



**SEA CABIN ON THE OCEAN III
HORIZONTAL PROPERTY REGIME**

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- A. MASTER DEED**
- B. BYLAWS**
- C. CODE OF LAWS OF S.C. HORIZONTAL PROPERTY ACT**

**MASTER DEED OF THE
SEA CABIN ON THE OCEAN III
HORIZONTAL PROPERTY REGIME**

plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Developer hereby specifies that this Master Deed and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Property and shall 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.

ARTICLE I

DEFINITIONS

As used in this Master Deed and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

A. Act means the Horizontal Property Act of South Carolina, Title 27, Chapter 31 of the South Carolina Code of Laws, 1976, as presently constituted.

B. Apartment means as defined in the Act. The location, floor plan and dimensions of each are as shown in the Exhibits hereto.

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

D. Board of Directors means the Board of Directors or other body in charge of the Council of Co-Owners.

E. Building means as defined in the Act.

F. By-Laws means the By-Laws of the Council of Co-Owners of Sea Cabin on the Ocean III Resort Horizontal Property Regime, as they exist from time to time.

G. Common Elements means and includes all of the Property excluding the Apartments and specifically includes both the general common elements and limited common elements (if any).

H. Common Expenses means and includes:

(1) All expenses incident to the administration, maintenance, repair and replacement of the Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(2) Expenses determined by the Board of Directors of the Council of Co-Owners to be Common Expenses;

(3) Expenses in this Master Deed and/or its Exhibits denominated as Common Expenses; and,

(4) Any other expenses declared by the Act to be Common Expenses.

I. Common Surplus means the excess of all receipts of the Council of Co-Owners over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

J. Condominium means the Sea Cabin on the Ocean III Horizontal Property Regime and the Property and Apartments included as shown in this Master Deed and the Exhibits hereto.

K. Condominium Ownership means as defined in the Act.

L. Condominium Unit or Unit means an individual apartment as defined herein and as described in the Exhibits hereto together with an undivided share of the common elements, vote, common surplus and liability for common expenses and other assessments appurtenant thereto.

M. Co-Owner means as defined in the Act, and specifically owning an Apartment in Sea Cabin on the Ocean III Horizontal Property Regime.

N. Council of Co-Owners means as defined in the Act and specifically of the governing body of Sea Cabin on the Ocean III Horizontal Property Regime, the members of which are the Co-Owners.

O. Developer means Sea Cabin Corporation, its successors and assigns.

P. Documents means this Master Deed and all Exhibits annexed hereto as they may be amended from time to time.

Q. Exhibits means the exhibits to this Master Deed, as they may be amended from time to time.

R. General Common Elements means as defined in the Act.

S. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, the Developer, its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

T. Limited Common Elements means as defined in the Act.

U. Long Term Lease means that certain Lease and Use Agreement which is an Exhibit to this Master Deed.

V. Majority of the Co-Owners means as defined in the Act.

W. Master Deed means this Master Deed establishing and recording the Property of Sea Cabin on the Ocean III Horizontal Property Regime.

X. Occupant means any person or persons residing in an Apartment.

Y. Person means as defined in the Act.

Z. Property means and includes that property shown as contained within Sea Cabin on the Ocean III Horizontal Property Regime and designated as Phase I, as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights of way and rights of use as described herein and in the Exhibits or are of record. The Property shall not include until, but shall include upon, proper annexation and amendment to this Master Deed, all land(s) together with improvements, easements, rights of way and rights of use described herein and in the Exhibits or of record, shown, described and defined as Phases 2 and 3.

AA. To Record means as defined in the Act.

ARTICLE II

SEA CABIN ON THE OCEAN III HORIZONTAL PROPERTY REGIME

COUNCIL OF CO-OWNERS

1. Responsibility for Administration: The administration of the affairs of the Condominium 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 Council of Co-Owners by the Master Deed and/or by the Act shall be the responsibility of the Council of Co-Owners acting through the Board of Directors. 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 Council of Co-Owners.

2. Agreements: The Council of Co-Owners through its Board of Directors 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 Condominium. Each Co-Owner who

acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Council of Co-Owners for review by any Co-Owner.

3. Voting Rights. There shall be only one Voting Member for each Unit. If a Unit is owned by more than one Person, the Owners thereof shall designate one of their number as the Voting Member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the Voting Member for such Unit. The designation of the Voting Member shall be made as provided in the By-Laws. The vote of a Voting Member shall not be divisible.

Each Voting Member (and only the Voting Member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Council of Co-Owners, regardless of the number of Persons who own such Unit. The Developer shall be entitled to cast the vote for each unit it owns.

Each Voting Member shall be entitled to cast his vote(s) at each meeting of the Council of Co-Owners in person or, if permitted by the By-Laws, by proxy.

ARTICLE III
PROPERTY RIGHTS

1. Identification of Units: The Condominium consists essentially of apartments in a Building, designated as Building 8CD, other improvements and certain lands as the same are described in the Exhibits and designated therein as Phase I. Additional Buildings, land and improvements, may, in the Developer's discretion, be constructed and be made a part of the Condominium as additional phases as hereinafter described. For the purposes of identification, each Apartment in the Condominium is identified by number and is delineated and described in the Exhibits hereto which are made a part of this Master Deed. No two Apartments have the same identifying number. The identifying number of each Apartment is

also the identifying number of the Unit (comprising both the Apartment and the undivided share of the Common Elements, vote, Common Surplus and obligation for Common Expenses and other assessments appurtenant thereto). The Exhibits contain a survey of the land, a graphic description of the improvements showing where the Building is located and the location of the Apartments within, and together with this Master Deed, set forth the location, dimensions and size of the common elements and of each Apartment.

The aforesaid Building and Apartments therein and other improvements are constructed substantially in accordance with such plot plans, descriptions and surveys contained in the Exhibits.

2. Ownership of a Unit includes title to an Apartment and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide a Unit by separating title to an Apartment from the undivided interest in the Common Elements and the Common Surplus (if any) shall be void. A transfer of ownership of an Apartment shall be a transfer of the Unit of which the Apartment is a part.

The undivided interests in the Common Elements and the Common Surplus (if any) which the Owners of the Apartments in Building BCD, are acquiring are set forth, as percentages, in the Exhibits. In the event that additional Common Elements and Apartments are made a part of the Condominium, such undivided interest will be adjusted as provided in the Exhibits.

3. The Common Elements. Neither the Council of Co-Owners, any Co-Owner, the Developer, nor any other party who owns an interest in the Common Elements shall have the right to bring any action for partition or division of the Common Elements.

Initial rules and regulations governing the use of the Property shall be promulgated by the Developer. Additional rules and regulations may be adopted by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Developer provided

such does affect any right(s) of Developer or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Owner, by acquiring his Unit, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Property; (ii) such rules and regulations as the Developer may adopt pursuant to the Long-Term Lease; and (iii) the Master Deed and the By-Laws.

The Association shall have the right to deny any Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

If a Co-Owner fails to pay an Assessment for the period specified herein, the Council of Co-Owners may deny such Co-Owner or any Occupant of that Co-Owner's Apartment the right to occupy that Apartment and the right to use the Common Elements until such time as all Assessments are paid. There shall be no reduction in the Assessments payable by any Co-Owner during any period while his right to use an Apartment or the Common Elements is suspended.

Any Occupant may use the Common Elements reserved for the use of the Apartment he occupies during the time such Occupant is actually in residence in the Apartment. Guests and invitees of an Occupant of an Apartment and the Co-Owner of an Apartment (while another occupies his Apartment) may only use the Common Elements with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify in its sole discretion, including the payment of a fee for the use thereof.

4. Parking Spaces. Parking spaces shall not be reserved solely for the use of Occupants of any particular Apartments nor shall they be numbered unless otherwise agreed by all Co-Owners and the Institutional Mortgagees of their Apartments (in which case such reserved parking spaces

shall be Limited Common Elements); provided, however, the Occupants of each Apartment shall be entitled to the use of at least one parking space and such additional parking spaces as may be determined by the Board of Directors.

5. Common Expenses;

a. All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements) necessitated by the negligence or misuse by any Occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

b. All other costs of maintenance, repair, replacement, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) shall be unless the Board of Directors otherwise decides, Common Expenses.

6. Development Plan:

(a) Developer has initially included within the Condominium certain property and improvements including a Building containing Forty-Nine (49) apartments numbered 132-147, 232-247, 332-347 and 400, the same being shown and designated as Phase 1 in the Exhibits hereto. By reason thereof and by reason of each apartment having an equal value with regard to the Property as a whole there is appurtenant to each said apartment an equal undivided percentage share of ownership interest in the Common Elements as described in the Exhibits. Likewise, there is appurtenant to each apartment one (1) vote to be voted by the voting member at all matters to come before the Council of Co-Owners. There are 49 total votes in the Condominium (Phase 1).

(b) The Developer, reserves the right to annex and include additional property, improvements and apartments and to amend this Master Deed by its sole action for the purposes of creating a Phase 2 of the Condominium. Phase 2, if so annexed, will include property and improvements including Building A, containing Forty (40) apartments numbered 120-131, 218-231 and 318-331 to be as shown in the Exhibits. Should the Developer determine to so annex and include Phase 2, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase 2 shall be made not later than June 15, 1980, and the necessary annexation and amendment to the Master Deed shall be filed with the Register of Mesne Conveyances of Charleston County, South Carolina, no later than that date. Phase 2, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners of and comprising Phase 1. Should Phase 2 be included, the percentage interest in the Common Elements of each Co-Owner in Phase 1 shall be reduced and each of the Co-Owners of Phase 1 and Phase 2 shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, though each Co-Owner of Phase 1 shall retain one (1) vote, there shall be 42 additional votes and therefore the percentage value of each vote compared to the total votes shall be reduced as described in the Exhibits.

(c) The Developer further reserves the right to annex and include additional property and improvements and apartments and amend this Master Deed by its sole action for the purpose of creating a Phase 3 of the Condominium. Phase 3, if so annexed, will include the Property and improvements including Building EFG containing Fifty-two (52) apartments numbered 101-117, 201-217, 301-317 and 500 and a pier to be as shown and designated in the Exhibits hereto. Should the Developer determine to so annex and include Phase 3, it does hereby covenant that the necessary annexation and amendments to the Master Deed and the election to proceed with Phase 3, shall not be made later than June 30, 1980 and the necessary annexation and amendments to the Master Deed shall be filed with the Register of Mesne

Conveyances of Charleston County, South Carolina, no later than that date. Phase 3, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners of and comprising Phase 1 and Phase 2. Should Phase 3 be included, the percentage interest in the Common Elements of each Co-Owner in Phase 1 and Phase 2 shall be reduced and each of the Co-Owners of Phase 1, Phase 2 and Phase 3 shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, though each Co-Owner of Phase 1 and Phase 2 shall retain his vote, there shall be 52 additional votes and therefore the percentage value of each vote compared to the total votes shall be reduced as specified in the Exhibits.

(d) Ownership in the Common Elements and common surplus, prorata share of Common Expenses due, and the percentage of total vote attributable to each Apartment in case of completion only of Phase 1, in the event of completion of Phases 1 and 2 and in the event of completion of Phases 1, 2 and 3 are shown in the Exhibits.

ARTICLE IV ARCHITECTURAL CONTROL

To preserve the original architectural appearance of the Condominium, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any Building and/or Common Element and all such 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 harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and so long as Developer, or its successors or assigns, owns one or more units in the Condominium, the Developer or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Developer to approve or disapprove such plans and specifications within sixty days after their being submitted in writing shall constitute approval.

ARTICLE V
EXPENSES AND COMMON SURPLUS

The common expenses of the Condominium and the monetary obligations of the Co-Owners under any agreements entered into by the Council of Co-Owners shall be shared by the Co-Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of an Apartment or because of its location, but shall be adjusted only upon the inclusion of an additional Phase or Phases in the Condominium and then in the manner set forth in the Exhibits.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

ARTICLE VI
AMENDMENT OF THE MASTER DEED

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

Notwithstanding the foregoing, the Developer has reserved the right to annex additional Phases and amend the Master Deed in the manner set forth in this Master Deed and the Exhibits which right is reserved unto it, its successors and assigns. No approval shall be required of any Co-Owner(s) or Institutional Mortgagee(s) or other creditor or person holding any interest whatsoever in the Condominium for the Developer or its successors and assigns to exercise such rights.

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 of any Unit, except upon addition of additional Phases as herein provided, unless all Co-Owners of the Condominium and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Institutional Mortgagee or change the provision of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Developer, its successors and assigns, without written approval and consent of the Developer, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Developer reserves the right to alter the interior design and arrangement of all Apartments and to alter the boundaries between Apartments as long as the Developer owns all the Apartments so altered; however, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Developer shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed with a survey and plot plan attached reflecting such authorized

alteration of Apartments and said amendment need only be executed and acknowledged by the Developer and any holder of mortgage(s) encumbering the said altered Apartments. Such survey shall be certified in the manner required by the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Charleston County, South Carolina, all of the improvements shown in Phase 1 on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements within any Phase must be completed within fourteen months of the inclusion of that Phase within the Condominium; provided, however, said time may be extended by virtue of delays caused by Acts of God, Acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Developer's control.

ARTICLE VII

BY-LAWS

The operation of the Condominium shall be governed by the By-Laws of the Council of Co-Owners which are attached to this Master Deed as an Exhibit, and made a part hereof.

No modification of, or amendment to, the By-Laws of the Council of Co-Owners 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 and in the Act, but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Developer without written approval of the Developer, its successors or assigns.

ARTICLE VIII
THE OPERATING ENTITY

The operating entity of the Condominium shall be the Council of Co-Owners. The Council of Co-Owners 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 Council of Co-Owners, and, in addition, all other powers and duties necessary to operate the Condominium, which shall be exercised through its Board of Directors; provided, however, that in the event of conflict the provisions of The Act shall control.

Every Co-Owner, whether he has acquired his Unit by purchase, gift, devise or other conveyance or transfer, by operation law or otherwise, shall be bound by this Master Deed, The Act, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Council of Co-Owners.

ARTICLE IX
ASSESSMENTS

The Council of Co-Owners, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Condominium and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Property. The Board of Directors shall have the power to fix and determine from time to time, the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium and such other expenses as are provided for herein, in The Act, or deemed necessary and appropriate expenses of the Condominium. 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 of the Council of Co-Owners, as provided herein and in the Exhibits hereto and in The Act.

A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessment by the Board of Directors of the Council of Co-Owners.

