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**MASTER DEED  
OF SEA CABIN RACQUET CLUB II  
HORIZONTAL PROPERTY REGIME**

BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
540	15		203	

OK

# **MASTER DEED OF SEA CABIN RACQUET CLUB II HORIZONTAL PROPERTY REGIME**

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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

THE MASTER DEED OF 1992 AND BY  
LAWS OF SEA CABIN RACQUET CLUB II  
HORIZONTAL PROPERTY REGIME AND  
DECLARATION OF RIGHTS,  
RESTRICTIONS, AFFIRMATIVE 1358  
OBLIGATIONS AND CONDITIONS

WHEREAS, The Developer, Sea Cabin Corporation, a South Carolina Corporation, was the former owner of certain real property easements, buildings and improvements located in the County of Beaufort, State of South Carolina, which is more particularly described in the Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as "The Property") and,

WHEREAS, Developer submitted The Property to the provisions of the Horizontal Property Act of South Carolina, Title 27, Chapter 31, of the South Carolina Code of Laws, 1976, (hereinafter referred to as "The Act") hereby creating a regime known as the Sea Cabin Racquet Club II Horizontal Property Regime; and

WHEREAS, Developer published a plan for the individual ownership of the several apartments of The Property together with an undivided ownership interest in the general common elements and limited common elements of The Property as defined in the original Master Deed and the declarations thereof constituting covenants, conditions, reservations and restrictions which run with the property and bind and inure to the benefit of the Developer, its successors and assigns and all subsequent owners of any interest in the Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns; and in The Act; and,

WHEREAS, Developer conveyed The Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth; and

WHEREAS, the original Master Deed is recorded in Deed Book 297 at Page 1657 in the Office of what is now known as the Register of Mesne Conveyances for Beaufort County, South Carolina; and

WHEREAS, it is the intention and desire of the Council of Co-Owners of Sea Cabin Racquet Club II Horizontal Property Regime to consolidate into one (1) document all such various covenants, restrictions, rights, past and present amendments and affirmative obligations and conditions, etc., which constitute covenants running with the property described herein; and

WHEREAS, Council of Co-Owners of Sea Cabin Racquet Club II Horizontal Property Regime wish to consolidate, combine, amend and restate the original Master Deed and By Laws and all amendments thereto so that after consolidation, combination, amendment and restatement the covenants will read as hereinafter provided;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: For due and valuable consideration WE, THE COUNCIL OF CO-OWNERS OF SEA CABIN RACQUET CLUB II HORIZONTAL PROPERTY REGIME hereby declare this Master Deed is restated from the original Master Deed and includes all amendments as attached hereto or to be subsequently recorded with the RMC for Beaufort County, South Carolina, and shall be known as "THE MASTER DEED OF 1992".

The Council of Co-Owners of Sea Cabin Racquet Club II Horizontal Property Regime do further agree as follows:

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#### **PREAMBLE**

These covenants shall have precedence over the original covenants and all amendments and additions thereto, and in case of any conflict these covenants shall apply.

#### **ARTICLE I DEFINITIONS**

In addition to the definitions contained in the foregoing documents and the Act, the following terms shall have the following meanings:

**Act, or Horizontal Property Act:** means and refers to The Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976

**Assessment:** means a share of the funds required for the payment of common expenses or capital improvements, expenses, and maintenance, and required reserves which from time to time are assessed to some or all of the Co-Owners.

**Association:** means the Council of Co-Owners of Sea Cabin Racquet Club II Horizontal Property Regime

**Board:** means the Board of Directors

**Bylaws:** means the Bylaws of Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners

**Common Elements:** means and includes all of the Property excluding the Apartments and specifically includes both the general common elements and limited common elements.

**Common Expenses:** means all expenses of the Association shared by the Co-Owners

**Common Surplus:** means the excess of all receipts of the Association over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

**Condominium Unit or Unit:** means an individual apartment

**Co-Owner:** means specifically owning an Apartment in the Regime.

**Mortgagee:** means any institutional or individual lender holding a recorded lien on the Property or any part or parts thereof

**Occupant:** means any person or persons in residence in an Apartment.

**Regime:** means Sea Cabin Racquet Club II Horizontal Property Regime.

**Property:** means and includes that property contained within the Sea Cabin Racquet Club II Horizontal Property Regime and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, reservations, restrictions, rights of way and rights of use as described herein and/or of record.

**ARTICLE II  
PROPERTIES**

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1. Land Description: The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to the conditions described herein is described as follows:

All that tract or parcel of land, situate, lying and being in Beaufort County, South Carolina, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

2. Identification of Units: There are seventy two (72) apartments in the Regime. For the purpose of identification, all apartments in the buildings located in the Regime are identified by number and letter combination. The apartments are designated I1 through I12, J1 through J8, K1 through K12, L1 through L12, M1 through M12, N1 through N8 and O1 through O8.

**ARTICLE III  
OPERATING ENTITY**

The operating entity of the Regime shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by the Master Deed and the By-Laws of the Association, and, in addition, all other powers and duties necessary to operate the Regime; provided, however, that in the event of conflict the provisions of the Act shall control if mandatory; otherwise, the Master Deed shall control. Every Co-Owner whether he has acquired his unit by purchase, gift, devise or other conveyance or transfer, by operation of law or otherwise, shall be bound by this Master Deed, The Act, the By-Laws and any and all Rules and Regulations of the Association.

**ARTICLE IV  
ADMINISTRATION**

1. Board of Directors: The Association shall be governed by a Board of Directors. The Board is responsible for administration of the Regime and the maintenance, repair, replacement and operation of the common elements as herein provided, the enforcement of all rules, regulations, by-laws, and those acts required of the Association by Master Deed and/or by the Act shall be the responsibility of the Association. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed and the By-Laws of the Association.

2. Agreements: The Association through its Board shall be and hereby is authorized to enter into such agreements and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner by buying, acquiring or holding an interest in any unit thereby agrees to be bound by the terms and conditions of all such agreements entered into or to be entered into by the Board on behalf of the Association. A copy of all such agreements shall be made available at the office of the Association for review by each Co-Owner.

**ARTICLE V  
BY-LAWS**

The operation of the Regime shall be governed by the By-Laws of the Association which are attached to this Master Deed, and made a part hereof. No modification of, or amendment to, the By-Laws shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein, but no amendment to said By-Laws shall be adopted which will affect or impair the vitality or priority of any mortgage upon the Property or any portion thereof without written consent of all Mortgagees of record.

