rights related to those Units, or only to any rights reserved in the Master Deed to maintain models, sales office and signs. The judgment or instrument conveying title shall provide for transfer of only the special Grantor rights requested.

(d) Upon foreclosure, deed in lieu of foreclosure, judicial sale, or sale under Bankruptcy Act or receivership proceedings, of all Units in a Condominium owned by the Grantor, the Grantor ceases to have any special rights.

(e) The liabilities and obligations of persons who succeed to special Grantor rights are as follows:

(1) A successor to any special Grantor rights is subject to all obligations and liabilities imposed upon Grantor by the Act or this Master Deed but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

(2) A Successor to only a right reserved in the Master Deed to maintain models, sales office and signs, may not exercise any other special Grantor right, and is not subject to any liability or obligation as a Grantor.

(3) A successor to all special Grantor rights who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units, may declare his intention in a recorded instrument to hold those rights solely for transfer to another Person. Thereafter, until transferring all special Grantor rights to any Person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights and any attempted exercise of those rights is void. So long as a successor Grantor may not exercise special Grantor rights under this subsection, he is not subject to any liability or obligation as a Grantor other than as provided in the Act.

(4) Nothing in this Article subjects any successor to a special grantor right to any claims against or other obligations of a transferor, other than claims and obligations arising under the Act or the Master Deed.

ARTICLE XV

MISCELLANEOUS

Section 1. Application. All Co-owners, tenants of Co-owners, employees of Co-owners and tenants, or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act and to this Master Deed and the Bylaws.

Section 2. Compliance. Each Co-owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Master Deed or in the deed to the Apartment of such Co-owner. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, main-

tainable by the manager if one is appointed, or the Board of Directors on behalf of the Council or, in a proper case, by an aggrieved Co-owner.

Section 3. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 4. Conflicts. This Master Deed is executed to comply with the requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall Control.

Section 5. Severability. The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.

Section 6. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Master Deed or the intent of any provision hereof.

Section 7. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

IN WITNESS WHEREOF, Grantor has executed this Master Deed this 14th day of November, 1983.

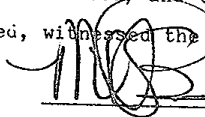
Signed, sealed and delivered in the presence of:  
[Signature]  
Witness  
[Signature]  
Witness

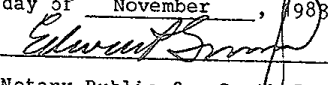
THE CUMBERLAND CORPORATION  
A South Carolina Corporation  
By: [Signature]  
David B. Carr, Its President  
By: [Signature]  
David K. Raynor, Its Vice-President



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

BEFORE ME personally appeared the undersigned witness and made oath that (s)he saw the within named THE CUMBERLAND CORPORATION; by David B. Carr, its President and David K. Raynor, its Vice President, sign, seal and as its act and deed, deliver the within written Master Deed; and that (s)he with the other witness above subscribed, witnessed the execution thereof.

  
\_\_\_\_\_

SWORN to before me this 14th  
day of November, 1988.  
 (L.S.)  
Notary Public for South Carolina  
My Commission Expires: 8/04/87

3K S 133PG104

EXHIBIT A  
The Property

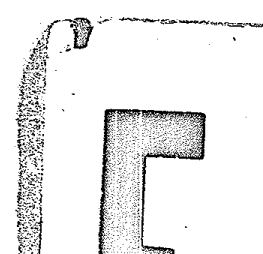
ALL that certain piece, parcel or tract of land, situate, lying and being on the Isle of Palms, Charleston County, South Carolina, and being known and designated as Block P, Tract B, on a plat entitled "Plat of Boundary of Tract B, Block P", prepared by Bruce B. Johnson, Registered Surveyor, dated April 6, 1979 and recorded in the R.M.C. Office for Charleston County in Plat Book AV, Page 56. Reference to said plat is hereby craved for a more complete description as to distances, courses, metes and bounds.

EXPRESSLY RESERVING HEREFROM to the Grantor herein all that certain piece, parcel or tract of land set forth and described in EXHIBIT B attached hereto designated as Additional Property.

BEING a portion of the premises conveyed to the Grantor herein by the Deed of Isle of Palms Beach and Racquet Club Company, Inc., dated April 27, 1981, and recorded in said R.M.C. Office in Book G-128, Page 205.

