

MASTER DEED
as Amended

Lagoon Villas Horizontal
Property Regime

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

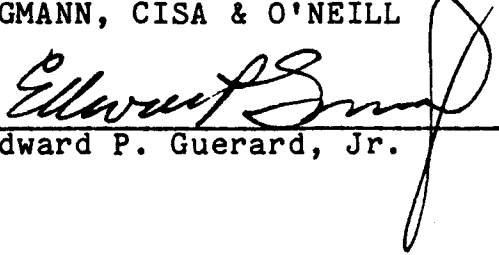
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CERTIFICATION

I, EDWARD P. GUERARD, JR., hereby certify that the Master Deed and Exhibits for Lagoon Villas Horizontal Property Regime was duly recorded in the R.M.C. Office for Charleston County, S.C. on November 14, 1983 in Book S-133, Page 104; and the Amendment with attached Exhibits to said Master Deed was duly recorded in said R.M.C. Office on February 9, 1984 in Book Y-134, Page 808, and that the attached copies of said Master Deed and Exhibits and Amendment and Exhibits are true and exact copies of same.

BURKETT, GUERARD, WOODY,
BARGMANN, CISA & O'NEILL

BY


Edward P. Guerard, Jr.

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The Cumberland Corporation,)
a South Carolina Corporation,)
)
TO:)
)
Lagoon Villas Horizontal)
Property Regime)
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MASTER DEED ESTABLISHING
LAGOON VILLAS
HORIZONTAL PROPERTY REGIME
(An Expandable Regime)

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

WITNESSETH:

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

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

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

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

ARTICLE I

DEFINITIONS

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

Section 2. Definitions. The following terms used in this Master Deed and in the Exhibits attached hereto shall have the meanings as follows, unless the context otherwise requires:

(a) "Act" means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws of South Carolina (1976), as the same may be amended from time to time.

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

(c) "Assessment" means a Co-owner's pro rata share of the Common Expenses which from time to time is assessed against a Co-owner by the Council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

ESTABLISHMENT OF EXPANDABLE HORIZONTAL PROPERTY REGIME

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

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

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

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

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

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

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

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

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

ARTICLE III

CONDONIMIUM PROPERTY

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

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

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

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

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

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

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

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

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

ARTICLE IV

THE COUNCIL

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

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

See June 1990 Amendment
Section 3. Voting. On all matters relating to the Council or to the Condominium Property upon which a vote of the Co-owners is conducted, the Co-owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each type of Apartment one vote (or percentage thereof) equal to the percentage ownership attributable to such Apartment. The total number of votes appurtenant to all Apartments is one hundred (100). The affirmative vote of a Majority of the Co-owners shall be required to adopt decisions, except where this Master Deed, the Bylaws or the Act require a greater percentage. All votes attributable to a single Apartment must be cast together and may not be split.

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

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

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

ARTICLE V

CONDOMINIUM APARTMENTS:

OWNERSHIP AND USE

Section 1. Ownership of Condominium Apartments.

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

COMMON ELEMENTS: OWNERSHIP AND USE

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

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

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

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

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

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

ARTICLE VII

COMMON EXPENSES

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

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

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

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

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

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

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

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

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

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

(a) Lien for taxes and special assessments upon the Apartment which are unpaid.

(b) Payment due under mortgages upon the Apartment which are duly recorded prior to such sale or conveyance.

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

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

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

ARTICLE VIII

RESTRICTIONS, COVENANTS, EASEMENTS

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

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

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

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

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

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

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

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

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

ARTICLE IX

INSURANCE

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

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

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

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

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

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

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

(e) Each hazard insurance policy shall contain a mortgagee provision designating the interests of the various mortgagees as to the various Apartments with the Regime which are covered by the master policy. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice as described in Section 1(d) of this Article IX.

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

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

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

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

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

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

Section 7. Substitution of Insurance Trustee.

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

ARTICLE X

INSURANCE TRUST

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

Section 1. Damage to Common Elements only.

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

Section 2. Damage to Less than All Apartments.

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

Section 3. When Property Not to Be Restored.

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

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

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

ARTICLE XI

RECONSTRUCTION AND REPAIR

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

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

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

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

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

Section 4. Application of Insurance Proceeds. The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owners who paid special assessments in proportion to their payments.

ARTICLE XII

AMENDMENTS

Section 1. Master Deed. Except as provided in Article II which provides for amendments to this Master Deed by Grantor, its successors and assigns, to add additional phases, this Master Deed may only be amended by affirmative vote of two-thirds (2/3) of the votes entitled to be cast by all the Co-owners, provided, however, that no amendment, except an amendment to add the additional phase by the Grantor or its successors and assigns, shall alter the dimensions of an Apartment or the percentage of interest in the Common Elements appurtenant thereto without the unanimous consent of all the Co-owners. No amendment may be made to this Master Deed which affects the right of the Grantor, its successors or assigns, to add an additional phase to the Regime.

Section 2. Bylaws. The Bylaws may be amended from time to time by the affirmative vote of two-thirds (2/3) of the total votes entitled to be cast by the Co-owners.

Section 3. Recording. No amendment to this Master Deed or the Bylaws shall be effective unless and until recorded as required by the Act.

ARTICLE XIII

TERMINATION

Section 1. Casualty or Condemnation. If two-thirds or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article XI.

Section 2. Voluntary Termination. This Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Act, if the record owners of title to the Apartments and the record owners of mortgages upon the Apartments unanimously agree in a written instrument to termination. Termination shall become effective upon recording of such written instrument, duly executed by all Owners and mortgagees.

Section 3. Ownership After Termination. After termination of this Regime, the Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interests of the Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Council, any funds held by the Board, and any insurance proceeds shall also be the property of the former Owners and tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Owners in proportion to their respective interest in Common Elements and shall be payable jointly to each Owner and institution mortgagee and delivered to the mortgagee.