**ARTICLE VI  
MEMBERSHIP AND VOTING RIGHTS**

1. Membership: Every Co-Owner is a member of the Association.
2. Voting Rights: For each unit owned, one person (who shall be the Co-Owner if only one person owns the unit) shall be designated and known (and is hereinafter referred to) as the "Voting Member". If a unit is owned by more than one person the Co-Owners of said unit shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the case of a corporate Co-Owner, an officer or employee thereof shall be the Voting Member and the Secretary shall be notified in writing of such designation. The Voting Member so designated shall remain the Voting Member until the Secretary be given written notice of change. The vote of each Voting Member shall not be divisible. By reason of all of the Apartments having an equal value with relation to the property, there shall be appurtenant to each apartment one vote which shall be voted by the Voting Member at all matters to come before the Council of Co-Owners. Each Voting Member shall be entitled to cast his vote at any meeting of the Association. He shall be entitled to attend such meeting or meetings in person to vote or to cast his vote by proxy as is provided in the By-Laws of the Association.

**ARTICLE VII  
PROPERTY RIGHTS**

1. General: Each of the Co-Owners shall own together with his apartment an undivided interest in the common elements and such undivided interest is stated as a percentage of ownership in the said common elements. Fee title to each unit shall include both the apartment and the respective undivided interest in the common elements, said undivided interest of the common elements to be deemed to be conveyed or encumbered as part of each respective unit. Any attempt to separate the fee title to an apartment from the undivided interest in the common elements shall be null and void.
2. Use of Common Elements: The Association and Co-owners thereof, the successors and assigns of each, and all parties who own or may own an interest in and to the common elements and any of them shall have no right to bring any action whatsoever for partition or division of the real property which constitutes the common

element. Rules and Regulations governing the use of the Property, in addition to those specified herein, shall be promulgated by the Board, which may be amended by the Board in the manner herein provided. Each Co-owner by his purchase of a unit and acceptance of delivery of such conveyance shall be bound by all such Rules and Regulations and, further shall be solely responsible for obedience by the Co-Owner, his or her family, guests, invitees, servants or other occupants(s) of the apartment owned by such Co-Owner. Any person actually occupying an apartment may use the general common elements and those limited common elements (if any) reserved for the use of that apartment during the time said occupant is actually in residence in the apartment.

3. Limited Common Elements: If any areas are or shall be reserved for the use of the occupant(s) of certain apartment(s) to the exclusion of others, such are and/or shall be designated as limited common elements. Any expense for maintenance, repair or replacement relating to limited common elements shall be treated as, and paid for as, part of the common expenses unless otherwise specifically provided in this Master Deed and the Exhibits hereto.

4. Parking: Parking spaces are located within the common element parking area. No parking spaces shall be assigned to any particular apartment or apartments nor shall they be numbered unless mutually agreed to by all Co-Owners and their Mortgagees of record (in which case such assigned parking spaces shall be limited common elements); provided, however, in any case, the occupant of each apartment shall be entitled to the use of at least one parking space and such other additional parking spaces as determined by the Association.

## ARTICLE VIII ASSESSMENTS

1. Purpose: The Association through its Board shall have the power to fix and to provide for the common expenses of the Regime and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement to the common elements (both general and limited) of the Property. The Board will have the power to fix and determine from time to time, the sum or sums necessary and adequate to provide for a general operating reserve, a reserve fund for replacements, a reserve fund for insurancedeductible (if appropriate) and such other expenses as are provided for herein, or deemed necessary and appropriate expenses of the Regime. The procedure for the determination of sums necessary and assessments upon Co-Owners and the method of collection of the same shall be as set forth in the By-Laws, as provided here and in the Exhibits hereto and in the Act.

2. Amount of Assessments: The common expenses of the Regime including the obligation of each Co-Owner under any agreements entered into by the Association shall be shared by the Co-Owners. Each Co-Owner (one apartment) shall be responsible for sharing 1/72 nd of the common expenses and assessments which ratio shall remain regardless of any increase or decrease in the purchase price of a unit, its location, or the building square footage included in the apartment of such unit.

3. Due Dates: A Co-Owner shall become liable for the payment of assessments upon issuance of a statement of assessment by the Board. Regular assessments shall be due and payable on the first day of each month and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board;



provided, however, that on or about December 1 of the preceding year the amount of regular monthly assessments (common expenses) due from each Co-Owner for each month of that year shall be mailed by the Board to each Co-Owner and provided further that a notice of any increase or decrease in regular monthly assessments (common expenses) shall likewise be mailed or delivered to each and every Co-Owner by the Board no later than thirty days prior to the time the first regular monthly assessment so changed shall be due.

4. Late Payment: Assessments and installments that are unpaid for over ten days after due date shall bear interest at the maximum legal rate per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge not to exceed \$5.00 or the legal maximum, which ever is less, shall also be due and payable to defray the expense of late collection.

5. Delinquent Payment: Should a Co-Owner fail to pay an assessment as required under the terms of this Master Deed for the period of time as specified herein and the same becomes delinquent, the Association may deny the Co-Owner and/or any occupant(s) of that Co-Owner's apartment occupancy of that apartment, and/or the use and enjoyment of the common elements until such time as all assessments are paid. Should such rights of use and/or occupancy be suspended, there shall be no reduction in the assessments due and payable to Co-Owner.

6. Lien Rights: The Association and its Board shall have a lien on each apartment together with the common elements appurtenant thereto in the amount of each assessment not paid when due, which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorney's fees incurred by the Board incident to the collection of such assessments or the enforcement of such lien together with all sums advanced and paid by the Association for taxes and payments on account of a superior mortgage lien or encumbrance which may be required to be advanced by the Association to preserve and protect its lien shall be payable by the delinquent Co-Owner and secured by such lien. The Board may take such action as it deems necessary to collect assessments and further may settle and/or compromise the same if deemed in its best interest. No mortgagee of any mortgage of record or other purchaser of an apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the common expenses or assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer, except to such extent and in such circumstances as is provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner. The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid assessments to any lien owner, Co-Owner or group of Co-Owners or to any third party. Each mortgagee of record shall be provided, if it is so requested, with the annual estimated budget of the Regime and any financial statements of the Regime and/or the Association.

7. Co-Owner Special Assessment: All maintenance, repair and replacement in general and/or limited to any common elements or any part(s) thereof made necessary by the negligence or misuse of any occupant(s) of any apartment(s) shall be at the sole expense of the Co-Owner(s) of such apartment(s) and the Association shall have the right to levy an assessment against such Co-Owner(s) for same which assessment shall be of the same force and effect as all other assessments.

