216/102

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ANDRICK DEVELOPMENT CORPORATION)
) MASTER DEED
TO)
)
THE ISLAND CLUB HORIZONTAL) HORIZONTAL PROPERTY REGIME
PROPERTY REGIME I) PLAN OF OWNERSHIP

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 5th day of November, 1973, ANDRICK DEVELOPMENT CORPORATION, hereinafter referred to as "Grantor", does hereby state:

FIRST: That the Grantor owns a property situate at Hilton Head Island, County of Beaufort, State of South Carolina, which is described as follows:

ALL that certain piece, parcel or tract of land, with all improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, and being more particularly shown and described on a plat of The Island Club Horizontal Property Regime I, Hilton Head Island, Beaufort County, South Carolina, prepared by W. E. Gilbert and Associates, Inc., Engineers, dated November 1, 1973, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 21 at Page 160. The property comprising The Island Club Horizontal Property Regime I is shown and described on said plat as follows: Commencing at a point which is the northernmost corner of the property of the within Grantor at the intersection of South Port Royal Drive and Sparkleberry Lane and running from said point South 44°59'40" East a distance of 385.0 feet to a point; thence South 45°00' West a distance of 280.0 feet to a point; thence South 45°00' East a distance of 215.0 feet to a point; thence South 45°00' West a distance of 100.0 feet to a point; thence South 45°00' East a distance of 230.00 feet to a point; thence North 45°00' East a distance of 90.0 feet to a point; thence South 45°00' East a distance of 206.17 feet to a point; thence South 47°43'00" West a distance of 380.43 feet to a point; thence North 45°00' West a distance of 523.10 feet to a point; thence North 45°00' East a distance of 356.73 feet to a point; thence in a Northwesterly direction along a Curve having a Delta of 35°59'29" a radius of 377.83 feet and a Tangent of 127.73 feet a distance of 232.34 feet to a point; thence North 75°15' West a distance of 31.13 feet to a point; thence South 45°00' West a distance of 91.51 feet to a point; thence North 45°00' West a distance of 190.0 feet to a point; thence South 45°00' West a distance of 60.0 feet to a point; thence North 45°00' West a distance of 50.0 feet to a point; thence North 45°00' East a distance of 530.00 feet to the point of beginning.

SAVING AND EXCEPTING THEREFROM: Two areas designated on said plat as "Sun Deck" and an area designated on said plat as "Gate House". For a more detailed description as to the courses, metes and bounds of the two areas designated "Sun Deck" and "Gate House", reference may be had to the above referred to plat of record.

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The Grantor is developing an additional two hundred fourteen (214) condominium units on its remaining land, as shown on the plat hereinabove referred to, and it is the intention of the within Deed to establish as part of the Island Club Horizontal Property Regime I, a 107/321st interest in and to the following areas as designated on said plat:

ALL those two certain areas designated as "Sun Deck"; that certain area designated as "Gate House" and that certain area comprising the Pool Site and Tennis Courts shown as a cross-hatched area on the plat hereinabove referred to. For a more detailed description as to the courses, metes and bounds of those areas designated as "Sun Deck", "Gate House" and "Pool and Tennis Court Area", which is shown as a cross-hatched area reference may be had to the above referred to plat of record.

ALL those areas shown on said plat as roads, bridges, parking areas, the Sun Deck areas, the Gate House, and the Pool and Tennis Court Area, which is shown as a cross-hatched area, shall be for the use and enjoyment of the entire three hundred twenty one (321) condominium units being developed on the site, and shall be subject to cross easements for ingress and egress to and from adjacent property of the within Grantor, all for the use and enjoyment of the owners of the three hundred twenty one (321) individual condominium units, their heirs and assigns.

SECOND: That the Grantor (intending to create a Horizontal Property Regime which shall be known as THE ISLAND CLUB HORIZONTAL PROPERTY REGIME I, hereinafter called the "Regime") has constructed on the parcel of land described above certain buildings and other improvements (which together with the land described in Paragraph "FIRST", all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto and hereinafter usually referred to as "Property"), according to the plans attached hereto and identified as Exhibit "A", which were certified to by W. D. Corkern, a Registered Architect, duly authorized and licensed to practice in the State of South Carolina, and which are made a part hereof.

THIRD: That the property includes six (6) buildings containing one hundred seven (107) individual Dwelling Units (hereinafter referred to as "Dwelling Units") all of which are to be used for residential purposes. The Dwelling Units are all capable of individual utilization as they have their own exits to the common elements of the property, and they will be sold to one or more co-owners, each co-owner obtaining a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the property, as listed hereinafter in this deed, necessary for their adequate use and enjoyment (hereinafter referred to as "common elements"), all of the above in accordance with the Horizontal Property Act of South Carolina.

FOURTH: That the Property has a total of 56,975 square feet of ground floor area under roof, 59,350 square feet of side walks and 96,025 square feet of paved area. The Pool Area, Sun Deck Areas, Gate House Area, and Pool and Tennis Court Area, as hereinabove referred to, contain a total of 95,942.57 square feet.

FIFTH: That the Dwelling Units and common elements of the property will be as follows:

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1. There are six (6) buildings designated as "Building 2B", "Building 2CS", "Building 2CN", "Building 7D", "Building 5F", and "Building 6G".

In Building 2B there are twenty (20) individual Dwelling Units as follows: On the ground floor there are four (4) units numbered 2B101(T), 2B102(W), 2B103(W), and 2B104(T). On the second floor there are four (4) units numbered 2B201(T), 2B202(W), 2B203(W) and 2B204(T). On the third floor there are four (4) units numbered 2B301(T), 2B302(W), 2B303(W), and 2B304(T). On the fourth floor there are four (4) units numbered 2B401(T), 2B402(W), 2B403(W), and 2B404(T). On the fifth floor there are four (4) units numbered 2B501(T), 2B502(W), 2B503(W), and 2B504(T).

In BUILDING 2CS there are twenty four (24) Dwelling Units as follows: On the ground floor are Units 2CS101(S), 2CS102(S), 2CS103(S), 2CS104(S), 2CS105(S) and 2CS106(S). On the second floor are Units 2CS201(S), 2CS202(S), 2CS203(S), 2CS204(S), 2CS205(S), and 2CS206(S). On the third floor are Units 2CS301(S), 2CS302(S), 2CS303(S), 2CS304(S), 2CS305(S), and 2CS306(S). On the fourth floor are Units 2CS401(S), 2CS402(S), 2CS403(S), and 2CS404(S). On the fifth floor are Units 2CS501(S) and 2CS502(S).

In the building designated as BUILDING 2CN there are twenty four (24) individual Dwelling Units as follows: On the ground floor are Units 2CN101(N), 2CN102(N), 2CN103(N), 2CN104(N), 2CN105(N) and 2CN106(N). On the second floor are Units 2CN201(N), 2CN202(N), 2CN203(N), 2CN204(N), 2CN205(N), and 2CN206(N). On the third floor are Units 2CN301(N), 2CN302(N), 2CN303(N), 2CN304(N), 2CN305(N), and 2CN306(N). On the fourth floor are Units 2CN401(N), 2CN402(N), 2CN403(N), and 2CN404(N). On the fifth floor are Units 2CN501(N)and 2CN502(N).

In BUILDING 7D, there are fifteen (15) individual Dwelling Units as follows: On the ground floor are Units 7D101(W), 7D102(W), 7D103(W), 7D104(W), and 7D105(W). On the second floor there are Units 7D201(R), 7D202(R), 7D203(R), 7D204(R), 7D205(R), 7D206(R), 7D207(R), 7D208(R), 7D209(R), and 7D210(R).

In BUILDING 5F, there are fourteen (14) individual Dwelling Units as follows: On the ground floor are Units 5F101(Z), 5F102(Y), 5F109(Y), and 5F110(Z). There are also two story Units with entrances from the ground floor numbered 5F103(X), 5F104(X), 5F105(X), 5F106(X), 5F107(X), and 5F108(X). On the second floor are Units numbered 5F201(Z), 5F202(Y), 5F209(Y), and 5F210(Z).

In BUILDING 6G, there are ten (10) individual Dwelling Units as follows: On the ground floor there are Units 6G101(Z), 6G102(Y), 6G105(Y), and 6G106(Z). There are also two story Units with entrances from the ground floor designated 6G103(X) and 6G104(X). On the second floor are Units 6G201(Z), 6G202(Y), 6G205(Y), and 6G206(Z).

2. Those Dwelling Unit designations ending with the letter "T" are called "T Units" and contain 1,791 square feet of enclosed area, exclusive of baloonies. Each Unit measures 63 feet 8 inches deep, and 34 feet 0 inches wide at ground level, at its maximum interior dimensions. The Unit has the following (or equivalent) Heating and Air Conditioning

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equipment: Air Cooled Condensing Unit Carrier 38GK002 and Fan Coiled Unit with Electric Heaters Carrier 40VU002.