Assessments that are unpaid for over ten (10) 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 (and if not forbidden by law), a late charge not to exceed \$5.00 shall also be due and payable to defray the expense of late collection. 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 before December 1 of the preceeding year the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided further that a notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of each Assessment not paid when due as provided in The Act, which may be collected and/or the lien foreclosed upon as provided in The Act. Reasonable attorney's fees incurred by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Council of Co-Owners for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be required to be advanced by the Council of Co-Owners to preserve and/or protect its lien shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act 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, as is provided in The Act. Each mortgagee of record shall be provided, if so requested, with the annual estimated budget of the Condominium and any financial statement of the Condominium and/or the Council of Co-Owners. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner, as provided in the Act.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

ARTICLE X INSURANCE

The Board of Directors of the Council of Co-Owners shall obtain insurance upon the Property insuring it (including both common elements and all apartments) against all risks, as provided in The Act, all premiums of which shall be included as part of the Common Expenses.

Section 1. The Board, on behalf of the Council of Co-Owners, shall obtain extended insurance coverage upon the Property and improvements thereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.) in amount(s) sufficient to completely restore and replace the damage and/or destroyed elements in the event of loss. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Board shall determine the amount(s) necessary to cover such deductible(s) and/or

deficiencies and establish a self-insurance fund to provide insurance to cover the same. Such self-insurance fund shall be established through a licensed insurance agent or trust department of a federally insured bank or depository in such format and in such amount(s) as are acceptable to all Institutional Mortgagees of record, with whose advice and consent such shall be established. Such self-insurance fund shall have the same beneficiaries as the policies obtained (i.e., the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replenishment(s) thereto shall be funded by assessment of all of the Co-Owners by the Board, which shall be, when so assessed, an item of Common Expense. Such funds so maintained, together with interest thereon (if any) may be expended only in the event of (1) a loss which such funds insure against, (2) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies), (3) the consent of all Co-Owners and their mortgagees or (4) upon termination of the Condominium. In the event of distribution of such funds for any of the latter three (3) events, such funds so expended and/or distributed shall be considered as, owned as, and distributed as Common Surplus.

Section 2. Institutional First Mortgagees owning and holding mortgages encumbering units in the Condominium having an unpaid dollar indebtedness of \$100,000 or more shall have the right to approve all such insurance policy or policies the company or companies insuring upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles.

Section 3. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in The Act; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property as is provided in The Act. In such event, the 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 prorata division, the Institutional Mortgagee of record shall have first claim upon such insurance proceeds delivered to the Co-Owner of the Unit

upon which such Institutional Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

Section 4. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid as provided in The Act 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 result in a lien upon his Unit in favor of the Council of Co-Owners in such amount and may be enforced in the manner provided for collection of unpaid Assessments herein and/or in The Act.

Section 5. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each 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).

Section 6. 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 of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

Section 7. Power to Compromise Claims: The Board of Directors 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.

Section 8. The Board of Directors on behalf of the Council shall maintain liability insurance coverage on the Condominium in an amount of not less than \$1,500,000.00 per occurrence, all premiums of which shall be included as part of the Common Expenses.

Section 9. Institutional Mortgagees' Right to Advance Premiums: Should the Council of Co-Owners fail to pay insurance premiums when due or should the Council or Co-Owners fail to comply with other insurance requirements required herein or by The Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional 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 Council of Co-Owners and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

Section 10. Other Insurance: The Board of Directors of the Council of Co-Owners is authorized to purchase such additional insurance and for such additional purposes, including, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Condominium, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

Section 11. Authorized Companies: Any and all insurance coverage(s) obtained under Section 1. above by the Council of Co-Owners pursuant to this Article must be obtained from an admitted insurance carrier(s) authorized to do business in the State of South Carolina by the South Carolina Department of Insurance, and having an Alfred M. Best Financial Rating of at least "A-13", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Developer, the Board of Directors, the Council of Co-Owners and Institutional Mortgagees shall not be responsible for the quality or financial responsibility of the insurance company(ies) provided same are so rated and are so licensed and approved to do business and provide such coverage in the State of South Carolina.

ARTICLE XI
USE AND OCCUPANCY

The Co-Owner of an 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; provided, however, nothing herein contained shall prevent any Co-Owner from leasing or renting his Apartment to third parties; provided, however, such Apartment shall, if so rented or leased, 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 properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Council of Co-Owners or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upon his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Property except that the Developer, its successors and assigns, may maintain and use one or more Apartments of the Condominium owned by it for management, sales and/or rental offices and laundry and maintenance areas. Notwithstanding the foregoing, nothing contained in this Master Deed shall be construed to restrict the Developer or any successor in interest to the Developer from selling and/or conveying any unit under any plan of multiple use, interval ownership or time sharing arrangement.

No Co-Owner shall permit or suffer anything to be done or kept 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.

No animals or pets of any kind shall be kept in any Apartment or on any Property of the Condominium except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Council of Co-Owners; provided however, that in no case shall they be kept, bred, or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Property by the Board of Directors upon three (3) days written notice to the owner thereof. 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.

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 plant any type of plants, shrubbery, flower, vine or grass outside an Apartment; nor shall he cause awnings or storm shutters, screens, enclosures and the like to be affixed or attached to any Apartment, limited or general Common Element; nor shall he place any furniture or equipment outside an Apartment except with the written consent of the Board of Directors of the Council of Co-Owners; and further, where approved, subject to the Rules and Regulations of the Board of Directors. 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 of Directors. Co-Owners may not screen or enclose any exterior patio which abuts an Apartment where applicable nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

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 may from time to time be promulgated by the Board of Directors of the Council of Co-Owners.

The Board of Directors may, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Developer, its successors and assigns, shall be allowed to maintain one (1) or more apartments as laundry and/or maintenance areas, management, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upon the Property.

ARTICLE XII
MAINTENANCE AND ALTERATIONS

A. The Board of Directors may enter into contracts with firm(s), person(s), or corporation(s), or may join with other horizontal property regimes and/or entities in contracting for the maintenance and/or repair of the Property and any properties belonging to the Condominium; may contract for or may join with other councils of co-owners in contracting for the maintenance and management of the Condominium; and may delegate to such contractor or manager all power and duties of the Council of Co-Owners and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Council of Co-Owners.

B. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than 75% of the total vote of the Co-Owners of the Condominium provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Co-Owner(s) requesting the same, then the cost of such

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

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

C. Each Co-Owner is hereby required:

1. To maintain in good condition and repair his Apartment, all interior surfaces 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, lines 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). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Condominium;

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. Electricity for the Apartments and all other purposes for the Condominium may be metered to the Condominium as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of 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 III, Section 5, 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 the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

2. 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 of Directors and any Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors 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 of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s), or Property caused by the Co-Owner's contractor, sub-contractor, or employee whether such damage be caused by negligence, accident or otherwise.

3. To allow the Board of Directors or its representative, 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; 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 Regulation of the Council of Co-Owners.

4. To show no signs, advertisements or notices of any type on the Common Elements, Apartments or Building and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

D. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Council of Co-Owners, 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 or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors 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.

E. The Board of Directors shall determine the exterior color scheme of all Buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Council of Co-Owners), and shall be responsible for the maintenance thereof. 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 of Directors.

F. The Council of the Co-Owners 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. Notwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his Apartment, the Council of Co-Owners, through its Board of Directors, may enter into an agreement with such firm(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 of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment (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 of Directors 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 Council of Co-Owners through its Board of Directors 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 IX of this Master Deed.

ARTICLE XIII

TERMINATION

This Condominium may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in The Act; provided, however, that unless otherwise required by law or in The Act, before the Condominium may be terminated, all Institutional Mortgagees of record of any Apartment or any other part of the Property of the

Condominium 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, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements (excluding, however, any real property and/or improvements constituting any Phase(s) reserved by the Developer under the development plan not yet committed to the Condominium). 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.

ARTICLE XIV

EASEMENTS

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that (i) if any portion of an Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a Building or other improvement or an Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The property submitted to a horizontal property regime hereby and to be subsequently so submitted is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drains which now exist or are hereafter granted by

the Developer for the benefit of such persons as the Developer designates. The Developer shall have the right to grant easements and designate the beneficiaries thereof for such time as it determines in its sole discretion. When the Developer relinquishes such right, the Council of Co-Owners shall be empowered to grant such easements. While the Developer has the right to grant easements, the consent and approval of the Council of Co-Owners to the granting thereof shall not be required. No easement shall be granted by the Developer or the Council of Co-Owners if as a result thereof any Buildings or other improvement in the Condominium would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

Those easements ingress and egress across the Property which are of record, are shown in the Exhibits or in the records of the Register of Mesne Conveyance, Charleston County, South Carolina. The rights of all Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Council of Co-Owners, all present and future Owners and Occupants, the Developer and their respective successors, assigns and designees are hereby granted an easement over, through and across and a license to use the paved areas of the Common Elements and are further granted a pedestrian easement over through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

ARTICLE XV
CERTAIN RIGHTS OF DEVELOPER

1. Notwithstanding any other provisions herein so long as the Developer continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Developer from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Developer after the construction on said Apartment has been completed and it is included in the Condominium.

a. The Developer shall have the right at anytime to sell, transfer, lease or re-let any Apartment(s) which the Developer continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Council of Co-Owners or any other Co-Owner being required.

b. During the period of time in which structures within a particular phase are under construction by the Developer and not completed, no dues shall be charged against the Developer as the Co-Owner of Apartments in that phase until both the completion of said Apartments in that Phase and its inclusion in the Condominium and the dues shall be assessed against the Co-Owners (including the Developer) of those Apartments in that Phase which shall have been completed, proportionately, inter se.

c. Without limiting the foregoing, the Developer shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Developer owns at least one Apartment in any included Phase to amend the Master Deed to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages", as the same may be amended from time to time.

d. The Developer shall have the rights (i) to use or grant the use of a portion of the Common Elements for the purpose of aiding in the sale or rental of Apartments; (ii) to use portions of the Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Developer determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Property; (iv) to distribute audio and visual promotional material upon the Common Elements; and (v) to use any Apartment which it owns as a sales and/or rental office, management office or laundry and maintenance facility.

e. In order to provide the Condominium with, among other things, adequate and uniform water service, sewage disposal service, utility services and television reception, the Developer reserves the exclusive right to contract for the provision of such services. The Developer, as agent for the Council of Co-Owners and the Co-Owners, has entered into or may enter into arrangements, binding upon the Council of Co-Owners and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

f. The Developer reserves the right to enter into, on behalf of and as agent for the Council of Co-Owners and the Co-Owners, agreements with other Persons for the benefit of the Condominium, the Council of Co-Owners and the Co-Owners. The provisions of any such Agreement shall bind the Council of Co-Owners and the Co-Owners. The Developer, as agent for and on behalf of the Council of Co-Owners and the Co-Owners, has entered into an agreement with Reception Corporation a South Carolina Corporation, pursuant to which Reception Corporation will provide a color television set in each Apartment together with antenna television reception service and maintenance and service therefor. This Agreement, a copy of which is attached as an Exhibit and incorporated herein by reference, is binding upon the Council of Co-Owners and the Co-Owners. The fees for rental of such television sets and for such services (9.85 per Apartment per month) shall be Common Expenses. If the Council of Co-Owners fails to pay the amounts due under the agreement with Reception Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Council of Co-Owners as Common Expenses. The agreement with Reception Corporation may be amended only by a written amendment executed by the Council of Co-Owners and Reception Corporation.

g. Further, the Developer will as agent for and on behalf of the Council of Co-Owners and the Co-Owners thereof enter into a Lease and Use Agreement (the "Long Term Lease") with itself as lessor for the use of certain recreational facilities (to consist of two (2) tennis courts) to be constructed adjacent to the Property. The Long Term Lease, a copy of which will be attached as an Exhibit by amendment to the Master Deed and incorporated by reference, is binding upon the Council of Co-Owners and

the Co-Owners. The fees for use of such facilities (present \$250.00 per month, which amount may be adjusted as provided in the Long Term Lease) shall be Common Expenses. If the Council of Co-Owners fails to pay the amounts due under the Long Term Lease, the Developer, if it performs its obligations thereunder, shall be subrogated to the rights of the Council of Co-Owners and the Board of Directors to collect such amounts from the Co-Owners as Common Expenses. The Long Term Lease may be amended only by a written agreement executed by the Council of Co-Owners and the Developer.

2. THE DEVELOPER SPECIFICALLY DISCLAIMS ANY INTENT TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE PROPERTY AS PRESENTLY CONSTITUTED, AND AS CONSTITUTED UPON THE INCLUSION OF AN ADDITIONAL PHASE(S) UPON SUCH INCLUSIONS (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE CONDOMINIUM, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DEVELOPER OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Condominium have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Developer's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Developer shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the Buildings or on any portion of the Property or defects which are the result of characteristics common to

the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Developer and an Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, subcontractor, supplier or manufacturer shall be the obligation of the Council of Co-Owners and its members and the Developer shall bear no responsibility therefor.

ARTICLE XVI
PROVISIONS RESPECTING CONSTRUCTION LENDER

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Developer upon the Property as presently constituted or any subsequent phase to secure a loan with which to develop the improvements for the Property or that phase, such as would be commonly classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage") the following provisions shall be a part of this Master Deed and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

1) Whenever the consent of the Developer is required under this Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2) In the event that the Developer shall violate any of its obligations as a Co-Owner, the Council of Co-Owners shall be required to give Construction Mortgagee written notice of such failure or violation, and the Council of Co-Owners shall be prohibited from instituting any suit or exercising any other remedy against the Developer for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3) Construction Mortgagee shall be given written notice by the Council of Co-Owners of any meeting of the Co-Owners together with the agenda of such meeting.

4) No amendment shall be made to this Master Deed or to the By-Laws of the Council of Co-Owners, which would alter the rights of Construction Mortgagee or in any other way affect the security of Construction Mortgagee without its joinder and written consent to such amendment.

5) If Construction Mortgagee either assumes possession of any portion of the Property or Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Property at foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges, and exemptions granted to Developer by this Master Deed and/or by the By-Laws.

ARTICLE XVII RIGHTS OF LENDERS

Notwithstanding any other provision hereof any mortgagee of record, (including, but not limited to, the Construction Mortgagee while such construction mortgage shall remain unsatisfied), shall:

(i) Upon request, be permitted to inspect the books and records of the Council of Co-Owners, during normal business hours;

(ii) Receive a copy of any audit performed for the Council of Co-Owners;

(iii) Upon request, receive written notice of all meetings of the Council of Co-Owners, and be permitted to designate a representative to attend and observe all such meetings; and

(iv) Receive written notification from the Council of Co-Owners of any default by any of its mortgagors in the performance of his obligations to the Council of Co-Owners which is not cured within thirty (30) days.