TMS NO. 604-10-00-256

Lagoon Villas Horizontal Property Regime  
Post Office Box Y  
Isle of Palms, South Carolina 29451



BOOKS 133PG104

EXHIBIT B  
ADDITIONAL PROPERTY

ALL that certain piece, parcel or tract of land, situate, lying and being on the Isle of Palms, Charleston County, South Carolina, and being known and designated as Phase II, containing approximately 1.917 acres, on a Plat entitled "Lagoon Villas Horizontal Property Regime, Tract B, Block P, Isle of Palms Beach and Racquet Club, City of Isle of Palms, Charleston County, South Carolina," prepared by Curtis W. Lybrand, Jr., C.E. & L.S., dated October 21, 1983, and recorded herewith as Exhibit D. Reference to said Plat is hereby craved for a more complete description as to distances, courses, metes and bounds.

BEING a portion of the premises conveyed to the Grantor herein by the Deed of Isle of Palms Beach and Racquet Club Company, Inc., dated April 27, 1981, and recorded in said R.M.C. Office in Book G-128, Page 205.

## EXHIBIT G

LAGOON VILLAS HORIZONTAL  
PROPERTY REGIME

The apartments include (a) the space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space; (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions); and (c) the decorated inner surfaces of said perimeter and interior walls (including the decorated inner surfaces of all interior load-bearing walls) and floors, ceilings, consisting (as the case may be) of paint, gypsum board, carpeting, tiles and all other furnishing materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection from the structural body of the building and from utility lines, pipes or systems serving the dwelling space. No pipes, wires, conduits or other public utility lines or installations constituting a part of the overall systems designed for the service of any particular dwelling space of a building, nor any property of any kind, including fixtures and appliances within any apartment, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building shall be deemed to be a part of any apartment.

The Lagoon Villas condominium project consists of Buildings 1, 2, 3, 10 and 11 in Phase One. Phase Two if elected, may contain substantially similar buildings numbered buildings 4, 5, 6, 7, 8 and 9. Each building contains four (4) two (2) bedroom apartments. Two (2) of the apartments are on the first floor and two (2) of the apartments are on the second floor.

Each unit in a building contains all of the qualities found in a typical unit. Each typical unit contains the approximate square footages as set forth herein.

TWO BEDROOM TYPICAL UNIT

The entry Foyer contains approximately 42 square feet. To one side of the Foyer is the Kitchen which contains approximately 82 square feet. The Kitchen is furnished with dishwasher, disposal, refrigerator and ice maker and range with range hood, all of which are electric. One side of the Kitchen has a serving counter to the Living/Dining Room. Adjacent to the Kitchen is the Utility Room which contains approximately 25 square feet. A forty gallon electric hot water heater serves the kitchen and Bathroom No. 1 and is located in the attic of the Building. The electric Washer/Dryer and Air Conditioning Equipment are located in the Utility Room. Also adjacent to the Foyer is the Living/Dining Room which contains approximately 305 square feet. Adjacent to the Living/Dining Room on one side is Bedroom No. 1 which contains approximately 204 square feet. There is access to Deck No. 1 from the adjoining Bedroom through a 6 x 6 foot - 8 inch aluminum sliding glass door. Deck No. 1 contains approximately 78 square feet. Bedroom No. 1 has independent access from the Entry Deck through a Hall No. 1 which contains approximately 34 square feet. Adjacent to Hall No. 1 is Dressing Room No. 1 which contains approximately 30 square feet. Dressing Room No. 1 also has a Bar of approximately 4.5 square feet. Adjacent to the Dressing Room is Bath No. 1 which contains approximately 27 square feet. Adjacent to the Hallway approaching Bedroom No. 1 is a Closet which contains approximately 7 square feet. On the other side of the Living/Dining Room is Bedroom No. 2 which contains approximately 204 square feet. Adjoining this Bedroom is Deck No. 2 which contains approximately 74 square feet. The access to Deck No. 2 is through a 6 x 6 foot - 8 inch aluminum sliding glass door. Bedroom No. 2 is entered from the Foyer or from the Entry Deck into Hall No. 2 which contains approximately 34 square feet. Adjoining Hall No. 2 is Dressing Room No. 2 which contains approximately 30 square feet. Contained in Dressing Room No. 2 is a Bar which contains approximately 4.5

square feet. A twenty gallon electric hot water heater is located under the vanity in Dressing Room No. 2 and serves Bathroom No. 2. Adjacent to this Dressing Room is Bath No. 2 which contains approximately 27 square feet. Adjacent to Hall No. 2 is a Closet which contains approximately 7 square feet and contains the Air Handler.