On those Units on the top floor, the Air Cooled Condensing Unit is a Carrier 38GS003 and Fan Coiled Unit with Electric Heaters by Carrier designated 40VU003, or the equivalent.

Each "T" Unit enters into a foyer leading to the living/dining area, and to the bedroom area. The area of the foyer is 109 square feet. A closet leading from the bedroom end of the foyer contains 12 square feet. Adjacent to the foyer, is a kitchen containing 116 square feet. The kitchen contains all General Electric appliances, or equivalent, as follows:

Electric Range	J 355
Refrigerator	TFF 19D W/Ice Maker
Dishwasher	GGSD 461
Garbage Disposal	GGFC 650
Range Hood	JV 31

Beyond the Foyer and Kitchen is the Living/Dining area of 376 square feet. There is a "wet bar" of 6 square feet adjacent to the Kitchen area.

Opening off the Living/Dining area is a balcony (not included in the total square footage) of 83 square feet.

Opening off the other end of the Foyer is a Laundry Room of 30 square feet containing General Electric Washer WWA 8350 and Dryer WWA 8200 (or equivalent). A closet area for Heating and Air Conditioning equipment opening off the Laundry Room is of 9 square feet.

A hallway, leading from the Foyer to the Bath #2 and Bedrooms #1 and #2, is of 31 square feet.

Off of this hallway is Bedroom #1 which contains 232 square feet. Leading from the bedroom area is a walk-in closet of 40 square feet. Also off this bedroom is Bath #1 which is of 46 square feet, and which contains a lavatory, water closet, combination tub/shower and a linen closet of 5 square feet. Opening off of Bedroom #1 is a balcony (not included in the total square footage) of 37 square feet.

Also off this same hallway is Bath #2 of 42 square feet containing a lavatory, water closet, and combination tub/ shower.

Adjacent to Bath #2 and Bedroom #1 is Bedroom #2 of 169 square feet. Off Bedroom #2 is a locked closet of 12 square feet and a clothes closet of 12 square feet.

Adjacent to the Living/Dining [illegible] is Bedroom #3 of 194 square feet. A walk-in closet adjacent to Bedroom #3 is of 37 square feet.

Bath #3 adjacent to Bedroom #3 is of 66 square feet containing a lavatory, water closet, and a combination tub/shower. A Linen Closet of 4 square feet opens into Bath #3.

A Mechanical and Storage Room of 29 square feet opens

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onto the common area. An A. O. Smith Permaglas I Automatic Electric Water Heater Model [illegible], 52 gallons, is installed in this area.

3. Those Dwelling Unit designations ending with the letter "S", "H", or "W", contain 1,214 square feet, exclusive of the balcony area. Each unit measures 43 feet deep and is 28 feet 8 inches at its maximum interior dimensions.

Heating and Air Conditioning equipment is installed as follows: Air Cooled Condensing Unit, Carrier 38GS 001 and Fan Coil Unit with Electric Heaters Carrier 40CL 001, or equivalent. NOTE: For Top Floor Units: Air Cooled Condensing Unit, Carrier 38GS002 and Fan Coil with Electric Heaters, Carrier 40 CL 002, or equivalent.

Each unit has a covered exterior entry of 17 square feet which opens onto a Foyer of 49 square feet.

Opening off of the Foyer is a Closet of 9 square feet.

Opening on the opposite side of the Foyer is a Kitchen of 115 square feet with a pass-through to the Living/Dining area.

The Kitchen contains the following equipment (General Electric or equivalent):

Electric Range GE J355
Refrigerator w/ Ice Maker GE TBF 15A
Dishwasher GE GGSD461
Garbage Disposal GE GGF C650
Range Hood GE JV 31
Washer GE WWP 1200
Dryer GE DDP 1000

The Foyer leads to a Living/Dining Area of 322 square feet.

To the rear of the Living/Dining room a sliding glass door leads onto a balcony (not included in the total square footage) of 81 square feet.

Adjacent to the Living/Dining area is a hall of 22 square feet opening to Bedrooms 1 and 2 and Baths 1 and 2. Bedroom #1 contains 158 square feet; Bedroom #2 contains 182 square feet; Bath #1 contains 49 square feet and Bath #2 contains 52 square feet.

Opening into Bedroom #1 is a closet of 14 square feet.

A door leads from Bedroom #2 to the abovementioned balcony.

Opening into Bedroom #2 is a closet of 33 square feet. Opening into the rear of this closet is a locked storage closet of 22 square feet which contains an A. O. Smith Permaglas I Automatic Electric Water Heater Model XEN 40D, of 40-gallon capacity.

Opening onto the hall adjacent to Bedroom #2 and Bath #1 is a Linen Closet of 4 square feet.

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4. Those Dwelling Unit designations ending with the letter "X" contain 1,360 square feet, exclusive of the balcony areas. The Unit measures 45 feet 0 inches deep and 14 feet 0 inches wide at ground level in its maximum interior dimensions.

Heating and Air Conditioning equipment is a roof top unit: Carrier Model 50 KH 003, or equivalent.

Each Unit is entered from a wooden deck of 23 square feet.

Entry to a Foyer of 63 square feet.

A Powder Room, of 19 square feet containing a lavatory and water closet, opens onto the Foyer.

On the opposite side of the Foyer is the Kitchen of 123 square feet. There is a pass-through from Kitchen to Living/Dining Area.

Kitchen Appliances are as follows: (All General Electric or equivalent).

Electric Range: GE J 355
Refrigerator: GE TBF15A with Icemaker
Dishwasher: GE GGS D 461
Garbage Disposal: GE GGF C 650
Range Hood: GE JV31
Washer: GE WWP 1200
Dryer: GE DDP 1000

At the end of the Foyer is the Living/Dining area of 361 square feet.

Off of the Dining area is a Locked Storage Closet of 21 square feet. This closet also contains an A. O. Smith Permaglas I Automatic Electric Water Heater 40 gallon capacity Model KEN 40D, or equivalent.

At the rear of the Living/Dining area is a sliding glass door opening onto a Wooden Deck of 70 square feet. A storage closet of 11 square feet opens onto this Deck.

Stairs to the second floor open onto the Living/Dining area. The stairs occupy 10 square feet on the first floor. The stairwell occupies an area of 52 square feet on the second floor.

The stairs lead onto a Hall of 47 square feet.

A linen closet of 6 square feet opens onto the Hall.

The rear of the Hall opens onto Bedroom #1 of 215 square feet. Opening into Bedroom #1 is a walk-in closet of 25 square feet. A sliding glass door opens from Bedroom #1 onto a Balcony of 16 square feet.

Bath #1 is accessed from Bedroom #1. It contains a lavatory, water closet, and a combination tub/shower. Bath #1 contains 43 square feet.

Bedroom #2 opens from the Hall at the top of the stairs. It contains 168 square feet. There are two Closets opening into this room, each of 11 square feet.

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Bath #2 is entered from Bedroom #2. It contains a lavatory, water closet, and combination tub/shower, and contains 43 square feet

At ground level there is a Service Yard (not included in total square footage) of 73 square feet, enclosed on one side by the main building wall and on the other three sides by a wooden screen.

5. Those Dwelling Unit designations ending with the letter "Y" contain 786 square feet, exclusive of balcony areas. The unit measures 14 feet 4 inches wide and 47 feet 0 inches deep with the Kitchen projection measuring 6 feet 8 inches wide and 14 feet 6 inches deep.

Heating and air conditioning equipment consists of one fan coil unit with electric heaters (Carrier #40VU002) and one air cooled condensing unit (Carrier #38GS002), or equivalent.

Each unit enters into a foyer that leads to the Bedroom Area and to the Living/Dining Area. The area of the foyer is 47 square feet and has a closet off the bedroom side of 5 square feet.

Adjacent to the Foyer is a Powder Room of 18 square feet containing a water closet and lavatory, and the mechanical room of 8 square feet that houses the heating and air conditioning equipment and the water heater. The water heater is an A. O. Smith Permaglas I Automatic Electric Water Heater, 40 gallon capacity Model KEN 40 D, or equivalent.

From the foyer on one side is the Bedroom of 160 square feet.

Contained in the Bedroom is a Closet of 3 square feet, an Owners Lockable Storage Closet of 11 square feet and a closet of 14 square feet.

Opening off the Bedroom is the Bathroom of 51 square feet which contains a Water Closet Lavatory, and Combination Tub and Shower.

From the foyer on the other side is the Living/Dining area of 299 square feet.