ARTICLE XVIII
CERTAIN PROVISIONS REGARDING THE PIER

The Developer is committed under the Development Plan to include within Phase 3 of the Condominium the pier which is as designated and shown in the Exhibits. In the meantime the Co-Owners of the Condominium as presently constituted (and, in addition, the Co-Owners in Phase 2 in the event of its inclusion) shall have rights of use in and to the pier. Prior to the inclusion of the pier within the Condominium, the Council of Co-Owners shall not be responsible for maintenance or upkeep of the pier; PROVIDED, HOWEVER, ALL USE OF THE PIER BY CO-OWNERS, MEMBERS OF THEIR FAMILIES, GUESTS OR OTHERS PROVIDED USE BY ANY CO-OWNER SHALL BE AT SUCH USER'S SOLE RISK. DEVELOPER MAKES NO WARRANTIES OR ASSURANCES EXPRESS OR IMPLIED, WHATSOEVER, AS TO THE SAFETY, RELIABILITY OR USEABILITY OF THE PIER. In the event of inclusion of the pier within the Condominium, the Council of Co-Owners and Co-Owners thereof shall be responsible for all maintenance and upkeep of the pier and Developer shall bare no liability or responsibility therefor.

So long as Developer retains ownership of the pier no Co-Owner shall allow any person under seventeen (17) years of age to go upon or use the pier unless accompanied by an adult.

Developer is presently in the process of completing certain repairs to the pier. So long as Developer owns the pier, Developer shall have the right to restrict use herein granted so as not to interfere with repairs.

Developer intends to and shall repair only those portions of the pier and to that length which presently exists. Developer shall remove those pilings beyond the end of the pier as it presently exists; construct a terminal rail at the end of the pier as it presently exists; and perform

reasonable repairs to the existing structure (as determined in Developer's sole discretion). Such is and shall be (in the event of inclusion of Phase 3 or not) Developer's sole responsibility. The pier, upon inclusion in the Condominium, shall be included AS IS and Developer does not and shall not be responsible for or liable for the condition of the pier, its safety, useability, durability, compliance with any law, ordinance, rule or regulation or any other thing or condition whatsoever. NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE MADE OR SHALL BE MADE BY DEVELOPER, HIS SUCCESSORS OR ASSIGNS AS TO THE PIER. Developer reserves unto self now, and in the event of inclusion of the pier within the Condominium, the right to grant to third parties rights of use to the pier, and easements for access and ingress and egress across the common elements to the pier; provided further, any such grant(s) shall require such third party(ies) to bare a pro rata share of the actual operating costs of the pier.

ARTICLE XIX
MISCELLANEOUS PROVISIONS

A. 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 ceilings including plaster, paint, wallpaper, etc.; however, all load-bearing walls and, where applicable, the floor between the first or ground floor and second floor located within an Apartment are part of the common elements to the unfinished surface of said walls and/or floors.

B. No Co-Owner may exempt himself from liability for his contribution toward the common expenses or other assessments duly made by the Council of Co-Owners and/or the Board of Directors 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.

C. Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against his Unit and shall file any tax returns required in connection therewith. No Co-Owner shall have a right of contribution or a right of adjustment against any other Co-Owner because the value of his Unit as fixed by any taxing authority may differ from that stated herein.

D. 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 as compared to the value of the Condominium shall be equal to the percentage of the value of the entire Condominium 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 equal 100 per cent of the value of all the land and improvements as it shall then be constituted.

E. 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.

F. If any of the provisions of this Master Deed of the Exhibits hereto, of The Act or any section, clause, phrase, word or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

C. 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 Condominium unless the Co-Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Council of Co-Owners shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Council of Co-Owners (including the Board of Directors) shall be delivered by mail to the Secretary of the Council of Co-Owners at the Secretary's address within the Condominium or, in the case of the Secretary's absence, then to the President of the Council of Co-Owners at his address in the Condominium; provided, however, that the Council of Co-Owners may specify a different address by written notice delivered to all Co-Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Developer shall be sent by mail to Post Office Box 11634, Columbia, South Carolina 29211. 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.

H. All remedies for non-compliance provided in The Act shall be in full force and effect., In addition thereto, should the Council of Co-Owners 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 Council of Co-Owners for reasonable attorney's fees incurred in prosecuting such action.

I. Subsequent to the filing of this Master Deed, the Council of Co-Owners when authorized by a vote of the majority of the total Voting Members of the Council of Co-Owners and the Institutional Mortgagees of

record encumbering condominium units who represent the majority of the dollar institutionally mortgaged indebtedness against this Condominium. may, together with other councils of Co-Owners and/or others, purchase and/or acquire and enter into agreements from time to time, whereby to acquire leaseholds, memberships, and other possessory or use interest 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 Condominium, 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 Expenses.

J. 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 liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a horizontal property regime.

K. The captions used in this Master Deed and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Master Deed or Exhibits hereto annexed.

L. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of this Master Deed and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

M. If any term, covenant, provision, phrase or other elements of this Master Deed or the Exhibits hereto or the Act are 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.

N. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Master Deed and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

O. The Council of Co-Owners by its execution of this Master Deed approves the provisions 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 the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

P. No Co-Owner shall bring or have any right to bring any action for partition or division of the Property.

IN WITNESS WHEREOF the Developer on behalf of itself and to bind itself and its successors in interest, including all Co-Owners who shall comprise the Council of Co-Owners (which shall be known as the Sea Cabin on the Ocean III Horizontal Property Regime Council of Co-Owners) has executed this Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime as its act and deed and in witness whereof, it by and through its Chairman, attested by its Secretary, has set its hand and seal this 2nd day of MAY, 1980.

SIGN, SEALED & DELIVERED:


In The Presence Of:

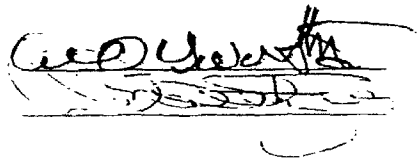
SEA CABIN CORPORATION

BY:  (SEAL)

Chairman

ATTEST:


Assistant Secretary

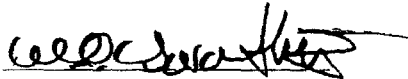


STATE OF SOUTH CAROLINA)

PROBATE

COUNTY OF CHARLESTON)
_____)

PERSONALLY appeared before me the undersigned witnessed and made oath that (s)he saw the within named Sea Cabin Corporation, by and through its duly authorized agent, sign and seal as its act and deed deliver the within written Master Deed of the Sea Cabin On the Ocean III Horizontal Property Regime, and that (s)he with the other witness whose signature appears above, witnessed the execution thereof.



SWORN to and subscribed before

me this 2nd day of May, 1988.



(L.S.)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 2/21/90

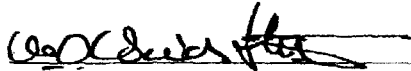
NO RENUNCIATION OF DOWER NECESSARY. DEVELOPER IS A SOUTH CAROLINA CORPORATION.

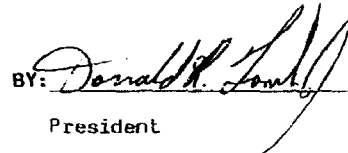
FOR GOOD AND VALUABLE CONSIDERATION the receipt whereof is hereby acknowledged, Sea Cabin on the Ocean III Horizontal Property Regime Council of Co-Owners hereby agrees to and does on behalf of itself and all its present and future Co-Owners, accept all the benefits and all the duties, responsibilities, obligations and burdens imposed upon it and them by the provisions of this Master Deed together with all the Exhibits hereto and as set forth in the Act.

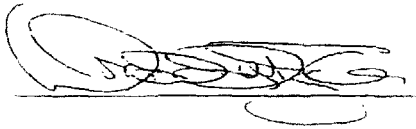
IN WITNESS WHEREOF, the above-named Sea Cabin on the Ocean III
Horizontal Property Regime Council of Co-Owners has caused these presents
to be signed in its name by its duly authorized agent this 22 day of
May, 1980.

SIGNED, SEALED & DELIVERED
in the Presence of:

SEA CABIN ON THE OCEAN III
HORIZONTAL PROPERTY REGIME
COUNCIL OF CO-OWNERS



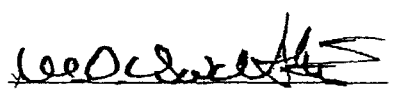
BY:  (SEAL)
President



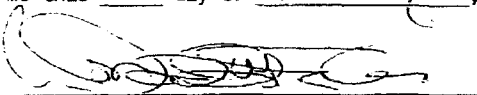
STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
_____)

PROBATE

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



SWORN to and subscribed before
me this 20 day of January, 1980.

 (L.S.)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 2/21/90

EXHIBIT I - DESCRIPTION OF PROPERTY

The property herein committed as Sea Cabin on the Ocean III (Phase I)

consists of:

All that certain tract, piece of parcel of land with improvements located thereon situate lying being on the city of Isle of Palms County of Charleston, State of South Carolina containing 2.42 acres as shown and delineated on the surveys and plot plans which are incorporated in this description, said property being also a portion of a certain 5.95 acres tract of land shown and designated on a plat by E. M. Seabrook, Jr. Inc. which plat is dated July 6, 1979, and recorded in the RMC Office of Charleston County, South Carolina, in Plat Book 8 page 101. (Sea Cabin on the Ocean III Horizontal Property Regime upon the inclusion of all 3 phases within the condominium will consist of the exact 5.95 acres as shown on said plat.) Said tract of land herein committed having the following metes and bounds, to wit: Beginning at the western most corner of said tract at an iron that adjoins the right of way of Ocean Boulevard and from thence proceeding North 57° 44', 1" East for a distance of 177.0 feet along the right of way of Ocean Boulevard; From thence turning and proceeding South 32° 15' 39" West for a distance of 185.0' to a point along property designated as Phase 2; thence turning and proceeding North 47° 44' 01" East for a distance of 177.0' along the right-of-way of Ocean Boulevard; from thence turning and proceeding South 32° 15' 39" West for a distance of 185.0' more or less to a point along property designated as Phase 2; thence turning and proceeding North 57° 44' 01" East for a distance 155.0' to a point also along lands designated as Phase 2; from thence turning and proceeding South 32° 15' 39" West for a distance of 227.42' also along Land designated as Phase 2 and to the high water mark of the Atlantic Ocean. The boundary of the property along the southeastern side consists of the high water mark of the Atlantic Ocean and has the following metes and bounds: South 58° 00' 37" West for a distance of 101.02' to an iron; thence South 58° 52' 07" West for a distance of 99.91' to an iron; from thence South 66° 59' 24" West for a distance of 127.36' to an iron; from thence turning from a point on the high water mark of the Atlantic Ocean running North 32° 15' 39" West along a 15' access to the beach for a distance 390.03' back to the iron, which was the point of beginning. All measurements being a little more or less Reference being craved to said surveys and plot plans for more complete description. This is a portion of the property conveyed to Sea Cabin Corporation by deed Associated Motels, Inc., which deed is recorded in the R.M.C. Office for Charleston County, South Carolina in Deed Book V-120, at Page 8.

TOGETHER WITH a non-exclusive easement for ingress and egress across those parcels designated as Phase 2 and Phase 3 in the surveys which are part of this Exhibit to the pier which is shown on said surveys as "existing pier" and rights of use to said pier according to the terms, provisions and conditions set forth and described in the Master Deed to which this is an Exhibit.

The aforesaid real property and the particular improvements thereon, which are hereby committed (and the location of such improvements) are shown and described on the attached surveys, plot plans and building plans, which are incorporated in the description by reference and which constitute, together with this description, Exhibit "1" to the Master Deed of Sea Cabin On The Ocean III Horizontal Property Regime. The improvements consisting of the building within which apartments are located and the location of individual apartments within the building, are located as shown and described upon the aforesaid parts to this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the common elements as shown and described on the attached surveys, plot plans, building plans and descriptions, and as described in the Master Deed to which this is an Exhibit. All areas not contained within the apartments as the term "apartment" is defined in the aforesaid Master Deed, constitute common elements. Improvements which constitute common elements are the streets and driveways, sidewalks, parking areas, the swimming pool, pool building, all corridors and halls providing access to individual apartments and all stairs, stair cases, walkways and the like providing access to such halls and corridors, and all other improvements not contained within or part of any apartment(s).

This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record, including those contained within the Master Deed and Exhibits thereto, as shown in this Exhibit and all others of record.

The swimming pool is kidney-shaped and measures forty (40) feet at the widest point by twenty (20) feet long. There is a diving board at the deep end. It is surrounded by a deck ten (10) feet wide (also part of the common elements). The pool, pool building and deck are located as shown in the surveys. The pool machinery and filtering system, dressing rooms and a coin operated laundry are located in the pool building and are part of the common elements.

Each apartment includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes or systems serving the dwelling space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety, or usefulness of the remainder of the building, shall be deemed to be part of any apartment.

All apartments are identical. Each is a one bedroom apartment containing approximately 560 square feet. As to each such apartment, entrance is made from an open walkway which is part of the common elements into a Foyer. Located along the right side after entrance into the apartment are shelf and closet areas and bunks, as well as a utility room with a water heater and air handler located therein. To the left of the hallway is the bedroom which contains a closet. Also to the left is the bathroom which also connects with the bedroom and the hallway. At the end of the hall within the apartment, entrance is made into the living, dining and kitchen areas. Entrance is also made from this area onto the balcony which is part of the apartment.

Apartments numbered 132 through 147 consecutively are located on the first floor.

Apartments numbered 232 through 247 are located on the second floor.

