

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
BROAD CREEK COMPANY)
)
TO)
)
BRIDGETOWN HORIZONTAL)
PROPERTY REGIME I (1))

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MASTER DEED
HORIZONTAL PROPERTY REGIME

At Hilton Head Island, County of Beaufort and State of South Carolina, on this 2nd day of April in the year of our Lord One Thousand Nine Hundred and Seventy-Three, Broad Creek Company, a partnership consisting of LeRoy J. Kaufenberg, Mary D. Kaufenberg, and Four Properties Company, (a partnership consisting of William T. Bryant, Joseph D. Bryant, Charles E. Brown and Terry B. Knight), with its principal place of business situated on Hilton Head Island, State of South Carolina, hereinafter referred to as "GRANTOR", does hereby declare:

FIRST: That the GRANTOR owns certain property situated on Hilton Head Island, County of Beaufort, State of South Carolina, which is described in Exhibit "A", attached hereto and made a part hereof.

SECOND: That GRANTOR (Intending to create Horizontal Property Regime that shall be known as Bridgetown Horizontal Property Regime I (1), hereinafter called the "REGIME") has constructed on the parcels of land described in Exhibit A certain buildings and other improvements and structures thereon, all easement, rights and appurtenances belonging thereto and hereinafter usually referred to as the "PROPERTY" according to the plans attached hereto and identified as Exhibit "B", which were certified to by Ralph E. Pettet, an Architect duly authorized and licensed to practice in the State of South Carolina, South Carolina Registration Certificate Number 982.

THIRD: That the Property includes five (5) buildings containing thirty (30) individual dwelling units (hereinafter referred to as "Apartments") all of which are to be used for residential purposes. The Apartments are capable of individual utilization on account of having 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 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 for South Carolina.

FOURTH: That the Property has a total of 3.13 acres of which 33,385.08 square feet will constitute Apartments and 102,957.72 square feet will constitute common elements.

FIFTH: That the Apartments and common elements of the Property will be as follows:

1. In building number one (1) there will be eight (8) Type A Apartments, numbered consecutively A-1, A-2, A-3, A-4, A-5, A-6, A-7, and A-8.

In building number two (2) there will be six (6) Type C Apartments, numbered consecutively C-9, C-10, C-11, C-12, C-13 and C-14.

In building number three (3) there will be eight (8) Type D Apartments numbered consecutively D-15, D-16, D-17, D-18, D-19, D-20, D-21, and D-22.

In building number four (4) there will be four (4) Type B Apartments numbered consecutively B-23, B-24, B-25 and B-26.

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In building number five (5) there will be four (4) Type B Apartments, numbered consecutively, B-27, B-28, B-29, and B-30.

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

A. Each Type A Apartment contains a total of 983.36 square feet of enclosed space. A covered entrance area of 26 square feet and a courtyard of 111.66 square feet are not included in the total square feet of the Apartment.

The lower floor of the Type A Apartment contains a total of 605.66 square feet of enclosed space. Entrance to the lower floor is into the living area of 196.48 square feet. Adjacent to the living area is the stair access to the upper floor which contains 29.37 square feet and a coat closet of 15.66 square feet. Opening into the living room is a dining area of 70.83 square feet. The dining area adjoins the kitchen containing 61.62 square feet and opens into the den which contains 162.45 square feet. Opening into the den is a half-bath of 32.08 square feet, adjacent to which is the utility area of 17.5 square feet & a closet containing 17.98 square feet.

The upper floor of each Type A Apartment contains a total of 377.70 square feet of enclosed space. The stairwell containing 45.04 square feet opens into a hall area of 24.5 square feet. Opening into the hall area is a mechanical room of 24.54 square feet, a bath of 55.10 square feet and the bedroom containing 184 square feet. Opening into the bedroom are two closets, one of which contains 23.89 square feet and the other containing 15.66 square feet.

B. Each Type B apartment contains a total of 1,230.18 square feet of enclosed space. A covered entrance of 30.66 square feet is not included in the total square feet of the Apartment.

The lower floor of the Type B Apartment contains a total of 741.30 square feet of enclosed space. Entrance to the lower floor is into the foyer and living room containing 230.97 square feet. A stair access of 38.38 square feet and a pantry of 7 square feet open into the living area. A hall area of 18.88 square feet opens into the bedroom containing 140.87 square feet. Opening into the hall area is a bath containing 48.88 square feet and two closets containing a total of 12.08 square feet. A closet containing 12.44 square feet opens into the

bedroom. Adjacent to the bedroom is the dining area containing 118.83 square feet. Adjoining the dining area is the kitchen and utility area containing 95.11 square feet.

