

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) MASTER DEED FOR THE MOORINGS
) AT WILD DUNES HORIZONTAL
) PROPERTY REGIME

ARTICLE I
Identification

- 1.1 Name of Regime. The name of the horizontal property regime created and established by this Master Deed pursuant to Section 27-31-10 et seq of the Code of Laws of South Carolina as amended ("Horizontal Property Act") is THE MOORINGS AT WILD DUNES HORIZONTAL PROPERTY REGIME ("Regime"). The Regime consists of the Land described in Section 2.1, the Buildings described in Section 2.2, the Units described in Sections 2.3 and 2.4, the general common elements described in Section 2.5 and the limited common elements described in Section 2.6.
- 1.2 Identification of Owner. Hetafi Development L.L.C. (referred to as "Declarant"), is the fee simple owner of the real estate herein described.
- 1.3 Exhibits. Attached to this Master Deed are various plot plans, floor plans and descriptions which are marked as exhibits and which are to be regarded as integral parts of this Master Deed.
- 1.4 Council of Co-Owners. The Council of Co-Owners ("Council") consists of all persons owning Units in the Regime. The Council is charged with maintaining, repairing, and replacing the general and limited common elements in the Regime and is responsible for the administration of the Regime's affairs. The Council shall be governed by this Master Deed and the By-Laws attached hereto as Exhibit "C" and made a part hereof.
- 1.5 Definition of Property. "Property" shall mean and include the Land described on Exhibit "A" and all improvements and structures now existing or subsequently placed on the Land and all easements, rights, and appurtenances belonging thereto.
- 1.6 Declaration to Create Horizontal Property Regime. The Declarant does hereby submit the Property to the Regime.

ARTICLE II
Description

- 2.1 Description of Land. The Land being submitted to the Regime created and established by this Master Deed is described on Exhibit "A" attached hereto and made a part hereof.
- 2.2 Description of Buildings. The Buildings which will form a part of the Regime created and established by this Master Deed

shall have such size and location as are shown on the plat and plot plan attached hereto as Exhibit "B" and made a part hereof.

- 2.3 General Description of Unit. The Units are those portions of the Regime designated for separate ownership, and have such dimensions and area as are shown in the floor plans attached hereto as Exhibit "D" and made a part hereof. The vertical boundaries of the Units are the unfinished inner surface of the perimeter walls as shown on the floor plans and the horizontal boundaries are the unfinished inner surfaces of the ceilings and floors. Any limited or general common elements located within the boundaries are not part of the Unit. Subject to the preceding sentence, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tile, wallpaper, paint, finished flooring and any other material constituting part of the finished surfaces thereof are part of the Unit. A Unit will also include any porch (screened, covered or otherwise). There are four different Unit types: A, B, C, and D. The floor plans, area and dimensions for each unit type are the same. Units 511 and 512 are "A" unit types. Units 505, 507, 509, 506, 508, and 510 are "B" unit types. Units 503 and 504 are "C" unit types. Units 501 and 502 are "D" unit types. Unit 511 is shown as a typical "A" unit type on the Plans. Unit 505 is shown as a typical "B" unit type on the Plans. Unit 503 is shown as a typical "C" unit type on the Plans. Unit 501 is shown as a typical "D" unit type on the Plans. Minor changes to the kitchen and bathroom have been made in Units 507, 508, and 509 as shown on the Plans.
- 2.4 Number, Designation and Location of Unit. The number, designation and location of each Unit within the Buildings is shown on floor plans marked as Exhibit "D".
- 2.5 Description of General Common Elements. The general common elements consist of the Land described in Section 2.1, the foundations, crawl spaces, halls, lobbies, vestibules, exterior stairways, entrances and exits, elevators, pool, poolhouse, recreational facilities, landings, roofs, yards, gardens, unassigned parking areas, outside walkways, compressor platforms, downspouts, gutters, garbage enclosures, outside lighting, storm drainage, water and sanitary sewer and irrigation lines and equipment, smoke detection and security systems which serve the entire Regime and accompanying equipment. Insofar as possible, the general common elements are shown graphically and described in detail in words and figures on the floor plans and as more fully set forth in Exhibit "D". Security equipment and smoke detector systems located entirely within a Unit will be considered part of a Unit.

If any chute, flue, duct, wire, conduit, load-bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving more than one Unit or the general common elements is a part of the general common elements.

- 2.6 Description of Limited Common Elements. Any attic, shutters, awnings, doorsteps, stoops, exterior stairs leading to porches, balconies, compressors, decks, patios, mailboxes and all exterior doors and windows or other fixtures, assigned storage lockers, hot water heaters located outside the Unit or mechanical apparatus designed to serve one or more but less than all Units, are limited common elements allocated exclusively to such Unit or Units.

If any chute, flue, duct, wire, conduit, load-bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion serving only that Unit is a limited common element allocated solely to that Unit. Insofar as possible, the limited common elements are shown graphically and described in detail in words and figures on the plat and floor plans as shown on Exhibits "B" and "D".

ARTICLE III
Basic Value

- 3.1 Basic Value of Property. The basic value of the Property is Two Million, Four Hundred Thousand and no/100 (\$2,400,000.00) Dollars. This basic value is fixed for the sole purposes of the Horizontal Property Act and is irrespective of actual value.

