

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:

- (a) Roll call.
- (b) Proof of notice of meeting or waive of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors and committees.
- (f) Review financial statement and monthly Regime charges.
- (g) Election of Directors.
- (h) Approval of Management Agent.
- (i) Unfinished business.
- (j) New business.

The order of business at all special meetings of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

→ New Section 12
June 1990 Amendment

ARTICLE V

Board of Directors

Section 1. Number and Term of Office. The affairs of

Jan 1992
Amendment

the Council shall be governed by a Board of Directors. [The number of directors which shall constitute the Board shall be ~~three (3)~~ *At least three (3) and no more than five (5).* The directors shall be elected from the members at the annual meeting of the Council, except for the initial Board of Directors which shall be appointed by the Grantor and except as provided for in Section 3 and 10 of this Article V. The term of office shall be fixed at two (2) years; at the first annual meeting the two (2) directors receiving the largest number of votes shall serve for two (2) years each and the third director shall serve for one (1) year; provided, however, that each director shall hold office until his successor is elected or until his death or until he shall resign or until he shall have been removed, as provided in Section 10 of this Article V, or by operation of law. All directors, except the interim Board appointed by the Grantor, must be Co-owners of an Apartment.

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)

days notice to each director in advance of such meeting, either in writing, in person or by telephone, telex, telegraph or cable. The notice need not specify the business to be transacted. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more directors.

Section 9. Quorum and Manner of Acting. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors. If at any meeting of the Board there is less than a quorum present, the majority of the Board members present may adjourn the meeting until such time as a quorum is present. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Removal of Directors. At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of the Co-owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 11. Committees. The Board of Directors may appoint committees composed of members of the Council as deemed appropriate by the Board in carrying out its purpose.

Section 12. Waiver of Notice. Before or at any meeting of the Board, any Board member may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof, unless attendance is for the sole purpose of objection to the meeting for lack of notice.

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

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

*New Section (P)
June 1990
Amendment*

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.

*June 1990
Amendment
Addition* →

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.

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.
[Signature]

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 day of November, 1983.

[Signature] (SEAL)

Notary Public for South Carolina

My Commission Expires: 1/31/89

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 L. 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 L. 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 L. Smith

SWORN to before me this 11th day of March, 1983.

[Signature] (SEAL)

Notary Public for South Carolina

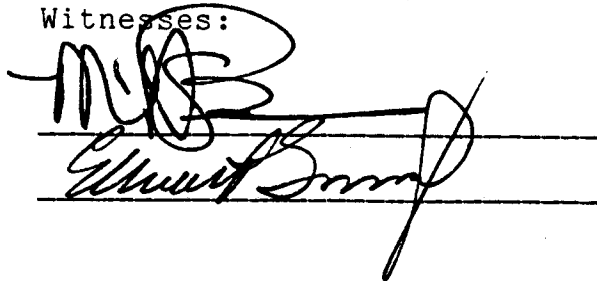
My Commission Expires: April 21

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

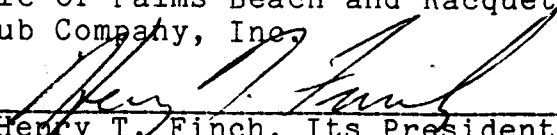
ACKNOWLEDGMENT

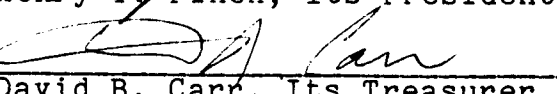
Isle of Palms Beach and Racquet Club Company, Inc., as mortgagee, hereby acknowledges that it does not object to the foregoing Master Deed with attachments and that such acknowledgment shall not operate as an assumption of the responsibility for said documents.

Witnesses:



Isle of Palms Beach and Racquet Club Company, Inc.