The upper floor of each Type B Apartment contains a total of 488.88 square feet of enclosed space. The stairwell contains 45.83 square feet and opens into a landing containing 26.83 square feet. Opening onto the landing is a bath containing 55.11 square feet and two (2) bedrooms, one of which contains 130.83 square feet with a closet containing 32.88 square feet and another bedroom containing 164.83 square feet with a closet containing 29.55 square feet.

C. Each Type C Apartment contains a total of 1,088.82 square feet of enclosed space.

The lower floor of the Type C Apartment contains a total of 544.41 square feet of enclosed space. Entrance to the lower floor is into the living room containing 200.77 square feet and dining area containing 117.76 square feet. The hall area containing 40.94 square feet opens into the living room. Opening into the hall area is the stair access containing 41.81 square feet, a closet containing 7 square feet, a mechanical closet containing 12.91 square feet and a half-bath containing 26.58 square feet. A kitchen containing 92.83 square feet is adjacent to the dining area and opens into the hall area.

The upper floor of each Type C Apartment contains a total of 544.41 square feet of enclosed space. A stairwell containing 48.81 square feet opens into the hall area containing 34.83 square feet. Opening into the hall area is a bath containing 61.77 square feet and two (2) bedrooms, one of which contains 182.91 square feet with a closet of 27.50 square feet and another bedroom containing 162.16 square feet with a closet of 26.39 square feet.

D. Each Type D Apartment contains a total of 1,142.98 square feet of enclosed space.

The lower floor of the Type D Apartment contains a total of 571.49 square feet of enclosed space. Entrance to the lower floor is into the living room containing a total of 259.78 square feet. Opening into the living room is the stair access containing 25.08 square feet, a bath containing 17.65 square feet and the utility closet containing 25.50 square feet. Adjacent to the living room is a dining room containing 130.88 square feet. Opening into the dining room is a closet containing 6.61 square feet and the furnace room containing 8.16 square feet. Adjacent to the dining room is the kitchen containing 87.61 square feet.

The upper floor of each Type D Apartment contains a total of 571.49 square feet of enclosed space. The stairwell containing 28 square feet opens into the hall area containing 49 square feet. Opening into the hall area is a closet containing 7 square feet and a bath containing 45.33 square feet. Adjacent to the bath is the master bedroom containing 145.10 square feet with a closet containing 13.75 square feet. Adjacent to the master bedroom is a bedroom containing 152.85 square feet with a closet containing 15 square feet. Adjacent to this bedroom is a third bedroom containing 104.94 square feet with a closet containing 7 square feet.

2. Common Elements:

A. The General Common Elements are as follows:

(1) The Property excluding the limited common elements and the Apartments, and including, but not limited to, the foundations, roofs, perimeter walls, load-bearing interior walls and partitions, slabs, 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 12,320 square feet, and are shown on the site plan of the Property attached hereto and identified as Exhibit B. 299

(3) All roads, walkways, paths, trees, shrubs, yards, (except such as are designated as limited common elements) gardens, etc., subject only to the reservation of easement as hereinabove set forth.

(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.

B. The Limited Common Elements are as follows:

The entrance areas and courtyard areas and the fences screening the courtyard areas are limited common elements and are each restricted to the use of the Apartment adjacent to such limited common elements, respectively.

SIXTH:

1. That the title and interest of each co-owner of an Apartment in the common elements listed in sub-paragraph Number 2 of 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 Apartment to the total value of the Property as follows:

A. Apartment A-1 -- 3.05 percent based upon a value of \$31,300.00 and a total value of \$1,025,000.00 for the property.

B. Apartment A-2 -- 3.05 percent based upon a value of \$31,300.00 and a total value of \$1,025,000.00 for the property.

C. Apartment A-3 -- 3.05 percent based upon a value of \$31,300.00 and a total value of \$1,025,000.00 for the property.

D. Apartment A-4 -- 3.05 percent based upon a value of \$31,300.00 and a total value of \$1,025,000.00 for the property.

E. Apartment A-5 -- 2.88 percent based upon a value of \$29,500.00 and a total value of \$1,025,000.00 for the property.

F. Apartment A-6 -- 2.88 percent based upon a value of \$29,500.00 and a total value of \$1,025,000.00 for the property.

G. Apartment A-7 -- 2.88 percent based upon a value of \$29,500.00 and a total value of \$1,025,000.00 for the property.

H. Apartment A-8 -- 2.88 percent based upon a value of \$29,500.00 and a total value of \$1,025,000.00 for the property.

I. Apartment C-9 -- 3.26 percent based upon a value of \$33,400.00 and a total value of \$1,025,000.00 for the property.

J. Apartment C-10 -- 3.26 percent based upon a value of \$33,400.00 and a total value of \$1,025,000.00 for the property.