- 3.2 Basic Value of Units. The basic value of the Units is as follows:

<u>Unit</u>	<u>Value</u>	<u>Tax Map Sheet Identification Numbers</u>
501	\$200,000.00	571-08-00-205
502	200,000.00	571-08-00-308
503	200,000.00	571-08-00-309
504	200,000.00	571-08-00-310
505	200,000.00	571-08-00-311
506	200,000.00	571-08-00-312
507	200,000.00	571-08-00-313
508	200,000.00	571-08-00-314
509	200,000.00	571-08-00-315

510	200,000.00	511-08-00 316
511	200,000.00	511-08-00 317
512	200,000.00	511-08-00-318

ARTICLE IV
Percentage Interest

4.1 Percentage Interest of Property. The percentage interests appertaining to the Units are as follows:

Unit 501	8.333%
Unit 502	8.333%
Unit 503	8.333%
Unit 504	8.333%
Unit 505	8.333%
Unit 506	8.333%
Unit 507	8.333%
Unit 508	8.333%
Unit 509	8.333%
Unit 510	8.333%
Unit 511	8.333%
Unit 512	8.333%

"Percentage Interest" shall mean the undivided interest in the limited and general common elements.

ARTICLE V
Unit Owner's Rights and Obligations

5.1 Use of Unit and Common Elements. Subject to this Master Deed and By-Laws, the Unit owner shall have an undivided ownership interest in the limited and general common elements according to his Percentage Interest; the exclusive right to use his Unit; the exclusive right with that of others, but not all Unit owners, to use the limited common elements allocated to such Unit owners; and the non-exclusive right with that of other Unit owners to use all general common elements in accordance with the purposes for which they are intended.

5.2 Compliance with Rules, Regulations, Enforcement. Each Unit owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to a Unit. Each Unit owner

shall have a right of action against other Unit owners or the Council as the case may be, to enforce compliance by either of them with the above described By-Laws, rules, regulations, and restrictions.

5.3 Common Expense Liability. The Unit owners are bound to contribute pro rata according to their Percentage Interest toward the expenses of administration of the Property constituted into the Regime which shall include, but are not limited to:

- (a) those expenses of maintaining, repairing, and replacing the general and limited common elements;
- (b) insurance premiums paid by the Council in accordance with the provisions of the Master Deed and By-Laws;
- (c) indemnification of the Board of Directors, members, and Council Officers as provided herein and in the By-Laws; and
- (d) any other expenses (including contributions to reserve funds) lawfully agreed upon by the Council as necessary to the operation, administration, and preservation of the Regime.

No co-owner may exempt himself from contributing toward the common expenses by waiver of the use and enjoyment of the general common elements, or by abandonment of his Unit.

The cost for the maintenance, repair, and replacement of the limited common elements shall be assessed against those Units to which those elements have been allocated.

5.4 Voting Rights. In all matters on which the Council takes action pursuant to its By-Laws, each Unit owner shall have a vote equal to his Percentage Interest.

5.5 Alteration of Units. A Unit owner:

- (a) May make any improvements or alterations to his Unit that do not impair the structural integrity or mechanical systems or lessen the support, of any portion of the Regime.
- (b) May not change the appearance of the limited and general common elements or the exterior appearance of any Unit or any exterior portion of the Regime and may not install any interior window dressing visible from the exterior unless such has a white or beige liner, without permission of the Council.
- (c) After acquiring an adjoining Unit and with written approval of the Council, may remove or alter any intervening partition or create apertures therein, even

if the partition in whole or in part is a limited or general common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of, any portion of the Regime. Removal of partitions or creation of apertures under this paragraph is not an alteration of the Unit's boundaries. In this situation, the Owner of the combined Units will pay assessments as if the Units had not been combined.

- (d) May enclose any covered or screened porch which is a part of his Unit. Any such alteration must be approved, in writing, by a majority vote of the Board of Directors and must be in strict accordance with the plans and specifications approved by the Board. Such enclosure will not alter the value or Percentage Interest of the Unit.
- 5.6 Residential Use. A Unit owner may not use any Unit or any portion of a Unit for anything other than residential purposes.
- 5.7 Easement for Encroachments. To the extent that any Unit or general and limited common element encroaches on any other Unit or general and limited common element, a valid easement for the encroachment exists. The easement does not relieve a Unit owner of liability in case of his willful misconduct, nor relieve the Declarant or any contractor, subcontractor or materialman of liability for failure to adhere to the plot plans and floor plans.
- 5.8 Easements Appurtenant to Unit Ownership. The Council shall have easements in common with all Unit owners. Each Unit owner shall have an appurtenant easement in common with all other Unit owners to use all pipe, wires, ducts, cables, conduits, utility lines, columns, supporting and sheltering structural members, and other like facilities located in any of the other Units or in the general and limited common elements and serving his Unit. Each Unit and the general and limited common elements shall be subject to an appurtenant easement in favor of other Unit Owners to use the pipes, ducts, cables, wires, conduits, utility lines, sewer lines and other facilities serving other Units or the general and limited common elements and located in each such Unit. In addition, each Unit shall be subject to and shall have such appurtenant easements of support and shelter from and over such other Units and the general and limited common elements as may be necessary for the quiet enjoyment of such Unit.

ARTICLE VI
Council's Rights and Obligations

- 6.1 Access to Units. The Council has the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of all general and limited common elements therein, necessary to prevent damage to the general and limited common elements or to another Unit or Units. This right is to be exercised by the system of administration as specified in the By-Laws.
- 6.2 Easements for Maintenance and Operation. The Council has the right to grant permits, licenses, and easements over the common elements for utilities, cable T.V., and other purposes reasonably necessary for the proper maintenance or operation of the Regime.
- 6.3 Administration of Units. The care, upkeep and surveillance of the general and limited common elements of the Regime shall be administered by the Council according to its By-Laws. The By-Laws may be amended at any time by the affirmative vote of the Unit owners representing 66 2/3% percent of the Percentage Interests, but such modification shall not be operative until the instrument setting forth such modification is recorded in the RMC Office for Charleston County.
- 6.4 Contracts. The Council, prior to passage of control by Declarant to the Board of Directors, shall not be bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control to the Board of Directors upon not more than ninety (90) days notice to the other party thereto.
- 6.5 Enforcement of Agreements. The Council shall have a right of action against any Unit owner to enforce compliance with the By-Laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Unit.
- 6.6 Assessments-Levy and Collection. The Board of Directors of the Council (the "Board") shall have the authority and duty to levy and enforce the collection of annual and special assessments for common expenses which shall include but may not be limited to expenses necessary for the maintenance, repair and replacement of the general and limited common elements and any other expenses necessary for the administration of the affairs of the Regime, provided however,