Access to first floor apartments is from a stairway to the Entry Deck which contains approximately 154 square feet. The air conditioning units which service the adjoining apartment are located on the Air Conditioning Deck which contains approximately 49 square feet. The Entry Deck leads to a stairway which ascends to the second floor unit located directly above the first floor apartment. The stairway leads to the Entry Deck for the upper apartment.

A right hand apartment on the first floor is the mirror image of the left hand apartment and the second floor right hand apartment is a mirror image of the left hand apartment on the second floor.

#### POOL AND POOL BUILDING

Located in Phase One is a Price - Aquatec Pool with surrounding Pool Deck. The Pool contains the attendant pumps, mixers and filters. Adjacent to the Pool is the Pool Building which contains approximately 272 square feet. The Pool Building has a Pool Equipment Room which contains approximately 80 square feet, a Storage Room which contains approximately 106 square feet and a Vending Area which contains approximately 86 square feet.

EXHIBIT H

BYLAWS  
OF  
LAGOON VILLAS HORIZONTAL PROPERTY REGIME

ARTICLE I

Definitions

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in the Master Deed establishing Lagoon Villas Horizontal Property Regime.

ARTICLE II

Plan of Ownership

Section 1. Property Subject to Bylaws. The provisions of these Bylaws are applicable to the Condominium Property and to the use and occupancy thereof.

Section 2. Application of Bylaws. All present and future owners, mortgagees, lessees and occupants of Apartments and their employees, and any other persons who may use the facilities of the Condominium Property in any manner are subject to these Bylaws, the Master Deed, any rules and regulations of the Board and all covenants, agreements, restrictions, easements and declarations of record. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of an Apartment shall constitute an agreement that these Bylaws, any rules and regulations of the Board, and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE III

The Council

Section 1. Members. The members of the Council of Co-owners shall consist of the respective Owners of the Apartments of the Condominium Property. The words "member" or

"members" as used in these Bylaws shall refer to a "Co-owner" or the "Co-owners".

Section 2. Term of Membership. Except as provided in these Bylaws, the membership of each Co-owner shall commence upon the recordation of his deed in the office of the R.M.C. for Charleston County, South Carolina. The membership of each Co-owner shall terminate when he ceases to be a Co-owner of record upon the sale, transfer, or other disposition of his beneficial ownership in the Condominium Property. The new Co-owner succeeding to such ownership interest will commence membership upon the recordation of his deed as provided above. The Council may issue certificates evidencing membership therein.

Section 3. Office of the Council. The principal office of the Council of Co-owners of Lagoon Villas Horizontal Property Regime shall be located at the Isle of Palms in the County of Charleston, State of South Carolina.

Section 4. Responsibilities of the Council. The Council of Co-owners will have the responsibility of administering the Condominium Property, approving the annual budget, establishing and collecting periodic assessments, and approving any management arrangement entered into by the Board of Directors.

#### ARTICLE IV

##### Meetings of the Council

Section 1. Time and Place. Meetings of the Council shall be held at such times and places, in the County of Charleston, as may be specified in the notice of such meetings.

Section 2. Annual Meeting. Until the first annual meeting of the Council is called by the interim President as hereinafter provided, the Grantor shall appoint an interim Board which shall elect interim officers. The interim Board and officers shall serve until the first annual meeting of the Council is held. The first annual meeting of the Owners shall be held within twelve (12) months following the date of the first conveyance of an Apartment by the Grantor and shall be called by

the interim President. Each subsequent regular annual meeting shall be held on the same day of the same month as the first annual meeting, or at such other time as the Board of Directors shall from time to time determine, at which time the Co-owners entitled to vote at the meeting shall elect the Board of Directors and transact such other business as may properly be brought before the meeting, not inconsistent with the powers vested in the Council as limited by the Act, the Master Deed, or by these Bylaws.