By 
Henry T. Finch, Its President

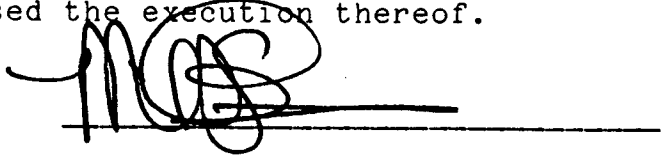
By 
David B. Carr, Its Treasurer

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

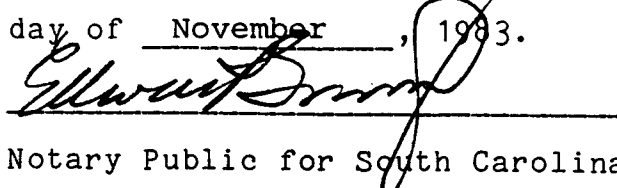
PERSONALLY APPEARED before me Michael J. Burkett

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

STATE OF SOUTH CAROLINA)
) AMENDMENT TO MASTER DEED
COUNTY OF CHARLESTON) ESTABLISHING LAGOON VILLAS
) HORIZONTAL PROPERTY REGIME

WHEREAS, THE CUMBERLAND CORPORATION, a South Carolina Corporation (referred to as "Grantor"), is the sole owner of the fee simple title to property located in the County and State aforesaid and desires to submit such of that property as specifically described herein to a Horizontal Property Regime according to the laws of the State aforesaid and subject to the conditions and restrictions contained herein; and

WHEREAS, Grantor has already established the Lagoon Villas Horizontal Property Regime by a Master Deed dated November 14, 1983, and recorded in the R.M.C. Office for Charleston County, South Carolina on November 14, 1983, in Book S-133, at Page 104; and

WHEREAS, Article II, Section 2 of said Master Deed contains provisions whereby the said Grantor can elect to submit Phase II (Phase Two) of Lagoon Villas to the Lagoon Villas Horizontal Property Regime;

NOW THEREFORE, in consideration of the premises and the benefit expected to flow to it as a result of the submission of the property to the Lagoon Villas Horizontal Property Regime.

KNOW ALL MEN BY THESE PRESENTS that THE CUMBERLAND CORPORATION, for itself, its successors and assigns, hereby submits the land and all improvements thereon described in Exhibit A-1, attached hereto and, by reference, incorporated herein, to the Lagoon Villas Horizontal Property Regime according and subject to the terms, provisions, covenants and restrictions contained in said Master Deed establishing Lagoon Villas Horizontal Property Regime, and the Code Of Laws of South Carolina (1976) §§ 27-31-10 et. seq., Horizontal Property Act (Act) as it is now constituted and as it may from time to time be amended; provided, however, that such submission shall be and is further subject to the conditions, provisions and restrictions contained herein, all of which shall run with the land.

1. NAME: The property described herein shall hereafter be part of the Lagoon Villas Horizontal Property Regime (Regime).

2. DESCRIPTION OF PROPERTY AND BUILDINGS: The land is described in Exhibit A-1. The Buildings are described in the plans prepared by Glick/Schmitt & Associates, Inc., AIA, a copy of which is attached as Exhibit E of the Master Deed and, by reference, incorporated herein. An Apartment Building is a multi-unit structure containing two (2) floors of Apartments divided into two (2) Apartments per floor and general and limited common elements. There are six (6) Apartment Buildings numbered 4, 5, 6, 7, 8 and 9 respectively together with a building for linen storage and mail delivery.

3. DESCRIPTION OF GENERAL COMMON ELEMENTS: In addition to those defined in the Act, the following shall be General Common Elements:

(a) All lobbies, common storage areas, roads, driveways, 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.

4. DESCRIPTION OF LIMITED COMMON ELEMENTS: The Limited Common Elements appurtenant to each Apartment are as follows:

(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 thereof;
- (d) all air-handling units, condensers, ducts and components and all water, power, telephone, television and cable television electricity, plumbing, gas and sewage lines located in the Apartment; provided, however, that the portion of said lines located in a common compartment for, or installation of, 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.

5. DESCRIPTION OF APARTMENTS: An Apartment (as defined in the Act) is generally described and each type of Apartment is specifically described in Exhibit G, attached to the Master Deed and, by reference, incorporated herein. The graphic description and area of each Apartment is shown on Pages 1 and 2 of Exhibit E attached to the Master Deed and by reference, incorporated herein. The location within the Buildings and numbers of each Apartment as referred to in Exhibit B-1, and shown on Exhibits D and D-1 attached hereto and, by reference, incorporated herein, as certified by Myles I. Glick, AIA, Registered Architect for the State of South Carolina.