that any special assessments which will exceed Five Hundred (\$500.00) Dollars per Unit must be approved by Unit owners representing 66 2/3% of the Percentage Interest. The Board shall also have the authority to assess a late fee of Twenty (\$20.00) Dollars per month if such assessments are not paid within twenty-five (25) days of the due date. Thereafter, the Board may assess interest at such rate as the Board may determine on any unpaid balance including any prior year's assessments, late payments and interest charges. The Board shall provide for adequate remedies for failure to pay such assessments. Assessments against any Unit, with interest, late fees, costs of collection and reasonable attorney's fees shall become a lien upon such Unit if not paid when due. Additionally, each assessment against a Unit, together with interest, late fees, costs of collection and reasonable attorney's fees, shall be the personal obligation of the owner at the time the assessment falls due. The purchaser of a Unit (other than as provided in Section 8.1) shall be jointly and severally liable with the seller for the amounts owing for assessments up to the time of conveyance, without prejudice to the purchaser's right to recover from the Seller the amounts paid by him as such joint debtor. The Council shall provide and issue to any purchaser, upon his request, a statement of such amounts due by the seller and the purchaser's liability under this section shall be limited to the amount as set forth in the statement.

ARTICLE VII

Declarant's Rights and Obligations

- 7.1 Declarant Owner of All Units Created. The Declarant shall be the owner of all Units hereby created.
- 7.2 Easement Reservation. The Declarant reserves an easement, including a construction easement, through all general and limited common elements as may be reasonably necessary for the purpose of constructing the Units and the general and limited common elements.
- 7.3 Right of Declarant to Maintain Sales Model. The Declarant reserves the right to maintain a Unit as a model and sales office until such time as Declarant has sold all the Units.

ARTICLE VIII

Rights and Obligations of Mortgagees

- 8.1 Assessments. Unpaid assessments for the share of general and limited common expenses or special assessments attributable to any Unit shall constitute a lien on such Unit prior to all other liens except only (i) tax liens on the Unit in favor of

any governmental assessing authority, and (ii) mortgage liens encumbering the Unit and duly recorded in the RMC Office for Charleston County. Where the mortgagee of any mortgage of record or other purchaser of a Unit obtains title at the foreclosure sale of such a mortgage, such acquirer of title, his heirs, successors and assigns, shall not be liable for the share of the common expenses or assessments by the co-owners chargeable to such Unit accruing after the date of recording such mortgage but prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Unit owners, including such acquirer, his heirs, successors and assigns.

8.2 Notices. In addition to any other notices required to be given by the Council to holders of first mortgage liens on Units ("Mortgagee"), the following notices shall be provided to all such Mortgagees of which Council has written notice:

- (a) Written notice at least thirty (30) days prior to the effective date of any amendment to the Master Deed or the By-Laws.
- (b) Written notice of any default by an owner whose Unit is subject to a mortgage lien, given to such lien holder, of any obligation of such owner provided for in the Master Deed or the By-Laws on which default is not cured within sixty (60) days after the same shall occur.
- (c) Written notice to Mortgagees of record of substantial damage or destruction to the Property due to condemnation loss which affects the Regime, and written notice of damage or destruction of any Unit subject to a mortgage lien to such lien holder.
- (d) Written notice to Mortgagees of any taking or threatened taking of all or part of the Land submitted to the Regime by any governmental authority pursuant to condemnation or the power of eminent domain, and written notice of any such taking or threatened taking of any Unit subject to a mortgage lien to such lien holder.
- (e) Written notice to Mortgagees of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Council.
- (f) Written notice to Mortgagees of any proposed action which would require the consent of a specified percentage of mortgage holders pursuant to the provisions of this Master Deed.

ARTICLE IX
Eminent Domain

9.1 Units Acquired. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the

Unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Deed, the award must compensate the Unit owner for the value of his Unit and the Percentage Interest appurtenant thereto, whether or not any Percentage Interest is acquired. Upon acquisition, unless the decree otherwise provides, the Percentage Interest, appurtenant to the affected Unit, the votes in the Council appurtenant to affected Unit and the affected Unit's common expense liability are automatically reallocated to the remaining Units in proportion to the respective Percentage Interests, votes, and liabilities of those Units before the taking, and the Council shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a general common element.

9.2 Part of Unit Acquired. Except as provided in Subsection 9.1, if part of a Unit is acquired by eminent domain, the award must compensate the Unit owner for the reduction of value of the Unit and the Percentage Interest appurtenant thereto. Upon acquisition, (1) that Unit's Percentage Interest, votes in the Council, and common expense liability are reduced in proportion to the reduction in size of the Unit, and (2) the portion of Percentage Interest, votes, and common expense liability divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Percentage Interest, votes, and liabilities of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its Percentage Interests, votes and liabilities.

9.3 Part of Common Elements Acquired. If a portion of the general or limited common elements is acquired by eminent domain, the award must be paid to the Council. The Council shall divide any portion of the award not used for any restoration or repair of the remaining limited and general common elements among the Unit owners in proportion to their respective Percentage Interests before the taking, but the portion of the award must be equally divided among the owners of the Units to which that limited common element was allocated at the time of acquisition, or in any manner the Master Deed provides. Notwithstanding the foregoing, nothing in this Article IX shall be construed to affect in any way the rights of any Mortgagee holding a valid and subsisting security interest in all or any part of the subject Horizontal Property Regime to any awards generated by a condemnation or taking, pursuant to the power of eminent domain, as established by its respective mortgage agreement with the owner of the property encumbered by such security interest.