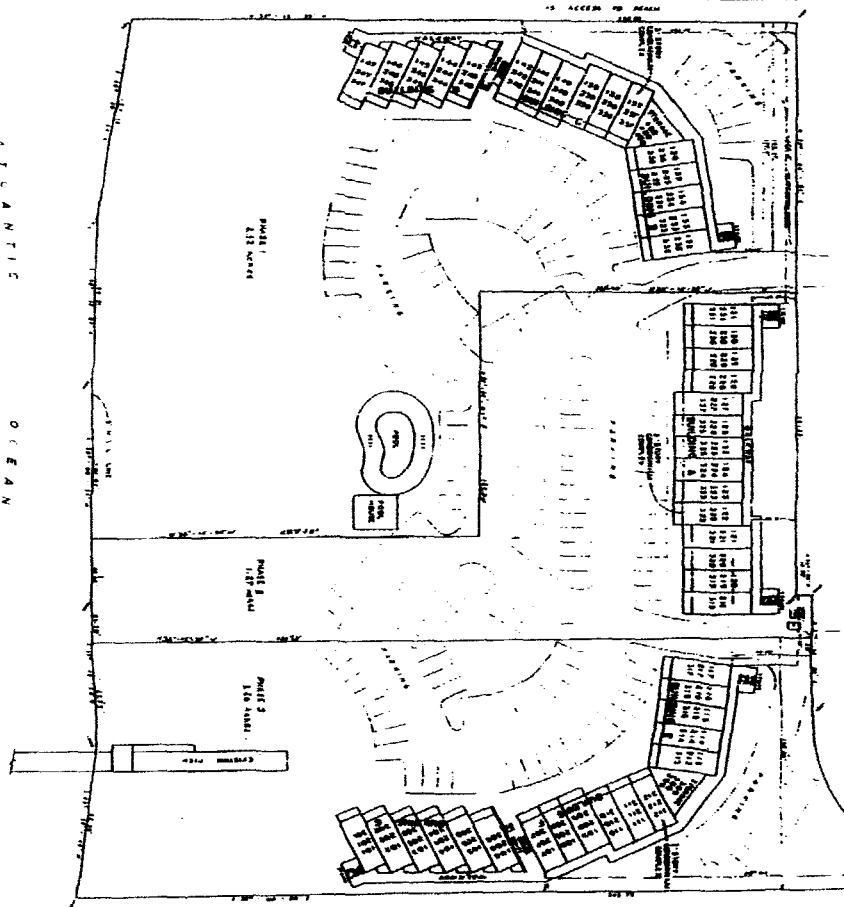
Apartments numbered 332 through 347 consecutively are located on the third floor.

Apartment number 400 is a maintenance and storage unit containing approximately 1,350 square feet located on the first, second and third floors of the building. Entrance to each level of Apartment 400 is made from the common element walkway for that floor. There are no interior divisions (except between the levels) to the unit.

LOT A BLOCK 18
SECTION 2

BLOCK 2 SECTION 2

OCEAN BOULEVARD 100' R/W (80' R/W)



NOTE:
 1. ALL UNITS SHOWN ARE CONTAINED IN THE ATTACHED MAPS.
 2. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 3. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 4. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 5. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 6. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 7. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 8. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 9. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.
 10. THE ARCHITECTURAL PLAN FOR EACH BUILDING SHOWN.

FLOYD, COLEMAN, ASKINS & KELLAHAN

SEA CABIN ON THE OCEAN III HORIZONTAL PROPERTY REGIME

SEA CABIN ISLE OF PALMS
SEA CABIN ISLE OF PALMS
ISLE OF PALMS SOUTH CAROLINA

THE BEACH COMPANY

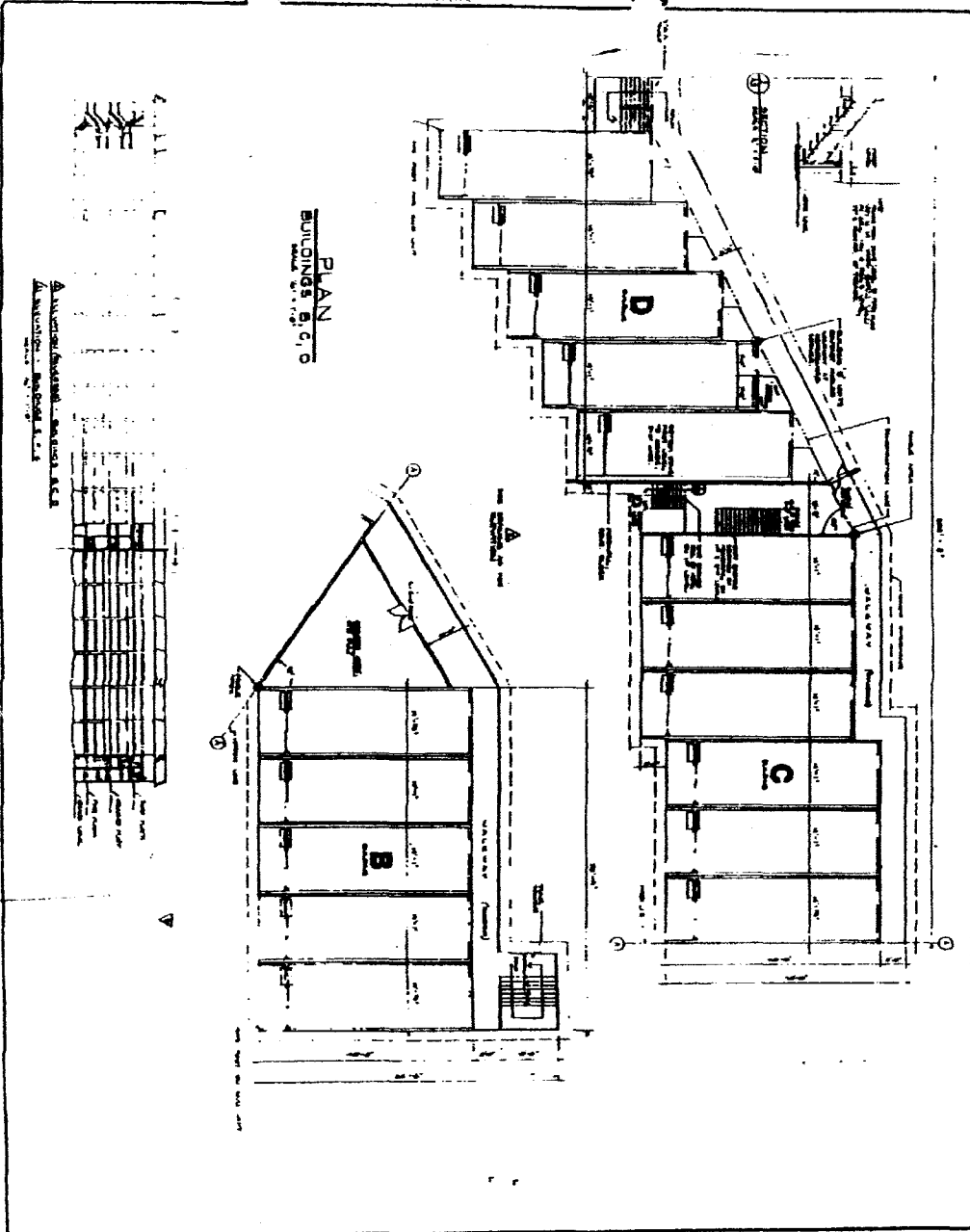
ISLE OF PALMS
COMPLETION COMPANY
SOUTH CAROLINA

SEA CABIN ISLE OF PALMS
SEA CABIN ISLE OF PALMS
SEA CABIN ISLE OF PALMS






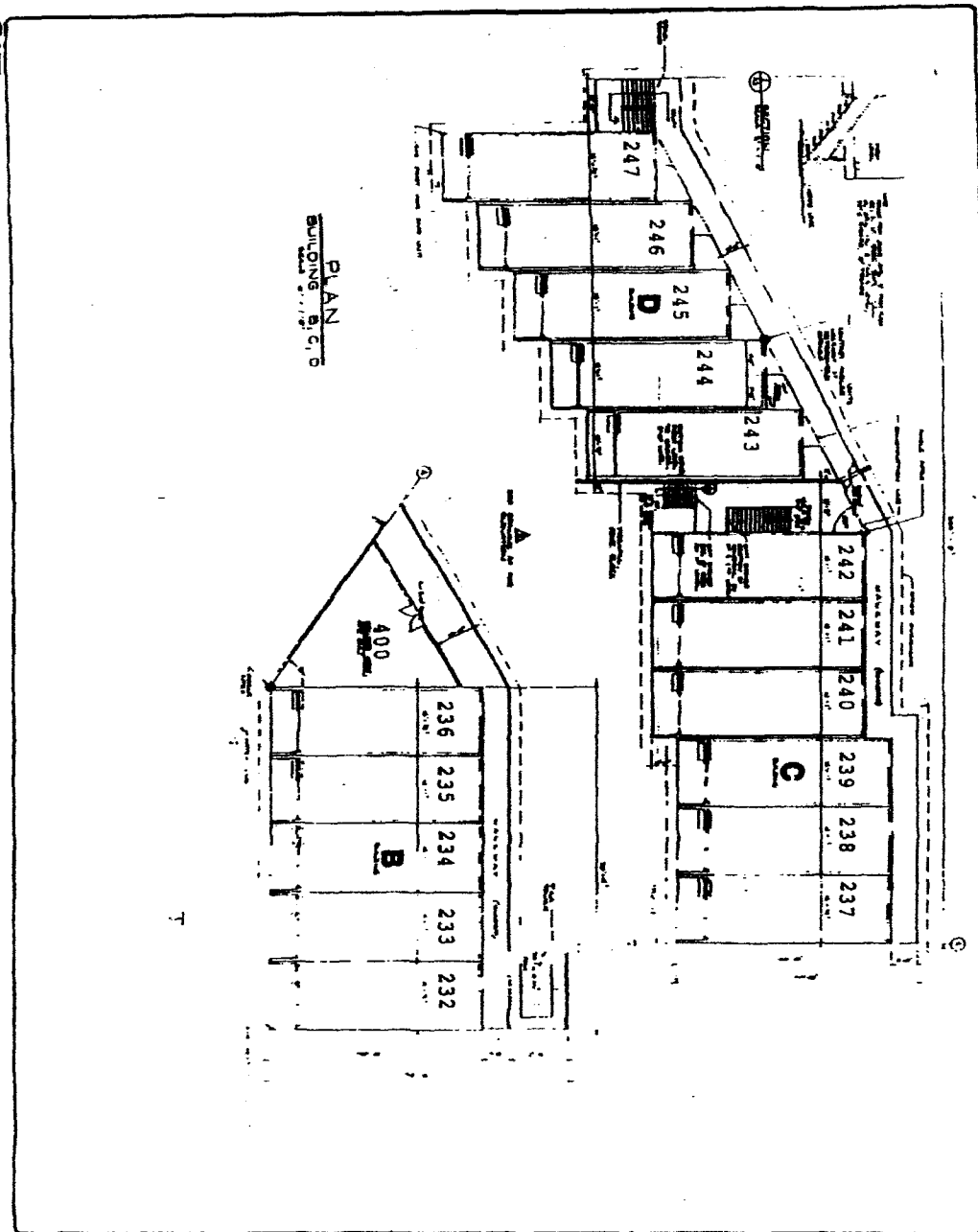
EXHIBIT 1
-5-

NO.	DATE	DESCRIPTION
1	1/1/78	SEA CABIN ISLE OF PALMS
2	2/1/78	SEA CABIN ISLE OF PALMS
3	3/1/78	SEA CABIN ISLE OF PALMS
4	4/1/78	SEA CABIN ISLE OF PALMS
5	5/1/78	SEA CABIN ISLE OF PALMS
6	6/1/78	SEA CABIN ISLE OF PALMS
7	7/1/78	SEA CABIN ISLE OF PALMS
8	8/1/78	SEA CABIN ISLE OF PALMS
9	9/1/78	SEA CABIN ISLE OF PALMS
10	10/1/78	SEA CABIN ISLE OF PALMS



Architectural, Inc. 1001
 1001 10th Street, N.W.
 Atlanta, Georgia 30309

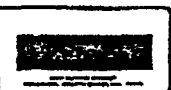
A3		BUILDING: B, C, D PLAN Elevations			
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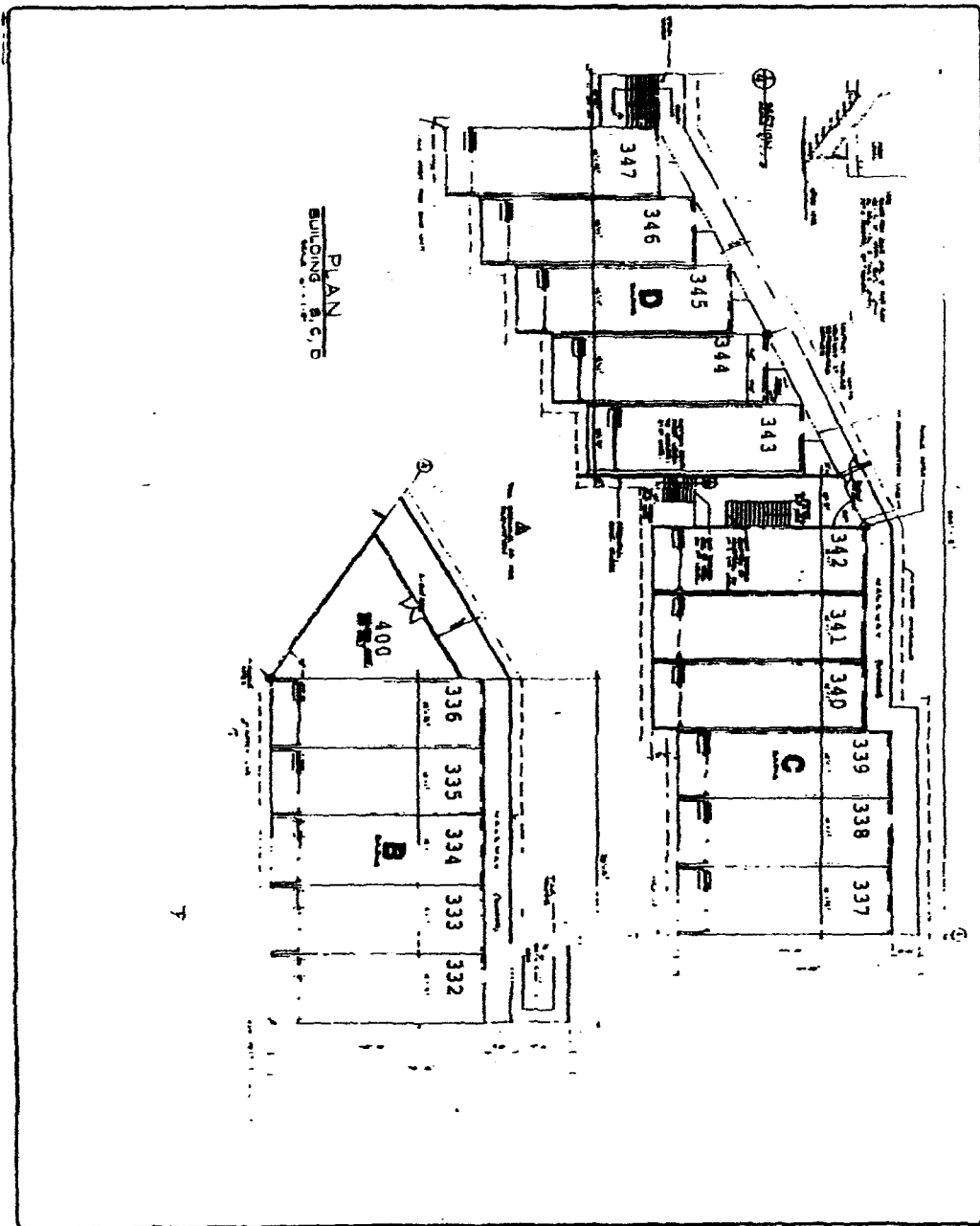