Adjacent to the Living/Dining Area, and separated by a decorative screen is the Kitchen/Dining Nook of 92 square feet. The kitchen contains the following equipment or their equivalent.

Electric Range	GE J355
Refrigerator w/Icemaker	GETBF 15A
Dishwasher	GE GGSD461
Garbage Disposal	GE GGF C650
Range Hood	GE JV31
Washer	GE WWP 12(
Dryer	GE DDP 1000

From the Living/Dining Room is a deck of 78 square feet. (Not included in the total square footage).

Adjacent to the Bedroom, with outside entrance only, is a drying yard of 73 square feet (not included in the total square footage) which contains the condensing unit and garbage cans.

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6. Those Dwelling Unit designations ending with the letter "I" contain 881 square feet, exclusive of the balcony areas. The unit measures 45 feet 4 inches deep and 26 feet 0 inches wide in its maximum interior dimensions.

Heating and Air Conditioning equipment is installed as follows: Condensing Unit Carrier 38 GS 002 and Fan Coil Unit with Electric Heater Carrier 40 HH 002, or equivalent.

Each unit opens onto an Entry of 37 square feet.

A Coat Closet opens onto the Entry with 11 square feet.

A Linen Closet with an area of 4 square feet also opens onto the Entry.

The Bedroom with an area of 175 square feet also opens onto the Entry. Two closets open onto the Bedroom. Each closet has an area of 11 square feet.

The Bath opens onto the Bedroom and has an area of 40 square feet. It contains a lavatory, a water closet, and a combination tub/shower.

There is a Hall of 43 square feet leading from the Entry to the Living Room and Dining Room areas.

The Mechanical Room leads off of the Hall. This room has an area of 12 square feet and contains an A. O. Smith Permaglas I Automatic Electric Water Heater of 40 gallon capacity Model KEN - 40D, or equivalent.

Next to the Mechanical Room and leading off of the Hall is a Powder Room of 21 square feet. The Powder Room contains a lavatory and a water closet.

The Living Room has an area of 229 square feet. A wooden deck, adjacent to the rear of the Living Room and also with an opening from the Dining Room, is of 202 square feet. (This area is not included in the total square footage of the Unit as given above).

The Kitchen leads off the Hall opposite the Powder Room and has a counter pass-through to the Dining Room. The Kitchen has an area of 89 square feet and contains the following equipment or their equivalent:

Electric Range:	GE J 355
Refrigerator:	GE TBF15A with Icemaker
Dishwasher:	GE GGS D461
Garbage Disposal:	GE GGF C650
Range Hood:	GE JV31
Washer:	GE WWP 1200
Dryer:	GE DDP 1[illegible]

The Dining Room, which is adjacent to the Kitchen and the Living Room, has an area of 108 square feet. At the rear of the Dining Room, a sliding glass door leads onto a wooden deck as mentioned above.

Adjacent to the Bedroom, with outside entrance only, is

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a Service Yard of 59 square feet. (This area is not included in the total square footage of the Unit as given above).

7. Those Unit designations ending with the letter "R" contain 1,358 square feet, exclusive of balcony areas. The Unit measures 43 feet 0 inches deep and 14 feet 0 inches wide at ground level in its maximum interior dimensions.

Heating and air conditioning equipment is a roof top unit: Carrier Model 50 MH 003, or equivalent.

Each Unit has a covered exterior Entry of 17 square feet which opens onto a Foyer of 63 square feet.

A Powder Room, of 19 square feet containing a lavatory and water closet, opens onto the Foyer.

On the opposite side of the Foyer is a Kitchen of 123 square feet. There is a pass through from Kitchen to Living/Dining Area. The Kitchen contains the following equipment (all General Electric or equivalent).

Electric Range	GE J 355
Refrigerator	GE TBF 15A with Ice Maker
Dishwasher	GE GGS D 461
Garbage Disposal	GE GGF C650
Range Hood	GE JV 31
Washer	GE WWP 1200
Dryer	GE DDP 1000

At the end of the Foyer is the Living/Dining Area of 328 square feet.

Off the Dining Area is a locked Storage Closet of 21 square feet. This Closet also contains an A. O. Smith Permaglas I Automatic Electric Water Heater of 40-gallon capacity, Model KEN 40 D, or equivalent.

At the rear of the Living/Dining Area is a Sliding Glass Door opening onto a Deck of 72 square feet.

Stairs to the second floor open onto the Living/Dining Area. The Stairs occupy 10 square feet on the first floor. The Stairwell occupies an area of 52 square feet on the second floor.

The stairs lead onto a hall of 47 square feet.

A Linen Closet of 6 square feet opens onto the Hall.

The rear of the hall opens onto Bedroom #1 of 194 square feet. Opening into Bedroom #1 is a Walk-in Closet of 23 square feet. A Sliding Glass Door opens from Bedroom #1 onto a Balcony of 38 square feet.

Bath #1 is entered from Bedroom #1. It contains a Lavatory, Water Closet, and a Combination Tub/Shower, and contains 43 square feet.

Bedroom #2 opens from the Hall at the top of the Stairs and contains 196 square feet. Opening into Bedroom #2 is a Walk-in Closet of 26 square feet and a Sliding Glass Door which opens from Bedroom #2 onto a Balcony of 40 square feet.

Bath #2 is entered from Bedroom #2 , containing a

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Lavatory, Water Closet, and Combination Tub/Shower, and is 43 square feet.

COMMON ELEMENTS

(a) The General Common Elements are as follows:

(1) The Property, excluding the Limited Common Elements and the Dwelling Units, and including but not limited to, the foundations, roofs, floors, ceilings, perimeter walls, load-bearing interior walls and partitions, slabs, stairways, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above.

(2) Parking facilities located on the Property, which parking facilities consist of approximately 96,025 square feet, and are shown on the plat of the Property attached hereto and identified as Exhibit "A".

(3) All roads, walkways, paths, trees, shrubs, yards, gardens, etc., located on the Property.

(4) All other elements of the Property constructed or to be constructed on the Property, rationally of common use or necessary to the existence, upkeep and safety of the Property and in general, all other devices or installations existing for common use.

(5) An undivided interest in the gatehouse, swimming pool, tennis courts, beach cabanas, and other such areas.

(b) The Limited Common Elements are as follows:

The rear and front yards and services areas (if applicable), shown on the attached plat and identified as Exhibit "A", adjacent to each Dwelling Unit, and the fences screening the service areas are limited common elements, and are each restricted to the use of the Dwelling Unit adjacent to such limited common elements, respectively.

SIXTH: That the title and interest of each Co-Owner of a Dwelling Unit listed in Paragraph "FIFTH" and their proportionate share in the profits and common elements (both general and limited), as well as the proportionate representation for voting purposes in the meeting of the Council of Co-owners (hereinafter usually referred to as "Council") of the Regime is based on the proportionate value of each Dwelling Unit to the total value of the Property, which is $5,332,000.00, as follows:

DWELLING UNIT	VALUE OF DWELLING UNIT	PERCENTAGE INTEREST
2B501(T)	$65,000.00	1.21
2B401(T)	65,000.00	1.21
2B301(T)	65,000.00	1.21
2B201(T)	65,000.00	1.21
2B101(T)	65,000.00	1.21
2B502(W)	50,000.00	.94
2B402(W)	50,000.00	.94
2B302(W)	50,000.00	.94
2B202(W)	50,000.00	.94
2B102(W)	50,000.00	.94
2B503(W)	50,000.00	.94
2B403(W)	50,000.00	.94
2B303(W)	50,000.00	.94
2B203(W)	50,000.00	.94