ARTICLE X
Amendments to Master Deed

- 10.1 General Amendments. The Master Deed including the plats and plans may be amended only with the consent of Unit Owners owning 66 2/3% percent of the Percentage Interests in the common elements. No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.
- 10.2 Limitations. Notwithstanding any provisions in this Master Deed to the contrary, no amendment may increase the number of Units or change the boundaries of any Unit, or alter general or limited common elements or change the Percentage Interest allocated to any Unit or the use to which a Unit is restricted, in the absence of the unanimous consent of the Owners.

ARTICLE XI
Insurance

The Board shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and amounts as hereinafter prescribed, the following insurance, without prejudice of the right of the Co-Owners to obtain additional individual insurance at their own expense.

- 11.1 Hazard Insurance. The Board shall insure the Property of the Regime, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property, as determined by periodic appraisals of the Property for insurance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every other year, or in the amount reasonably obtainable as it relates to the floor coverage. The Board shall also have the authority to insure against other hazards and risks as it may deem desirable for protection of the Property. 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 Unit 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, and to any Mortgagee holding mortgages on any Unit, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the

Horizontal Property Act and the provisions of this Master Deed.

- (b) All hazard insurance policies obtained by the Board shall provide for the issuance of Certificates of Insurance to each Unit owner. Each certificate shall evidence issuance of the master policy and shall indicate the amount of insurance covering the Building within which the Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall also be issued to the Mortgagee bearing a standard mortgagee endorsement, if requested.
- (c) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving:
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 Unit owner upon the contents and furnishings of their Units.
- (d) Each Mortgagee of which the Board has written notice, as evidenced by a Certificate of Insurance having been requested and issued to said Mortgagee or as provided in Article X of the By-Laws, shall be entitled to receive upon request a copy of each appraisal as called for in Section 11.1 above.
- (e) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various Mortgagees as to the various Units within the Regime which are covered by the master policy. Such policies shall also provide that they shall not be canceled without giving thirty (30) days prior written notice to all such Mortgagees of which the insurer has been given written notice as described in Section 11.1(d) of this Article XI.
- 11.2 Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of one Unit Owner to another Unit Owner.
- 11.3 Worker's Compensation Insurance. The Board, as necessary, shall obtain Worker's Compensation Insurance to meet the requirements of applicable law.

- 11.4 Premiums and Deductibles. Premiums upon insurance policies and any covered loss to the common elements not compensated for because of the deductible clause of the master policy shall be paid by the Council as a common expense. The Council may find it necessary to purchase insurance coverage which insures property which is a part of a Unit; however, notwithstanding anything to the contrary in this Master Deed or the By-Laws, the Council shall not be responsible for payment of any insurance deductibles in connection with any loss sustained to the contents of a Unit or property which is a part of a Unit, when an owner makes a claim against the Council's coverage and the source of the damage is not due to any failure of a limited or general common element or to any fault of the Council. In such case, the Board of Directors shall levy an assessment against the Owner(s) of the damaged or affected Unit(s) for that portion of any covered loss not compensated for because of loss deductible clause of the policy or for any other excess cost of repairs not covered by insurance.
- 11.5 Adjustment. Each Unit 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 Unit owners.
- 11.6 Insurance by Unit Owners. Each Unit owner shall be responsible for obtaining, at his sole expense, insurance covering his property, including but not limited to personal property, floor coverings, wall coverings, decorations, light fixtures, internal partition walls (not including those separating two or more Units), internal doors, heating and cooling equipment and duct work, plumbing fixtures, hot water heaters, appliances and furnishings within his own Unit and all additions and improvements made by him to the Unit. Moreover, each Unit owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving:
1. Any right of the insurer to subrogation claims against the Council and against individual Unit 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 insurance policy.
- 11.7 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 XII
Insurance Trust

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

- 12.1 Insurance proceeds paid on account of loss or damage to the common elements only shall be held in the same proportions as the undivided interest in the common elements which are appurtenant to each of the Units.
- 12.2 Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored shall be held for the benefit of the Unit owners of the damaged Units and their respective Mortgagees in proportion to the costs of repairing each damaged Unit.
- 12.3 Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all Unit owners and/or their respective Mortgagees, the share of each being equal to the Percentage Interest appurtenant to his Unit.
- 12.4 In the event a Certificate of Insurance as to hazard insurance, has been issued by the Board, to a Unit owner bearing a Mortgagee endorsement, the share of the Unit owner shall be held in trust for the Mortgagee and the Unit owner, as their interests may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for insurance proceeds paid jointly to the Unit owners and their respective Mortgagees pursuant to the provisions of the Master Deed; and then, only if the decision is not to rebuild. Any provisions in any mortgage inconsistent with this Section is void.
- 12.5 In case of fire or any other disaster, the insurance proceeds must, except as provided in the following Article, be applied to reconstruct the building or other structure.

ARTICLE XIII
Reconstruction and Repair

13.1 Requirement. In the event of casualty loss or damage to a Unit or Units, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this Article XIII. Reconstruction or repair shall be mandatory, and any portion of the Regime insured, damaged or destroyed shall be repaired or replaced promptly by the Board unless:

1. The Regime is terminated;
2. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
3. Reconstruction is not compulsory where it comprises the whole or more than two-thirds of the Property. In this case, and unless otherwise unanimously agreed upon by the Co-Owners, the indemnity must be delivered pro rata to the Co-Owners and their mortgagees entitled to it in accordance with provisions made in the By-Laws or in accordance with a decision of three-fourths of the Co-Owners if there is no By-law provision.

Should it be proper to proceed with the reconstruction, the provisions for this eventuality made in the By-Laws shall be observed, or, in lieu thereof, the decision of the Council of Co-Owners shall prevail.