K. Apartment C-11 -- 3.07 percent based upon a value of \$31,500.00 and a total value of \$1,025,000.00 for the property.

L. Apartment C-12 -- 3.07 percent based upon a value of \$31,500.00 and a total value of \$1,025,000.00 for the property.

M. Apartment C-13 -- 3.26 percent based upon a value of \$33,400.00 and a total value of \$1,025,000.00 for the property.

N. Apartment C-14 -- 3.26 percent based upon a value of \$33,400.00 and a total value of \$1,025,000.00 for the property.

O. Apartment D-15 -- 3.57 percent based upon a value of \$36,600.00 and a total value of \$1,025,000.00 for the property.

P. Apartment D-16 -- 3.57 percent based upon a value of \$36,600.00 and a total value of \$1,025,000.00 for the property.

Q. Apartment D-17 -- 3.37 percent based upon a value of \$34,500.00 and a total value of \$1,025,000.00 for the property.

R. Apartment D-18 -- 3.37 percent based upon a value of \$34,500.00 and a total value of \$1,025,000.00 for the property.

S. Apartment D-19 -- 3.37 percent based upon a value of \$34,500.00 and a total value of \$1,025,000.00 for the property.

T. Apartment D-20 -- 3.37 percent based upon a value of \$34,500.00 and a total value of \$1,025,000.00 for the property.

U. Apartment D-21 -- 3.57 percent based upon a value of \$36,600.00 and a total value of \$1,025,000.00 for the property.

V. Apartment D-22 -- 3.57 percent based upon a value of \$36,600.00 and a total value of \$1,025,000.00 for the property.

W. Apartment B-23 -- 3.77 percent based upon a value of \$38,700.00 and a total value of \$1,025,000.00 for the property.

X. Apartment B-24 -- 3.56 percent based upon a value of \$36,500.00 and a total value of \$1,025,000.00 for the property.

Y. Apartment B-25 -- 3.56 percent based upon a value of \$36,500.00 and a total value of \$1,025,000.00 for the property.

Z. Apartment B-26 -- 3.77 percent based upon a value of \$38,700.00 and a total value of \$1,025,000.00 for the property.

AA. Apartment B-27 -- 3.77 percent based upon a value of \$38,700.00 and a total value of \$1,025,000.00 for the property.

BB. Apartment B-28 -- 3.56 percent based upon a value of \$36,500.00 and a total value of \$1,025,000.00 for the property.

CC. Apartment B-29 -- 3.56 percent based upon a value of \$36,500.00 and a total value of \$1,025,000.00 for the property.

DD. Apartment B-30 -- 3.77 percent based upon a value of \$38,700.00 and a total value of \$1,025,000.00 for the property.

2. The proportionate representation for voting purposes provided in sub-paragraph 1 hereof shall not be altered without the acquiescence of the co-owners representing all of the Apartments.

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 hererof of this Deed 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 Hori-

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zontal Property Regime Act of the State of South Carolina, so that Apartments 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 Apartment co-owner having an exclusive and particular right over his respective Apartment and in addition the specified undivided interest in the common elements of the Property. 301

NINTH: That so long as the GRANTOR owns one or more of the Apartments, 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 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 Apartment to which it appertains and shall be deemed conveyed or encumbered with the Apartment even though such interest is not expressly mentioned or described in the conveyance or other instrument.

THIRTEENTH: That each co-owner shall comply with the provisions of this Master Deed and the Regime By-Laws, Decisions and Resolutions of Council of Co-Owners, Board of Administration or other representatives, as lawfully amended from time to time, the failure to comply with such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of Broad Creek Company, its successors or assigns, as set forth in the aforesaid Declaration. The Apartments shall also be conveyed subject to the recorded plat and plans of the Property. In addition, the Apartment shall be conveyed subject to the Bridgetown Restrictive Covenants and the By-Laws of Bridgetown Owner's Association, Inc., recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Deed Book at Page , together with any amendments thereto.

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 Apartments 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-owners of an Apartment 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 Apartment.