6. PLOT PLANS AND FLOOR PLANS: The plot plan showing the location of the Buildings and other improvements is attached hereto and by reference incorporated herein as Exhibit D-1. The floor plans showing the dimensions and area of each type of Apartment and the dimensions, areas and locations of General Common Elements affording access to each Apartment are shown by Exhibit E (Pages 1-4) recorded with the Master Deed.

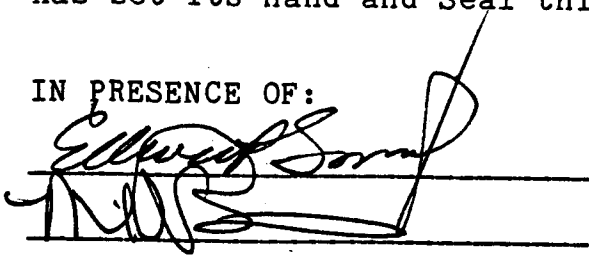
7. PERCENTAGE OF OWNERSHIP: The value of each Apartment, the value of all Apartments and the percentage of ownership for purposes of ownership of the General Common Elements and liability for common expenses, assessments and voting are shown in Exhibit C-1, attached hereto and, by reference, incorporated herein. The stated individual value for each Apartment indicated in Exhibit C-1 shall not be deemed to establish or limit the price for which the Property or any Apartment may be sold or exchanged. The attached Exhibit C-1 replaces the Exhibit C which was attached to the Master Deed establishing Lagoon Villas Horizontal Property Regime. This corrective amendment to Exhibit C is made pursuant to Section 2 of Article II of the said Master Deed.

8. This Amendment to the Master Deed establishing Lagoon Villas Horizontal Property Regime shall subject Phase II of Lagoon Villas to all the rights, benefits and limitations of the covenants, restrictions and warranties contained in the Master Deed.

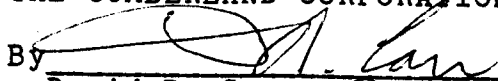
9. This Amendment shall also serve as the Declaration described in Section 1, Article II of the Master Deed establishing Lagoon Villas Horizontal Property Regime.

IN WITNESS WHEREOF, THE CUMBERLAND CORPORATION, a South Carolina Corporation, by the Hands and Seals of its President, David B. Carr and its Vice President, David K. Raynor, has set its Hand and Seal this 7 day of FEB., 1984.

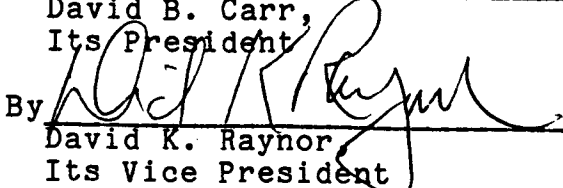
IN PRESENCE OF:



THE CUMBERLAND CORPORATION

By 

David B. Carr,
Its President

By 

David K. Raynor,
Its Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY APPEARED before me Edward P. Guerard, Jr.
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 Amendment to Master Deed, and that (s)he
with Michael J. Burkett witnessed the execution thereof.

Edward P. Guerard, Jr.

SWORN to before me this 7th

day of Feb., 1984.

[Signature] (SEAL)

Notary Public for South Carolina

My Commission Expires: 1/31/89

EXHIBIT A-1
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 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.

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 and submitted by the Grantor to Lagoon Villas Horizontal Property Regime by Master Deed dated November 14, 1983 and recorded in said R.M.C. Office in Book S-133, Page 104.

EXHIBIT B-1
AMENDMENT TO
LAGOON VILLAS
HORIZONTAL PROPERTY REGIME

See Plans on record in the Charleston County R.M.C. Office attached to the Master Deed establishing Lagoon Villas Horizontal Property Regime as an Exhibit and made a part hereof.