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	2B103(N)	50,000.00	.94
	2B504(T)	65,000.00	1.21
	2B404(T)	65,000.00	1.21
	2B304(T)	65,000.00	1.21
*	2B204(T)	65,000.00	1.21
	2B104(T)	65,000.00	1.21
	2CS101(S)	50,000.00	.94
	2CS102(S)	50,000.00	.94
	2CS103(S)	50,000.00	.94
	2CS104(S)	50,000.00	.94
	2CS105(S)	50,000.00	.94
	2CS106(S)	50,000.00	.94
	2CS201(S)	50,000.00	.94
	2CS202(S)	50,000.00	.94
	2CS203(S)	50,000.00	.94
	2CS204(S)	50,000.00	.94
	2CS205(S)	50,000.00	.94
	2CS206(S)	50,000.00	.94
	2CS301(S)	50,000.00	.94
	2CS302(S)	50,000.00	.94
	2CS303(S)	50,000.00	.94
	2CS304(S)	50,000.00	.94
	2CS305(S)	50,000.00	.94
	2CS306(S)	50,000.00	.94
	2CS401(S)	50,000.00	.94
	2CS402(S)	50,000.00	.94
	2CS403(S)	50,000.00	.94
	2CS404(S)	50,000.00	.94
	2CS501(S)	50,000.00	.94
	2CS502(S)	50,000.00	.94
	2CN101(N)	50,000.00	.94
	2CN102(N)	50,000.00	.94
	2CN103(N)	50,000.00	.94
	2CN104(N)	50,000.00	.94
	2CN105(N)	50,000.00	.94
	2CN106(N)	50,000.00	.94
	2CN201(N)	50,000.00	.94
	2CN202(N)	50,000.00	.94
	2CN203(N)	50,000.00	.94
	2CN204(N)	50,000.00	.94
*	2CN205(N)	50,000.00	.94
	2CN206(N)	50,000.00	.94
	2CN301(N)	50,000.00	.94
	2CN302(N)	50,000.00	.94
	2CN303(N)	50,000.00	.94
	2CN304(N)	50,000.00	.94
	2CN305(N)	50,000.00	.94
	2CN306(N)	50,000.00	.94
	2CN401(N)	50,000.00	.94
	2CN402(N)	50,000.00	.94
	2CN403(N)	50,000.00	.94
	2CN404(N)	50,000.00	.94
	2CN501(N)	50,000.00	.94
	2CN502(N)	50,000.00	.94
	5F101(X)	40,000.00	.74
	5F102(Y)	40,000.00	.74
	5F109(Y)	40,000.00	.74
	5F110(X)	40,000.00	.74
	5F103(X)	50,000.00	.94
	5F104(X)	50,000.00	.94
	5F105(X)	50,000.00	.94

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SCALFORT, S. C.

5F106(X)	50,000.00	.94
5F107(X)	50,000.00	.94
5F108(X)	50,000.00	.94
5F201(Z)	39,000.00	.73
5F202(Y)	39,000.00	.73
5F209(Y)	39,000.00	.73
5F210(Z)	39,000.00	.73
6G101(Z)	39,000.00	.73
6G102(Y)	40,000.00	.74
6G105(Y)	40,000.00	.74
6G106(Z)	39,000.00	.73
6G103(X)	50,000.00	.94
6G104(X)	50,000.00	.94
6G201(Z)	39,000.00	.73
6G202(Y)	40,000.00	.74
6G205(Y)	40,000.00	.74
6G206(Z)	39,000.00	.73
7D101(W)	50,000.00	.94
7D102(W)	50,000.00	.94
7D103(W)	50,000.00	.94
7D104(W)	50,000.00	.94
7D105(W)	50,000.00	.94
7D201(R)	50,000.00	.94
7D202(R)	50,000.00	.94
7D203(R)	50,000.00	.94
7D204(R)	50,000.00	.94
7D205(R)	50,000.00	.94
7D206(R)	50,000.00	.94
7D207(R)	50,000.00	.94
7D208(R)	50,000.00	.94
7D209(R)	50,000.00	.94
7D210(R)	50,000.00	.94

SEVENTH: That the administration of the Regime consisting as aforesaid of the property described in Paragraphs "FIRST" and "FIFTH" of this Deed, shall be in accordance with the provisions of the By-Laws which are made a part of this Deed hereto, and are attached hereto as Exhibit"C".

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

NINTH: That so long as the Grantor owns one or more of the Dwelling Units, the Grantor shall be subject to the Provisions of this Deed and of Exhibits "A", "B", and "C" attached hereto, and the Grantor covenants to take no action which will adversely affect the rights of the Regime with respect to the assurances against latent defects in the Property, or other rights assigned to the Regime by reason of the establishment of said Horizontal Property Regime.

TENTH: That the common elements shall remain undivided and no Co-Owner shall bring any action for partition and/or division.

ELEVENTH: That the percentage of the undivided interest in the common elements (both general and limited) established herein shall not be changed except with the unanimous consent of all of the Co-Owners expressed in amendment to this Deed duly recorded.

TWELFTH: That the undivided interest in the common elements shall not be separated from the Dwelling Unit to which it appertains and shall be deemed conveyed or encumbered with the Dwelling Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

THIRTEENTH: That each Owner shall comply with the Provisions of this Master Deed, the Regime By-Laws, Decisions and Resolutions of the Council of Co-Owners, Board of Administration, or their representatives, as 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.

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

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

SIXTEENTH: That all present or future co-owners, tenants, future tenants, or any other person who might use the facilities of the Property in any manner, are subject to the provisions of this Deed; and that the mere acquisition or rental of any of the Dwelling Units shall signify that the provisions of this Deed are accepted and ratified.

SEVENTEENTH: That if the Property is totally or substantially damaged or destroyed, the repair, reconstruction, or disposition of the Property shall be as provided by the abovementioned Statute of South Carolina.

EIGHTEENTH: That, where a mortgagee or other purchaser of a Dwelling Unit obtains title by reason of foreclosure of a mortgage covering a Dwelling Unit, such acquirer of title, his successor or assigns, shall not be liable for assessments by the Regime which became due prior to the acquisition of title by such acquirer, it being understood, however, that the above shall not be construed to prevent the Regime from filing and claiming liens that such assessment liens shall be subordinate to such mortgage.

NINETEENTH: That in a voluntary conveyance of a Dwelling Unit, the Grantee of the unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Regime against the latter for his share of the common expenses up until the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid

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by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the Manager or Council of Co-owners, as the case may be, setting forth the amount of the unpaid assessments against the Grantor due the Regime, and such Grantees shall not be liable for, nor shall the Dwelling Unit conveyed be subject to, a lien for any unpaid assessments made by the Council of Co-owners against the Grantor in excess of the amount set forth therein.

TWENTIETH: That the Board of Administration of the Regime or the Management Agent, or Manager, shall obtain and continue in effect, blanket property insurance in form and amounts satisfactory to mortgagees holding first mortgages covering Dwelling Units, but without prejudice to the right of the Co-owners to obtain additional individual Dwelling Unit insurance.

TWENTY FIRST: That insurance premiums for blanket insurance coverage of the Property shall be a common expense to be paid by periodic assessment levied by the Regime, and that such payments shall be held in a separate escrow account of the Regime and used solely for the payment of the Blanket Property Insurance premiums as such premiums become due.

IN WITNESS WHEREOF, Andrick Development Corporation, has caused these Presents to be executed in its Corporate name by its proper officials, the day and year first above written.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

ANDRICK DEVELOPMENT CORPORATION

Alphonse Brown Jr. BY: (1) [signature] PRES.

(2) Wendy A. Atkinson ATTEST: (1a) Anne W. Brady SECY.

STATE OF PENNSYLVANIA)
) PROBATE
COUNTY OF Philadelphia)

PERSONALLY appeared before me Wendy A. Atkinson who, on oath, says that she saw the within named ANDRICK DEVELOPMENT CORPORATION, by its proper officials, sign, attest, and, as its act and deed, deliver the within written Deed, and that She with Alphonse Brown Jr. witnessed the execution thereof.

SWORN to before me this
5th day of November, 1973.

(Wendy A. Atkinson)

Alphonse Brown Jr. (SEAL)
Notary Public for Pennsylvania
My Commission expires 14 Feb 77

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SANDERS & DUKES, P.A.
BEAUFORT, S. C.

EXHIBIT C

BY-LAWS OF:
THE ISLAND CLUB HORIZONTAL PROPERTY REGIME I

ARTICLE I
PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Forest Beach, Hilton Head Island, in Beaufort County, South Carolina, known as "The Island Club Horizontal Property Regime I" has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as The Island Club Horizontal Property Regime I (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future co-owners, tenants, future Tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. The mere acquisition or rental of any of the Dwelling Units (hereinafter usually referred to as "Dwelling Unit") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Dwelling Units will signify that these By-Laws and the provisions of the Master Deed are accepted and ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the co-owner is entitled is the

percentage assigned to the Dwelling Unit or Dwelling Units in the Master Deed.

Section 2. Majority of Co-owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding 51% or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Council Responsibilities. The co-owners of the Dwelling Units will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of co-owners.

Section 2. Place of Meetings. Meetings of the Council shall be held at such place convenient to the co-owners as may be designated by the Council.

Section 3. Annual Meetings. The annual meetings of the Council shall be held at the call of the Regime President once a year on the first Saturday in July. At such meetings there shall be elected by

ballot of the co-owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Council as may properly come before them.

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner on record, at least ten but not more than twenty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting. If any meeting of the Council cannot be organized because a quorum has not attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all Annual Meetings of the Council shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers.
(e) Report of Committees.
(f) Election of inspectors of election.
(g) Election of administrators.
(h) Unfinished business.
(i) 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.

ARTICLE IV

BOARD OF ADMINISTRATION

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as "Board") comprised of five persons, all of whom must be co-owners of Dwelling Units in the Property.