SIXTEENTH: That all present or future co-owners, tenants, future tenants, or any other person that 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 Apartments 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 above-mentioned Statute of South Carolina and the By-Laws of this Regime.

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EIGHTEENTH: That, where a mortgagee or other purchaser of an Apartment obtains title by reason of foreclosure of a mortgage covering an Apartment, such acquirer of title, his successors 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 for such assessments and enforcing same as provided by law, and that such assessment shall be subordinate to such mortgage.

NINETEENTH: In the event of any default on the part of any co-owner under any first mortgage made in good faith and for value, which entitled the owner thereof to foreclose same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of the Declarations of Covenants, Restrictions and Affirmative Obligations of Broad Creek Company, dealing with the Repurchase Option or Right of First Refusal and the exclusive brokerage rights reserved unto Broad Creek Company. The purchaser under such a foreclosure sale (or grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to all of the provisions of said Declaration. Provided, however, that if the purchaser at such foreclosure sale (or the grantee under deed given in lieu of foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the condominium free and clear of the provisions of said Declaration dealing with the Repurchase Option or Right of First Refusal and the exclusive brokerage rights of Broad Creek Company, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

TWENTIETH: That the Board of Administration of the Regime or the Management Agent, or Manager, shall obtain and continue in effect blanket property insurance as more fully set forth in the By-Laws in forms and amounts satisfactory to mortgagees holding first mortgages covering Apartments, but without prejudice to the right of the co-owners to obtain additional individual Apartment insurance at his own expense and for his own benefit.

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

TWENTY-SECOND: If any portion of the common elements now encroaches upon any apartment or if any apartment now encroaches upon any other apartment or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (a) settling of the building, (b) alteration or repair to the common elements made by with consent of the Board of Administration, or (c) as a result of repair or restoration of the building or any apartment by damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.

TWENTY-THIRD: Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements located in any of the other apartments serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other common elements serving such other apartments and located in such apartment.

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The Board of Administration shall have the right of access to each apartment to inspect the same, to remove violations therefrom and to maintain, repair or replace common elements contained therein or else where in the building or buildings. 303

TWENTY-FOURTH: The provisions hereof shall be deemed independent and severable, and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of the Master Deed and the By-Laws shall not affect the validity or enforceability of the remaining portions thereof.

IN WITNESS WHEREOF, BROAD CREEK COMPANY, a partnership, has caused these presents to be executed in its name by LeRoy J. Kaufenberg, Mary D. Kaufenberg and Four Properties Company (a partnership consisting of William T. Bryant, Joseph D. Bryant, Charles E. Brown and Terry B. Knight) this 2nd day of April, in the year of our Lord one thousand nine hundred and seventy-three and in the one hundred ninety-seventh year of the Sovereignty and Independence of the United States of America.

BROAD CREEK COMPANY

Signed, Sealed and Delivered
in the presence of:

[Signature]
[Signature]

[Signature]
LeRoy J. Kaufenberg
[Signature]
Mary D. Kaufenberg

FOUR PROPERTIES COMPANY

[Signature]
William T. Bryant
[Signature]
Joseph D. Bryant
[Signature]
Charles E. Brown
[Signature]
Terry B. Knight

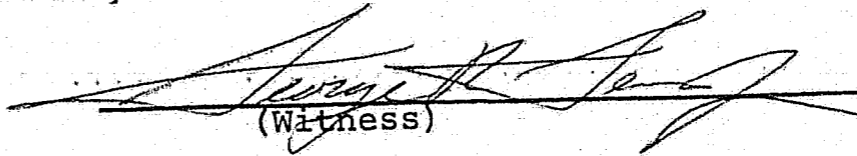
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STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

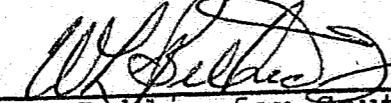
PROBATE

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PERSONALLY appeared before me George R. Heer, Jr. who
on oath, says that he saw the within named Broad Creek Company by
LeRoy J. Kaufenberg, Mary D. Kaufenberg and Four Properties Company
by its partners, William T. Bryant, Joseph D. Bryant, Charles E. Brown
and Terry B. Knight, sign, seal and as their act and deed deliver the
same and that he with W.L. Bethea, Jr. witnessed the execution
thereof.