The undersigned, Myles I. Glick, AIA, Glick/Schmitt & Associates, Inc. authorized and licensed Architect in the State of South Carolina hereby certifies that the Plans of Lagoon Villas Horizontal Property Regime identified above, fully and accurately, within reasonable construction tolerances, depicts the layout and dimensions of Buildings 4, 5, 6, 7, 8 and 9, common elements, limited common elements, and apartments shown therein.

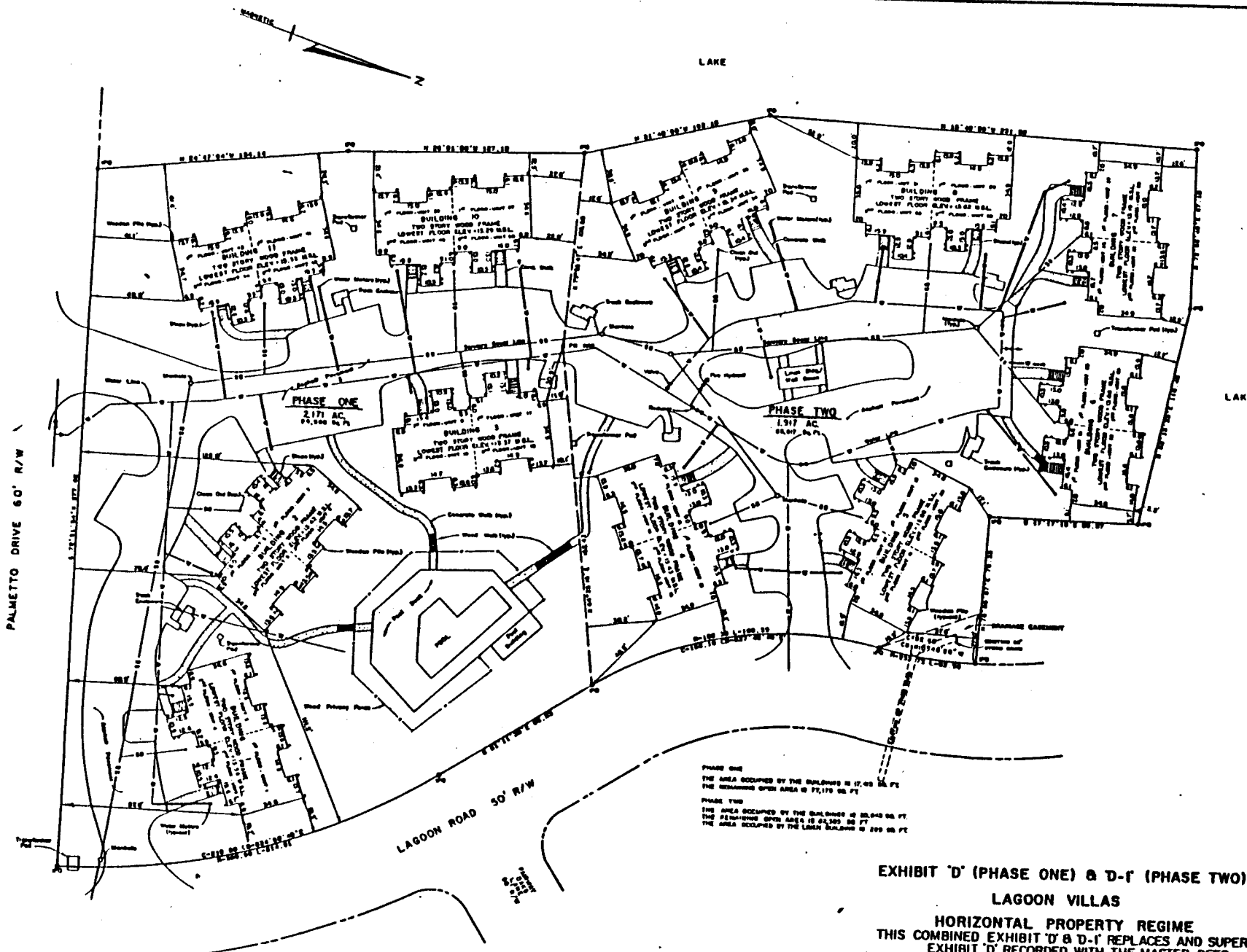
GLICK/SCHMITT & ASSOCIATES, INC.