ARTICLE XIV

SPECIAL GRANTOR RIGHTS; TRANSFER

Section 1. Special Grantor Rights. Special Grantor rights are those rights reserved for the benefit of Grantor as provided for in the Act and this Master Deed, and shall include without limitation the following rights: (a) to add an additional phase to the Regime; (b) to maintain sales offices, management offices, signs advertising the Condominium and models; (c) to use easements through the Common Elements for the purpose of making improvements within the Condominium or any Additional Property.

Section 2. Transfer of Special Grantor Rights.

(a) No special Grantor rights created or reserved under the Act or as provided for in this Master Deed may be transferred except to a construction lender or other title holder of Additional Properties.

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

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

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

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

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

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

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

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

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

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

ARTICLE XV

MISCELLANEOUS

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

See June 1990 Amendment Section 2. Compliance. Each Co-owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Master Deed or in the deed to the Apartment of such Co-owner. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, main-

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

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

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

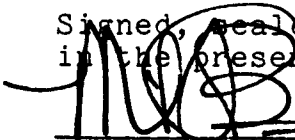
Section 5. Severability. The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.

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

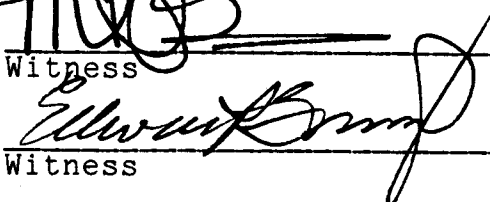
Section 7. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

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

Signed, sealed and delivered
in the presence of:



Witness

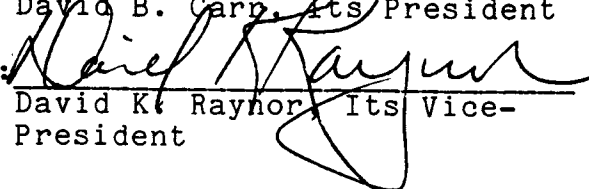


Witness

THE CUMBERLAND CORPORATION
A South Carolina Corporation

By: 

David B. Carr, Its President

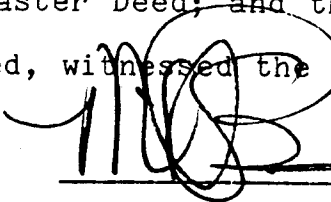
By: 

David K. Raynor, Its Vice-
President

(CORPORATE SEAL)

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

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



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

EXHIBIT A
The Property

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

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

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

TMS NO. 604-10-00-256

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

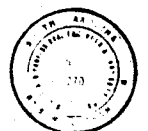
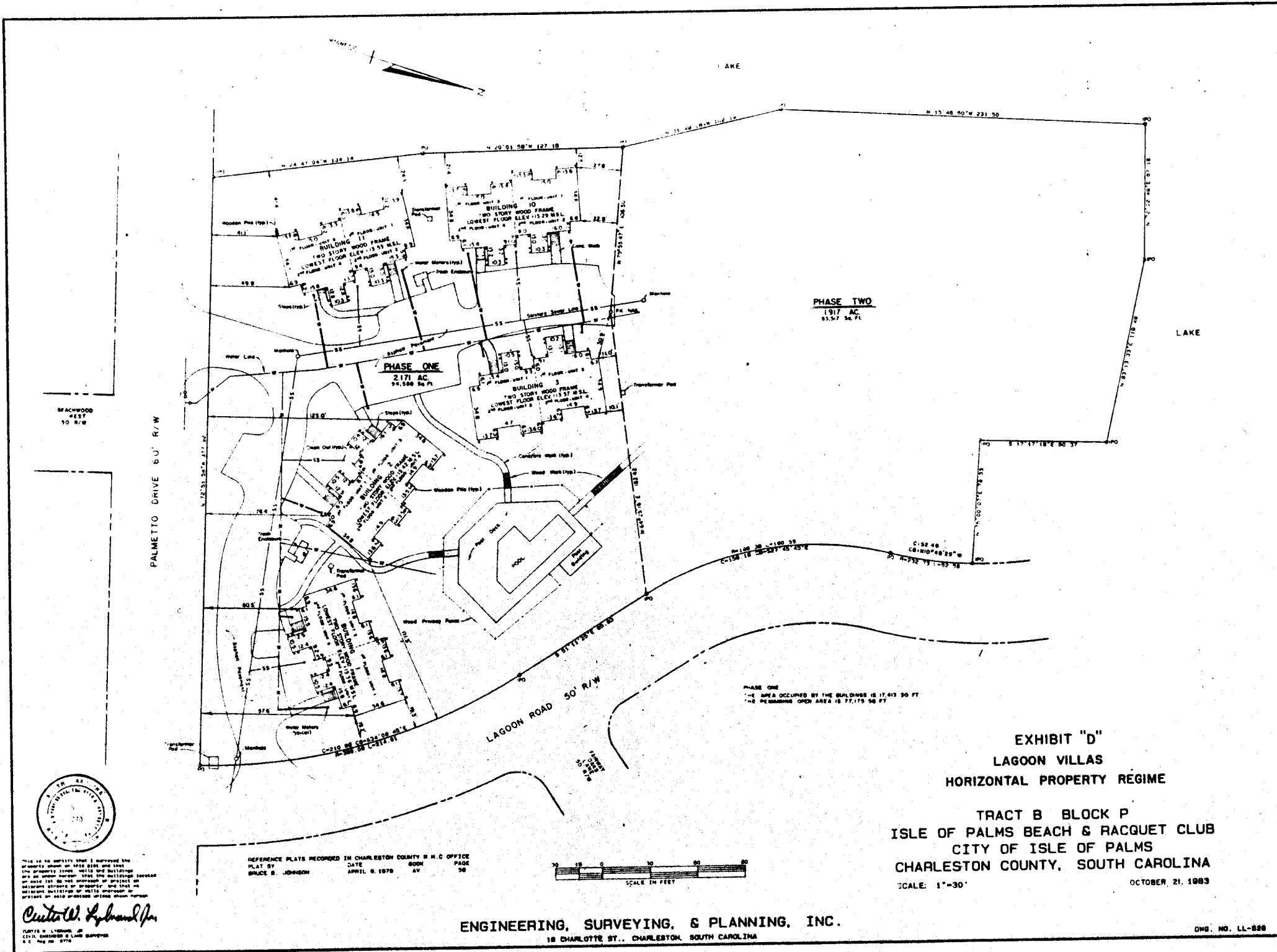
EXHIBIT B
ADDITIONAL PROPERTY