Section 2. General Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be executed and done by the Council or individual owners.

Section 3. Other Duties. In addition to duties imposed by these By-Laws, or by resolutions of the Council, the Board shall be responsible for the following:

(a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.

(b) Care, upkeep and surveillance of the Property and the common elements.

(c) Collection of assessments from the co-owners.

(d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.

(e) Performing repairs caused by any natural disaster or man-made damage from the escrow account and any special assessment.

Section 4. Management Agent. The Board may employ a Management Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article

Section 5. Election and Term of Office. At the first Annual Meeting of the Council, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of

two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

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

Section 7. Removal of Members of the Board. 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 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 8. Organizational Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determi[illegible] from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated

person, to each Board member, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

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

Section 11. 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. 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 12. Board Quorum. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board members present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

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

ARTICLE V

OFFICERS

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

Section 2. Election of Officers. The officers of the Regime shall be elected annually by the Board at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited to the power to appoint committees from among the co-owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Regime.

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

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

ARTICLE VI

OBLIGATIONS OF THE CO-OWNERS

Section 1. Assessments. All co-owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, and other hazards. The assessments shall be made on a square footage basis of the Dwelling Unit owned to the total square footage of all Dwelling Units.

Escrow Account. The transfer of ownership of an individual Villa within the Regime carries with it the proportionate equity of that villa ownership in the Regime Escrow Account. Each Villa Owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance and repair of the Regime Property.

Section a. Maintenance and Repair.

(a) Every co-owner must perform promptly all maintenance and repair work within his own Dwelling Unit, which, if omitted would affect the Property in its entirety or in a part belonging to other co-owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the Dwelling Unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Dwelling Unit shall be at the expense of the co-owner.

(c) A co-owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any common elements damaged through his fault.

Section 3. Use of Dwelling Units -- Internal Changes.

(a) All Dwelling Units shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his Dwelling Unit or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Elements. A co-owner shall not place or cause to be placed in the passages or roads, any furniture, packages, or obstructions of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 5. Right of Entry.

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

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

In case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television 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 Property except as authorized by the Regime;

(2) Hang garments, towels, rugs, or similar objects, from the windows or from any of the facades of the 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 Property;

(4) Throw garbage or trash outside the disposal installations provided for such purposes in the service areas;

(5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Dwelling Units in the Property;

(6) Maintain any pets which cause distress to co-owners through barking, biting, scratching or damaging of 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 of his dwelling or which protrude through the walls or the roof of his dwelling unit except as authorized by the Board.

ARTICLE VII

AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose and no amendment shall take effect unless approved by co-owners representing at least two-thirds of the total value of the Property as shown in the Master Deed.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Board. A co-owner who mortgages his

Dwelling Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgages of Dwelling Units."

Section 2. Notice of unpaid assessments. The Board shall at the request of a mortgagee of a Dwelling Unit report any unpaid assessments due to the Regime from the co-owner of such Dwelling Unit.

ARTICLE IX

COMPLIANCE

These By-Laws are intended to comply with the requirements of the Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed and accepted that the provisions of the Statute will control.

D.D.S.C.

FILED AT 9:30 O'CLOCK A M — BEAUFORT COUNTY S. C. — NOV 26 19[illegible] — RECORDED IN BOOK 301 PAGE 102

Anita H. Nettles
Deputy Clerk of Court of Common Pleas

D.D.S.C.

FILED AT 10:20 O'CLOCK 9 M — BEAUFORT COUNTY S. C. — JAN 14 19[illegible] — RECORDED IN BOOK 307 PAGE 512

Anita H. Nettles
Deputy Clerk of Court of Common Pleas

B

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AMENDMENT

ANDRICK DEVELOPMENT CORP.)
)
TO)
)
THE ISLAND CLUB HORIZONTAL PROPERTY REGIME I)

EXHIBIT C

BY-LAWS OF:

THE ISLAND CLUB HORIZONTAL PROPERTY REGIME I

WHEREAS, a duly constituted meeting of the Co-Owners of The Island Club Horizontal Property Regime I was held on the 2nd day of May 1975; and

WHEREAS, the Co-Owners present at said meeting constituted more than two-thirds of the total value of The Island Club Horizontal Property Regime I; and

WHEREAS, the Co-Owners present at said meeting unanimously voted to amend the By-Laws of The Island Club Horizontal Property Regime I, as are shown as Exhibit C of the Master Deed to The Island Club Horizontal Property Regime I.

NOW, THEREFORE, BE IT DULY CONSTITUTED, RESOLVED, AND APPROVED that the following By-Laws shall be changed and amended to read as follows:

ARTICLE III

ADMINISTRATION

Section 3. Annual Meetings. The Annual Meetings of the Council shall be held at the call of the Regime President once a year on the First Friday in May. At such meeting there shall be elected by ballot of the co-owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Council as may properly come before them.

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BEAUFORT, S. C.

ARTICLE VI

OBLIGATION OF THE CO-OWNERS

Section 1. Assessments. All Co-Owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of a hurricane, fire, earthquake, and other hazards. The Assessments shall be imposed on Co-Owners in the same proportions as their respective percentage interest in the Common Elements as set forth in the Master Deed.

. . .

Section 3. Use of Dwelling Units. - Internal and External Changes.

(b) A co-owner shall not make external structural modifications or internal structural modifications or alterations in his Dwelling Unit or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed and receiving the Regime's approval therefor. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that the Regime has approved the proposed modification or alteration.

IN WITNESS WHEREOF, THE COUNCIL OF CO-OWNERS FOR THE ISLAND CLUB HORIZONTAL PROPERTY REGIME I, HAVE CAUSED THIS AMENDMENT TO BE EXECUTED THIS 11th DAY OF August 1975.

Paul H. Strate
President

Vice President

Secretary

LAW OFFICES OF
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SANDERS & DUKES, P.A.
BEAUFORT, S. C.

1006

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

Personally appeared before me George G. L. Palmer,
who, on oath, says that he saw the within named Paul H. Strate
, C. M. Lewis, Jr., Jack H. McLean, Jr.,
G. B. James, T. D. McCloskey, sign,
seal and deliver the within written document and that he with
Sara A. Parker witnessed the execution thereof.

SWORN to before me this 11th
day of August, 1975.

Sara A Parker
Notary Public for South Carolina
My Commission Expires: 1/10/85

D63-80

FILED AT 10:45 O'CLOCK A. M.
BEAUFORT COUNTY S. C.
AUG 13 1975
RECORDED IN BOOK 230 PAGE 1004
Deputy Anita D. Nettles
CLERK OF COURT OF COMMON PLEAS

LAW OFFICES OF
DOWLING, DOWLING,
SANDERS & DUKES, P.A.
BEAUFORT, S. C.

C

STATE OF SOUTH CAROLINA)
) MODIFICATION NO. 1 TO THE BY-LAWS
COUNTY OF BEAUFORT) OF ISLAND CLUB HORIZONTAL PROPERTY
REGIME I

272/581

BE IT KNOWN that pursuant to Notice duly given, a special meeting of the Island Club Horizontal Property Regime I was held on August 6, 1976 and at said special meeting by vote in excess of four-fifths of the membership, upon motion made, duly seconded and carried, Article III, Section 3 of said By-Laws, the same being recorded with the Clerk of Court for Beaufort County, South Carolina in Book 216 at Page 116 and Book 217 at Page 525, were amended so as to delete the first three lines of Article III, Section 3 and add in place thereof the following:

> Section 3. Annual Meetings. The annual meeting of the Council shall be held at the call of the Regime President once a year on the first Friday in May.

ISLAND CLUB HORIZONTAL PROPERTY REGIME I

Catherine F. Ingleby
Sylvia L. Robinson
Jane F. Hall
Irene F. Leahy

By: Irvin Konter (SEAL)
Irvin Konter
President

Attest: A. G. Murchison, III (SEAL)

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

PERSONALLY appeared before me Catherine F Ingleby and made oath that (s)he saw the within named ISLAND CLUB HORIZONTAL PROPERTY REGIME I by Irvin Konter, its President sign, seal and as its act and deed, deliver the within written instrument and that (s)he with Sylvia L. Robinson witnessed the execution thereof.

Catherine F. Ingleby

SWORN TO before me this 27th day of October, 1978.

Sylvia L. Robinson (SEAL)
Notary Public for Georgia
My Commission Expires: 10-15-82

LAW OFFICES
BOWEN, COOPER,
BEARD & SMOOT
Post Office Drawer 5608
Hilton Head Island, S.C.
29925
Telephone
803 / 785-5110

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBERG)

PERSONALLY appeared before me Faye O. Hall and made oath that (s)he saw the within named ISLAND CLUB HORIZONTAL PROPERTY REGIME I by A. G. Murchison, III, its _____ Secretary sign, seal and as its act and deed, deliver the within written instrument, and that (s)he with Irene F. Dowdy witnessed the execution thereof.