A3



**BUILDING B, C, D
SECOND FLOOR
APARTMENTS**



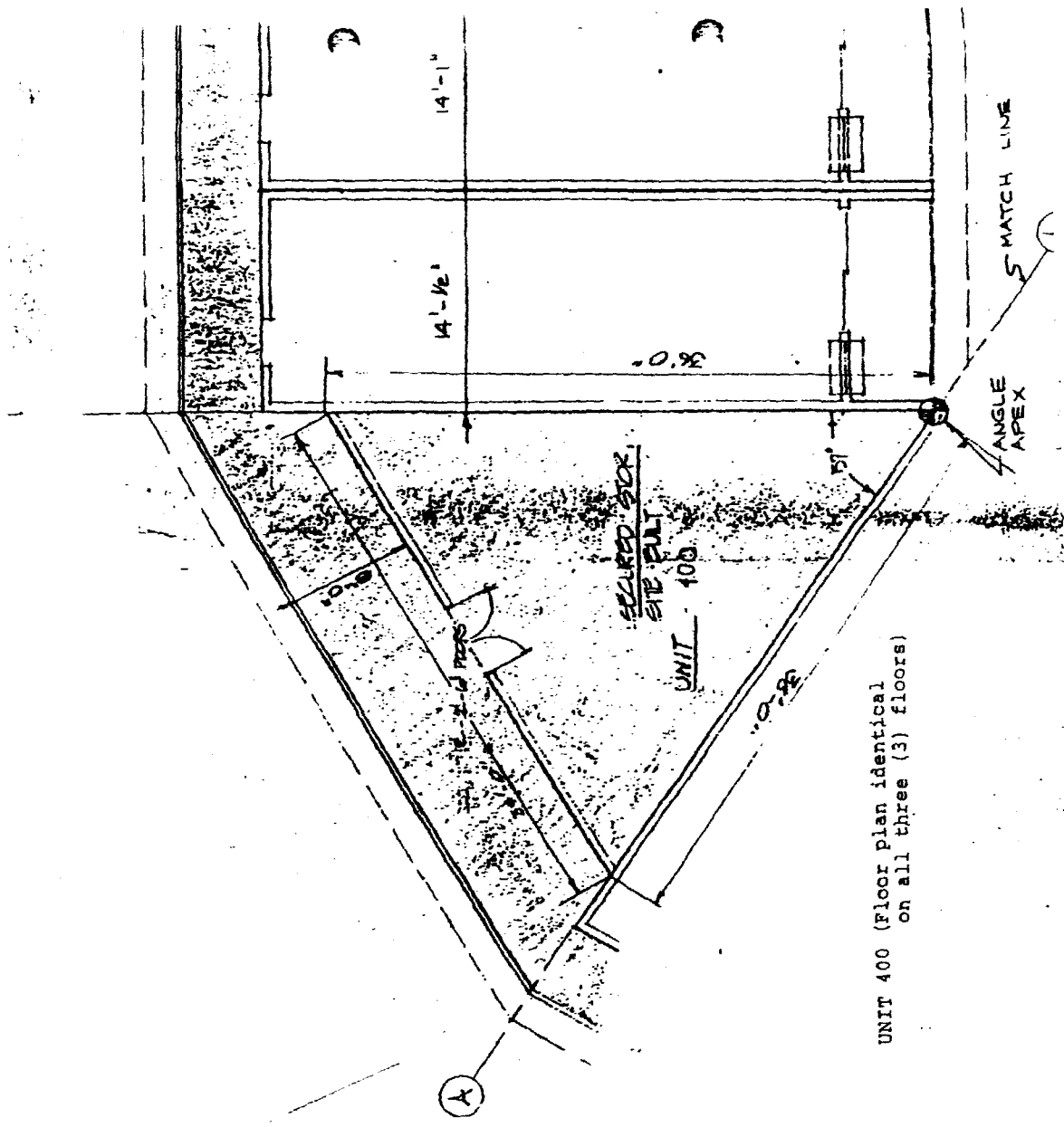


A3



BUILDING B, C, D
THIRD FLOOR
APARTMENTS





UNIT 400 (Floor plan identical
on all three (3) floors)

PROPERTY RIGHTS AND PERCENTAGE OF INTEREST

Each Co-Owner owns, in addition to his Apartment, an interest in the common elements of the Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual apartment in relation to the value of the Property as a whole. Such percentage interest in the common elements of each Co-Owner shall vary; however, provided, that the Developer proceeds with subsequent phases of development. There are three (3) phases of development. Phase 1 consists of forty-nine (49) apartments. Phase 2 shall contain an additional forty(40) apartments and additional common elements making a total of eighty-nine (89) apartments. Phase 2 is indicated within these Exhibits to the Master Deed. Phase 3, if included, shall contain an additional fifty-two (52) apartments and additional common elements (including a pier) for a total of one hundred and forty-one (141) apartments. Phase 3 is likewise designated within these Exhibits.

The percentage of interest in the common elements of each Co-Owner of an apartment at each stage of development is shown hereinbelow in this Exhibit. The vote of each Voting Member assigned each apartment represents the percentage of the total votes of all Co-Owners set out below. The vote appurtenant to each apartment in Phase 1 is one (1) vote; in Phase 2, one (1) vote (except for apartment 120 which has three (3) votes); and in Phase 3, one (1) vote. The percentage of the total vote that the vote assigned to each apartment represents is shown depending on whether only Phase 1; or Phase 1 and Phase 2; or Phase 1, Phase 2 and Phase 3 are included within the Condominium hereinbelow in this Exhibit. Such voting rights and the percentage of the total vote appurtenant to each apartment has been computed by taking as a basis the value of the individual apartment in relation to the value of the property as a whole.

In the event only Phase 1 is included in the Condominium, there shall be appurtenant to each apartment an undivided 2.0408 8/49ths per cent ownership in the common elements of the Property and share in the common expenses and assessments and

common surplus of the Condominium. The one (1) vote appurtenant to each apartment shall represent 2.0408 8/49ths per cent of the total vote of all Co-Owners in the Condominium

In the event that Phase 1 and Phase 2 are both completed (a total of 89 apartments), there shall be appurtenant to each apartment (except apartment 120) an undivided 1.0989 1/91st per cent ownership interest in the common elements of the Property and share in the common expenses and assessments and common surplus. In addition, the one vote appurtenant to each such apartment (except apartment 120) shall constitute 1.0989 1/91st per cent of the total vote of all apartments of the Condominium.

There shall be appurtenant to Apartment 120, an undivided 3.2967 3/91st per cent ownership interest in the common elements of the Property and share in the common expenses and assessments and common surplus. In addition, the three votes appurtenant to Apartment 120 shall constitute 3.2967 3/91st per cent of the total vote of all apartments in the Condominium.

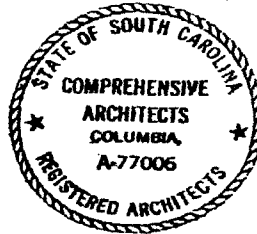
In the event that Phase 1, Phase 2 and Phase 3 are all completed (a total of 141 apartments) there shall be appurtenant to each apartment in Phase 1, Phase 2 (except apartment 120) and Phase 3 an undivided .6993 1/143rd per cent ownership interest in the common elements of the Property and share in the common expenses and assessments and common surplus. In addition, the one vote appurtenant to each such apartment shall constitute .6993 1/143rd per cent of the total vote of all apartments of the Condominium. There shall be appurtenant to Apartment 120, an undivided 2.0979 3/143rds per cent ownership interest in the common elements of the Property and share in the common expenses and assessments and common surplus. In addition, the three votes appurtenant to Apartment 120 shall constitute 2.0979 3/143rds per cent of the total vote of all apartments of the Condominium.

STATE OF SOUTH CAROLINA *
*
COUNTY OF CHARLESTON *

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief, that the pages numbered -5- through -11-, to this Exhibit "1" and the plot plan referred to in the description of the property, adequately and accurately depict the land, buildings and the improvements and elevations of Sea Cabin On The Ocean III Horizontal Property Regime in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.

Joseph D. Rogner



LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 2ND day of MAY, 1980, by and between Reception Corporation, a South Carolina corporation, with its principal office in the City of Columbia, South Carolina, hereinafter called Reception Corporation, and Sea Cabin on the Ocean III Horizontal Property Regime Council of Co-Owners on behalf of itself and each and every Co-Owner thereof, Isle of Palms, South Carolina, County of Charleston, State of South Carolina, hereinafter called "Lessee".

Reception Corporation and Lessee do hereby mutually agree as follows:

1. Reception Corporation will furnish and lease unto Lessee, and Lessee does hereby lease from Reception Corporation, for the term and under the terms and conditions herein set forth the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Reception Corporation (with the exception of conduit which is to be supplied by Lessee at its expense), in rooms located upon premises owned or leased or otherwise lawfully operated by Lessee located on Isle of Palms, County of Charleston, State of South Carolina. Lessor shall not be liable for delay in, or failure to make delivery of equipment or installation, caused by circumstances beyond its reasonable control, including, but not limited to, Acts of God, Fire, flood, wars, accidents, labor or different contingency. The number and types of television sets and/or equipment leased under the terms hereof are as follows and are the model, type and design selected by the Lessee as suitable, in its judgment, for Lessee's purpose.

One (1) 19" Solid State General Electric
Color Television for each Condominium
apartment included in the Condominium
Regime;

One Locking furniture swivel for each
television set so provided; and

Cable, antenna systems, distribution
equipment and amplification equipment for
signal distribution.

All equipment to be prepaid by Reception
Corporation.

2. SERVICE

Reception Corporation shall keep and maintain, or cause to be kept and maintained at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, his agents and/or employees. Reception Corporation shall promptly replace any defective set or injured part or parts thereof, provided, however, that in the event replacement of any defective set or sets such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Reception Corporation of any deficiency in service as rendered by Reception Corporation or its service representative. Reception Corporation shall not be liable to Lessee for any loss, damage or expense of any kind or nature, directly or indirectly caused by the television equipment covered hereby--or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Reception Corporation shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing, or replacement of the equipment covered hereby.

3. NON-ASSIGNMENT LEASE

The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Reception Corporation.

4. LOCATION

Lessee shall not remove said equipment or any part thereof from the premises where installed; nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through authorized service representative of Reception Corporation.

5. TERM

The term hereof shall be for a period of eighty-four (84) months beginning on the date of the completion of the delivery of the equipment on premises of Lessee, said date to be confirmed in writing by Lessee upon request of Reception Corporation.

6. RENT PAYMENTS

As rental for said equipment, Lessee shall pay to Reception Corporation, at Columbia, South Carolina, during the full term hereof, the sum of \$9.85 per set delivered per month, plus tax. Rental payments are due on or before the 1st day of each month, the first of which shall be due on or before the 1st day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

7. OWNERSHIP

The equipment, together with wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Reception Corporation, its successors and assigns, and Lessee shall have no property interest therein, conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixture therein, and Lessee, if so requested by Reception Corporation, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage, or otherwise encumber any interest in said personal property.

8. DELIVERY

Should Lessee and/or his agent order delivery of equipment and installation on specified dates, and Lessee's premises are not ready for installation of same, Lessee assumes full responsibility for storage, insurance, and any redelivery charges on equipment.

9. INSPECTION

Lessee grants unto Reception Corporation the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY

Lessee shall be responsible to all third parties, including paying guests, for any injury received as result of the installation of said television sets in or about the premises of Lessee and shall carry public liability insurance to save said Reception harmless in the event of such injury except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Reception Corporation.

11. INSURANCE

Reception Corporation agrees during the term of this lease to replace or repair any of its equipment, including television sets in guest rooms, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting television sets or equipment in storage awaiting use of service, providing: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Reception Corporation and to local law enforcement authorities--notice of loss to be sent to Reception Corporation by Certified Mail, (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss, (c) Lessee and its employees, agents and representatives cooperate fully with Reception Corporation and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Reception Corporation immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with "a", "b", or "c" above, it shall be the responsibility of the Lessee to pay Reception Corporation for its cost of replacement or repair of Reception Corporation equipment involved in such loss. In the event that service by Reception Corporation is not included in this agreement, Lessee agrees to maintain the theft equipment installed hereunder, otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES

Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL

At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT

In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days or in the event of any other breach of the terms or conditions of this lease by Lessee which breach shall not have been cured within ten (10) days after notice thereof by mail, post paid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Reception Corporation, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease, then and in that event, Reception Corporation shall have the right, without giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any

and all damages, including attorneys fees, suffered by Reception Corporation. Further, in the event of non-payment, Reception Corporation shall be, and hereby is, subrogated to the lien rights of the Council of Co-Owners as to each Co-Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Reception Corporation, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Co-Owner(s) as granted to the Council of Co-Owners by the South Carolina Horizontal Property Act (Title 27, Chapter 31, South Carolina Code of Laws, 1976).

Lessee agrees to pay late charges of five cents (\$.05) per dollar in addition to the regular monthly payment or installment, if payments hereunder are not made within ten (10) days after due date, but not exceeding \$100.00, or the lawful maximum, if any. Reception Corporation's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Reception Corporation's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Reception Corporation of any default by the Lessee shall not constitute waiver of any other or subsequent default.

15. SURRENDER

Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Reception Corporation or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Reception Corporation shall have the right to enter any premises where the leased equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Reception Corporation.

If Reception Corporation determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Reception Corporation either (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Reception Corporation for the reasonable expense of so restoring the equipment.

16. Should the equipment leased herein be covered by a Conditional Sale Contract, Chattel Mortgage or Security Agreement on which Reception Corporation is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sale Contract, Chattel Mortgage or Security Agreement.

17. NOTICE

Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by certified mail addressed postage prepaid to the mail address of the other party hereto as shown herein.