8. Common Surplus: Any common surplus of the Association shall be owned by each of the Co-owners in the same portion as their percentage ownership in the common elements.

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9. Exemption: No Co-Owner may exempt himself from liability for his contribution toward the common expenses or other assessments duly made by the Association and/or the Board by waiver of the use or enjoyment of any of the common elements or the recreational facilities of the Regime or by abandonment of his apartment.

#### ARTICLE IX USE AND OCCUPANCY

1. Use: The Co-Owner of each apartment shall occupy and use his apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests, or designees and for no other purposes.
2. Rental: Nothing herein contained shall prevent any Co-Owner from renting or leasing his apartment to third parties; provided, however, such apartment shall, if so leased or rented, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed and its Exhibits, the Act and Rules and Regulations promulgated by the Association.
3. Commercial Use: No commercial or business activity shall be carried out in any apartment or other part of the Property.
4. Rules and Regulations:
  - a. Guests: Guests and invitees of an occupant of an apartment and/or the Co-Owner of the apartment himself (if there is another occupant at that time) may only be permitted to use the common elements, if at all, with the express permission of the Association and subject to such terms and conditions as the Association may determine at its sole discretion, including the payment of additional compensation therefor, it being understood and agreed that said common elements are primarily designed for the use and enjoyment of the occupants of the apartments and that use by others may be required to be limited or not permitted at all during certain times of day and/or certain weeks or months of the year and the Association shall determine the foregoing in its sole discretion including the manner and method in which the common elements are to be used and under what circumstances.
  - b. Children: All occupant's children and children of guests or invitees who are under such age as determined by the Board must be accompanied by an adult to such portions of the common elements as the Board determines.
  - c. Annoyance: No Co-Owner shall permit or suffer anything to be done or keep in or about his apartment or upon the common elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-owner permit or commit any nuisance or illegal act in or about the Property.
  - d. Noise: Occupants of units shall use extreme care about making noises or the use of musical instruments, radios, television and/or amplifiers that may disturb other occupants, and in the event so notified by the Board or its duly authorized agent, such occupant shall immediately cease and desist such activity.

e. Hanging Items: It is prohibited to hang garments, rugs, etc., from windows or from any of the sides or from any of the buildings or parts thereof. It is prohibited to dust rugs, etc., from the windows or to clean rugs, etc., by beating on the exterior part of any of the buildings.

f. Trash: It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

g. Pets: No animals or pets of any kind shall be kept in any apartment or on any property of the Regime except with written consent of and subject to the Rules and Regulations adopted by the Board; provided, however, that such shall not in any case be kept, bred or maintained for any commercial purposes, and provided further that upon allowing any animals or pets of any kind to be kept, any such causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Property by the Board upon three (3) days written notice to the owner thereof, however, once permission to allow a pet to be kept in any apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

h. Appurtenances: No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the apartments or upon the general or limited common elements nor shall he cause any type of plants, shrubbery, flower, vine or grass outside an apartment nor shall he cause awning or storm shutters, screens, enclosures, and the like to be affixed or attached to any apartment, limited or general common elements; nor shall he place any furniture, equipment or objects outside an apartment except with the written consent of the Board. No clothesline or similar device shall be allowed on any portion of the Property nor shall clothes be hung anywhere except where designated by the Board. Co-owners may not screen or enclose any exterior deck and/or balcony which abuts his apartment with any type of material without the prior written consent of the Board. No electrical wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building is permitted except as authorized by the Board.

i. Signs: There shall be no signs, advertisements or notices of any type on the common elements, apartments or buildings except as consented to by the Board.

j. Antennas: There shall be erected no exterior antennae or arials except as consented to by the Board.

k. Other: No person shall use the common elements or any part(s) thereof or an apartment or any part of the Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertaining thereto as any from time to time promulgated by the Board.

##### 5. Disciplinary Action:

a. Co-Owner: The Association shall have the right in its sole discretion to suspend any Co-Owner and/or occupant of that Co-Owner's apartment from the use of the common elements for a period not to exceed thirty (30) days for any violation of the provisions hereto and/or said Rules and Regulations pertaining to the common elements. Should such rights of use and/or occupancy be suspended, there shall be no reduction in the assessments due and payable to Co-Owner. Such remedy is not exclusive.

b. Renter: A renter or lessee may be removed from the Property and/or refused further entrance by the Board or its designee for non-compliance, the Co-Owner of that apartment shall be liable for all damages caused by his lessee or renter which shall be a lien upon his apartment the same as the lien for unpaid common expenses.

#### ARTICLE X ARCHITECTURAL CONTROL

To preserve the original architectural appearance of the Regime, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any building, other structure, and/or common area and all other additions as are herein specified shall be architecturally compatible with existing structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted and approved in writing as to the harmony of exterior design, color and location in relation to the surrounding structures by the Board (or its designee). Failure of the Board (or its designee) to approve or disapprove such plans and specifications within sixty days after their being submitted in writing shall constitute approval.

#### ARTICLE XI MAINTENANCE AND ALTERATIONS

##### 1. Association Maintenance:

a. Common Elements: The Association shall be responsible for the maintenance and repair and replacement of the common elements and all portions of the Property not required to be maintained and/or repaired and/or replaced by individual Co-owners. The Association through its Board may enter into agreements with such firm(s), person(s), or company(ies), or may join with other horizontal property regimes and/or entities as it may determine from time to time to provide for the maintenance and/or repair of the Property and any properties belonging to the Regime.

b. Management: The Board may, on behalf on the Association, contract for or join with other councils of Co-Owners in contracting for the maintenance and management of the Regime and may delegate to such contractor or manager all of the power, rights and duties of the Association and its Board except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board and/or of the Association. Nothing herein contained shall prevent the Association through the Board from entering into such management agreement(s) and from assigning some or all of its powers and/or rights and/or duties granted and/or imposed herein and the Act to a management firm for such period(s) as may be agreed pursuant to such an agreement.

c. Co-Owner Unit: Notwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his apartment, the Association through its Board may enter into agreements with any such firm(s), person(s), or company(ies), as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board deems advisable and for such periods of time and on such basis as it determines.

d. Equipment Leases: The Board may lease equipment (such as individual television sets for the apartments) and services (such as MATV or Cable TV Service) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Co-Owners and the monthly assessment due from each Co-Owner for common expenses shall be increased by such sum as the Board deems fair and equitable under the circumstances in relation to the monthly charge for said equipment, maintenance, or services. Each Co-Owner shall be deemed a party to such agreement with the same force and effect as though said co-Owner has executed said agreement. It is understood and agreed that the Association through its Board shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article VIII of this Master Deed.