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

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

EXHIBIT C
Lagoon Villas Horizontal
Property Regime

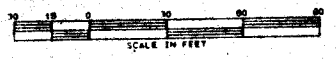
<u>PHASE</u>	<u>APARTMENTS</u>	<u>STATUTORY VALUE</u>	<u>OWNERSHIP IN COMMON ELEMENTS</u>	
			<u>PHASE I</u>	<u>PHASE II</u>
I	1	\$120,000.00	5.00%	2.2727
I	2	\$120,000.00	5.00%	2.2727
I	3	\$120,000.00	5.00%	2.2727
I	4	\$120,000.00	5.00%	2.2727
I	5	\$120,000.00	5.00%	2.2727
I	6	\$120,000.00	5.00%	2.2727
I	7	\$120,000.00	5.00%	2.2727
I	8	\$120,000.00	5.00%	2.2727
I	9	\$120,000.00	5.00%	2.2727
I	10	\$120,000.00	5.00%	2.2727
I	11	\$120,000.00	5.00%	2.2727
I	12	\$120,000.00	5.00%	2.2727
I	37	\$120,000.00	5.00%	2.2727
I	38	\$120,000.00	5.00%	2.2727
I	39	\$120,000.00	5.00%	2.2727
I	40	\$120,000.00	5.00%	2.2727
I	41	\$120,000.00	5.00%	2.2727
I	42	\$120,000.00	5.00%	2.2727
I	43	\$120,000.00	5.00%	2.2727
I	44	\$120,000.00	5.00%	2.2727
		\$2,400,000.00	100.00%	
II	13	\$120,000.00		2.2727
II	14	\$120,000.00		2.2727
II	15	\$120,000.00		2.2727
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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
		\$2,880,000.00		
TOTAL PHASES I and II		\$5,280,000.00		100.0000%



THIS IS TO CERTIFY that I prepared the
 or caused to be prepared the above
 plat and that the same is a true and
 correct copy of the original as shown
 to me by the person who presented it
 for recording and that I am a duly
 licensed and registered professional
 engineer and surveyor in the State
 of South Carolina.

Curtis W. Lybrand, Inc.
 CURTIS W. LYBRAND, INC.
 CIVIL ENGINEER & LAND SURVEYOR
 P.O. BOX 200
 CHARLESTON, SOUTH CAROLINA 29402

REFERENCE PLATS RECORDED IN CHARLESTON COUNTY S.C. OFFICE
 PLAT BY DATE BOOK PAGE
 BRUCE S. JOHNSON APRIL 9, 1979 AV 50



PHASE TWO
 1,917 AC
 83,517,946 Sq. Ft.

PHASE ONE
 2,171 AC
 94,588,944 Sq. Ft.

PHASE ONE
 THE AREA OCCUPIED BY THE BUILDINGS IS 17,613,90 SQ. FT.
 THE REMAINING OPEN AREA IS 77,175,040 SQ. FT.