18. AMENDMENTS

This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA LAW

Should any question arise as to the validity, construction, interpretation, or performance of this lease agreement in any court of any State of the United States, or of Canada, it is agreed that the law of the

STATE OF SOUTH CAROLINA)

FIRST AMENDMENT TO THE MASTER

DEED OF SEA CABIN ON THE OCEAN

COUNTY OF CHARLESTON)

III HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, that this First Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime is made on the date hereinafter set forth by Sea Cabin Corporation hereinafter called "Developer":

WITNESSETH:

WHEREAS, Developer has heretofore committed certain real property to Sea Cabin on the Ocean III Horizontal Property Regime by the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime, which Master Deed is recorded in the office of the Register of Mesne Conveyances of Charleston County, South Carolina, in Deed Book G-122 at page 368; and

WHEREAS, said Master Deed provides for the inclusion of additional phases in said Horizontal Property Regime; and

WHEREAS, Developer now wishes to annex additional property, improvements and apartments and amend said Master Deed for the purposes of creating Phase 2 of the Regime;

NOW THEREFORE, Developer does hereby submit the property described in Phase 2, being more particularly described hereinafter in this Amendment and the Exhibits hereto, to the provisions of the Horizontal Property Act of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, and does further submit said property to the provisions of the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime and the Exhibits thereto, the same being recorded in the Office of the Register of Mesne Conveyances of

Charleston County, South Carolina, in Deed Book G-122 at page 368.

ARTICLE I

THE PROPERTY

The property hereby committed by this Amendment to the aforesaid Master Deed means and includes that property shown as contained within Sea Cabin On the Ocean III Horizontal Property Regime, Phase 2, as described in the Exhibits to this Amendment, and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto as described in the Exhibits to this Amendment and as subject to all easements, rights-of-way, rights of use, restrictions, obligations and covenants as described in this Amendment, the aforesaid Master Deed, the Exhibits thereto and hereto and of record. Therefore, the property committed to the Sea Cabin on the Ocean III Horizontal Property Regime consists of the property heretofore committed in the Master Deed (Phase 1) and in addition thereto, that property described in said Master Deed and the Exhibits thereto and herein and in the Exhibits hereto as Phase 2.

Exhibit 1, Description of Property, to the Master Deed as it pertained to said property being also a portion of a certain 5.95 acres tract of land shown and designated on a plat by E.M. Seabrook, Jr., Inc. which plat is dated July 6, 1979, and recorded in the RMC Office of Charleston County, South Carolina, in Plat Book 8 page 101, is incorrect as to the reference to Plat Book 8, and should read "Plat Book AN Page 101".

ARTICLE II

RIGHTS AND OBLIGATIONS

There is appurtenant to each apartment in Phase 1 and Phase 2 one (1) vote, (except for Apartment 120 which has three (3) votes), which are voted collectively by the voting member at all matters to come before the Council of Co-Owners (being more fully described in the Master Deed). By reason of Phase 2 having now been included within Sea Cabin on the Ocean III Horizontal Property Regime there is appurtenant to each apartment an undivided 1.0989 1/91st percent ownership interest in the common elements of the property and share in the common expenses and assessments and common surplus. There shall be an appurtenant to Apartment 120, an undivided 3.2967 3/91st percent ownership in the common elements of the property and share in the common expenses, assessments, and common surplus. In addition, the one (1) vote appurtenant to each apartment (except Apartment 120) constitutes 1.0989 1/91st percent of the total votes of all apartments of the Condominium. In addition, the three votes appurtenant to Apartment 120 shall constitute 3.2967 3/91st percent of the total vote of all Apartments in the Condominium.

ARTICLE III

APARTMENTS

The location, dimensions and approximate square footage of each apartment in Phase 2 are as shown and described in the Exhibits to this Amendment. All real property and improvements not included within the apartments, as apartments are defined in the Master Deed, are and shall be general common elements. There is an easement across the paved areas of the common elements of Phases 1 and 2 for ingress and egress as set forth and described in Master Deed and the exhibits thereto and herein and in the Exhibits hereto to contiguous property, and particularly to the real property and improvements shown and described herein and the

Exhibits hereto and Phase 3 to the owners and occupants thereof. Further, there is an easement for ingress and egress at all times and for all purposes for the Co-Owners of Phase 1 and Phase 2 across the paved areas of the parcel designated as Phase 3 in said Exhibits.

ARTICLE IV

PROVISIONS IN THE MASTER DEED

1. All provisions in the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime shall remain unchanged except as provided herein and shall be, and hereby are, binding upon all present and future Co-Owners in Phases 1 and 2, their mortgagees and lien holders and the Developer, except to the extent inclusion of Phase 2 within the Regime requires a necessary change. The foregoing Master Deed and this Amendment shall be construed together as to create one unified Horizontal Property Regime, pursuant to the laws of the State of South Carolina.

2. Nothing herein contained shall be construed to prevent the inclusion of additional phases by the Developer as described in the Master Deed.

IN WITNESS WHEREOF, the Developer, on behalf of itself and to bind itself, and its successors in interest, including all Co-Owners who comprise and who shall comprise the Council of Co-Owners (which is known as the Sea Cabin on the Ocean III Horizontal Property Regime Council of Co-Owners) has executed this First Amendment of Sea Cabin on the Ocean III Horizontal Property Regime as its act and deed, and in witness whereof, it, by and through its Chairman, attested by its Secretary, has set its hand and seal this 19th day of May, 1980.

EXHIBIT "1" TO THE FIRST AMENDMENT TO THE MASTER DEED OF SEA CABIN ON THE

OCEAN III HORIZONTAL PROPERTY REGIME

DESCRIPTION OF PROPERTY

The property herein committed as Phase 2 to be included within Sea Cabin on the Ocean II Horizontal Property Regime, consists of:

All that certain tract, piece of parcel of land with improvements located thereon situate lying being on the city of Isle of Palms County of Charleston, State of South Carolina containing 1.27 acres as shown and delineated on the surveys and plot plans which are incorporated in this description, said property being also a portion of a certain 5.95 acres tract of land shown and designated on a plat by E. M. Seabrook, Jr. Inc. which plat is dated July 6, 1979, and recorded in the RMC Office of Charleston County, South Carolina, in Plat Book AN page 101. (Sea Cabin on the Ocean III Horizontal Property Regime upon the inclusion of all 3 phases within the condominium will consist of the exact 5.95 acres as shown on said plat.) Said tract of land herein committed having the following metes and bounds, to wit: Beginning at the western most corner of said tract at an iron that adjoins the right of way of Ocean Boulevard and from thence proceeding North 57° 44' 00" East for a distance of 30.62' along the right of way of Ocean Boulevard; from thence turning and proceeding South 32° 15' 39" East for a distance of 421.72' along land designated as Phase 3 and to the high water mark of the Atlantic Ocean. The boundary of the property along the southeastern side consists of the high water mark of the Atlantic Ocean and has the following metes and bounds: South 55° 42' 38" West for a distance of 26.30' to an iron; from thence South 58° 00' 37" West for a distance of 40.0' to a point along property designated as Phase 1; from thence turning and proceeding North 32° 15' 39" West for a distance of 227.42' to a point along lands designated as Phase 1; from thence turning and proceeding North 57° 44' 01" East for a distance of 155.00' to a point also along lands designated as Phase 1; from then turning and proceeding North 32° 15' 39" West for a distance of 185.0' along lands designated as Phase 1 to a point adjoining the right of way of Ocean Boulevard; from thence turning and proceeding North 57° 44' 01" East for a distance of 191.28' along the right of way of Ocean Boulevard to an iron; from thence turning and proceeding North 33° 00' West for a distance of 10.00' back to the iron, which was the point of beginning. All measurements being a little more or less, reference being craved to said surveys and plot plans for more complete description. This is a portion of the property conveyed to Sea Cabin Corporation by Deed Associated Motels, Inc., which deed is recorded in the R.M.C. Office for Charleston County, South Carolina in Deed Book V-120, at page 8.

TOGETHER WITH a non-exclusive easement for ingress and egress across those parcels designated as Phase 3 in the surveys which are part of this Exhibit and to the pier which is shown on said surveys as "existing pier" and rights of use to said pier according to the terms, provisions and conditions set forth and described in the Master Deed to

which this is an Exhibit. The description of the property given in the Exhibits to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime otherwise remain identical.

The aforesaid real property and the particular improvements thereon, which are hereby committed and included within the condominium (and the location of such improvements) are shown and described on the attached surveys, plot plans and building plans, which are incorporated in the description by reference and which constitute, together with this description, Exhibit "1" to this Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime. The improvements consisting of the building within which apartments are located and the location of individual apartments within the building, are located as shown and described upon the aforesaid parts to this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the common elements as shown and described on the attached surveys, plot plans, building plans and descriptions, and as described in the Master Deed and this Amendment. All areas not contained within the apartments as the term "apartment" is defined in the aforesaid Master Deed, constitute common elements. Improvements which constitute common elements are the streets and driveways, sidewalks, parking areas, the swimming pool, pool building, all corridors and halls providing access to individual apartments and all stairs, stair cases, walkways and the like providing access to such halls and corridors, and all other improvements not contained within or part of any apartment(s).

This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record, including those contained within the Master Deed and Exhibits thereto, and as shown in this Exhibit and all others of record.

Each apartment includes:

- (a) The space enclosed by the unfinished surfaces of perimeter

and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes or systems servicing the dwelling space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety, or usefulness of the remainder of the building, shall be deemed to be a part of any apartment.

All apartments are identical except for apartments 131, 231 and 331, which are a reverse mirror image of the following description, and apartment 120 described below. Each is a one bedroom apartment containing approximately 560 square feet. As to each such apartment, entrance is made from an open walkway which is part of the common elements into a Foyer. Located along the right side after entrance into the apartment are shelf and closet areas and bunks, as well as a utility room with a water heater and air handler located therein. To the left of the hallway is the bedroom which contains a closet. Also to the left is the bathroom which also connects with the bedroom and the hallway. At the end of the hall within the apartment, entrance is made into the living, dining and kitchen areas. Entrance is also made from this area onto the balcony which is part of the apartment.

Apartments numbered 120 through 131 consecutively are located on the first floor.

Apartments numbered 218 through 231 are located on the second floor.

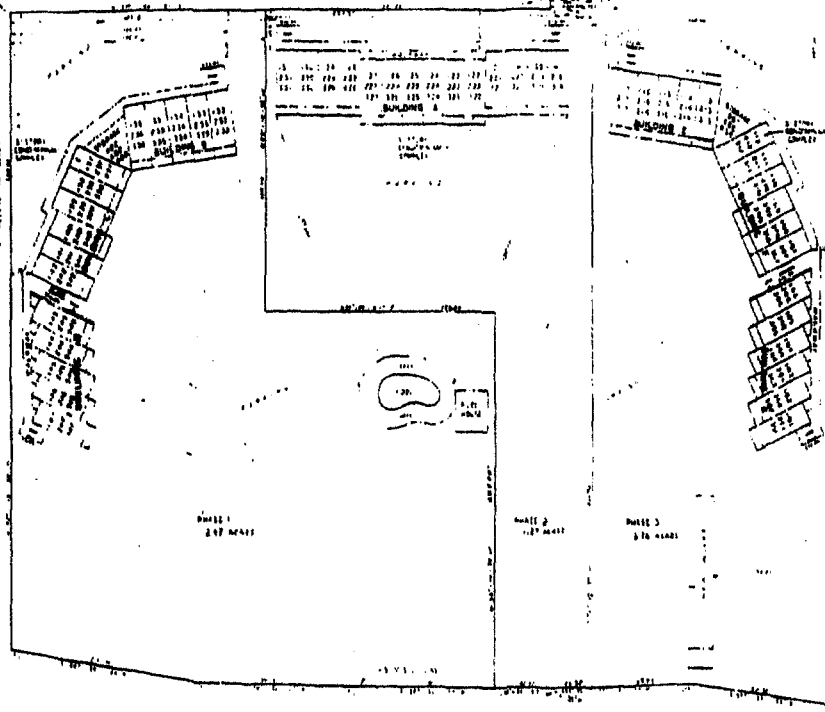
Apartments numbered 318 through 331 consecutively are located on the third floor.

Apartment number 120 is a management, rental and sales unit containing approximately 1,686 square feet located on the first floor of the building. Entrance to Apartment 120 is made from the common element walkway for that floor, and from the balcony which is a part of the Apartment.

LOT A BLOCK 24
SECTION 2

LOT B BLOCK 24
SECTION 2

OCEAN BOULEVARD 100' R/W (80' R/W)



NOTE
REFERENCE IS MADE TO ARCHITECTURAL
PLANS FOR DETAILS AND DIMENSIONS

- EASEMENTS -
- 1 RECESSION, SEASIDE CAMP 5'
 - 2 BATHROOM BELL 5'
 - 3 5' E.O.S. 10'
 - 4 SEA BOND CAMP 10' WATER BASE
 - 5 ISLE OF PALMS WATER OR 15' WATER BASE

*ALL UTILITY EASEMENTS ARE CONTAINED AT
THE "UTILITY UTILITY"

THE BEACH COMPANY

ISLE OF PALMS
CHARLESTON COUNTY
SOUTH CAROLINA

PLAN
A CONDOMINIUM SUBJECT AND/OR LI
SEA CABIN ISLE OF PALMS
PHASE 2

SEA CABIN CORPORATION
BOUNDARY LINES TAKEN FROM A TOPOGRAPHIC MAP
DATED FEB. 6, 1975 BY S. H. SEASONS, JR. THE TRACT
APPEAR PER REFERENCE MAP IS 2 28 ACRES.