13.2 Provisions for insurance proceeds distribution and the procedure for reconstruction are set forth in Article XI of the By-Laws.

ARTICLE XIV
Miscellaneous

14.1 Captions. The captions contained in this Master Deed and By-Laws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Master Deed and By-Laws nor the intent of any provisions thereof.

14.2 Gender. The use of the masculine gender shall be deemed to refer to the feminine and neuter gender and the use of the singular shall be deemed to include the plural, and vice versa, whenever the contents of the Master Deed and By-Laws so require.

14.3 Waiver. No provision contained in the Master Deed and By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of

violations or breaches with may occur.

14.4 Invalidity. The invalidity of any provisions of the Master Deed and By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Master Deed and By-Laws shall continue in full force and effect.

14.5 Conflict. The Master Deed and By-Laws are intended to comply with the requirements of all applicable laws. In the event of any conflict between the Master Deed and By-Laws and the provision of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Master Deed and the By-Laws, this Master Deed shall control.

14.6 Management Agreement. The term of any agreement for professional management of the affairs of the Regime or any other contract providing for services to the Regime may not exceed three (3) years. Any such contract or agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

14.7 Books and Records. The Council shall make available to Unit owners and Mortgagees and to holders, insurers or guarantors of any first mortgage, current copies of the Master Deed, By-Laws, other rules concerning the Regime, and the books, records and financial statements of the Council. "Available" means available for inspection, upon request, during normal business hours or under reasonable circumstances.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 10th day of July, 1997.

WITNESSES:

DECLARANT:
HETAFI DEVELOPMENT, L.L.C.

[Signature]

BY: [Signature]

ITS: Auth Member

Darsh O. Wall

BY: ~~_____~~

ITS: ~~_____~~

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named HETAFI DEVELOPMENT, L.L.C. by William R. Furch, its duly authorized agent, sign, seal and as their act and deed, deliver the within written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

Zydrat Dan Dix

SWORN to before me this 10
day of July, 1997.

Darla O. Walls

NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 4-13-98

EXHIBIT "A"

ALL that certain piece, parcel, or tract of land, with the improvements thereon, if any, situate, lying, and being in the City of Isle of Palms, County of Charleston, State of South Carolina, the same being shown and delineated as Parcel II c, Tract "F", Block "F", Wild Dunes, as shown on a plat entitled "Final Plat Showing a Portion of Tract "F", Block "F", 36 Lots, Wild Dunes, City of Isle of Palms, Charleston County, South Carolina" prepared by Engineering, Surveying, and Planning, Inc., William Porcher, S.C.R.L.S. No. 7407, dated September 5, 1989 and recorded November 16, 1989 in the Office of the RMC for Charleston County, South Carolina, in Plat Book BX at Page 160. Reference is craved to said Plat for a more complete and accurate metes and bounds description of said lots.

BEING the same property conveyed to the Grantor herein by deed of Henry T. Finch dated July 1, 1996 and recorded in the RMC Office for Charleston County in Book H372, Page 266.

TMS No. 571-08-00-205 , 308 TWJ 318

WADE SURVEYING

JOHN E. WADE JR., R.L.S.
(803) 886-6262

P.O. Box 676
Isle of Palms, S.C. 29451

7/8/97

RE: THE MOORINGS @ YACHT HARBOR
ROOF HEIGHT

THIS IS TO CERTIFY THAT THE HEIGHTS
AT THE MOORINGS ARE AS FOLLOWS:

GRND @ BLDG 8.6

FFE 19.3

ROOF PEAK 47.0

ALL ELEVS ARE MSL NGVD 29

John E. Wade Jr.
SCRLS 13171

EXHIBIT "C"

BY LAWS
FOR
THE MOORINGS AT WILD DUNES OWNER'S ASSOCIATION, INC.

ARTICLE I
Form of Administration

The care, upkeep and surveillance of the property which constitutes The Moorings at Wild Dunes Horizontal Property Regime ("the Regime"), including its general or limited common elements and services, shall be administered by a South Carolina non-profit corporation, to be known as The Moorings at Wild Dunes Owner's Association, Inc. ("Council").

ARTICLE II
Members of Council

All owners of Units in the Regime shall be members of the Council. All members must make an evidentiary showing to the Council secretary that they are owners of a Units, and that all assessments are current before being permitted to participate in and vote at Council meetings. Upon making such a proper showing, the member's right to participate in and vote at Council meetings shall continue until that member's ownership interest in the Regime has terminated.

ARTICLE III
Fiscal Year

The fiscal year of the Council shall be on a calendar year basis unless otherwise changed by the Board of Directors.

ARTICLE IV
Meeting of Council Members

- 4.1 Place. Meetings of the members of the Council shall be held in Charleston County, South Carolina, at a place to be designated in the notice of the meeting.
- 4.2 Date and Time. The members shall meet at least once a year. This annual meeting shall be held on a day, time and place to be designated by the Board of Directors of the Council (the "Board").
- 4.3 Special Meetings. Special meetings of the members may be called by the Board or the owners of not less than thirty-three and one-third (33 1/3%) percent of the percentage

interest in the limited and general common elements of the Regime (the "Percentage Interest").