EXHIBIT "D"
LAGOON VILLAS
HORIZONTAL PROPERTY REGIME

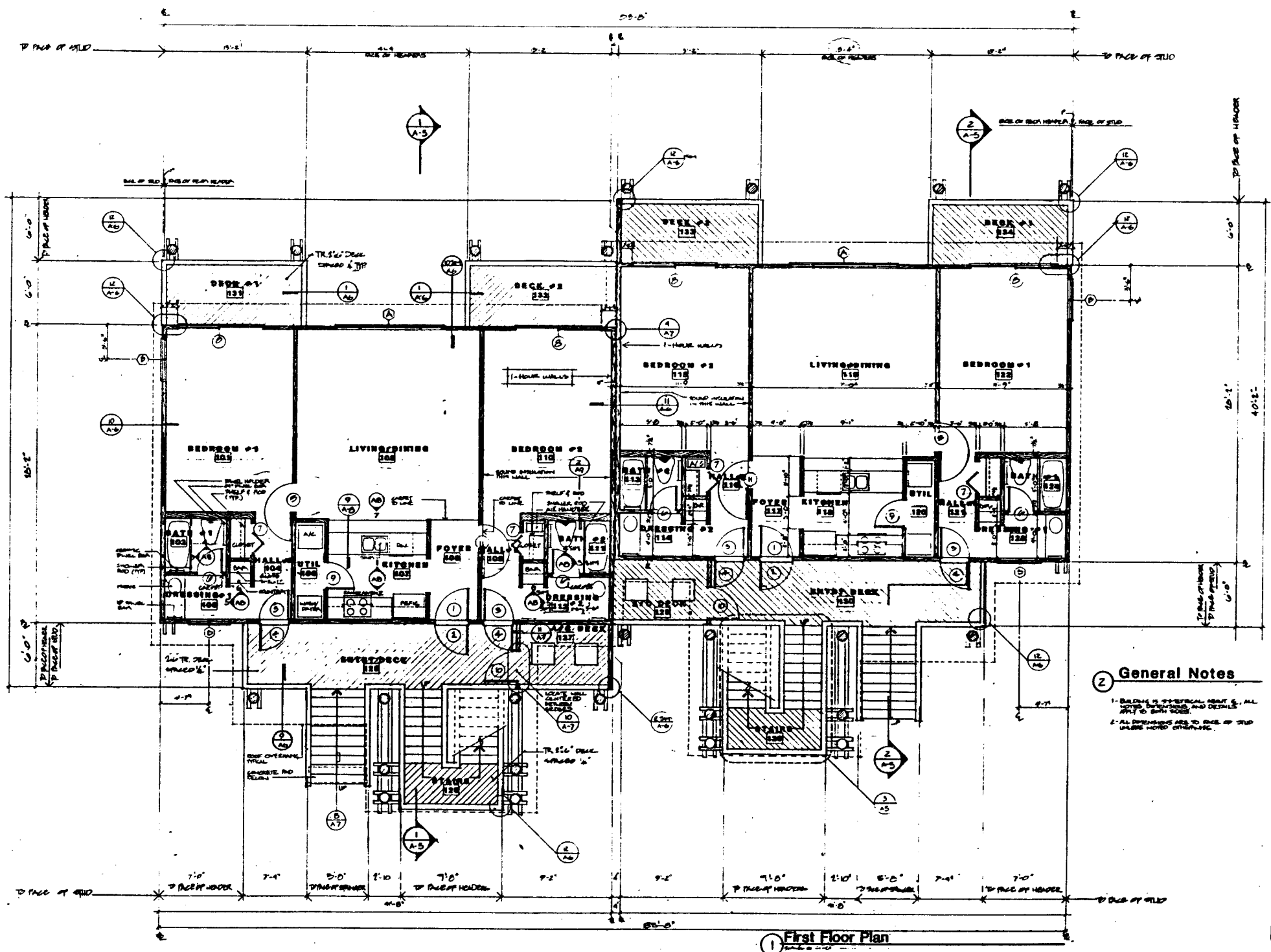
TRACT B BLOCK P
ISLE OF PALMS BEACH & RACQUET CLUB
CITY OF ISLE OF PALMS
CHARLESTON COUNTY, SOUTH CAROLINA

SCALE: 1"=30'

OCTOBER 21, 1983

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

DWG. NO. LL-828



1 First Floor Plan

2 General Notes

- 1- BUILDING IS GENERAL MEASUREMENT & ALL NOTES, DIMENSIONS, AND DETAILS SHALL BE SHOWN.
- 2- ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.