FLOYD, COLEMAN, ASKINS & KELLAHAN

Engineers, Architects & Planners

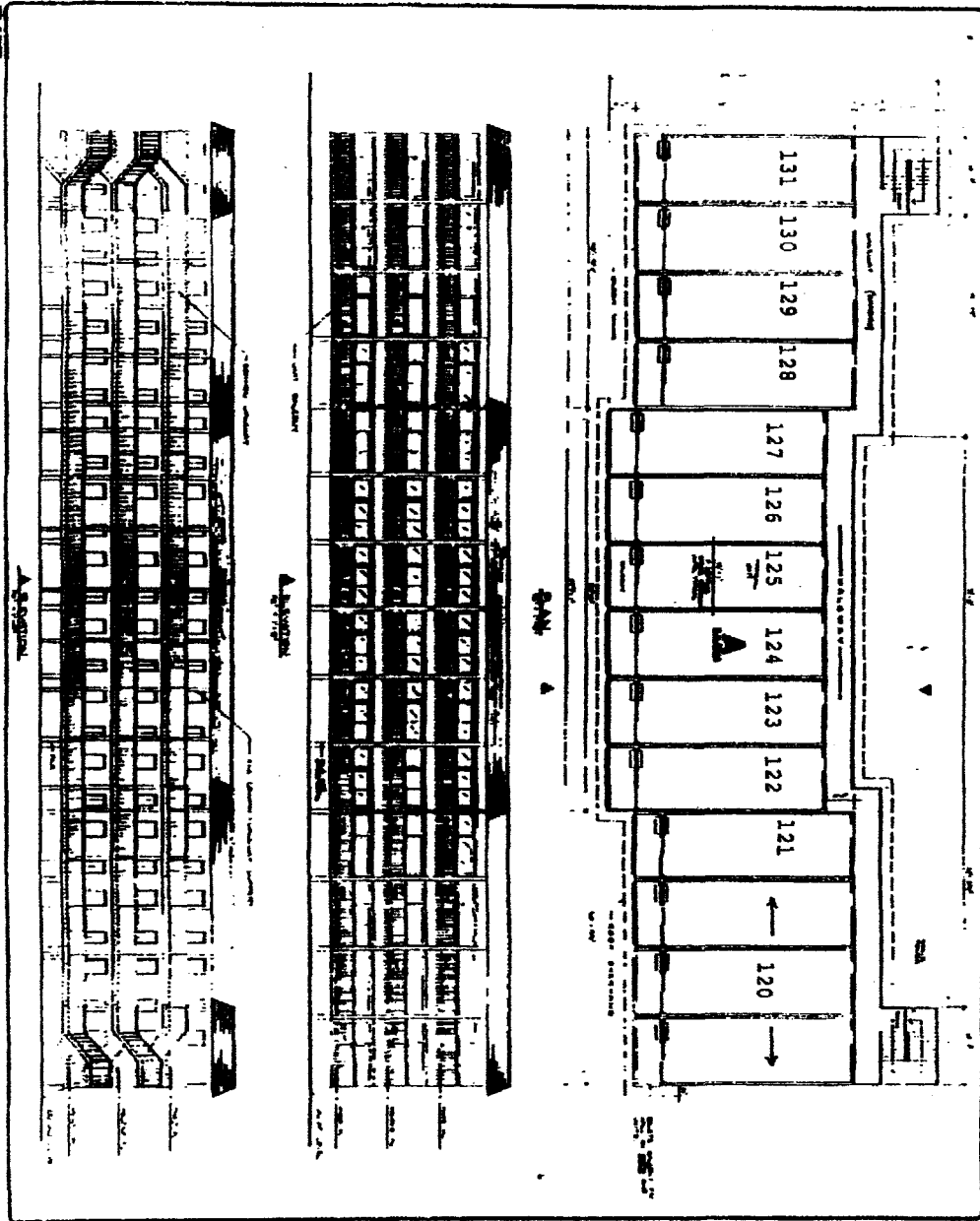
Myrtle Beach, S.C.

1401 East 11th

Myrtle Beach, South Carolina 29577

SEA CABIN ISLE OF PALMS
SEA CABIN CORPORATION
ISLE OF PALMS, SOUTH CAROLINA

1	SEA CABIN ISLE OF PALMS	1/11/77	1/11/77
2	SEA CABIN ISLE OF PALMS	1/11/77	1/11/77
3	SEA CABIN ISLE OF PALMS	1/11/77	1/11/77
4	SEA CABIN ISLE OF PALMS	1/11/77	1/11/77
5	SEA CABIN ISLE OF PALMS	1/11/77	1/11/77

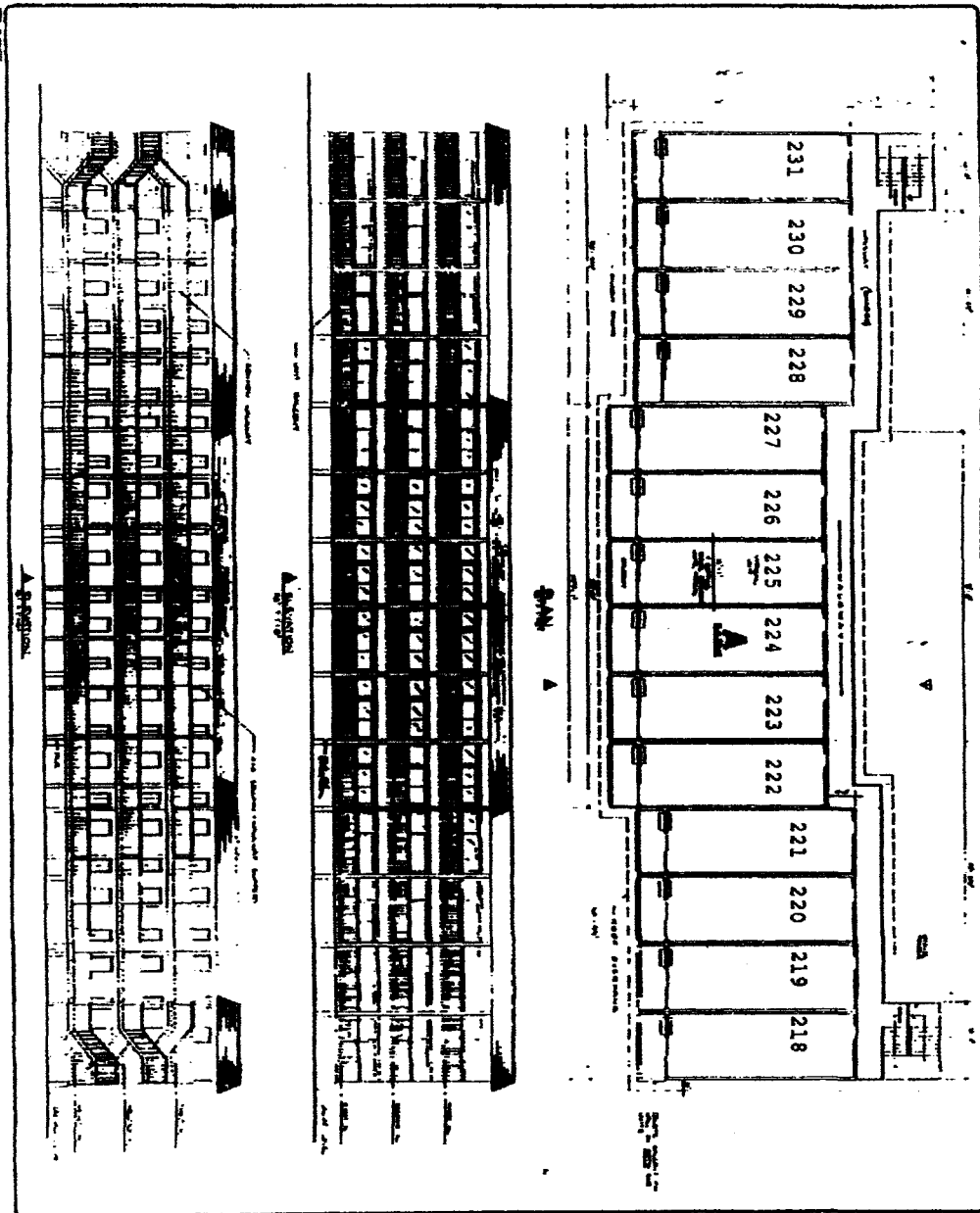


A2



BUILDING 'A'
 PLAN & ELEVATIONS
 First Floor Apts.



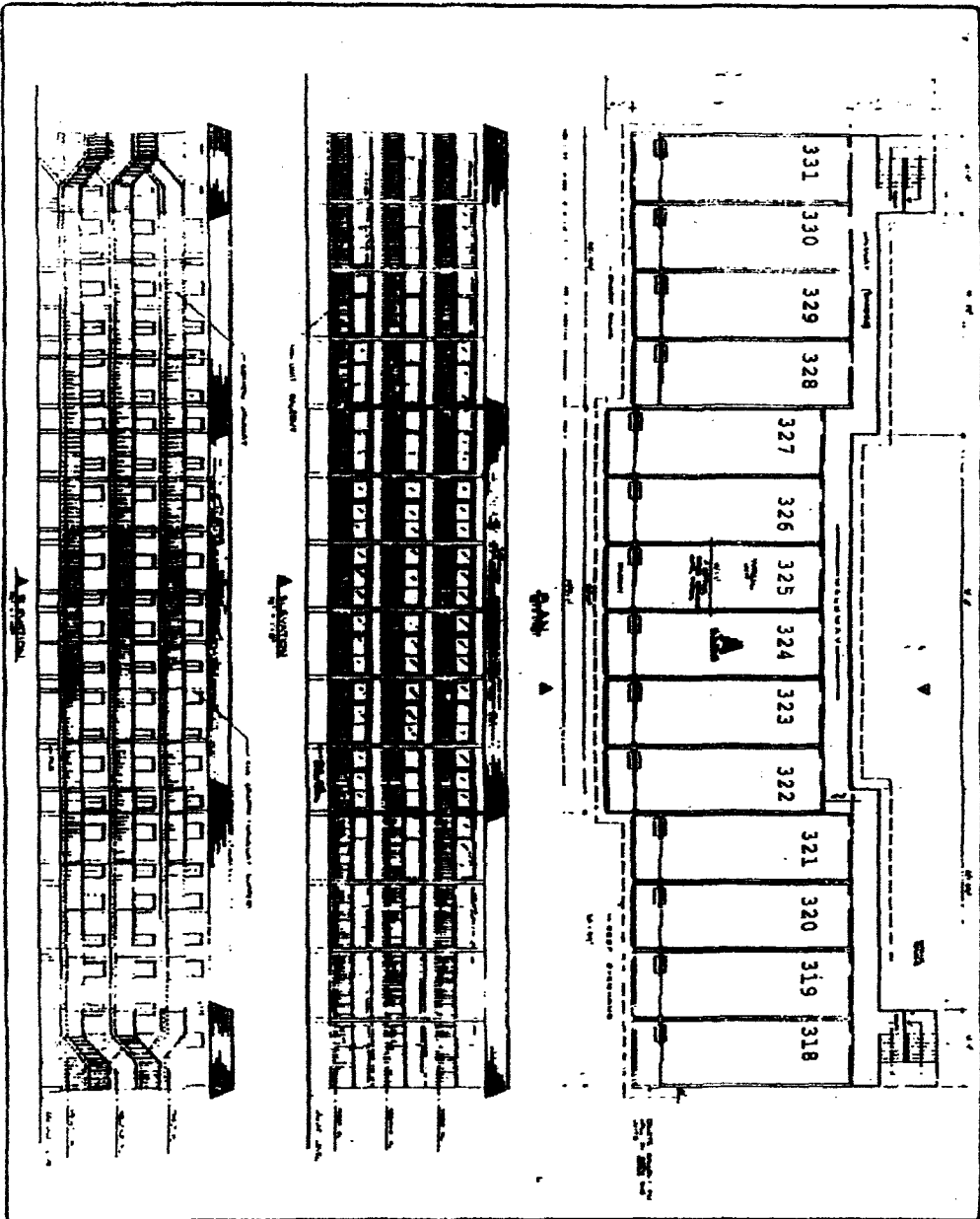


A2



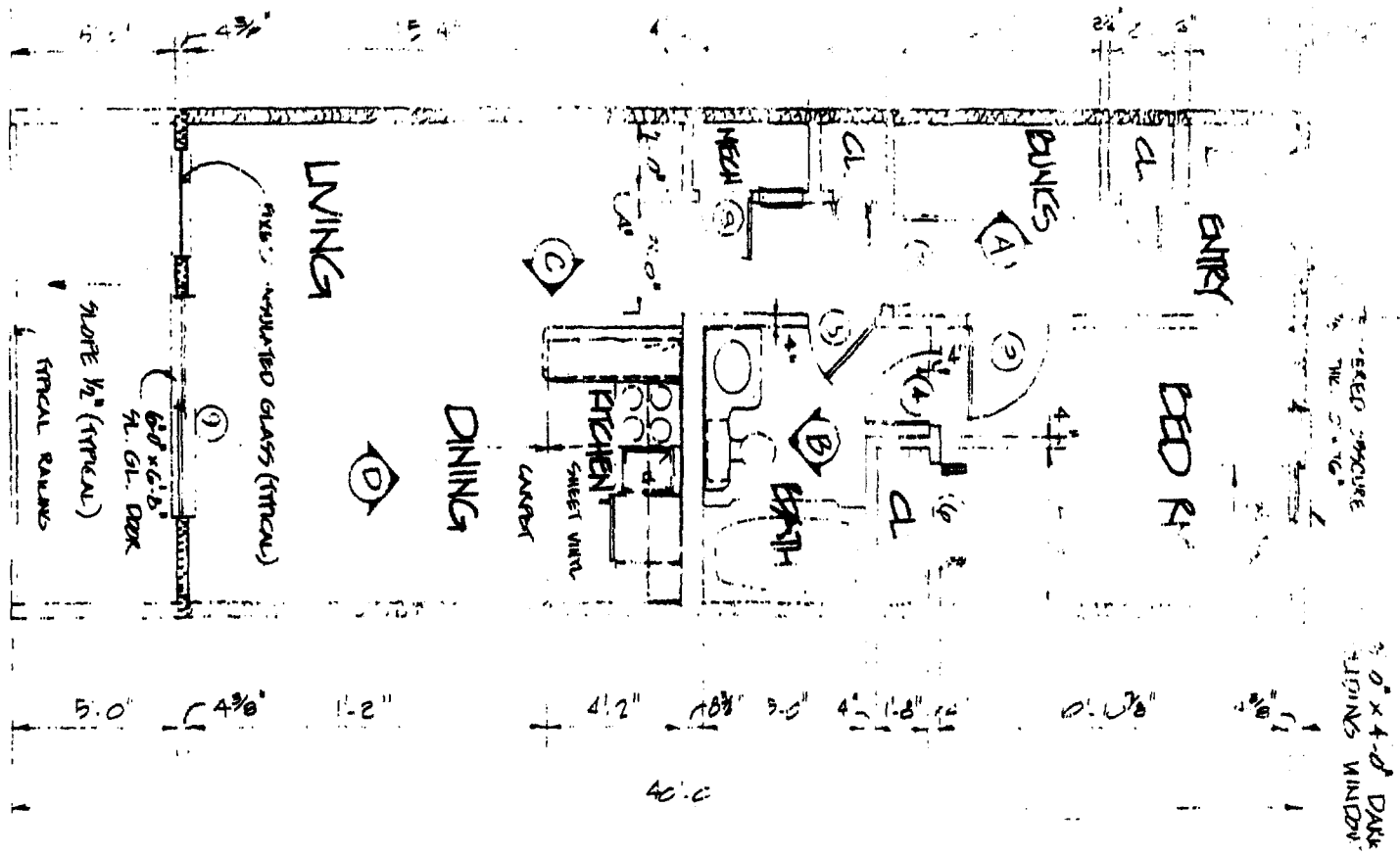
BUILDING 'A'
 PLAN & ELEVATIONS
 Second Floor Apts.