By 

Myles I. Glick, AIA
Registered Architect for the
State of South Carolina, #1869.

EXHIBIT C-1
Lagoon Villas Horizontal
Property Regime

<u>PHASE</u>	<u>APARTMENTS</u>	<u>STATUTORY VALUE</u>	<u>OWNERSHIP IN COMMON ELEMENTS</u>	
			<u>PHASE I</u>	<u>AND PHASE II</u>
I	1	\$120,000.00		2.2727
I	2	\$120,000.00		2.2727
I	3	\$120,000.00		2.2727
I	4	\$120,000.00		2.2727
I	5	\$120,000.00		2.2727
I	6	\$120,000.00		2.2727
I	7	\$120,000.00		2.2727
I	8	\$120,000.00		2.2727
I	9	\$120,000.00		2.2727
I	10	\$120,000.00		2.2727
I	11	\$120,000.00		2.2727
I	12	\$120,000.00		2.2727
I	37	\$120,000.00		2.2727
I	38	\$120,000.00		2.2727
I	39	\$120,000.00		2.2727
I	40	\$120,000.00		2.2727
I	41	\$120,000.00		2.2727
I	42	\$120,000.00		2.2727
I	43	\$120,000.00		2.2727
I	44	\$120,000.00		2.2727
		<u>\$2,400,000.00</u>		
II	13	\$120,000.00		2.2727
II	14	\$120,000.00		2.2727
II	15	\$120,000.00		2.2727
II	16	\$120,000.00		2.2727
II	17	\$120,000.00		2.2727
II	18	\$120,000.00		2.2727
II	19	\$120,000.00		2.2727
II	20	\$120,000.00		2.2727
II	21	\$120,000.00		2.2727
II	22	\$120,000.00		2.2727
II	23	\$120,000.00		2.2727
II	24	\$120,000.00		2.2727
II	25	\$120,000.00		2.2727
II	26	\$120,000.00		2.2727
II	27	\$120,000.00		2.2727
II	28	\$120,000.00		2.2727
II	29	\$120,000.00		2.2727
II	30	\$120,000.00		2.2727
II	31	\$120,000.00		2.2727
II	32	\$120,000.00		2.2727
II	33	\$120,000.00		2.2727
II	34	\$120,000.00		2.2727
II	35	\$120,000.00		2.2727
II	36	\$120,000.00		2.2727
		<u>\$2,880,000.00</u>		
TOTAL PHASES I and II		<u>\$5,280,000.00</u>		100.0000%



PHASE ONE
 THE AREA OCCUPIED BY THE BUILDINGS IS 17,018 SQ. FT.
 THE REMAINING OPEN AREA IS 27,179 SQ. FT.

PHASE TWO
 THE AREA OCCUPIED BY THE BUILDINGS IS 18,040 SQ. FT.
 THE REMAINING OPEN AREA IS 21,100 SQ. FT.
 THE AREA OCCUPIED BY THE LAGOON BUILDING IS 200 SQ. FT.

EXHIBIT 'D' (PHASE ONE) & 'D-1' (PHASE TWO)
 LAGOON VILLAS
 HORIZONTAL PROPERTY REGIME
 THIS COMBINED EXHIBIT 'D' & 'D-1' REPLACES AND SUPERCEDES
 EXHIBIT 'D' RECORDED WITH THE MASTER DEED
 TRACT B BLOCK P
 ISLE OF PALMS BEACH & RACQUET CLUB
 CITY OF ISLE OF PALMS
 CHARLESTON COUNTY, SOUTH CAROLINA
 SCALE: 1"=30'
 FEBRUARY 3, 1984

REFERENCE PLATS RECORDED IN CHARLESTON COUNTY S.O.S. OFFICE
 PLAT BY DATE BOOK PAGE
 BRUCE D. JOHNSON APRIL 2, 1979 29 58



ENGINEERING, SURVEYING, & PLANNING, INC.
 18 CHARLOTTE ST., CHARLESTON, SOUTH CAROLINA

SOUTH CAROLINA
 ENGINEERING & SURVEYING
 No. 5178
 1984

Curtis W. Lybrand for