Section 3. Notice of Annual Meetings. Except as provided in Article VIII, Section 2 hereof, written notice of the annual meeting, stating the place, date and hour of the meeting, shall be given by the Secretary of the Council to each Co-owner of record not less than ten (10) nor more than thirty (30) days before the date of the meeting at such address as may have been designated in writing to the Council by each Co-owner or if no other address has been designated in writing to the Council, at the address of the Apartment of such Co-owner.

Section 4. Special Meetings. Special meeting of the Council may be called by the President at any time and shall be called by the President or Secretary at the written request of a majority of the Board of Directors, or at the written request of the Co-owners entitled to cast forty (40%) per cent of the total votes of the Council. Such written requests shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meetings. Except as provided in Article VIII, Section 2, hereof, notice of special meetings of the Council stating the time, place and date of the meeting and the purpose or purposes for which the meeting is called, shall be given by the Secretary of the Regime to each Co-owner of record not less than ten (10) nor more than thirty (30) days before the date of the meeting at such address as may have been designated in writing to the Council by each Co-owner

or if no other address has been designated in writing to the Council, at the address of the Apartment of such Co-owner. Business transacted at any special meeting of the Council shall be limited to the purposes stated in the notice.

Section 6. List of Co-owners. The Secretary of the Council shall prepare or cause to be prepared, at least ten (10) days before every regular or special meeting of the Council, a complete list of Co-owners of record entitled to vote at the regular or special meeting, showing the address as designated in writing to the Council or the Apartment address if no other address has been designated in writing to the Council and the number of percentage votes for each Owner. Such list shall be open to the examination of any Co-owner during ordinary business hours for a period of at least ten (10) days prior to the meeting, at the office of the council. The list shall be produced and kept at the time and place of any meeting of the Council during the whole time thereof, and may be inspected by any Co-owner who is present. Unless otherwise provided for in advance by resolution of the Board of Directors, the record date for the purpose of determining Co-owners entitled to vote at any meeting of the Council shall be the close of business on the day next preceding the day on which the meeting is held.

Section 7. Voting. The Co-owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each Apartment one vote (or percentage thereof) equal to the percentage ownership attributable to such Apartment, as provided in the Master Deed. All votes attributable to a single Apartment must be cast together and may not be split. When an Apartment is owned by other than a single natural person, the person entitled to cast the vote for such Apartment shall be designated

by a certificate signed by all record owners of such Apartment and filed with the Secretary of the Council. For any Apartment owned by a corporation, a properly executed corporate resolution authorizing the person to vote for the corporation shall be filed as part of the certificate with the Secretary. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such Apartment. If a certificate is not on file for an Apartment owned by other than a single natural person, the vote of such Apartment may not be exercised until such certificate is filed with the Secretary. Any such action taken at a duly constituted meeting in conformance with the Bylaws and the other documents creating this Regime shall be binding on all Co-owners, their heirs, executors, administrators, successors and assigns.

Section 8. Quorum. Unless a greater percentage is required by the Act, the Master Deed or these Bylaws, the presence in person or by proxy of Co-owner entitled to cast fifty-one percent (51%) of the total votes of the Co-owners shall constitute a Quorum for action by the Council, provided, however, that any absent Co-owner who does not execute and return the proxy form sent to him in the first class mailing referred to in Section 9 of this Article shall be deemed present for the purpose of determining the presence of a quorum. If such Quorum not be present or represented at any meeting, Owners entitled to cast a majority of the votes present or represented shall have the power to adjourn the meeting until a Quorum as aforesaid shall be present or represented at the meeting. If any additional phases are added to the Regime as provided in the Master Deed, all Co-owners in the additional phase shall be included when determining a Quorum from the time of the filing of the amendment to the Master Deed to add such additional phase

or phases.