Faye O. Hall

SWORN TO before me this 25th day of October, 1978.

Irene F. Dowdy (Vail) (SEAL)
Notary Public for N.C.
My Commission Expires: 5-10-81

582

Bowens

FILED AT	BEAUFORT COUNTY S. C.	RECORDED IN BOOK
9:30 O'CLOCK A. M.	NOV 1 1978	272 PAGE 581

Roxanne W Beverly D.C.
CLERK OF COURT OF COMMON PLEAS

LAW OFFICES
BOWEN, COOPER,
BEARD & SMOOT
Post Office Drawer 5608
Hilton Head Island, S.C.
29928
Telephone
803 / 785-6110

D

COUNTY OF BEAUFORT) OF ISLAND CLUB HORIZONTAL PROPERTY
) REGIME I

DB 272 p 583 583

BE IT KNOWN that pursuant to Notice duly given, the annual meeting of the Island Club Horizontal Property Regime I was held on May 5, 1978 and at said annual meeting by vote in excess of three-fourths of the membership, upon motion made, duly seconded and carried, the By-Laws, the same being recorded with the Clerk of Court for Beaufort County, South Carolina in Book 216 at Page 116 and Book 217 at Page 525, were amended so as to read in the form attached hereto as "Exhibit A" and recorded herewith so that henceforth the By-Laws of said Horizontal Property Regime shall be "Exhibit A" attached hereto.

ISLAND CLUB HORIZONTAL PROPERTY REGIME I

Catherine F. Inglesby

Sylvia L Robinson

Faye O Hall

Irene F. Dowdy

By: Irvin Konter (SEAL)
Irvin Konter
President

Attest: A. C. Murchison, III (SEAL)

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

PERSONALLY appeared before me Catherine F. Inglesby and made oath that (s)he saw the within named ISLAND CLUB HORIZONTAL PROPERTY REGIME I by Irvin Konter, its President, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with Sylvia L. Robinson witnessed the execution thereof.

Catherine F. Inglesby

SWORN TO before me this 20th day of October, 1978.

Sylvia L. Robinson (SEAL)
Notary Public for Georgia
My Commission Expires: 10-15-82

LAW OFFICES
BOWEN, COOPER,
BEARD & SMOOT
Post Office Drawer 908
Hilton Head Island, S.C.
29928
Telephone
803 / 785-2186

COUNTY OF MECKLENBURG)
)

PERSONALLY appeared before me Jay O. Hall and made oath that (s)he saw the within named ISLAND CLUB HORIZONTAL PROPERTY REGIME I by A. G. Murchison, III, its _____ Secretary, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with Irene F. Dowdy witnessed the execution thereof.

Jay O. Hall

SWORN TO before me this 25th day of October, 1978.

Irene F. Dowdy (Seal) (SEAL)
Notary Public for N.C.
My Commission Expires: 5-10-81

LAW OFFICES
BOWEN, COOPER,
BEARD & SMOOT
Post Office Drawer 3068
Hilton Head Island, S.C.
29928
Telephone
843/785-4136

AMENDMENTS TO THE BY-LAWS OF
ISLAND CLUB HORIZONTAL PROPERTY REGIME I
APPROVED AT THE ANNUAL MEETING OF MAY 5, 1978
AND AN ADJOURNMENT THEREOF

ARTICLE I
PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Forest Beach, Hilton Head Island, in Beaufort County, South Carolina, known as "The Island Club Horizontal Property Regime I" has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be hence forth known as The Island Club Horizontal Property Regime I (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future co-owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. The mere acquisition or rental of any of the Dwelling Units (hereinafter usually referred to as "Dwelling Units" or "Apartments") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Dwelling Units will signify that these By-Laws and the provisions of the Master Deed are accepted and ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF CO-OWNERS, QUORUM, PROXIES

Section 1. VOTING. Voting shall be on the percentage basis and the percentage of the vote to which the co-owner is entitled is the percentage assigned to the Apartment or Apartments in the Master Deed.

Section 2. MAJORITY OF CO-OWNERS. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding fifty-one percent (51%) or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

Section 3. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of the meeting. 586

Section 5. MAJORITY VOTE. The vote of a majority of the apartment owners present at a meeting at which a quorum shall be present shall be binding upon all apartment owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III
COUNCIL OF CO-OWNERS

Section 1. COUNCIL RESPONSIBILITIES. The co-owners of the Apartments will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of co-owners.

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

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

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

Section 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner of record, at least fifteen (15), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. ADJOURNED MEETING. If any meeting of the Council cannot be organized because a quorum has not attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if co-owners holding at least 25% of the total value of the property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 7. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Council shal be as follows:

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

The order of business at a Special Meeting 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.

ARTICLE IV
BOARD OF ADMINISTRATION

Section 1. NUMBER AND QUALIFICATION. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board") comprised of five (5) persons. So long as the sponsor owns one or more Apartments, the sponsor shall be entitled to elect at least one member of the Board of Administration, who need not be an Apartment Owner. After sponsor has conveyed all apartments and is no longer entitled to elect one member of the Board of Administration, all Board Members shall be Apartment Owners.

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

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

(a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.

(b) Care, upkeep and surveillance of the Property and the common elements.

(c) Employment, dismissal and control of the Personnel necessary for the maintenance and operation of the common elements.

(d) Collection of assessments from the co-owners.

(e) Performing repairs caused by any natural disaster or man-made damage from the escrow account and any special assessment, or causing the same to be done.

(f) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed, or causing the same to be done.

(g) Making of repairs, additions and improvements to or alterations of, the property and repairs to and restoration of the property in accordance with the other provisions of the By-Laws; provided, however, that the Board of Administration shall not undertake any repair covered by the warranty without consent of a majority of the Apartment owners.

Section 4. MANAGEMENT AGENT. The Board may employ Management Agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. BOARD OF ADMINISTRATION. The first Board of Administration consisting of five members shall be elected by the co-owners at the first annual meeting of the apartment owners held pursuant to the provisions of these By-Laws. At the first Annual Meeting of the Council, the initial term of office for two members of the Board shall be fixed at three (3) years. The term of office of

two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article.

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

Section 7. REMOVAL OF MEMBERS OF THE BOARD. 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 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. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be an apartment owner.

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

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

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

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

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

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

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

Section 15. LIABILITY OF THE BOARD OF ADMINISTRATORS. The members of the Board of Administration shall not be liable to the unit owners for any mistake of judgement, negligence, or otherwise, except for their own individual wilful misconduct or bad faith. The apartment owners shall indemnify and hold harmless each of the members of the Board of Administration against all contractual liability to others arising out of contracts made by the Board of Administration on behalf of the Regime unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Administration shall have no personal

liability with respect to any contract made by them on behalf of the Regime. It is also intended that the liability of any apartment owner arising out of any contract made by the Board of Administration or out of the aforesaid indemnity in favor of the members of the Board of Administration shall be limited to such proportions of the total liability thereunder as his interest in Common elements bears to the interest of all apartment owners in the Common Elements. Every agreement made by the Board of Administration or by the managing agent or by the manager on behalf of the Regime shall provide that the members of the Board of Administration, or the managing agent, or the manager, as the case may be, are acting only as agent for the apartment owners and shall have no personal liability thereunder (except as apartment owners), and that each apartment owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all apartment owners in the Common Elements.

ARTICLE V

OFFICERS

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

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

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

Section 4. PRESIDENT. The President shall be the chief executive office of the Regime. He shall preside at all council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited

to the power to appoint committees from among the co-owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Regime.

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

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

ARTICLE VI

NOTICES

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

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

ARTICLE VII

OBLIGATIONS OF THE CO-OWNERS

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

The transfer of ownership of an individual apartment within the Regime shall carry with it the proportionate equity of that apartment's ownership in the Regime Escrow Account set aside to provide a contigency fund for the maintenance and repair of the Regime Property.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Administration before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any owner from the obligation to pay the assessments, or

an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his unit.

Section 3. RECORDS. The Manager or Board of Administration shall keep detailed records of the receipts and expenditures affecting the General and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board of Administration shall take prompt action to collect any common charge due from any apartment owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any apartment owner in paying to the Board of Administration the common charges as determined by the Board of Administration, such apartment owner shall be obligated to pay interest at the rate of eight (8%) percent per annum on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Administration in any proceeding brought to collect such unpaid common charges. The Board of Administration shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such apartment owner, or by foreclosure of the lien on such apartment granted by Sections 57-514, S. C. Code of Laws, Annotated, 1962, as amended.