- 4.4 Notice. Written notice stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than fifteen (15) days before the date of the meeting, either personally or by mail, by or at the direction of the President, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the Secretary's books.
- 4.5 Quorum. Fifty-one (51%) percent of the Percentage Interest entitled to vote represented in person or by proxy shall constitute a quorum of a meeting of members.
-
- 4.6 Decisions. All decisions adopted by the Council must be made upon the affirmative vote of Fifty-one (51%) percent of the Percentage Interests eligible to vote, unless a greater percentage is specifically required in the Master Deed or these By-Laws.
- 4.7 Proxy. A member may vote either in person or by proxy given to another member of the Council whose assessments are current, executed in writing by a member. If at least thirty (30) days prior to a duly called meeting an Owner is informed by first class mail of (i) the time and place of the meeting, (ii) the agenda for the meeting, and (iii) such information as is then available relative to issues on which there will be a vote and a proxy form is included in such mailing, but the Owner neither attends nor returns his or her executed proxy, then such Owner shall be deemed to have given his or her proxy to vote to and for the majority present and voting and further shall be deemed present when determining a quorum.
- 4.8 One Representative Per Apartment. If one Unit is owned by more than one person, the owners must decide among themselves and then designate in writing filed with the secretary prior to the meeting, one of the owners or a proxy as their representative to participate in and vote at meetings. The other members may attend the meetings, but may not participate in or vote their pro rata Percentage Interest.

ARTICLE V
Board of Directors

- 5.1 Manage Affairs of Council; Power to Contract. The affairs of the Council including the designation and dismissal of the personnel necessary for the administration and operation of

the affairs of the Regime and the Council shall be managed by the Board. The initial Board shall consist of three (3) individuals who shall be appointed by the Declarant. The Declarant may appoint and remove members of the Board for a period not exceeding three (3) years from the date of the first conveyance of a Unit to a person or entity other than the Declarant. The period of Declarant control terminates no later than sixty (60) days after conveyance of Eighty-five (85%) percent of the Units to owners other than Declarant.

Subject to the provisions of the Master Deed, the Board shall have the power to contract for the management of the Council and to delegate to the manager all powers and duties of the Council except those required under the Master Deed and these By-Laws to have the approval of the Board or the Council or particular Unit owners.

- 5.2 Terms. At the first annual or special Council meeting after the termination of the period of Declarant control as set forth in Section 5.1, the members shall elect Board members who must be Co-Owners of a Unit in the Regime for terms of three (3) years.
- 5.3 Vacancy. Any vacancy occurring in the Board may be filled by the affirmative vote of the remaining Board members. A Board member shall be elected for the unexpired term of his predecessor in office.
- 5.4 Meeting. The Board shall meet upon the call of the president or secretary of the Council. The meetings may be held upon written or oral notice received not later than the second day immediately preceding the day for the meeting.
- 5.5 Quorum. A majority of the number of Board members fixed by the By-Laws shall constitute a quorum for the transaction of business. Board members must be present in person, not by proxy. The act of the majority of Board members present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE VI
Officers of the Council

- 6.1 Number and Name. The Officers of the Council shall consist of a president and a secretary and a treasurer, each of whom shall be elected by the Board. The Board may require that one or more officers be bonded.
- 6.2 President. The president shall have active executive management of the Council, subject, however, to the control of the Board. He shall preside at all Council meetings,

discharge all of the duties that devolve upon a presiding officer, and perform other duties as the Board may prescribe. The president shall have full authority to execute on behalf of the Council both certificates of amendments to these By-Laws and the Master Deed, when the Council is authorized by the Council and by applicable law.

6.3 Secretary. The secretary shall attend Council meetings and Board meetings, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of these meetings. He shall be custodian of the records of the Council. He shall make available to all Council members and to holders, insurers, or guarantors of any first mortgage current copies of the Master Deed, By-Laws, and other rules and regulations concerning the Regime and the books and records of the Regime. He shall attend to the giving of all notices and shall perform such other duties as the Board may prescribe.

6.4 Treasurer. The treasurer shall keep a book or record containing a detailed account of each Unit's working capital and common expense assessment and, in chronological order, of the receipts and expenditures affecting the Regime and its administration, and specifying the maintenance and repair expenses of the limited and general common elements and any other expenses incurred. Both the books or records and the vouchers accrediting the entries made thereupon shall be available for examination by all the Council members and holders, insurers or guarantors of any first mortgages, at convenient hours on working days that shall be set and announced for general knowledge. The Treasurer shall be authorized to cash checks and sign notices and checks on behalf of the Council. One person may hold the combined position of Secretary/Treasurer.

ARTICLE VII

Liability and Indemnification of the Board Members and Officers

7.1 Liability of Directors and Officers. No Board member or officer of the Council shall be liable to any Co-Owner for any decision, action or omission made or performed by such Board member or officer in the course of his duties unless such Board member or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Master Deed or these By-Laws.

7.2 Indemnification of Board Members and Officers. The Council shall indemnify and defend each Board member and officer of the Council from any liability claimed or imposed against him by reason of his position or decision, action or omission as

a Board Member or any officer of the Council if all of the following conditions are satisfied:

- (a) Such Board member or officer has conducted himself in good faith; and
- (b) Such Board member or officer reasonably believes that his conduct in his official capacity with the Council, was in its best interest; and
- (c) In all other cases, that his conduct was at least not opposed to the Council's interests; and
- (d) In the case of criminal proceedings, such Board member or officer had no reasonable cause to believe his conduct was unlawful; and
- (e) Such Board member or officer cooperates with the Council in defending against the liability.

The expense of indemnifying a Board member or an officer shall be a Common Expense and shall be borne by all the Co-Owners, including such Board member or officer. Notwithstanding any provision herein to the contrary, indemnification permitted under this section in connection with a proceeding by or in the right of the Council is limited to reasonable expenses incurred in connection with the proceeding.

ARTICLE VIII
Rules and Regulations

The Board may issue such rules and regulations governing the use of the Property as it deems necessary, which when ratified at a Council meeting by members owning at least fifty-one (51%) percent of the Percentage Interest in the Property, shall become effective. Such rules and regulations shall be enforceable by fine according to the schedule contained in the rules and regulations which shall be assessed against the Unit of the violator.