Section 9. Proxies. At any meeting of the Council, a Co-owner may vote either in person or by proxy executed in writing by the Co-owner or his duly authorized attorney-in-fact, and filed with the Secretary; and unless limited by its terms, such proxy shall be deemed valid until revoked in writing. An executor, administrator or trustee may vote in person or by proxy at any meeting of the Council with respect to any Apartment owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy states otherwise, it shall be deemed to confer the authority to execute consent and waivers and to exercise the right to examine the books and records of the Council. No proxy shall be honored until delivered to the Secretary of the Council. If at least thirty days prior to a duly called meeting a Co-owner is informed by first class mail of (1) the time and place of the meeting, (2) the agenda for the meeting, and (3) such data as is then available relative to issues on which there will be a vote, and a proxy form is included in such mailing, and the Co-owner neither attends the meeting nor returns his executed proxy, then such Co-owner shall be deemed to have given his proxy to and for the majority present and voting.

Section 10. Conduct of Meeting. At all meetings of the Council, whether regular or special, the President of the Council (or in his absence any other officer designated by the Co-owners present) shall preside. The Secretary of the Council shall be responsible for the keeping of the minute book wherein resolutions shall be recorded and shall act as Secretary of all meetings unless, in his absence, an alternate is designated by the Co-owners present thereat.

Section 11. Order of Business. The order of business at regular meetings of the Council shall be as follows:

Section 2. Election of Directors. Each Co-owner shall vote, according to his percentage interest, for each of the directorship positions open for election, provided, however, that each Co-owner may cast only one vote (or percentage thereof) for any one person and voting shall not be cumulative.

Section 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled on an interim basis by the Board of Directors. The directors so chosen shall hold office until the next annual election and until their successors are duly elected by the Council, unless sooner displaced.

Section 4. Terms of the Initial Board of Directors. The Grantor shall appoint an initial Board of one or more persons who shall elect interim officers and who shall manage the affairs of the Council until the first annual meeting of the Council is held and new directors are elected.

Section 5. Place of Meetings. The Board of Directors may hold meetings, both regular and special, at such time and place as may be designated.

Section 6. Organization Meeting. After each annual election of directors, on the same day and at the same place the Board of Directors shall meet for the purpose of organization. Notice of such meeting need not be given.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as the Board of Directors may from time to time designate. The Board shall meet at least two (2) times each fiscal year. Notice of regular meetings shall be given by the Secretary or other designated person to each Board member at least ten (10) days but not more than thirty (30) days prior to the day named for the meeting. Notice may be personally or by mail sent in accordance with Section 3 of Article IV.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President upon three (3)

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

Section 13. Powers and Duties of the Board.

(a) The Board of Directors shall have the power to do all things set forth in the Master Deed and in these Bylaws except as otherwise expressly prohibited by the Act.

(b) The Board of Directors may, from time to time, adopt and/or amend administrative rules and regulations governing the details of the operation and use of the Common Elements of the Condominium Property; provided, however, that no such administrative rules or regulations shall be effective if disapproved by a resolution adopted by a Majority of the Council at a duly called meeting.

(c) Within thirty (30) days prior to the beginning of each fiscal year, the Board of Directors shall cause to be prepared a statement of the estimated cost of maintaining and operating the Condominium Property during the ensuing fiscal year, including (i) all common expenses for taxes, rent insurance, premiums, improvements, assessments, utility charges, management fees pursuant to any management agreement, expenses designated Common Expenses in the Master Deed; (ii) all other charges and expenses of any description for which the Council, its agents, or the Condominium Property may be assessed or become liable, or which are otherwise appropriately and necessarily Common Expenses, and (iii) any reserves deemed appropriate, less any surplus from the schedule of monthly Assessments against each Owner for his share of such estimated cost of maintaining and operating the Condominium Property. The Board of Directors shall thereupon call a meeting of the Council, which may be the regular annual meeting, for the purpose of reviewing said budget. Unless disapproved by a resolution of the Council adopted by an affirmative vote of a Majority of the Co-owners, such budget shall be deemed adopted and deemed

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to be the levy of assessment on each Co-owner for his share of the expenses so approved, which share shall be based upon the Co-owner's percentage interest in the Common Elements as set forth in the Master Deed. Such assessments levied pursuant to this subparagraph shall be due and payable at such times as the Board determines, but not less frequently than quarterly, and shall be paid to the Board of Directors or its designate, at its principal office or at such other place as the Board of Directors shall designate. All sums assessed hereunder, but unpaid, for the share of Common Expenses chargeable to any Apartment shall constitute a lien on such Apartment prior to all other liens except (i) liens for property taxes upon the Apartment in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. Such lien may be foreclosed or enforced by the Board as provided in the Master Deed.