Section 5. STATEMENT OF COMMON CHARGES. The Board of Administration shall, for a reasonable fee not to exceed Ten ($10.00) Dollars, promptly provide any purchaser, unit owner, encumbrancer or prospective encumbrancer of an apartment so requesting the same in writing, with a written statement of all unpaid common charges payable with respect to such condominium apartment and upon such payment such encumbrancer shall have a lien on such apartment for the amounts paid of the same rank as the lien of his encumbrance.

Section 6. MAINTENANCE AND REPAIR.

(a) Each apartment owner must perform work within his own apartment, which, if omitted, would affect the Property in its entirety or in a part belonging to another co-owner, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All repairs of internal installations of the apartments such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the apartment shall be at the expense of the co-owner.

(c) All maintenance, repair and replacement to the common elements as defined in the Master Deed, the painting and decorating of exterior glass shall be made by the Board of Administration or its agent and shall be charged to all the apartment owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the apartment owner, in which such case, the expense shall be charged to such apartment owner.

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all apartments and the common elements through one or more meters and the Board of Administration shall, if the co-owners so elect pay as a common expense all charges for water consumed on the property, including the apartments, promptly after the bills for the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and shall likewise, if practicable, be paid by the Board of Administration as a common expense.

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

Section 9. USE OF APARTMENTS - INTERNAL OR EXTERNAL CHANGES

(a) All Apartments shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his apartment or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A co-owner shall make no changes whatsoever to the exterior of the apartment, any stairs or balconies, appurtenant thereto, or to any of the limited or general common elements without approval of two thirds (2/3) of the co-owners of said Regime.

Section 10. USE OF COMMON ELEMENTS. A co-owner shall not place or cause to be placed in the passages, parking areas or roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the co-owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking. No boats, trailers, trucks, self-contained motor homes, or commercial vans of any type are allowed to remain in the parking area, roads or other common areas.

Section 11. TERRACES AND BALCONIES. A terrace or balcony to which there is direct access from the interior of an apartment shall be for the exclusive use of the owner of such apartment. Any such terrace or balcony shall be kept free of debris and all other accumulation by the owner of such apartment who shall also make repairs thereto caused or permitted, by his negligence, misuse or neglect. All other repairs, in, to or with respect to such terrace or balcony shall be made by the Board of Administration and the cost thereof shall be a common expense. No alterations shall be made to said terrace or balcony without the written consent of the Board of Administration and as a part of an overall modification made throughout the Regime.

Section 12. RIGHT OF ENTRY.

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

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

Section 13. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the apartments and common elements of the Regime, the co-owners may from time to time adopt, modify and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common element constitutes two-thirds of the totel interest, at any meeting duly called for the purpose such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons on said property of the Regime as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment mofification, and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all apartment owners and the occupants of apartments in the Regime. The following shall constitute the initial Rules of Conduct for the Regime.

(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 Property except as authorized by the Regime;
2. Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the property;
3. Dust mops, rugs or similar objects from the windows or balconies or clean rugs or similar objects by beating on the exterior part of the property;
4. Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;
5. Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other apartments in the Property;

6. Maintain any pets which cause distress to co-owners through barking, biting, scratching or damaging of property.

7. Allow for himself, his guests or lessees, mobile homes, campers, boats, trailers, motocycles or other forms of non-passenger car transportation on the property except at such locations as may be determined from time to time by the Board.

(c) No co-owner, resident, or lessee shall install wiring for electrical or telephone installations, televisions antennae, machines or air conditioning units, or similar objects outside of his dwelling or which protrudes through the walls or the roof of his Dwelling Unit except as authorized by the Board.

Section 14. ABATEMENT AND ENJOYMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the apartment in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting apartment owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VIII

INSURANCE

The Board of Administrators shall be required to obtain and maintain to the extent reasonably obtainable, the following insurance: (1) fire insurance with extended coverage insuraing the building containing the apartments (including all of the apartments, the interior partitions, and painted surfaces, the carpeting within the apartments, and the bathroom and kitchen fixtures initially installed therein by sponsor, but not including drapes, wall covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the apartment owner together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Regime, the Board of Administration and all apartment owners and their mortgagees, as their interests may appear, in the

amount determined by the Board of Administration, each of which policies shall contain a standard mortgagee clause in favor of each mortgagee of the apartment which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Administration; (2) workmen's compensation insurance; (3) public liability insurance in such amounts and with such coverage as the Board of Administration shall from time to time determine, but at least covering each member of the Board of Administration, the managing agent, the manager and each apartment owner with cross liability endorsements to cover liabilities of the apartment owners as a group to an apartment owner if reasonably obtainable, and (4) such other insurance as the Board of Administration may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Administration and that the net proceeds thereof shall be payable to the Board of Administration.

Apartment owners should carry insurance for their own benefit insuring their wall coverings, fixtures, furnishings and furniture and other personal property not covered by the Regime insurance provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Administration shall not be affected or diminished by reason of any such additional insurance carried by any apartment owner.

ARTICLE IX

AMENDMENTS

Section 1. BY-LAWS. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, representing at least two-thirds (2/3) of the total value of the Property as shown on the Master Deed .

ARTICLE X

MORTGAGES

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

ARTICLE XI

COMPLIANCE

These By-Laws are intended to comply with the requirements of the

Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed that the provisions of the Statute will control.

FILED AT 9:30 O'CLOCK A.M. BEAUFORT COUNTY S. C. NOV 1 1978 RECORDED IN BOOK 272 PAGE 688 Roxanne W. Bunty CLERK OF COURT OF COMMON PLEAS

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338/39

AMENDED BY-LAWS
OF
ISLAND CLUB HORIZONTAL PROPERTY REGIME I

ARTICLE I
PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Forest Beach, Hilton Head Island, in Beaufort County, South Carolina, known as "The Island Club Horizontal Property Regime I" has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be hence forth known as The Island Club Horizontal Property Regime I (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future co-owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. The mere acquisition or rental of any of the Dwelling Units (hereinafter usually referred to as "Dwelling Units" or "Apartments") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Dwelling Units will signify that these By-Laws and the provisions of the Master Deed are accepted and ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF CO-OWNERS, QUORUM, PROXIES

Section 1. VOTING. Voting shall be on the percentage basis and the percentage of the vote to which the co-owner is entitled is the percentage assigned to the Apartment or Apartments in the Master Deed.

Section 2. MAJORITY OF CO-OWNERS. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding fifty-one percent (51%) or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

Section 3. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 2 of this Article shall constitute a quorum.

Section 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner of record, at least fifteen (15), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. ADJOURNED MEETING. If any meeting of the Council cannot be organized because a quorum has not attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if co-owners holding at least 25% of the total value of the property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 7. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Council shal be as follows:

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

The order of business at a Special Meeting 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.

ARTICLE IV
BOARD OF ADMINISTRATION

Section 1. NUMBER AND QUALIFICATION. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board") comprised of five (5) persons. So long as the sponsor owns one or more Apartments, the sponsor shall be entitled to elect at least one member of the Board of Administration, who need not be an Apartment Owner. After sponsor has conveyed all apartments and is no longer entitled to elect one member of the Board of Administration, all Board Members shall be Apartment Owners.

two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article.

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

Section 7. REMOVAL OF MEMBERS OF THE BOARD. 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 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. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be an apartment owner.

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

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

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

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

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

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

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

Section 15. LIABILITY OF THE BOARD OF ADMINISTRATORS. The members of the Board of Administration shall not be liable to the unit owners for any mistake of judgement, negligence, or otherwise, except for their own individual wilful misconduct or bad faith. The apartment owners shall indemnify and hold harmless each of the members of the Board of Administration against all contractual liability to others arising out of contracts made by the Board of Administration on behalf of the Regime unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Administration shall have no personal

liability with respect to any contract made by them on behalf of the Regime. It is also intended that the liability of any apartment owner arising out of any contract made by the Board of Administration or out of the aforesaid indemnity in favor of the members of the Board of Administration shall be limited to such proportions of the total liability thereunder as his interest in Common elements bears to the interest of all apartment owners in the Common Elements. Every agreement made by the Board of Administration or by the managing agent or by the manager on behalf of the Regime shall provide that the members of the Board of Administration, or the managing agent, or the manager, as the case may be, are acting only as agent for the apartment owners and shall have no personal liability thereunder (except as apartment owners), and that each apartment owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all apartment owners in the Common Elements.

ARTICLE V

OFFICERS

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

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

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

Section 4. PRESIDENT. The President shall be the chief executive office of the Regime. He shall preside at all council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited

to the power to appoint committees from among the co-owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Regime.