2. Alterations and Additions:

a. Common Elements: There shall be no alteration or additions to the common elements or any part(s) thereof except as authorized by the Board and approved by not less than 75% of the total vote of the Co-Owners of the Regime provided the aforesaid alterations or additions do not prejudice the rights of any Co-owner and his Mortgagee of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as common expenses.

b. Co-Owner Benefit: Where alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the particular Co-owners(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Co-Owners(s) exclusively or substantially exclusively benefitting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board taking into account the benefit of each and the relative value of each such apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially exclusively benefit Co-Owners(s) requesting same, said alterations or additions shall only be made when authorized by the Board and approved by not less than 75% of the total vote of the Co-Owners exclusively or substantially exclusively benefitting therefrom, and where said Co-Owners are 10 or less, the approval of all but 1 shall be required.

c. Mortgagee Approval: Where the approval of Co-Owners for alterations or additions to the common elements of this Regime is required, the approval of Mortgagees whose mortgages encumber units in this Regime representing not less than 90% of the total unpaid dollar indebtedness as to principal on said units at said time shall also be required.

3. Co-Owner Maintenance: Each Co-Owner is hereby required:

a. Maintenance: To maintain in good condition and repair his apartment and all interior surfaces within his apartment and the entire interior of his apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, where applicable: Air conditioning and heating units, including condensers and all appurtenances thereto wherever situated, hot water heaters, refrigerators, ranges and ovens and all other appliances, drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the apartment, electric panels, electrical outlets and fixtures within the apartment, interior doors, windows, screens, and glass; all exterior doors, (except the painting of the exterior of an exterior door shall be a common expense of the Regime) and pay for his telephone service. Water, sewage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the common expenses if billed to the Regime; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-owner shall pay said bill for his apartment individually. If electricity for the apartments and all other purposes for the Regime is metered to the Regime as a whole, rather than to individual apartments, such shall be a common expense and therefore each Co-Owner of an apartment will pay an equal share of the same without regard to the amount of actual use of electricity in his apartment. Where an apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of the said apartment. Each Co-Owner shall maintain, care for and preserve those portions of the limited common elements (if any) exclusively for his use or exclusively for his use together with certain other Co-Owners as provided in Article VII.3 hereof. Where there is a light fixture or fixtures attached to the exterior wall or walls of the apartment, the Co-Owner thereof shall replace same by the same color and bulb wattage at his cost and expense unless the Board decides to replace same as a common expense of the Regime.

b. Alterations: Not to make or cause to be made any structural addition or alteration to his apartment or to the common elements or any part(s) thereof. Alterations within an apartment may be made with prior written consent of the Board and any Mortgagee holding a mortgage upon such apartment as could be affected by such alteration. Upon approval of such alteration, the Board shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board. Further, such Co-Owner shall be liable for all damages to any other apartment(s), common element(s) or any property caused by the Co-Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

c. Unit Access: To allow the Board or its representative or agent or employee to enter into his apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the apartment and/or common elements or to determine in the case of emergency, circumstances threatening the apartment and/or common elements, or to determine compliance with the provisions of this Master Deed and/or any By-Law or Rule or Regulations of the Association.

4. Compliance Enforcement: In the event that a Co-Owner fails to maintain his apartment and all parts thereof as required or makes any alterations or additions without the required consent or otherwise violates the provisions hereof, the Board on behalf of the Association shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules and Regulations. In lieu thereof and in addition thereto, the Board shall have the right to levy an assessment against such Co-Owner and/or his unit for such sums necessary to remove any unauthorized additions or alterations and/or restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board shall have the right to have its employees or agents, or sub-contractors appointed by it enter an apartment at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions hereof.

5. Exterior Painting: The Board shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the common elements and shall be responsible for the maintenance thereof and no Co-Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon or affix anything thereto without the written consent of the Board.

## ARTICLE XII INSURANCE

1. Requirement: The Board of the Association shall obtain insurance upon the Property, all premiums of which shall be included as part of the common expenses. In the event such insurance provides for, requires or contains a deductible, the Association shall assess the Co-Owners to provide reserves sufficient to cover all such deductibles.

2. Mortgagee Rights:

a. Approval: First Mortgagees owning and holding mortgages encumbering units in the Regime shall have the right to approve such insurance policy or policies, reserves sufficient to cover deductible(s) (if appropriate) and the company or companies insuring upon such insurance coverage and the amount thereof.

b. Claims: The proceeds of such insurance and deductible reserves (if appropriate) shall be applied to reconstruct the improvements; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property. In such event, proceeds shall be divided as provided in the Act unless otherwise unanimously agreed upon by the Co-Owners and all mortgagees upon the Property or any portion thereof, of record. In the event of such pro-rata division, the Mortgagees of record shall have first claim upon such insurance proceeds and deductible reserves (if any) delivered to each co-owner of a Unit upon which such Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

3. Insufficiency: If the property is not insured, or there are insufficient deductible reserves and/or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Co-Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of apartments so directly affected. Failure or refusal of payment of any of the Co-Owners so affected shall become a lien upon his unit in such amount and may be enforced in the manner provided for collection of unpaid assessments.

4. Co-Owner Insurance: Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of such Co-Owner and/or his mortgagee(s) from insuring his apartment on his account and for the benefit of himself and/or his mortgagee(s).

5. Reconstruction: Any repair and/or restoration must be substantially in accordance with the plans and specifications for the original buildings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board and all Mortgagees of record, which approval shall not be unreasonably withheld.

6. Power to Compromise Claim: The Board is hereby irrevocably appointed agent for each Co-Owner for the purpose of compromising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefore upon the payment of claims.

7. Mortgagees' Right to Advance Premiums: Should the Association fail to pay insurance premiums when due or should the Association fail to comply with other insurance requirements required herein or by the Act or imposed by Mortgagees having the right to impose the same, said Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said Mortgagee(s) shall be subrogated to the assessment and lien rights of the Association and its Board as against the individual Co-Owners for the payment of such as an item of common expense.