(d) The Board of Directors shall have the power and authority to contract with a managing agent for the maintenance, care and operation of the Condominium Property, or to otherwise provide for the maintenance, care and operation of the Condominium Property. Any such management contract must provide for termination of same by the Council for cause upon thirty (30) days written notice thereof and the term of any such agreement may not exceed one (1) year but may be renewable upon agreement of the parties.

(e) The Board of Directors shall take out policies of insurance as provided in the Master Deed. Premiums for such insurance shall constitute a portion of Common Expenses to be assessed against the Co-owners.

(f) The Board of Directors shall act as insurance trustee for the proceeds of any insurance policies as provided in the Master Deed.

(g) The Board of Directors may also require that any

and all officers, employees or agents of the Council handling or responsible for Council funds be covered by adequate fidelity bonds. The premiums on such bonds shall be a Common Expense chargeable to the Co-owners.

(h) The Board of Directors shall arrange and pay for the legal and accounting services necessary or proper for the operation of the Condominium Property or the enforcement of these Bylaws, and such payments shall be charged to the Co-owners as Common Expenses.

(i) The Board of Directors may, in its discretion, pay an amount necessary to discharge any lien or encumbrance which may in the opinion of the Board of Directors, constitute a lien against the Common Elements rather than merely against the interest therein of a particular Co-owner or Co-owners. Such payments shall be a Common Expense chargeable to the Co-owner responsible for the existence of such lien.

(j) The Board shall also have the power to: (i) pay the common expenses and to determine and collect the common charges; (ii) collect from the Owners their share of the Common Expenses; (iii) to open bank accounts on behalf of the Council and designate the signatories required therefor or to permit a management agent to open such accounts; (iv) establish restrictions and requirements respecting the use and maintenance of the Apartments not in conflict with the Master Deed; and (v) take all actions duly authorized by the Council.

(k) Upon resolution adopted by a Majority of the Council, fees for attendance at meetings of the Board of Directors may be established.

(l) The Board may take all other actions authorized by the Master Deed, these Bylaws, or the Act and may take all actions it deems necessary or proper for the sound management of the Condominium Property.

(m) The Board shall have the power to employ,

dismiss, and control all personnel necessary for the maintenance and operation of the Common Elements.

(n) The Board shall have the authority to enact a special assessment not to exceed \$500.00 per unit per year without the assent of the Owners as otherwise provided herein when the Board, in its discretion, determines that such special assessment is necessary to protect the property of the Regime and/or Owner(s).

(o) The council shall indemnify every Director and every Officer, their heirs, executors, and administrators against all loss, costs, or expenses of any type reasonably incurred by him in connection with any action, suit or proceeding to which he is made a party by reason of his being or having been a Director or Officer of the council, except as to such matters wherein he shall be finally adjudged liable or guilty of gross negligence or willful misconduct. The Board may obtain for the Regime Directors and Officers liability insurance coverage in such amounts as the Board deems necessary.

#### ARTICLE VI

##### Officers

Section 1. General. The officers of the Council shall be chosen by the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer. Any number of offices may be held by the same person. Officers may be chosen at any meeting of the Board of Directors and such officers shall hold office until their successors are elected and qualified or until their earlier death, resignation or removal. The compensation of all officers shall be established by the Council if such compensation is deemed to be in the best interest of the Co-owners.

Section 2. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary for such terms and such duties as shall be determined from time to time by the Board.

Section 3. Term of Office. The officers of the Council shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office by death, resignation, removal or otherwise may be filled by the Board of Directors.

Section 4. President. The President shall be a member of the Board and shall manage the business of the Council. He shall execute on behalf of Council all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall preside at all meetings of the Council and the Board. He shall have all the general powers and duties which are usually vested in the Office of President of a condominium Council, including the power to appoint committees from among the Owners.