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

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

ARTICLE VI

NOTICES

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

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

ARTICLE VII

OBLIGATIONS OF THE CO-OWNERS

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

The transfer of ownership of an individual apartment within the Regime shall carry with it the proportionate equity of that apartment's ownership in the Regime Escrow Account set aside to provide a contigency fund for the maintenance and repair of the Regime Property.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Administration before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any owner from the obligation to pay the assessments, or

an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his unit.

Section 3. RECORDS. The Manager or Board of Administration shall keep detailed records of the receipts and expenditures affecting the General and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board of Administration shall take prompt action to collect any common charge due from any apartment owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any apartment owner in paying to the Board of Administration the common charges as determined by the Board of Administration, such apartment owner shall be obligated to pay interest at the rate of eight (8%) percent per annum on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Administration in any proceeding brought to collect such unpaid common charges. The Board of Administration shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such apartment owner, or by foreclosure of the lien on such apartment granted by Sections 57-514, S. C. Code of Laws, Annotated, 1962, as amended.

Section 5. STATEMENT OF COMMON CHARGES. The Board of Administration shall, for a reasonable fee not to exceed Ten ($10.00) Dollars, promptly provide any purchaser, unit owner, encumbrancer or prospective encumbrancer of an apartment so requesting the same in writing, with a written statement of all unpaid common charges payable with respect to such condominium apartment and upon such payment such encumbrancer shall have a lien on such apartment for the amounts paid of the same rank as the lien of his encumbrance.

Section 6. MAINTENANCE AND REPAIR.

(a) Each apartment owner must perform work within his own apartment, which, if omitted, would affect the Property in its entirety or in a part belonging to another co-owner, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All repairs of internal installations of the apartments such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the apartment shall be at the expense of the co-owner.

(c) All maintenance, repair and replacement to the common elements as defined in the Master Deed, the painting and decorating of exterior glass shall be made by the Board of Administration or its agent and shall be charged to all the apartment owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the apartment owner, in which such case, the expense shall be charged to such apartment owner.

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all apartments and the common elements through one or more meters and the Board of Administration shall, if the co-owners so elect pay as a common expense all charges for water consumed on the property, including the apartments, promptly after the bills for the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and shall likewise, if practicable, be paid by the Board of Administration as a common expense.

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

Section 9. USE OF APARTMENTS - INTERNAL OR EXTERNAL CHANGES

(a) All Apartments shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his apartment or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A co-owner shall make no changes whatsoever to the exterior of the apartment, any stairs or balconies, appurtenant thereto, or to any of the limited or general common elements without approval of two thirds (2/3) of the co-owners of said Regime.

Section 10. USE OF COMMON ELEMENTS. A co-owner shall not place or cause to be placed in the passages, parking areas or roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the co-owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking. No boats, trailers, trucks, self-contained motor homes, or commercial vans of any type are allowed to remain in the parking area, roads or other common areas.

Section 11. TERRACES AND BALCONIES. A terrace or balcony to which there is direct access from the interior of an apartment shall be for the exclusive use of the owner of such apartment. Any such terrace or balcony shall be kept free of debris and all other accumulation by the owner of such apartment who shall also make repairs thereto caused or permitted, by his negligence, misuse or neglect. All other repairs, in, to or with respect to such terrace or balcony shall be made by the Board of Administration and the cost thereof shall be a common expense. No alterations shall be made to said terrace or balcony without the written consent of the Board of Administration and as a part of an overall modification made throughout the Regime.

Section 12. RIGHT OF ENTRY.

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

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

Section 13. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the apartments and common elements of the Regime, the co-owners may from time to time adopt, modify and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common element constitutes two-thirds of the total interest, at any meeting duly called for the purpose such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons on said property of the Regime as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment mofification, and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all apartment owners and the occupants of apartments in the Regime. The following shall constitute the initial Rules of Conduct for the Regime.

(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 Property except as authorized by the Regime;
2. Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the property;
3. Dust mops, rugs or similar objects from the windows or balconies or clean rugs or similar objects by beating on the exterior part of the property;
4. Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;
5. Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other apartments in the Property;

6. Maintain any pets which cause distress to co-owners through barking, biting, scratching or damaging of property.

7. Allow for himself, his guests or lessees, mobile homes, campers, boats, trailers, motocycles or other forms of non-passenger car transportation on the property except at such locations as may be determined from time to time by the Board.

(c) No co-owner, resident, or lessee shall install wiring for electrical or telephone installations, televisions antennae, machines or air conditioning units, or similar objects outside of his dwelling or which protrudes through the walls or the roof of his Dwelling Unit except as authorized by the Board.

Section 14. ABATEMENT AND ENJOYMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the apartment in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting apartment owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VIII

INSURANCE

The Board of Administrators shall be required to obtain and maintain to the extent reasonably obtainable, the following insurance: (1) fire insurance with extended coverage insuraing the building containing the apartments (including all of the apartments, the interior partitions, and painted surfaces, the carpeting within the apartments, and the bathroom and kitchen fixtures initially installed therein by sponsor, but not including drapes, wall covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the apartment owners), together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Regime, the Board of Administration and all apartment owners and their mortgagees, as their interests may appear, in the

amount determined by the Board of Administration, each of which policies shall contain a standard mortgagee clause in favor of each mortgagee of the apartment which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Administration; (2) workmen's compensation insurance; (3) public liability insurance in such amounts and with such coverage as the Board of Administration shall from time to time determine, but at least covering each member of the Board of Administration, the managing agent, the manager and each apartment owner with cross liability endorsements to cover liabilities of the apartment owners as a group to an apartment owner if reasonably obtainable, and (4) such other insurance as the Board of Administration may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Administration and that the net proceeds thereof shall be payable to the Board of Administration.

Apartment owners should carry insurance for their own benefit insuring their wall coverings, fixtures, furnishings and furniture and other personal property not covered by the Regime insurance provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Administration shall not be affected or diminished by reason of any such additional insurance carried by any apartment owner.

ARTICLE IX

AMENDMENTS

Section 1. BY-LAWS. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, representing at least two-thirds (2/3) of the total value of the Property as shown on the Master Deed .

ARTICLE X

MORTGAGES

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

ARTICLE XI

COMPLIANCE

These By-Laws are intended to comply with the requirements of the

Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed that the provisions of the Statute will control.

IN WITNESS WHEREOF, Property Administrators, Inc,., has caused these Presents to be executed on behalf of Island Club Horizontal Property Regime I on this 10th day of December, 1981.

SIGNED, SEALED and DELIVERED
IN THE PRESENCE OF:

Pamela King

A.R. Grant Morehouse

PROPERTY ADMINISTRATORS, INC.

By: _____ President

Attest: _____ Vice President

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me PAMELA KING who, on oath, says that he saw the within named Property Administrators Inc., by its proper officials, sign, attest, and as its act and deed, deliver the within instrument, and that (s)he with A.R. GRANT MOREHOUSE witnessed the execution thereof.

Pamela King

SWORN TO and subscribed before me this
10 day of December, 1981.

A.R. Grant Morehouse (L.S.)
Notary Public for South Carolina

My Commission Expires: 4/3/87

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STATE OF SOUTH CAROLINA)
) AFFIDAVIT
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, Donald F. Christy of Property Administrators, Inc., who being duly sworn deposes and says that he is the [illegible]strator of Property Administrators, Inc. who are the duly employed [illegible]istrators of Island Club Horizontal Property Regime I; that on [illegible]ut May 5, 1978, the annual meeting of the Co-Owners of Island [illegible]izontal Property Regime I did authorize certain amendments to the [illegible]y-Laws; that subsequently, the amended By-Laws were submitted [illegible] co-owner and were thereby approved by over two-thirds (2/3 [illegible] as owners as required, that said Amended By-Laws have been in effect [illegible] July 1978 and that said Amended By-Laws were not recorded in the [illegible]ce of the Clerk of Court; that said omission of recording was inadvertent and that said By-Laws are submitted herein for recording to correct said omission.

Further, affiant saith not.

Donald F. Christy

SWORN TO and subscribed before me
this 10 day of December, 1981.
S.P. Hand Morehouse (L.S.)
Notary Public for South Carolina
My Commission Expires: 4/3/85

Morehouse

FILED AT 9:30 O'CLOCK
BEAUFORT COUNTY S. C.
DEC 14 1981
RECORDED IN BOOK 338 PAGE 39
A. M.
Nancy H. Leary, Dep.
CLERK OF COURT OF COMMON PLEAS

Section 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of the meeting.

Section 5. MAJORITY VOTE. The vote of a majority of the apartment owners present at a meeting at which a quorum shall be present shall be binding upon all apartment owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III
COUNCIL OF CO-OWNERS

Section 1. COUNCIL RESPONSIBILITIES. The co-owners of the Apartments will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of co-owners.

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

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

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