8. Other insurance: The Board of the Association is authorized to purchase such additional insurance and for such additional purposes, including, if required by law or deemed advisable by it, workmens compensation insurance, to carry out its purpose and/or to protect the Regime, its common elements, apartments, the Co-owners, thereof and their Mortgagees.

9. Authorized Companies: Any and all insurance coverage(s) obtained by the Association pursuant to this Article must be obtained from insurance companies authorized to do business in the State of South Carolina and having an Alfred M. Best Financial Rating of at least "A", which companies shall be affirmatively presumed to be good and responsible companies and the Board, the Association and First Mortgagees shall not be responsible for the quality of financial responsibility of the insurance company(ies) provided same are so rated and are licensed and approved to do business and provide such coverage in the State of South Carolina.



ARTICLE XIII  
MISCELLANEOUS PROVISIONS

1371

1. Unit Ownership Description: The Co-Owners of the respective apartments shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective apartments nor shall any Co-Owner be deemed to own pipes, wires, conduits, or other public utility lines running through said respective apartments which are utilized for or serve more than one apartment, which items are hereby made a part of the common elements. Each Co-Owner shall, however, be deemed to own the walls and partitions which are contained in said Co-owner's apartment and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors, and ceiling including plaster, paint, wallpaper, etc.; however, all load-bearing walls and, where applicable, the floor between the first or ground floor and second floor and/or the floor between the second floor and third floor located within an apartment are part of the common elements to the unfinished surface of said walls and/or floors.

2. Encroachment: Each Co-Owner, by acceptance of title to his apartment, does agree thereby that if any portion of an apartment encroaches upon any portions of the common elements or another apartment or any part of the common elements encroaches upon any apartment, that there shall and does exist a valid easement for such encroachment and for maintenance of the same so long as it stands. In the event a building or buildings or other improvements or an apartment or apartments within a building are partially or totally destroyed and then rebuilt, the Co-Owners of the apartments so affected agree that encroachments on parts of the common elements or apartments as aforescribed due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

3. Taxes:

a. Unit: The Co-Owner of each and every apartment shall pay for his unit the ad valorem taxes that accrue annually to the unit. Payment of the ad valorem taxes shall be in accordance with the laws of the State of South Carolina and in the time frame allowed by the notice of the tax being due. Payment shall be made to the tax assessor for Beaufort County, or to such future legally authorized governmental officer or other authority having jurisdiction over the same. In the event that there is a deviation by the taxing authorities from the valuation of the units, each Co-Owner shall pay the ad valorem taxes or special assessments accruing to his unit and there shall be no contribution or adjustment from any other Co-Owner.

b. Common Elements: For the purposes of ad valorem taxation, the interest of the Co-Owner of a unit in his apartment and common elements appurtenant thereto shall be considered a unit. The value of said unit shall be equal to the percentage of the value of the entire Regime as then constituted, including land and improvements, as has been assigned to said unit and as set forth in this Master Deed. The total of all said percentages equals 100 percent of the value of all the land and improvements as it shall then be constituted.

4. Easements: The Association and the Co-Owners thereof, its successors, assignees and designees, are granted an easement over, through and across the paved areas of the common elements and are further granted a pedestrian easement over and across the common elements of the Regime upon such paths and

ways as are suitable for pedestrian traffic. No right shall ever accrue to the public from the above described easements (other than those present easements of right-of-way already recorded) and said easements shall endure for as long as the Regime shall endure and shall terminate upon termination of the Regime.

5. Property Acquisition: The Association when authorized by a vote of the majority of the total voting members of the Association and the Mortgagees of record encumbering units who represent the majority of the dollar mortgaged indebtedness against this Regime, may, together with other Associations and/or others, purchase and/or acquire and enter into agreements from time to time, to acquire leaseholds, memberships, and other possessory or use interests in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas, and other recreational facilities, whether or not contiguous to lands of the Regime, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Co-Owners. The expenses of such ownership, rental, membership fees, operations, replacement and other undertakings in connection therewith shall be common expenses together with all other expenses and costs herein or by law defined as common expense. The provisions of this paragraph are paramount to and superior to the other parts of this Master Deed as to matters set forth in this paragraph.

6. First Mortgagee: Where a Mortgagee by some circumstance fails to be a first mortgagee but it is evident was intended to be a first mortgagee, it shall nevertheless for the purposes of this Master Deed and the Exhibits hereto be deemed to be a First Mortgagee of record.

7. Mortgagee Rights: Notwithstanding any other provisions hereof, any Mortgagee shall:

- a. Upon request, be permitted to inspect the books and records of the Association, during normal business hours;
- b. Receive a copy of any audit performed for the Association;
- c. Upon request, receive written notice of all meetings of the Association, and be permitted to designate a representative to attend and observe all such meetings;
- d. Receive written notification from the Association of any default by any of its Mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

8. Government Rights: The real property submitted to a horizontal property regime herewith and to be submitted, is subject to conditions, limitations, restrictions, reservations and all matters of record, the rights of the United States of America, the State of South Carolina, and any governmental authority or agency as to any submerged lands and as to any lands being below the natural high water line of the surrounding bodies of water, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility services and drains now existing or hereafter granted and thereafter the Association shall be empowered to grant the foregoing easements. The consent and approval of the individual Co-Owners and their Mortgagees shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the buildings and improvements upon the Property and not unreasonably interfering with the enjoyment of the Property by the Co-owners nor adversely affecting the security of any Mortgagee without its written consent.

9. Duration: All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every apartment and the appurtenances thereto and every Co-Owner and/or occupant of the

Property or any part thereof or owning any interest therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same, and the Act. 1373

10. Notices: Whenever notices are required to be sent hereunder, the same may be delivered to each Co-owner either personally or by mail addressed to such co-owner at his place of residence in the Regime unless the Co-owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board) shall be delivered by mail to the Secretary of the Association at the Secretary's address within the Regime, or in the case of the Secretary's absence, then to the President of the Association at his address in the Regime; provided, however, that the Association may specify a different address by written notice delivered to all Co-Owners, Mortgagees of record, and any third party affected thereby. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Master Deed. Notices required to be given the personal representative of a deceased Co-Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Co-owner is being administered.

11. Enforcement: The remedy for non-compliance provided in Section 27-31-170 of the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed and/or the Exhibits attached hereto, upon finding by the court that the violation claimed was willful or deliberate, the Co-Owner so violating shall reimburse the Association for reasonable attorney's fees incurred in prosecuting such action.