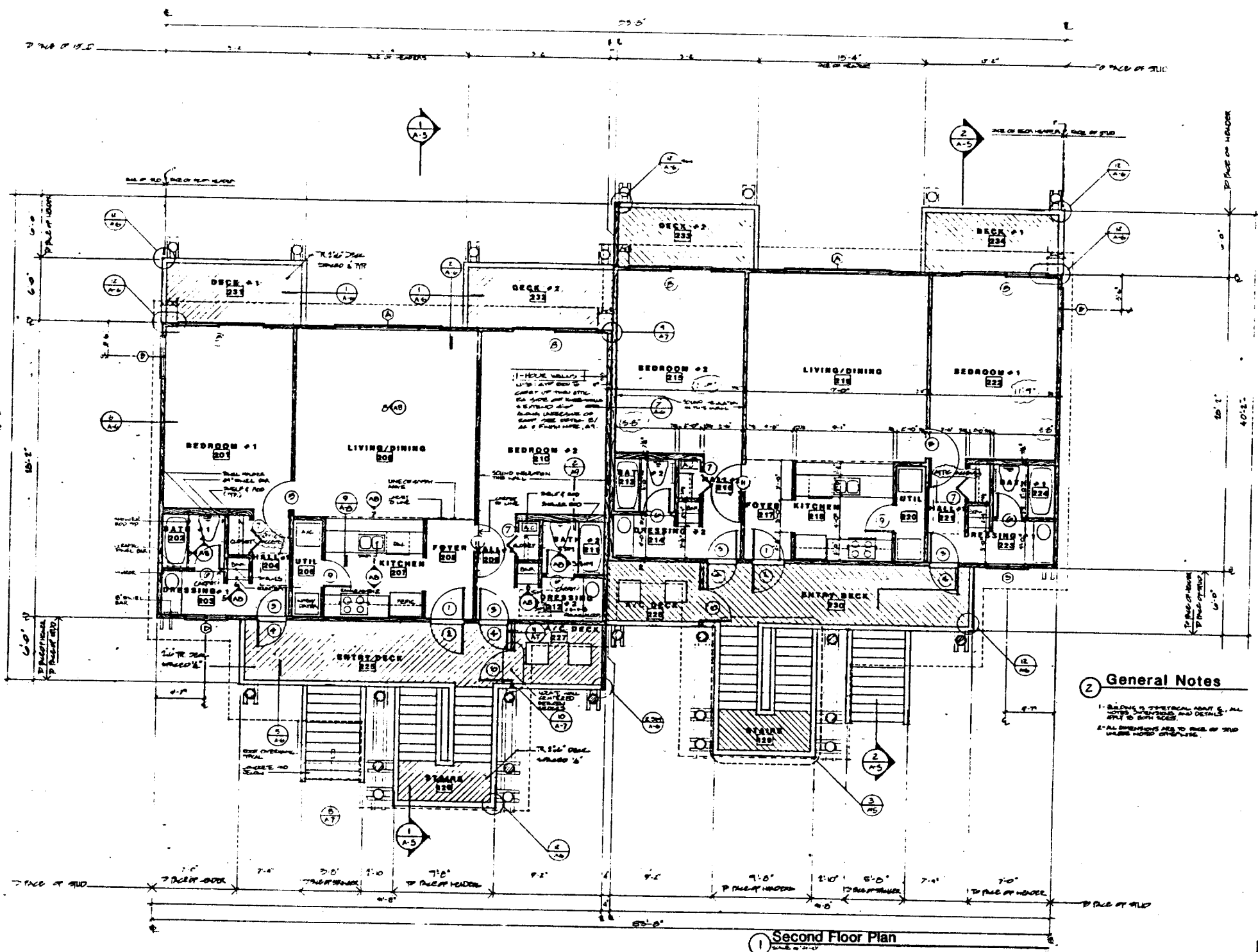
F-1 EXHIBIT E

Wild Dunes
LAGOON VILLAS

Glick/Schmitt & Associates, Inc. Architects/Planners

2 Wappoo Creek, Suite 4a Charleston, SC 29412 803-795-9330

DATE: 08/22/02	DRAWN: J. J. JONES	CHECKED: J. J. JONES	APPROVED: J. J. JONES
PROJECT: LAGOON VILLAS	CLIENT: WILD DUNES	DATE: 08/22/02	SCALE: AS SHOWN