(Witness)

SWORN to before me this
2nd day of April, 1973


Notary Public for South Carolina

My Commission Expires March 17, 1979

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ALL that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina having and containing one and seventy-three hundredths (1.73) acres, more or less, and being described as Parcel III on a plat prepared by R. D. Trogdon, Jr. registered land surveyor, dated January 30, 1973, which plat is entitled "Bridgetown, Broad Creek Company, Phase I", which plat is recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 20 at Page 204. Said parcel III is more particularly described as follows, to-wit: Beginning at a concrete monument which is located in the southeastern corner of Parcel III at the intersection of the northern right-of-way of South Carolina Highway No. 245 and the western right-of-way of the county road commonly known as "Leg of Mutton Road" and proceeding from said point of beginning south 75° 20' west for a distance of 512.53 feet to an iron pin; thence proceeding north 17° 30' 30" west for a distance of 58.90 feet to an iron pin; thence proceeding north 14° 35' west for a distance of 72 feet to an iron pin; thence proceeding north 75° 25' east for a distance of 195 feet to an iron pin; thence proceeding south 14° 35' east for a distance of 80 feet to an iron pin; thence proceeding north 75° 25' east for a distance of 100 feet to an iron pin; thence proceeding north 14° 35' west for a distance of 149.17 feet to an iron pin; thence proceeding north 75° 25' east for a distance of 236.57 feet to a concrete monument; thence proceeding south 9° 59' 30" east for a distance of 200.64 feet to a concrete monument which is the point of beginning.

AND ALSO ALL that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina having and containing one and forty hundredths (1.40) acres more or less, and being described as Parcel I on a plat prepared by R. D. Trogdon, Jr. registered land surveyor, dated January 30, 1973, which plat is entitled "Bridgetown, Broad Creek Company, Phase I", which plat is recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 20 at Page 204. Said Parcel I is more particularly described as follows, to-wit: Beginning at a concrete monument which is located in the southwestern corner of Parcel I along the northern right-of-way of South Carolina Highway #245 at a point 847.86 feet from the intersection of the northern right-of-way of South Carolina Highway #245 and the western right-of-way of a county road commonly known as "Leg of Mutton Road" and proceeding from said point of beginning north 14° 27' west for a distance of 211.76 feet to an iron pin; thence proceeding north 75° 25' east for a distance of 307.87 feet to an iron pin; thence proceeding south 14° 35' east for a distance of 141.17 feet to an iron pin; thence proceeding south 11° 39' 20" east for a distance of 58.90 feet to an iron pin; thence proceeding south 75° 25' west for a distance of 305.33 feet to an iron pin which is the point of beginning.

For a more detailed description of Parcel I and Parcel III, reference is had to the above referred to plat of record.

ALSO the nonexclusive right of ingress and egress over and across the entrance and road not less than twenty four (24) feet in width which is more completely shown and described on the above referred to plat of record.

GRANTOR expressly saves and excepts unto itself, its grantees, successors or assigns the nonexclusive right of ingress and egress over all roadways presently or hereafter constructed over and across parcel I and Parcel III.

SAVE AND EXCEPT that power line easement as shown on the above referred to plat of record, said easement to extend up to fifty (50) feet on either side of the centerline of the easement as shown on the above mentioned plat of record.

FURTHER reserving unto Broad Creek Company, its successors and assigns, the right to come upon those areas of Parcel I and Parcel III to service, maintain and repair existing water and sewer lines located on the above described premises.

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EXHIBIT C

BY-LAWS OF BRIDGETOWN HORIZONTAL
PROPERTY REGIME I (1)

ARTICLE I

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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 thereon) located on Hilton Head Island, in Beaufort County, South Carolina, known as Bridgetown Horizontal Property Regime I (1) has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as Bridgetown Horizontal Property Regime I (1) (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 who 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, the provisions of the Master Deed, the provisions of the Declaration of Covenants and Restrictions for Bridgtown Horizontal Property Regime I (1), dated this ^{2nd} day of *April*, 1973 and recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book *208* at Page *277*, and any applicable recorded additions to the foregoing restrictions 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 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 Section 6 and elsewhere 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.

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

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ARTICLE III

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 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 March. . At such meetings there shall be elected by ballot of the Co-Owners a Board of Administration in accordance with their 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. 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 five (5), but not more than fifteen (15) 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 at said reconvened meeting.

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) 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. 309

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 three (3) 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 co-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) 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.