12. Severability: If any term, covenant, provisions, phrase or other element of this Master Deed or the Exhibits hereto or the Act or any section, clause, phrase, work or the application thereof in any circumstances is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or impair in any manner whatsoever any other term, provision, covenant or element of this Master Deed, Exhibits and the Act.

13. Interpretation: Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Master Deed shall be literally construed to effectuate its purposes of creating a uniform plan for the operation and development of a horizontal property regime. Any caption used in this Master Deed and the Exhibits attached hereto is inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect of meaning of the text of this Master Deed or Exhibits hereto annexed.

**ARTICLE XIV  
AMENDMENTS**

1374

1. Approval: This Declaration may be amended at the regular or any special meeting of the Co-Owners of the Regime, called and convened in accordance with the By-Laws upon the affirmative vote of Voting Members casting not less than two-thirds of the total vote of the Voting Members of the Association; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Regime without the written agreement of all of the Co-Owners of Regime and all Mortgagees holding mortgages of record upon the Regime or any portion thereof, as provided in the Act.

2. Restrictions: All amendments hereto shall be recorded and certified as required by The Act. No amendment(s) shall change any apartment, any unit or the proportionate share of the common expenses or common surplus attributable to each unit, nor the voting rights to any unit unless all Co-Owners of the Regime and all Mortgagees holding any mortgage or other lien upon the Property or any part thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and priorities of any Mortgagee or change the provisions of this Master Deed with respect to Mortgagees and any right of protection, direct or indirect afforded Mortgagees (whether expressly mentioned or not), without the written approval of all Mortgagees of record.

**ARTICLE XV  
DISSOLUTION AND TERMINATION**

This Regime may be voluntarily terminated at any time upon the terms and conditions and in the manner set forth and described in the Act; provided, however, that unless otherwise required by law or in the Act, before the Regime may be terminated, all Mortgagees of record of any apartment or any other part of the Property of the Regime must agree in writing to accept such termination and to accept as security the undivided portion of the Property owned by the debtor(s) of each. In the event of such termination, the Co-Owners shall become tenant in common in the real property and improvements constituting the apartments and common elements. The ownership of each Co-owner upon such termination as tenant in common shall be the same percentage as his percentage ownership in the common elements at that time. The termination of the Regime automatically dissolves the Association.

**ARTICLE XVI  
ACCEPTANCE**

The Association by its execution of this Master Deed approves the provision hereof and all covenants, terms, conditions, duties and obligations hereof and exhibits hereto and the Act. Each Co-Owner by virtue of acceptance of a Deed of Conveyance of an apartment and/or any portion of or interest in the common elements and other parties by virtue of their occupancy of apartments or use of the common elements, hereby approve the foregoing and do agree to be bound by all terms, conditions, duties and obligations contained herein and in Exhibits hereto and the Act.

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THIS MASTER DEED is hereby adopted, accepted and fully ratified as THE MASTER DEED OF THE SEA  
CABIN RACQUET CLUB II HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS,  
this 28 day of SEPTEMBER, 1992

WITNESSES:

SEA CABIN RACQUET CLUB II HORIZONTAL  
PROPERTY REGIME COUNCIL OF CO-OWNERS

Christine McMahon

BY: [Signature]  
PRESIDENT: J Kinzer

[Signature]

BY: [Signature]  
SECRETARY: M Koch

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the  
within named Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners, by and through  
its duly authorized agent, execute the within written Master Deed of the Sea Cabin Racquet Club II Horizontal  
Property Regime, and that (s)he with the other witness whose signature appears above, witnessed the  
execution thereof.

Christine McMahon

SWORN to and subscribed before  
me this 28<sup>th</sup> day of September, 1992

[Signature]  
NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 3-23-99

EXHIBIT A  
DESCRIPTION OF PROPERTY

1376

All those certain pieces, parcels or tracts of land, together with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, and being shown and described and designated Parcels A and B on a plat prepared by Civil Engineering of Columbia dated February 23, 1979, and plot plans of Comprehensive Architects, said tract being described as follows and consisting of Parcel A (containing 1.78 acres), Parcel B, (containing 1.27 acres) and a non-exclusive easement for ingress and egress over and upon Parcel C, being particularly as shown on said plot plan; said real property being shown upon said plat and plot plan as having the following metes and bounds, to-wit:

PARCEL A. Beginning at the southernmost corner of the 1.78 acre parcel, designated Parcel A, at an iron pipe and proceeding north 35° 38' west for a distance of 314.82' to an iron pipe; thence turning and running north 54° 22' east for a distance of 245.61' to an iron pipe; thence turning and running south 35° 39' east for a distance of 315.00' to an iron pipe; thence turning and running south 54° 22' west for a distance of 245.68' to an iron pipe at the point of commencement.

AND ALSO

PARCEL B. Beginning at the southernmost point of Parcel B as designated on the said plat and plot plan containing approximately 1.27 acres and proceeding north 35° 39' west for a distance of 300.00' to an iron pipe; thence turning and running north 54° 21' east for a distance of 184.90' to an iron pipe; thence turning and running south 35° 39' east for a distance of 299.98' to an iron pipe; thence turning and running south 54° 20' west for a distance of 184.85' to the iron pipe at the point of beginning.

AND ALSO

TOGETHER with a non-exclusive easement of right-of-way for ingress and egress at all times and for all purposes in common with all others having a like right, title or interest into, over, across and upon Parcel C, as shown on said plat and plot plan, which is appurtenant to and run with the title to Parcels A and B as shown on said plat and plot plan.

Being portions of properties conveyed to Sea Cabin Corporation, by deed of Sea Pines Plantation Company which is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 244 at Page 1887, and by deed of Harold D. Depkin recorded in said Office in Deed Book 281 at Page 1137.

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**BY-LAWS  
OF SEA CABIN RACQUET CLUB II  
HORIZONTAL PROPERTY REGIME**

**BY-LAWS OF SEA CABIN RACQUET CLUB II  
HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS**

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**BY-LAWS OF SEA CABIN RACQUET CLUB II HORIZONTAL  
PROPERTY REGIME COUNCIL OF CO-OWNERS**

1380

**ARTICLE I  
NAME**

The name of this Association shall be the Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners dba Cordillo Courts II.

**ARTICLE II  
DEFINITIONS**

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Master Deed and/or in the Act.

**ARTICLE III  
MEMBERSHIP**

1. Member: Requirements for membership in the Association are stated in the Master Deed.
2. Voting Rights: Voting rights in the Association are stated in Article VI.2 of the Master Deed.
3. Verification: The Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person known as Co-Owner of an Apartment in its records until notified of such transfer by delivery of written notice thereof to the Secretary of the Association.