2 General Notes

1. SHOWS TYPICAL ROOF & ALL NOTES, DIMENSIONS AND DETAILS ARE TO FINISHES.

2. ALL DIMENSIONS ARE TO FACE OF WALL UNLESS NOTED OTHERWISE.

1 Second Floor Plan

F-2

EXHIBIT E

LAGOON VILLAS

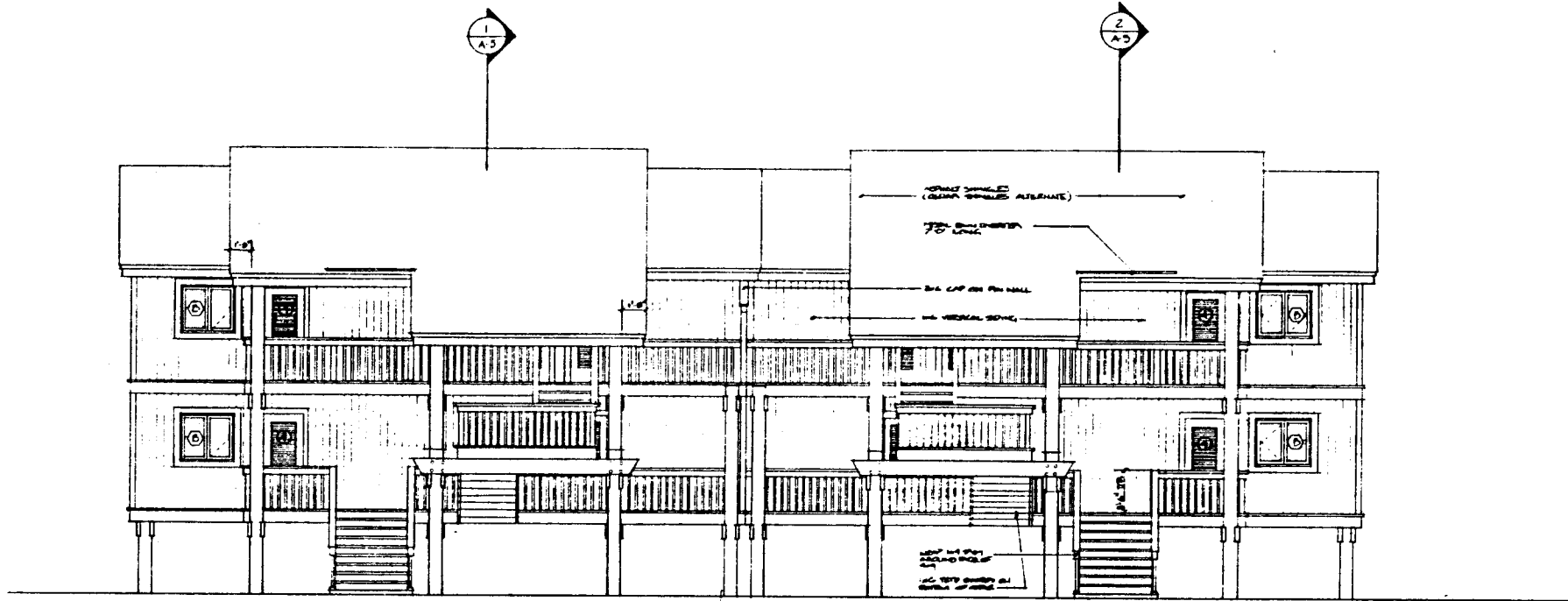


Glick/Schmitt & Associates, Inc. Architects/Planners

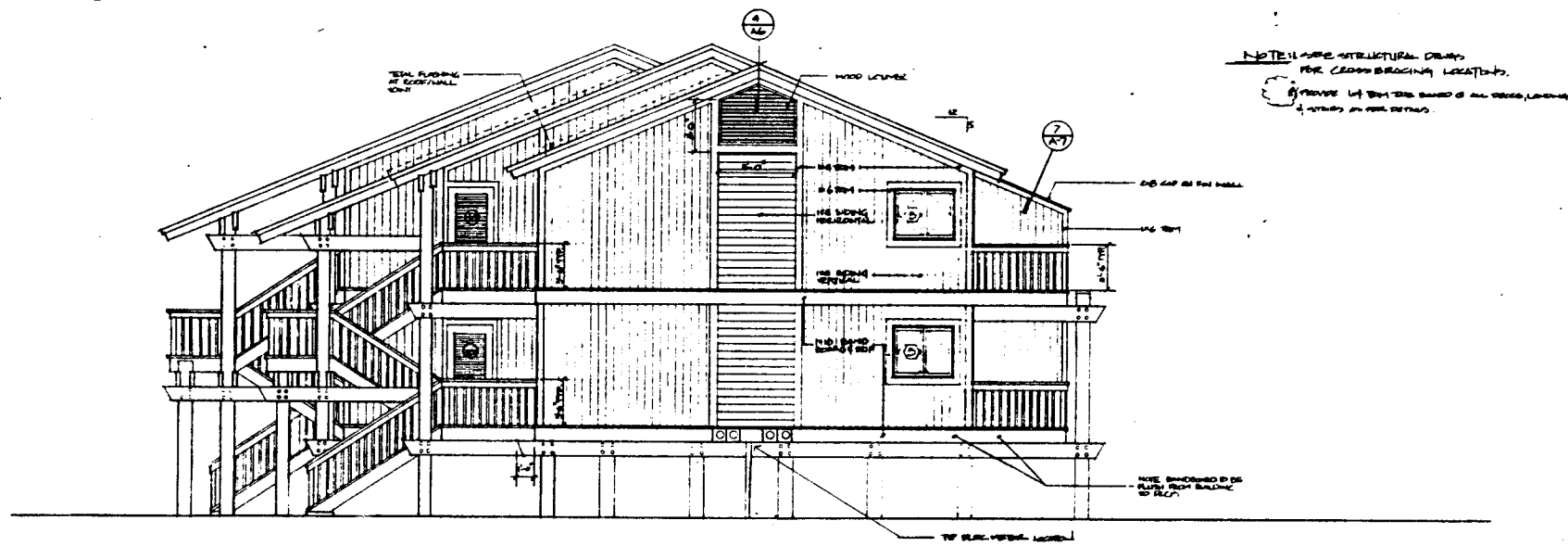


2 Wappoo Creek Suite 4a Charleston, SC 29412 803-795-9330

PROJECT NO.	29412-2
DATE	3-1-83
DESIGNER	GLICK/SCHMITT & ASSOCIATES, INC.
CLIENT	WILD DUNES DEVELOPMENT, INC.
SCALE	AS SHOWN