Section 5. Vice President. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

Section 6. Secretary. The Secretary shall act under the direction of the President. Subject to the direction of the President, he shall attend all meetings of the Board of Directors and all meetings of the Council and record the proceedings. He shall give, or cause to be given, notice of all meetings of the Council and of the Board of Directors as required in these Bylaws, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 7. Treasurer. The Treasurer shall act under the direction of the President and shall keep or be responsible for the keeping of the accounts of the Regime. He shall disburse the funds of the Council as may be ordered by the President or the Board of Directors and shall render on request

or at the regular meetings of the Board of Directors an account of all his transactions as Treasurer and of the financial condition of the Regime.

ARTICLE VII

Obligations of Co-owners

Section 1. Compliance with Bylaws, etc. Each Co-owner shall strictly comply with the Bylaws, the Master Deed, and the rules and regulations promulgated by the Board, as they all shall be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, or for damages, or for injunctive relief, or such other relief as may be appropriate, or any of them in combination, maintainable by the Board of Directors or by the managing agent on behalf of the Board of Directors, or, in a proper case, by an aggrieved Co-owner.

Section 2. Assessments. Each Co-owner shall pay each installment of his annual Assessment for Common Expenses to the Board of Directors or its designate on or before each due date as set by the Board without any notice or demand. Such payments shall be without any deduction on account of any set-off or claim which the Co-owner may have against the Council or against the Board of Directors or against any officer of the Council, the Grantor or any third party. If the Co-owner shall fail to pay any installment of such assessment within ten (10) days from the time the same becomes due, the owner shall pay interest thereon at the rate of eight (8%) percent per annum from the date when such installment became due to the date of the payment thereof, and such interest shall be deemed an additional assessment hereunder.

Section 3. Repair of Units. Every Co-owner must perform promptly all maintenance and repair work within his Apartment, which if omitted, would affect the Property in its entirety or in a part belonging to the other Co-owners and shall be responsible for all damage caused by any such failure. All

repairs to the internal installations of any Apartment such as water, gas, electrical, light, power, sewage, telephone, air conditioning, sanitary installations, windows or window glass, doors, lamps, and all other accessories belonging to the Apartment shall be at the expense of such Owner.

Section 4. Repair of Common Elements. Each Co-owner shall reimburse the Council for any expenditures incurred in repairing or replacing any Common Elements which is necessitated as the result of such Co-owner's willful misconduct or neglect or that of the Owner's family, guests, and other invitees.

Section 5. Emergency Repairs. Each Co-owner shall permit the Board of Directors or its designate to enter his Apartment in the case of any emergency originating therein or threatening such Apartment or other Apartments whether the Co-owner is present at the time or not; and each Co-owner does hereby consent to such.

Section 6. Rules of Conduct.

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

(b) No residents of the Property shall:

- (1) Post any advertisements, or posters of any kind in or on the Condominium Property except as authorized by the Master Deed.
- (2) Hang garments, rugs, or other similar objects, from the windows or from any of the facades of the Condominium Property.
- (3) Dust rugs, mops, or similar objects, from the windows, or clean rugs, or similar objects, by beating on the exterior part of the Condominium Property.
- (4) Throw garbage or trash outside the disposal installations provided for such purposes in the service area.

(5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Apartments in the Condominium Property.

(c) No Co-owner, resident, or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, or similar objects outside his Apartment or which protrude through the wall or the roof of his Apartment except as authorized in writing by the Board.

(d) Owners are permitted to keep pets on the Condominium Property provided the Owners comply with any rules and regulations concerning pets established by the Board.

Section 7. Regime Working Capital. At the time title is conveyed to a Co-owner by the Grantor, each Co-owner shall contribute to the working capital reserve an amount determined by the Board or a Managing Agent selected by the Board applicable to each Co-owner. Such funds shall be used solely for initial operating and capital expenses of the Property.

#### ARTICLE VIII

##### General Provisions

Section 1. Date of Notice. Notices to directors and Co-owners mailed to them shall be deemed given at the time when mailed.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. Depository Account. All funds of the Council not otherwise employed shall be deposited from time to time to the credit of the Council as the Board of Directors or the Treasurer shall direct in such banks, trust companies or other depositories as the Board of Directors may select. For

the purpose of deposit and for the purpose of collection for the account of the Council, checks, drafts, and other orders for the payment of money which are payable to the order of the Council may be endorsed, assigned, and delivered by any officer or agent thereof.