Section 4. MANAGEMENT AGENT. The initial Management Agent shall be Broad Creek Company for a period of one (1) year from the establishment of Bridgetown Horizontal Property Regime I (1). Thereafter 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 for one (1) member of the Board shall be fixed at three (3) years. The term of office of one (1) member of the Board shall be fixed at two (2) years, and the term of office of one (1) 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 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 a unit 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 two (2) 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 judgment, negligence, or otherwise, except for

their own individual willful misconduct or bad faith. The Unit 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 understood and permissible for the original Board of Administration, who are members of or employed by Broad Creed Company, to contract with Broad Creek Company and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any unit 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 the Common Elements bears to the interest of all Unit 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, or acting only as agent for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit 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 unit 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 judgment, 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 a unit 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 and Treasurer. 312

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 unit 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 unit 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, of 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. The common expenses 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. Not less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all unit 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 Broad Creek Company will be liable for the amount of any assessment against completed units within the Regime which have not been sold and Broad Creek Company shall have all voting rights attendant to the ownership of said units 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 transfer of ownership of an individual unit or villa within the Regime shall carry with it the proportionate equity of that villa ownership in the Regime Escrow account set aside to provide a contingency 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 unit owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any unit owner in paying to the Board of Administration the common charges as determined by the Board of Administration, such unit 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 attorney's 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 attorney's fees, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such apartment unit 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 a dwelling unit so requesting the same in writing, with a written statement of all unpaid common charges due from the owner of that dwelling unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a condominium dwelling unit may pay any unpaid common charges payable with respect to such condominium dwelling unit and upon such payment such encumbrancer shall have a lien on such dwelling unit for the amounts paid of the same rank as the lien of his encumbrance.

Section 6. MAINTENANCE AND REPAIR.

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

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied by the private or public utility company serving the area in which the condominium is located by service either directly to each unit through a separate meter or other separate billing procedure in which event each unit owner shall be required to pay the bills for water consumed or used in his unit or by service to the entire Bridgetown Horizontal Property Regime I (1) in which event a standard fee will be charged to each unit as a common expense. Sewer service shall be supplied by the private or public utility company serving the area by service directly to each unit at a fee established by said utility company or if such service shall be charged to the entire Bridgetown Horizontal Property Regime I (1) in which event a standard fee will be charged to each unit as a common expense.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his unit. 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 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 10. USE OF COMMON ELEMENTS. A co-owner shall not place or cause to be placed in the passages, parking areas 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 and for normal vehicular parking.

Section 11. TERRACES AND BALCONIES. A terrace or balcony to which there is direct access from the interior of a unit, shall be for the exclusive use of the owner of such unit. Any such terrace or balcony shall be kept free of debris and all other accumulation by the owner of such unit who shall also make all repairs thereto. 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 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 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 units within 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, modification, and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all unit owners and the occupants of units in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

(a) Residents shall exercise extreme care to avoid necessary 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 from any of the facades of the Property;
- (3) Dust mops, rugs or similar objects from the windows 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 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 protrudes through the walls or the roof of his Dwelling Unit except as authorized by the Board.

Section 14. ABATEMENT AND ENJOINMENT 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 the addition to any other rights set forth in these By-Laws: (a) to enter the unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit 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.

INSURANCE

The Board of Administration shall be required to obtain and maintain, to the extent obtainable, the following insurance:

(1) Fire insurance with extended coverage insuring the building containing the units (including all of the units and the bathroom and kitchen fixtures initially installed therein by Broad Creek Company, but not including carpeting, drapes, wall-covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the unit 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 unit 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 unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, 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 unit owner with cross liability endorsements to cover liabilities of the unit owners as a group to a unit owner; 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.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by unit owners or of invalidity arising from any acts of the insured or any unit owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' written notice to all of the insureds, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units at least ten (10) days prior to the expiration of the then current policies.

Unit owners should carry insurance for their own benefit insuring their carpeting, wallcovering, fixtures, furniture, furnishings and other personal property 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 unit 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, and no amendment shall take effect unless approved by co-owners representing at least two-thirds (2/3) of the total value of the Property as shown on the Master Deed. So long as Broad Creek Company remains the owner of any unit in this Horizontal Property Regime, these By-Laws may not be amended so as to adversely affect Broad Creek Company without Broad Creek Company's consent.

ARTICLE X

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 TO MORTGAGEE. The Board shall give thirty (30) days written notice of the following events to all mortgagees of which it has notice:

- (a) Any change in the condominium documents;
- (b) Any unpaid assessments due the Regime from the co-owner(s) (mortgagor(s)) of the Dwelling Unit;
- (c) Any default by the co-owner (mortgagor) of a Dwelling Unit in the performance of such co-owners' obligations under the condominium documents when such default is not cured within thirty (30) days.

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.

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