1 Front Elevation
SCALE 1/8" = 1'-0"



2 Right Side Elevation
SCALE 1/8" = 1'-0"

NOTE: SEE STRUCTURAL DRAWING FOR CEILING BRACING LOCATION.
 PROVIDE 1/2\"/>

EXHIBIT E

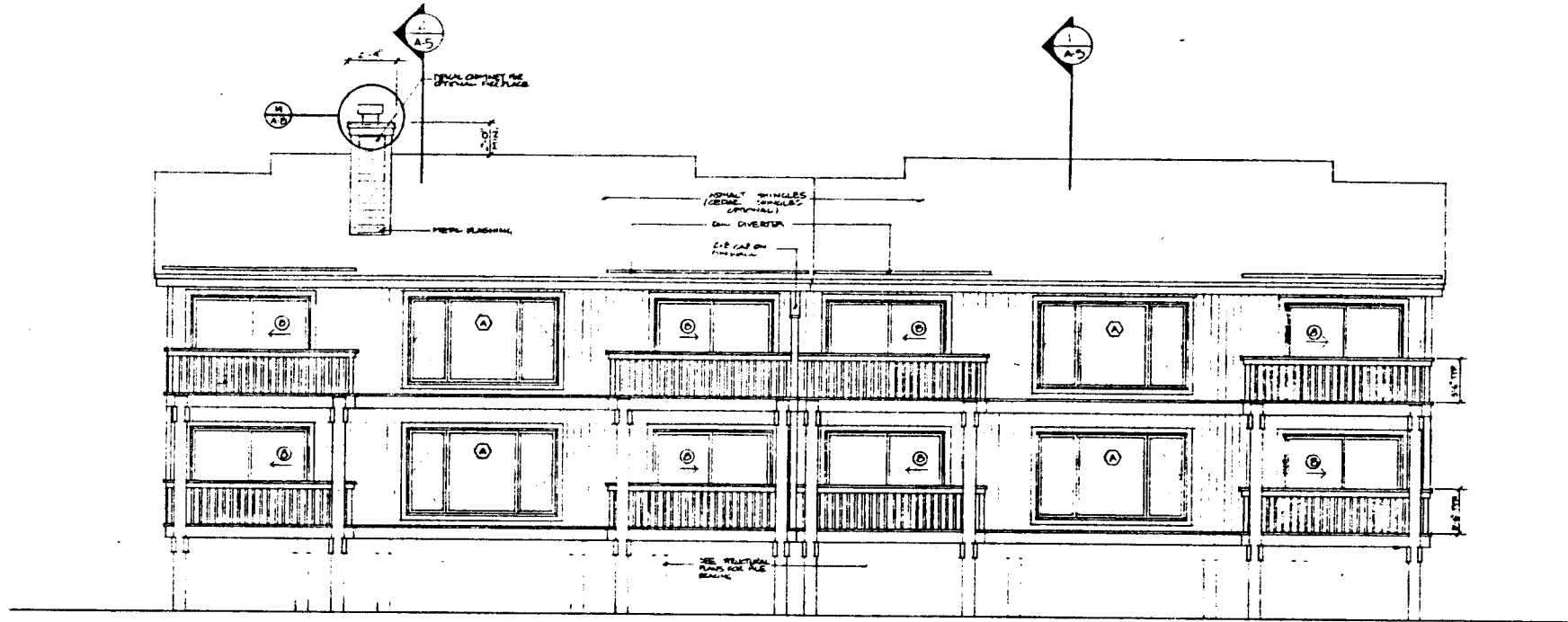
Wild Dunes
 LAGOON VILLAS

Glick/Schmitt & Associates, Inc. Architects/Planners

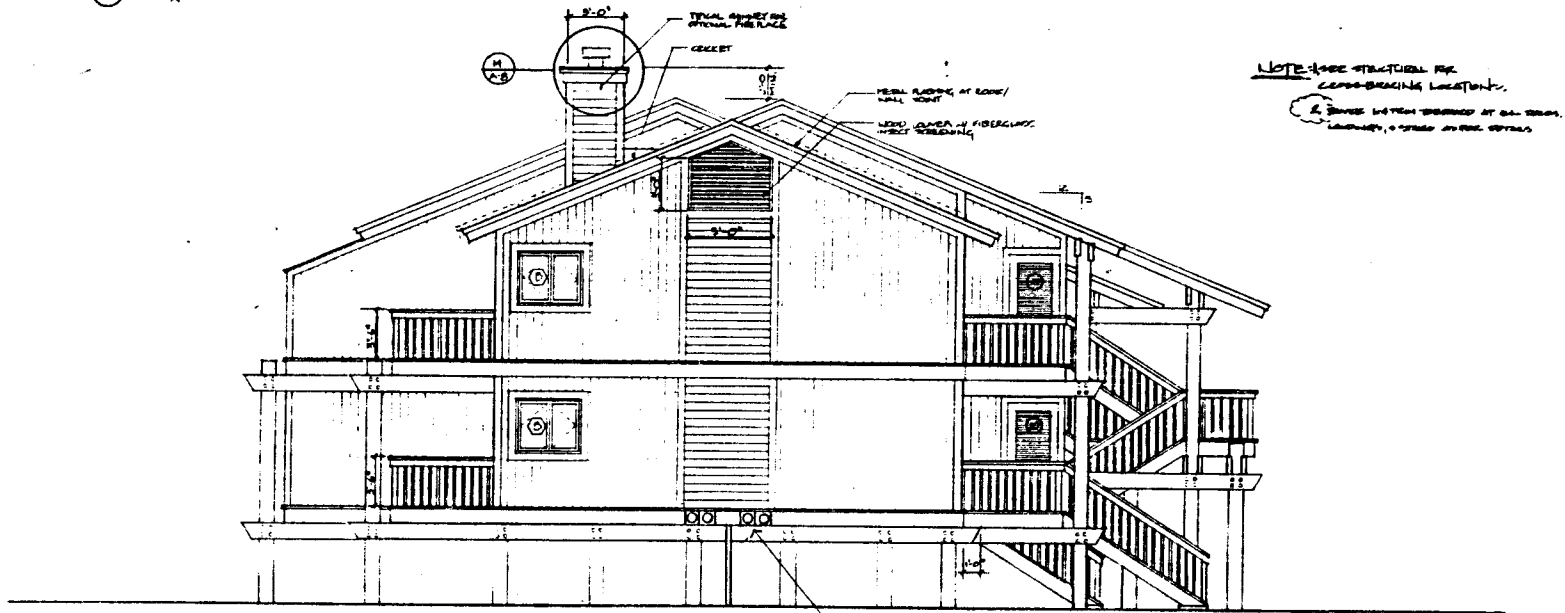


PROJECT NO.	29412
DATE	11/17/03
CLIENT	Wild Dunes
ARCHITECT	Glick/Schmitt & Associates, Inc.
PLANNER	Glick/Schmitt & Associates, Inc.
SCALE	AS SHOWN

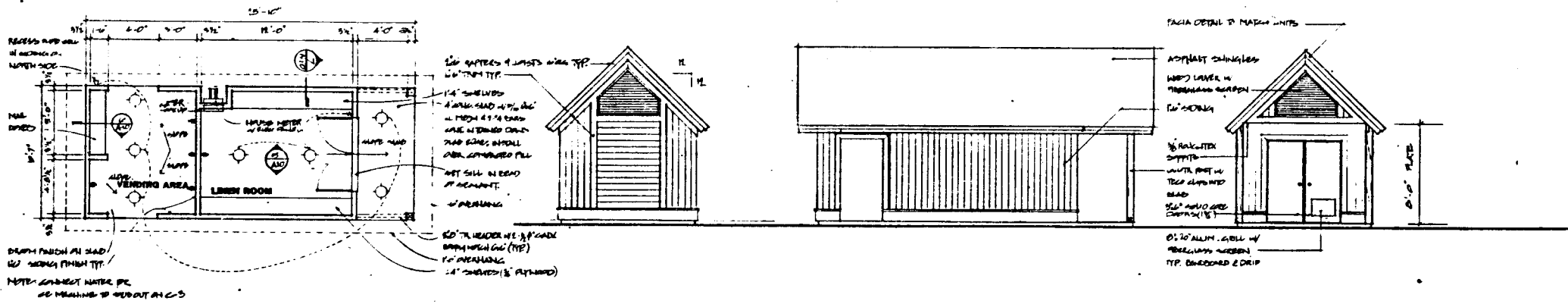
2 Wappoo Creek Suite 4a Charleston, SC 29412 803-795-9330



① Rear Elevation
SCALE: 1/4" = 1'-0"



② Left Side Elevation

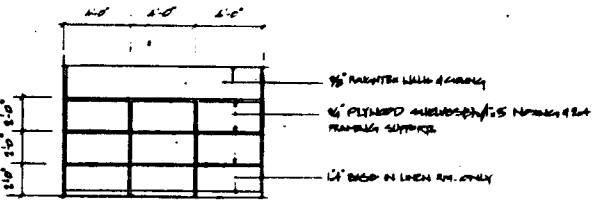


1 Linen Bldg. Plan

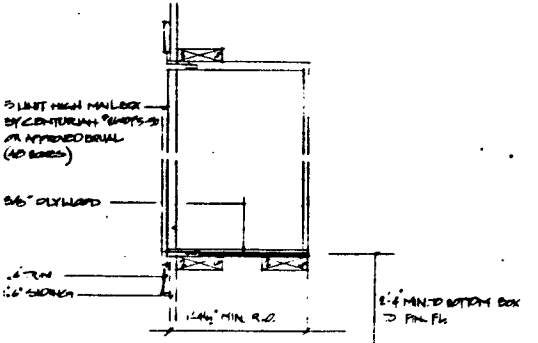
2 East Elev. Linen Bldg.