ARTICLE IX
Common Expense Liability

- 9.1 Working Capital. Upon the transfer of a Unit, the transferee of the Unit shall pay to the Council a sum equal to at least two months assessment as working capital. Such sums are separate and distinct from regular assessments and shall not be considered advance payments of such assessments. Each Unit's share of the working capital fund must be collected from the Purchaser and transferred to the Council at the time of closing of the sale of a Unit.
- 9.2 Owner's Liability. The Unit Owners are bound to contribute pro rata according to their Percentage Interest as amended toward both the expenses of administration of the Regime and

common expenses as set forth in the Master Deed which include the expenses of maintenance, repair, and replacement of the limited and general common elements. Except as provided for herein to the contrary, the Board shall assess each Unit Owner for the expenses chargeable to it. The amounts so assessed shall be the personal obligation of the owner at the time the assessment falls due and the assessments together with any late fees, the interest, costs of collection and reasonable attorney's fees may be enforced by suit against the Unit owner personally. Such assessments and costs may also be collected as provided in Section 9.5 below. Expenses for the maintenance, repair, and replacement of limited common elements shall be assessed against those Units to which those elements have been allocated.

- 9.3 Initial and Subsequent Budgets. After the filing of the Master Deed and before the conveyance of any Unit, the Board shall adopt an initial budget and shall assess each Unit its pro rata share of common expenses. After the initial assessment has been made by the Board, assessments shall be based on a budget adopted at least annually by the Board. Assessments shall be payable as determined by the Board. The Board shall assess a late fee of \$20.00 per month if such assessments are not paid within twenty-five (25) days of the due date. Thereafter, continuing until the balance is paid in full, the Board may assess interest at such rate as the Board may determine on any unpaid balance, including any prior years' assessments, late payments and interest charges.
- 9.4 Maintenance Reserve Fund. The Council shall establish and maintain a reserve fund from assessments to be held in reserve for the periodic maintenance, repair, and replacement of improvements to the general and limited common elements that the Council is responsible for maintaining.
- 9.5 Enforcement by Lien. In order to secure the payment of regular annual assessments, special assessments, late fees and interest, the Council has a lien on a Unit for any assessment levied against that Unit or its owner, late fees and interest imposed against its owner from the time the assessments, late fees or interest become due. Said lien shall be junior and subordinate to any mortgage encumbering the Unit that was duly recorded before the assessment was due. The lien on the Unit may be foreclosed in a like manner as a mortgage upon real estate and such lien shall be deemed to include the costs of collection, including interest and reasonable attorney's fees.

ARTICLE X
Insurance

The Board shall maintain, to the extent reasonably available, insurance in the following forms.

- 10.1 Coverage. The Board shall obtain all insurance coverage as set forth in Article XI of the Master Deed.
- 10.2 Fidelity Bonds. The Board shall maintain fidelity bonds covering all officers and employees who handle or are responsible for funds held or administered by the Council, naming the Council as obligee, in an amount equal to the maximum funds that will be in the custody of the Council, but in no case less than an amount equal to the sum of three (3) months assessments of all Units, plus the amount of the Council's reserve funds. Any such bond that shall contain a provision that requires at least ten (10) days written notice to the Board and to each servicer that services an FNMA owned mortgage in the Regime before the bond may be canceled or substantially modified. Personnel or any management agent must be covered by a fidelity bond on such agent of comparable coverage.

ARTICLE XI
Reconstruction and Repair

In the event of casualty loss or damage to the Property of the Regime, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair and reconstruction of the Property in accordance with Articles XII and XIII of the Master Deed.

- 11.1 Proceeds Distribution. The cost of repair or replacement in excess of insurance proceeds and reserves shall be considered a general common expense. If the entire regime is not repaired or replaced:
1. The insurance proceeds attributable to the damaged limited and general common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Regime;
 2. The insurance proceeds attributable to the Units and limited common elements which are not rebuilt shall be distributed to the owners of those Units, the owners of the Units to which those limited common elements were assigned, and to any bona fide Mortgagees holding valid and subsisting security interests encumbering any such Units and limited common elements, as their interest may appear;
 3. The remainder of the proceeds shall be used by the Council as Insurance Trustee to repair and reconstruct the remainder of the Property; and
 4. The insurance proceeds received by the Board when the

Property is not to be restored shall be held for the benefit of all Unit owners and/or their respective Mortgagees, the share of each being equal to the Percentage Interest appurtenant to his Unit and shall be paid by the Board to the Unit owners and/or their respective Mortgagees as their interest may appear.

11.2 Procedure. The Unit or Units, damaged or destroyed, shall be repaired in the following manner:

1. Any reconstruction or repair must follow substantially the original plans and specifications of the Property as amended from time to time as provided in Article II of the Master Deed, unless the Unit owners holding 66 2/3% percent or more of the total interest in common elements and their Mortgagees, if any, vote to adopt different plans and specifications and all owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.
2. The Board shall promptly obtain estimates of the costs 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.
3. 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 Unit owners in proportion to their Percentage Interest.