**ARTICLE IV  
BOARD OF DIRECTORS: GENERAL**

1. Board of Directors: The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of seven (7) members; provided, however, if there be fewer Co-Owners than seven, the number of Directors shall be equal to the number of Co-owners. All shall serve without compensation.
2. Director Qualification: Each Board Member must be a Co-owner (or the Voting Member for a corporate Co-owner) and in good standing, current in payment of all fees, assessments and common expenses.
3. Election of Directors: Directors shall be elected for a term of two years, and shall be elected at the regular annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary to fill the expired terms. Each Voting Member shall vote for as many board Members as there are vacancies on the Board; provided, however, there shall be no cumulative voting. The candidates receiving the most votes shall be declared elected as members of the board to fill the Board positions vacant at that time. Board members shall serve until their successors are qualified and elected.

4. Disqualification: Any Director who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or assessment (as defined in the Master Deed and/or in The Act) shall automatically cease to be a member of the Board. 1381

5. Vacancy: In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.

#### ARTICLE V BOARD OF DIRECTORS: POWERS AND DUTIES

1. Authority and Responsibility: Consistent with these By-Laws, the Board shall:

- a. Transact all business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.
- b. Fix, impose and remit penalties for violations of these By-laws and Rules and Regulations of the Association.
- c. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

2. Budget Preparation: The Board shall annually on or before the November 30 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime.

3. Annual Assessment: The Board shall on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Association.

4. Assessment Change: Thereafter, should any increase or decrease be determined appropriate by the Board in assessments to be paid by Co-Owners, the Board shall notify all Co-Owners affected at least thirty days prior to the time such assessment changed shall be due.

5. Enforcement: The Association through its Board shall suspend any Co-Owner not paying assessments when due and such Co-Owner and any lessee, guest or invitee or other person planning to occupy that Co-Owner's Apartment by reason of permission of that Co-Owner or use the facilities of the Regime shall be refused entrance into the Regime and use of the facilities thereof until all assessments and penalties to which such Co-Owner is subject have been paid.

6. Lien Rights: The Board shall exercise lien rights as provided for in the Master Deed for delinquent assessments and charges. Upon payment of such said assessments and charges or other satisfaction thereof, if a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of and release of said lien.

7. Lien Foreclosure: The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or duly authorized agent may also pursue any other remedy against any Co-Owner owing money to it which is available to it by law or in equity for the collection of debt.

#### ARTICLE VI BOARD OF DIRECTORS: MEETINGS

1. Meetings: There shall be at least one regular meeting of the Board quarterly at time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.

2. Meeting Notice: Notice of regular and any special meetings of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-laws.

3. Quorum: A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Master Deed, its Exhibits and/or The Act. Absentee voting is permitted provided such Director registers his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

4. Action by Written Consent: Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

#### ARTICLE VII OFFICERS

1. Offices: There shall be four principal officers, all of whom shall serve without remuneration, a President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and assistant secretaries and such other officers as in their judgement may be necessary. No two offices may be held by the same person.

2. Election of Officers: The officers shall be elected annually by the Board immediately following the annual meeting of the Association and shall serve for the twelve month period next succeeding. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall be qualified and duly elected.

3. President: The President shall be the principal executive officer, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and restrictions as the Board shall determine.

4. Vice President: The Vice-President shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President.

5. Secretary: The Secretary shall record the minutes of the Meetings of the Board and meetings of the Association and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

6. Treasurer: The Treasurer shall keep the funds of the Association and shall disburse them to meet the ordinary and usual expenses of the Association and for other purposes upon order of the Board after such disbursement order has been entered in the minutes of the Board at a duly constituted meeting; maintain adequate reserves as may be necessary, desirable or required; and shall have such other duties as may be assigned. The Treasurer shall render a financial report at each regular meeting of the Board and at the Annual meeting of the Association. The Treasurer shall be bonded at the expense of the Association.

7. Additional Officers: If required by the Board, the assistant treasurers, if any, shall also be bonded at the expense of the Association. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, or by the President.

8. Removal: Any officer elected or appointed by the Board may be removed by the Board upon a two-thirds majority vote whenever in the Board's judgment the best interests of the Association will be served thereby.

9. Vacancy: In the event of a vacancy in any one of these offices during the year, because of death, resignation, removal, disqualification or otherwise, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term.

#### ARTICLE VIII MEETINGS OF THE ASSOCIATION

1. Annual Meeting: There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Co-Owners by mail at least twenty days prior to the date of the meeting.

2. Special Meetings: Special meetings of the Association may be called by the Board. Special meetings of the Association may be called by the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting. Also, upon request of Voting Members totalling 50 percent of the total votes in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary for the Association to be held within forty days thereafter.

3. Quorum: Voting Members holding fifty-one percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an annual meeting of the membership, a special Board meeting may be called by the President or Secretary and by action of two-thirds of the entire membership of the Board a quorum may be declared provided there are Voting Members holding at least twenty-five percent of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of Voting Members be present.

4. Action by Written Consent: Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Voting members holding not less than two-thirds of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or The Act.

5. Notices: When notice to Co-owners is required, the mailing of such notice to the last known address of the Co-owner in the Association's records shall constitute notice.

## ARTICLE IX VOTING

1. Voting Member: The voting member shall be as defined in the Master Deed, Article VI.2.

2. Majority Vote: As used in these By-Laws, the term Majority of Co-Owners shall mean those Co-Owners who are Voting Members holding 51 percent of the total vote of all the Co-Owners of the Regime and thereby represent 51 percent of the basic value of the Property as a whole. Unless otherwise required herein, in the Master Deed or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Regime.

3. Quorum: Except as otherwise provided or required in these By-Laws, the Master Deed or The Act, present in person or by proxy of a Majority of Co-Owners as is defined above shall be required to constitute a quorum.

4. Proxy Vote: Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board and must be filed with the Secretary prior to the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

5. Membership: Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's Apartment or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

**ARTICLE X  
RULES AND REGULATIONS**

1385

The Board shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any apartments, common areas or facilities contained within the Regime, subject, however, to such restrictions as contained in the Master Deed, its Exhibits and The Act. Such Rules and Regulations shall be binding upon and enforceable upon all Co-Owners, , their families, guests, invitees, and/or lessees, and all occupants of apartments. The Board of Directors may impose a system of monetary fines for violations of the Rules and Regulations but not before notifying the Co-Owners with respect to the amount of and procedure for applying fines.