Section 4. Effect of Master Deed and Act. Where any provision of these Bylaws conflicts with any provision of the Master Deed or the Act, the Master Deed or the Act shall be deemed controlling.

Section 5. Fiscal Year. The fiscal year of the Council shall begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date on which the Regime was established.



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STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON

}  
} ACKNOWLEDGMENT

Citizens Savings Bank, FSB, as mortgagee, hereby acknowledges that it does not object to the foregoing Master Deed with attachments and that such acknowledgment shall not operate as an assumption of the responsibility for said documents.

Witnesses:

*Edward P. Guerard, Jr.*  
*MSB*

Citizens Savings Bank, FSB  
By *Patrick L. Burke*  
Its *Vice President*

STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON

}  
}

PERSONALLY APPEARED before me Edward P. Guerard, Jr. who being duly sworn, deposes and says that (s)he saw the within named, Citizens Savings Bank, FSB, by Patrick L. Burke, its Vice President, sign, seal and as its act and deed, deliver the within written Consent to Master Deed and that (s)he with Edward P. Guerard, Jr. witnessed the execution thereof.

*Edward P. Guerard, Jr.*

SWORN to before me this 14th Nov November, 1983.

*MSB* (SEAL)  
Notary Public for South Carolina

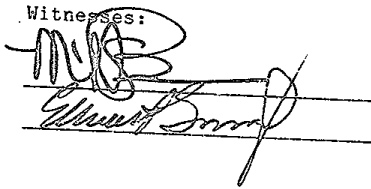
My Commission Expires: 11/31/89

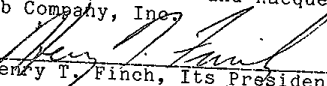
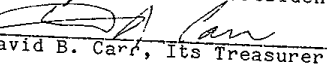
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STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON ) ACKNOWLEDGMENT

Isle of Palms Beach and Racquet Club Company, Inc., as mortgagee, hereby acknowledges that it does not object to the foregoing Master Deed with attachments and that such acknowledgment shall not operate as an assumption of the responsibility for said documents.

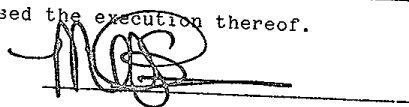
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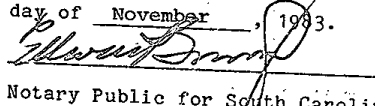
  
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Isle of Palms Beach and Racquet Club Company, Inc.  
By   
Henry T. Finch, Its President  
By   
David B. Carr, Its Treasurer

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

PERSONALLY APPEARED before me Michael J. Burkett who being duly sworn, deposes and says that (s)he saw the within named, Isle of Palms Beach and Racquet Club Company, Inc., by Henry T. Finch, its President and David B. Carr, its Treasurer, sign, seal and as its act and deed, deliver the within written Consent to Master Deed and that (s)he with \_\_\_\_\_ Edward P. Guerard, Jr. witnessed the execution thereof.

  
\_\_\_\_\_

SWORN to before me this 14th day of November, 1983.  
 (SEAL)  
Notary Public for South Carolina  
My Commission Expires: 8/04/87

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STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON ) ACKNOWLEDGMENT

South Carolina National Bank, as Assignee of the Mortgage of Isle of Palms Beach and Racquet Club Company, Inc., hereby acknowledges that it does not object to the foregoing Master Deed with attachments and that such acknowledgment shall not operate as an assumption of the responsibility for said documents.

Witnesses:

Patricia J. Smith  
[Signature]

South Carolina National Bank  
By Ivan V. Anderson, Jr.  
Ivan V. Anderson, Jr.  
Its Senior Vice President

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

PERSONALLY APPEARED before me Patricia J. Smith who being duly sworn, deposes and says that (s)he saw the within named, South Carolina National Bank, by Ivan V. Anderson, Jr., its Senior Vice President, sign, seal and as its act and deed, deliver the within written Consent to Master Deed and that (s)he with [Signature] witnessed the execution thereof.

Patricia J. Smith

SWORN to before me this 11<sup>th</sup> day of November, 1983.

[Signature] (SEAL)  
Notary Public for South Carolina  
My Commission Expires: Aug 11, 1991