3 South Elev. Linen Bldg.

4 West Elev. Linen Bldg.



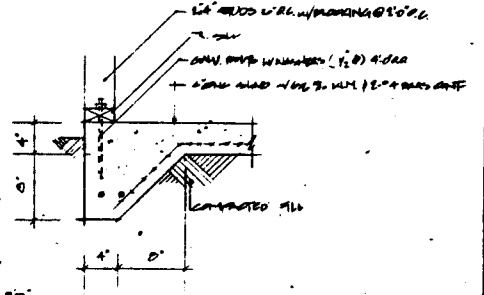
5 Linen Shelf Elev.



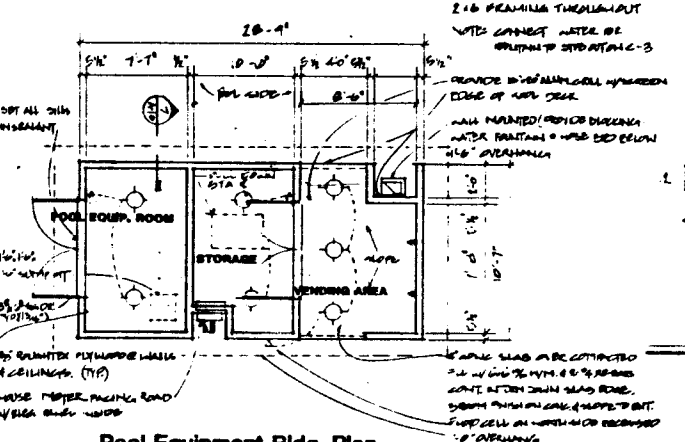
6 Section At Mailbox

General Notes

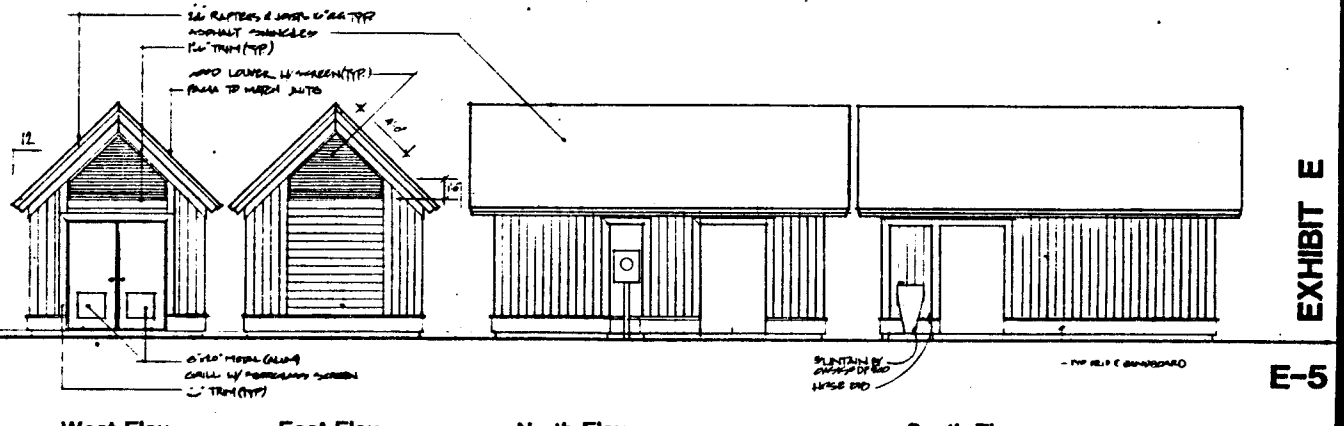
- 1. LIGHT FIXTURES IN LINEN & POOL BUILDING TO BE TRADITIONAL QUALITY/ALL 110V W/ GLE
- 2. HARDWARE FOR EACH SET OF DOUBLE DOORS FOR THE LINEN & POOL BUILDING TO BE:
 - 3 PLUNGES
 - 1 LOCKSET
 - 2 PLUMB BOLTS 3/8\"/>
 - 1 TRENCH
 - 1 SET WEATHER STRIP - NOT CHANGED W/O
 - 2 HINGES
- 3. POOL EQUIPMENT HARDWARE & CHAINS NOT INCLUDED WITH CONTRACT
- 4. OUTDOOR ELECTRICAL FOR LINEN & POOL BUILDING 50' RADIUS UNIT ONLY FOR TRANSFORMER OVERLAP



7 Typical Foundation Detail



8 Pool Equipment Bldg. Plan



9 West Elev.

10 East Elev.

11 North Elev.

12 South Elev.

EXHIBIT E

Wild Dunes
ARCHITECTS/PLANNERS

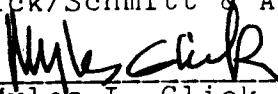
EXHIBIT F

ARCHITECT'S CERTIFICATION

I, Myles I. Glick, AIA, Glick/Schmitt & Associates, Inc., certify that the buildings and improvements as shown and depicted in exhibits to the Master Deed establishing Lagoon Villas Horizontal Property Regime attached herewith, are constructed within reasonable construction tolerances.

Glick/Schmitt & Associates, Inc.

By



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

EXHIBIT G

LAGOON VILLAS HORIZONTAL PROPERTY REGIME

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

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

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

TWO BEDROOM TYPICAL UNIT

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

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

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

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

POOL AND POOL BUILDING

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