**ARTICLE XI  
CONTRACTS, CHECKS, DEPOSITS, AGREEMENTS AND FUNDS**

1. Board Authority: The Board may authorize any officer(s), or agent(s) of the Association to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Association and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.
2. Signature Authority: All checks, drafts or orders for the payment of notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).
3. Funds Deposit: All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, trust companies or other depository as the Board may select.
4. Gifts: The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

**ARTICLE XII  
MEMBERSHIP SUSPENSION**

Any Co-Owner failing to pay assessments when due may have his membership in the Corporation and his use of his Apartment and the facilities of the Regime suspended by the Board. Any Co-owner thus suspended shall immediately be notified in writing by the Secretary.

**ARTICLE XIII  
BOOKS AND RECORDS**

1386

The Association and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Association, of the board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are voting Members. All books and records of the Association may be inspected by any Co-Owner or his agent or attorney for any purpose at any reasonable time during normal business hours upon giving of one business day's notice.

**ARTICLE XIV  
MISCELLANEOUS**

1. Directors and Officers Insurance: Each person elected and qualified as Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matters as to which he is adjudged to be liable for gross negligence or willful misconduct. In said latter matters, such Officer or Director will indemnify the Association for any sum(s) paid in settlement of any action, suit or proceeding based upon gross negligence or willful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer has been succeeded in office by someone else. Such payment by the Association shall be included as a part of the common expenses.
2. Interpretation: Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.
3. Conduct of Meetings: Roberts' Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed or The Act in which case these By-Laws, the Master Deed and/or The Act shall control.

**ARTICLE XV  
OFFICES**

The principal office shall be located in Hilton Head Island, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The principal office of the Association and the address may be changed from time to time by the Board of Directors.



**ARTICLE XVI**

1387

**PURPOSE**

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of the Regime and to manage and control the Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of the Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Regime Association in the Master Deed of Sea Cabin Racquet Club II Horizontal Property Regime (hereinafter called the Master Deed), in the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called The Act) and in these By-Laws.

**ARTICLE XVII**

**CONTROLLING AUTHORITIES**

These By-Laws are set forth to comply with the requirement of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976. In case any of these By-Laws conflict with the provisions of The Act, the provisions of The Act shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control. In the event of conflict between the provisions of the Master Deed and The act, The Act shall control, unless variance to The Act is permitted, in which case the Master Deed shall control.

**ARTICLE XIII**

**AMENDMENTS**

These By-Laws may be amended by a vote of two-thirds of the Voting Members total vote of the Regime, unless some other or greater vote is required herein.

1388

THESE BY-LAWS are hereby adopted, accepted and fully ratified as THE BY-LAWS OF THE SEA CABIN  
RACQUET CLUB II HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, this 28 day of \_\_\_\_\_  
SEPTEMBER, 1992.

WITNESSES:  
CLUB II HORIZONTAL

SEA CABIN RACQUET

PROPERTY REGIME

COUNCIL OF CO-OWNERS

Christine McMahon

BY: [Signature]  
PRESIDENT: J Kinzer

Regina S. Young

BY: [Signature]  
SECRETARY: M Koch

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within  
named Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners, by and through its duly  
authorized agent, execute the within written By-Laws of the Sea Cabin Racquet Club II Horizontal Property  
Regime, and that (s)he with the other witness whose signature appears above, witnessed the execution  
thereof.

Christine McMahon

SWORN to and subscribed before  
me this 28<sup>th</sup> day of September, 1992

Regina S. Young  
NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 3-23-99

## AMENDMENTS TO MASTER DEED AND BY LAWS

1389

The following amendments to the original Master Deed and By Laws were approved on September 26, 1992 and have been incorporated into the revised documents.

1. Master Deed Article III.3 Property Rights: Delete underlined

"Initial Rules and Regulations governing the use of the Property shall be promulgated by the Developer and/or the Board of Directors, which may be amended by the Board of Directors in the manner herein provided. Such Rules and Regulations shall be posted in conspicuous places upon the common elements. Each Co-owner by his purchase of a unit and acceptance of delivery of such conveyance shall be bound by all such Rules and Regulations and, further shall be solely responsible for obedience by the Co-Owner, his or her family, guests, invitees, servants or other occupants(s) of the apartment owned by such Co-Owner."

2. By-Laws Article II - OFFICES: Delete underlined portions

"The principal office shall be located in at Sea Cabin Racquet Club II Horizontal Property Regime, Hilton Head Island, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, a registered agent whose office shall be identical with the registered office. The registered office may be but need not be identical with the principal office of the Association and the address of the registered office may be changed from time to time by the Board of Directors."

3. By-Laws Article VII VOTING MAJORITY: Change the time a proxy to be filed - delete underlined portion

"Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before prior to the appointed time for a regular meeting and at least one day before the appointed time for a special meeting."

4. By-Laws Article IX BOARD OF DIRECTORS: Change November 15 to November 30

"Section 6. The Board of Directors shall annually on or before November 15 30 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Co-Owners."

5. By-Laws Article X OFFICERS: Delete "Operations Committee"

"Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee."

6. By-Laws Article XIII MORTGAGES: Delete Section 1

"Section 1. Any Co-Owner who mortgages his condominium unit or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units."

7. By-Laws Article XIV - RULES AND REGULATIONS: Add bold italic items

*"The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any apartments, common areas or facilities contained within Sea Cabin Racquet Club II Horizontal Property Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and The Act. Such Rules and Regulations shall be binding upon and enforceable upon all Co-Owners, their families, guests, invitees, and/or lessees, and all occupants of apartments. **The Board of Directors may impose a system of monetary fines for violations of the Rules and Regulations but not before notifying the owners with respect to the amount of and procedure for applying fines.**"*

8. By-Laws Article XVI CERTIFICATES OF MEMBERSHIP: Delete Section 1 and Section 2

"Section 1. The board shall provide for the issuance of certificates evidencing membership in the Association to each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association (if any). All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of issuance of the certificates shall be entered on the records of the Association. If any certificates shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of a condominium unit, a certificate of membership shall be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-Owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate and such membership certificate shall become null and void."

9. Restate Master Deed and By laws removing developer items and consolidating redundant language - there are no substantive changes

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REGISTER OF MESNE CONVEYANCES		

RECORDED THIS 7<sup>th</sup> DAY  
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*May A. Gray*  
AUDITOR, BEAUFORT COUNTY, S.C.