ARTICLE XII

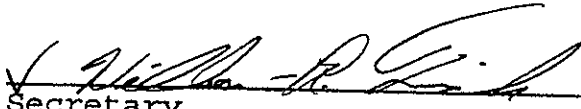
Waiver of Partition of Regime

12.1 Council. The Council may only by the unanimous vote of all its members:

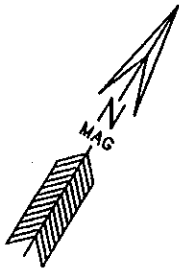
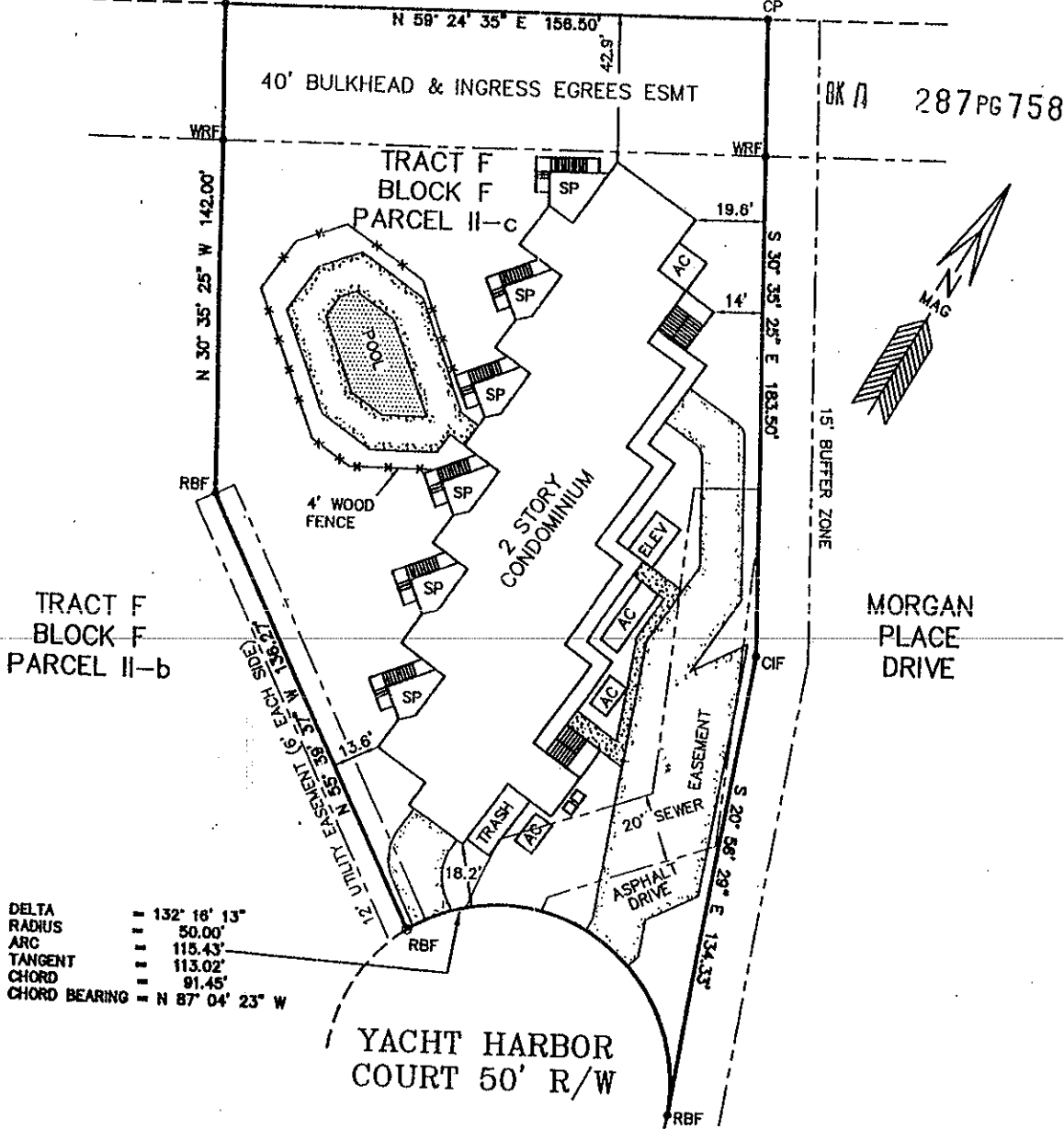
- (a) Waive the Regime and regroup or merge the individual Units with the common elements provided that the individual Units are unencumbered, or if encumbered, that the mortgagee in whose behalf the encumbrances are recorded agrees to accept as security the undivided portions of the property owned by the debtors.
- (b) By act or omission, seek to abandon, partition,

subdivide, encumber, sell or transfer the limited and general common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the general and limited common elements by the Council shall not be deemed a transfer within the meaning of this clause.

This is to certify that the attached By-Laws were adopted by the members and Board of Directors of The Moorings at Wild Dunes Owner's Association, Inc. on July 10, 1997.


Secretary

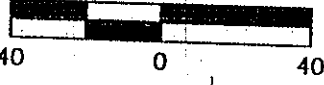
MORGAN CREEK



**THE MOORINGS @ WILD DUNES
HORIZONTAL PROPERTY REGIME
ISLE OF PALMS
CHARLESTON COUNTY, SOUTH CAROLINA**

- NOTES**
- 1) REFERENCE PLAT BOOK BX PAGE 160
 - 2) TMS # 571-08-00-205
 - 3) PROPERTY OWNED BY: HETAFI DEVELOPMENT, LLC

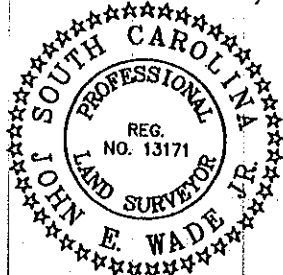
DATE: JUNE 11, 1997
SCALE: 1" = 40'



- LEGEND**
- CIF 1" Ø CRIMPED IRON FOUND
 - RBF #5 REBAR FOUND
 - WRF #5 WITNESS REBAR FOUND

SUBJECT PROPERTY LOCATED IN FLOOD ZONE AE ELEV 13 FIRM PANEL 455418-0003-E DATED MARCH 8, 1991

JOHN E. WADE JR., RLS
POST OFFICE BOX 686
ISLE OF PALMS
SOUTH CAROLINA, 29461
(803) 886-6262



"I hereby state that to the best of my knowledge, information, and belief, the survey shown herein was made in accordance with the requirements of the Minimum Standards Manual for the Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a Class A survey as specified therein; also there are no visible encroachments or projections other than shown."

John E. Wade Jr.
JOHN E. WADE JR., RLS
SOUTH CAROLINA REG. NO. 13171