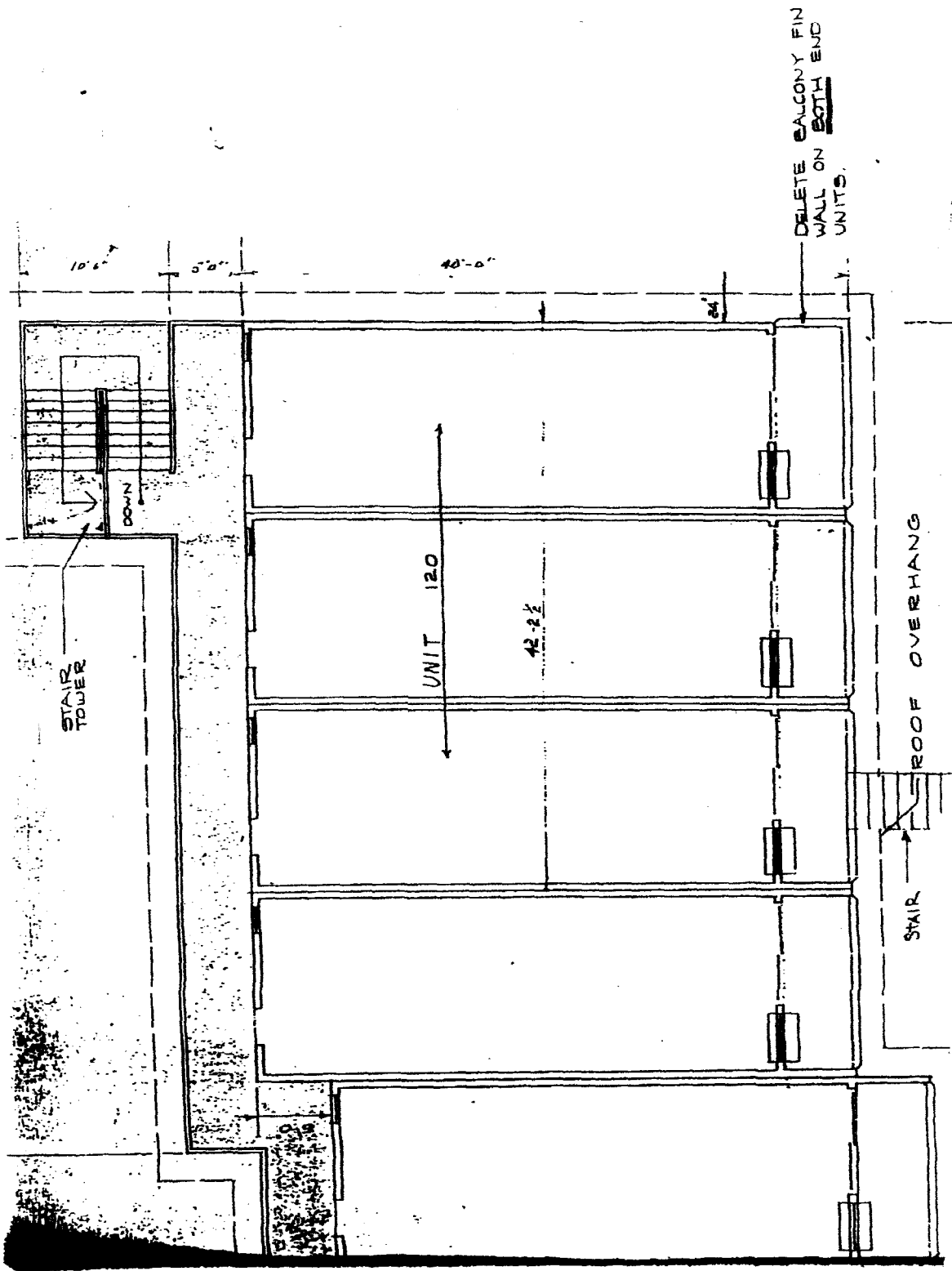




A2		BUILDING 'A'			
		PLAN & ELEVATIONS			
Third Floor Apts.					

RIGHT HAND FLOOR PLAN



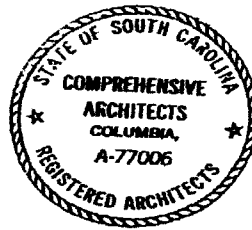


Apartment 120 Floor Plan

STATE OF SOUTH CAROLINA *
*
COUNTY OF CHARLESTON *

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief, that the pages numbered 5 through 12, to this Exhibit "1" to the First Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime and the plot plan referred to in the description of the property, adequately and accurately depict the land, buildings and the improvements and elevations of Sea Cabin on the Ocean III Horizontal Property Regime Phase 2 in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.



101-117

201-217

301-317

STATE OF SOUTH CAROLINA) SECOND AMENDMENT TO THE MASTER
DEED OF SEA CABIN ON THE OCEAN
COUNTY OF CHARLESTON) III HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, that this Second Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime is made on the date hereinafter set forth by Sea Cabin Corporation hereinafter called "Developer":

WITNESSETH:

WHEREAS, Developer has heretofore committed certain real property to Sea Cabin on the Ocean III Horizontal Property Regime by the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime, which Master Deed is recorded in the office of the Register of Mesne Conveyances of Charleston County, South Carolina, in Deed Book G-122 at page 368, and has included certain other real property and improvements within said Horizontal Property Regime by the First Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime, which First Amendment is recorded in said RMC's Office in Deed Book L-122 at page 3; and

WHEREAS, said Master Deed provides for the inclusion of additional phases in said Horizontal Property Regime; and

WHEREAS, Developer now wishes to annex additional property, improvements and apartments and amend said Master Deed and the foregoing Amendment thereto for the purpose of creating Phase 3 of the Regime:

NOW THEREFORE, Developer does hereby submit the property described in Phase 3, being more particularly described hereinafter in this Amendment and the Exhibits hereto, to the provisions of the Horizontal Property Act of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, and does further submit said property to the provisions of the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime and the Exhibits thereto, the

same being recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina, in Deed Book G-122 at page 368, said Master Deed being amended by the First Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime, which First Amendment is recorded in said RMC's Office in Deed Book L-122 at page 3, and to this Amendment.

ARTICLE I

THE PROPERTY

The property hereby committed by this Amendment to the aforesaid Master Deed means and includes that property shown as contained within Sea Cabin on the Ocean III Horizontal Property Regime, Phase 3, as described in the Exhibits to this Amendment, and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto as described in the Exhibits to this Amendment and as subject to all easements, rights-of-way, rights of use, restrictions, obligations and covenants as described in this Amendment, the aforesaid Master Deed, the First Amendment thereto, the Exhibits to each and hereto and of record. Therefore, the property committed to the Sea Cabin on the Ocean III Horizontal Property Regime consists of the property heretofore committed in the Master Deed (Phase 1), in the First Amendment thereto (Phase 2), and in addition thereto, that property described in said Master Deed and the Exhibits thereto and herein and in the Exhibits hereto as Phase 3.

ARTICLE II

RIGHTS AND OBLIGATIONS

There is appurtenant to each apartment in Phase 1, Phase 2, and Phase 3, one (1) vote, (except for Apartment 120 which has three (3) votes), which are voted collectively by the voting member at all matters to come before the Council of Co-Owners

(being more fully described in the Master Deed) By reason of Phase 3 having now been included within Sea Cabin on the Ocean III Horizontal Property Regime there is appurtenant to each apartment an undivided .6993 1/143RD percent ownership interest in the common elements of the property and share in the common expenses and assessments and common surplus. There shall be an appurtenant to Apartment 120, an undivided 2.0979 3/143RDS percent ownership in the common elements of the property and share in the common expenses, assessments, and common surplus. In addition, the one (1) vote appurtenant to each apartment (except Apartment 120) constitutes .6993 1/143RD percent of the total votes of all apartments of the Condominium. In addition, the three votes appurtenant to Apartment 120 shall constitute 2.0979 3/143RDS percent of the total vote of all Apartments in the Condominium.

The foregoing number of votes assigned to each apartment in the Condominium respectively, the percent said votes assigned to each apartment represents to the total vote of the Condominium, and the percent ownership interest in the common elements and share in the common expenses and assessments and common surplus appurtenant to each apartment has been determined by taking the value of each apartment with relation to the property committed as a whole as required by the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976.

ARTICLE III

APARTMENTS

The location, dimensions and approximate square footage of each apartment in Phase 3 are as shown and described in the Exhibits to this Amendment. All real property and improvements not included within the apartments, as apartments are defined in the Master Deed, are and shall be general common elements.

ARTICLE IV

PROVISIONS IN THE MASTER DEED

All provisions in the Master Deed of Sea Cabin on the

Ocean III Horizontal Property Regime and of the aforescribed First Amendment thereto shall remain unchanged except as provided herein and shall be, and hereby are, binding upon all present and future Co-Owners in Phases 1, 2, and 3, their mortgagees and lien holders and the Developer, except to the extent inclusion of Phase 3 within the Condominium requires a necessary change. The foregoing Master Deed, the First Amendment thereto, and this Second Amendment shall be construed together as to create one unified Horizontal Property Regime, pursuant to the laws of the State of South Carolina.

IN WITNESS WHEREOF, the Developer, on behalf of itself and to bind itself, and its successors in interest, including all Co-Owners who comprise and who shall comprise the Council of Co-Owners (which is known as the Sea Cabin on the Ocean III Horizontal Property Regime as its act and deed, and in witness whereof, it, by and through its Chairman, attested by its Secretary, has set its hand and seal this 23rd day of April, 1980.

SIGNED, SEALED AND DELIVERED:

SEA CABIN CORPORATION

In the Presence of:

Paul G. M. [Signature]
City R. [Signature]

BY: [Signature]
Chairman

ATTEST:

BY: [Signature]
Assistant Secretary

STATE OF SOUTH CAROLINA)

PROBATE

COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness, who being duly sworn, says that (s)he saw the within-named Sea Cabin Corporation, by and through its duly authorized officer, sign, seal and deliver the within Second Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime as its act and deed; and that (s)he with the other witness whose signature appears above witnessed the execution thereof.

[Handwritten Signature]
Witness

SWORN and subscribed to me before this 23RD day of May, 1980.

[Handwritten Signature] (L.S.)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 4/25/82

EXHIBIT "1" TO THE SECOND AMENDMENT TO THE MASTER

DEED OF SEA CABIN ON THE OCEAN III

HORIZONTAL PROPERTY REGIME

DESCRIPTION OF PROPERTY

The property herein committed as Phase 3 to be included within Sea Cabin on the Ocean III Horizontal Property Regime, consists of:

All that certain tract, piece of parcel of land with improvements located thereon situate lying being on the City of Isle of Palms, County of Charleston, State of South Carolina containing 2.26 acres as shown and delineated on the surveys and plot plans which are incorporated in this description, said property being also a portion of a certain 5.95 acres tract of land shown and designated on a plat by F. M. Seabrook, Jr., Inc. which plat is dated July 6, 1979, and recorded in the RMC Office of Charleston County, South Carolina, in Plat Book AM Page 101. (Sea Cabin on the Ocean III Horizontal Property Regime consists of the exact 5.95 acres as shown on said plat.) Said tract of land herein committed having the following metes and bounds, to wit: Beginning at the northern most corner of said tract at an iron that adjoins the right of way of Fourteenth Avenue and from thence proceeding South $33^{\circ} 00' 00''$ East for a distance of 543.75' along property designated as The Beach Company to an iron along the high water mark of the Atlantic Ocean. The boundary of the property along the Southeastern side consists of the high water mark of the Atlantic Ocean and has the following metes and bounds: South $65^{\circ} 57' 44''$ West for a distance of 92.96' to an iron; from thence South $55^{\circ} 42' 38''$ West for a distance of 67.73' to a point along lands designated as Phase 2 also being on the high water mark of the Atlantic Ocean; from thence turning and proceeding North $32^{\circ} 15' 39''$ West for a distance of 421.72' also along lands designated as Phase 2 to a point along the right of way of Ocean Boulevard; from thence turning and proceeding on a curve line running in a Northwesterly direction having an arc distance of 142.22', said arc having a radius of 109.29' to an iron, which was the point of beginning. All measurements being a little more or less, reference being craved to said surveys and plot plans for more complete description. This is a portion of the property conveyed to Sea Cabin Corporation by Deed Associated Motels, Inc., which Deed is recorded in the R.M.C. Office for Charleston County, South Carolina in Deed Book V-120, at page 8.

The description of the property given in the Exhibits to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime and the foredescribed First Amendment thereto otherwise remain identical.

The aforesaid real property and the particular improvements thereon, which are hereby committed and included within the condominium (and the location of such improvements) are shown and described on the attached surveys, plot plans and building plans, which are

incorporated in the description by reference and which constitute, together with this description, Exhibit "1" to this Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime. The improvements consisting of the building within which apartments are located and the location of individual apartments within the building, are located as shown and described upon the aforesaid parts to this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the common elements as shown and described on the attached surveys, plot plans, building plans and descriptions, and as described in the Master Deed and this Amendment. All areas not contained within the apartments as the term "apartment" is defined in the aforesaid Master Deed, constitute common elements. Improvements which constitute common elements are the streets and driveways, sidewalks, parking areas, the swimming pool, pool building, the pier, pier building, all corridors and halls providing access to individual apartments and all stairs, stair cases, walkways and the like providing access to such halls and corridors, and all other improvements not contained within or part of any apartment(s).

This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record, including those contained within the Master Deed and Exhibits thereto, and as shown in this Exhibit and all others of record.

Each apartment includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes or systems servicing the dwelling space. No pipes, wires, conduits or other public utility lines or installation constitute a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety, or usefulness of the remainder of the building, shall be deemed to be a part of any apartment.

All apartments are identical except for apartments 117, 217 and 317, which are a reverse mirror image of the following description, and apartment 500 described below. Each is a one bedroom apartment containing approximately 560 square feet. As to each such apartment, entrance is made from an open walkway which is part of the common elements into a Foyer. Located along the right side after entrance into the apartment are shelf and closet area and bunks, as well as a utility room with a water heater and air handler located therein. To the left of the hallway is the bedroom which contains a closet. Also to the left is the bathroom which also connects with the bedroom and the hallway. At the end of the hall within the apartment, entrance is made into the living, dining and kitchen areas. Entrance is also made from this area onto the balcony which is part of the apartment.

Apartments numbered 101 through 117 consecutively are located on the first floor.

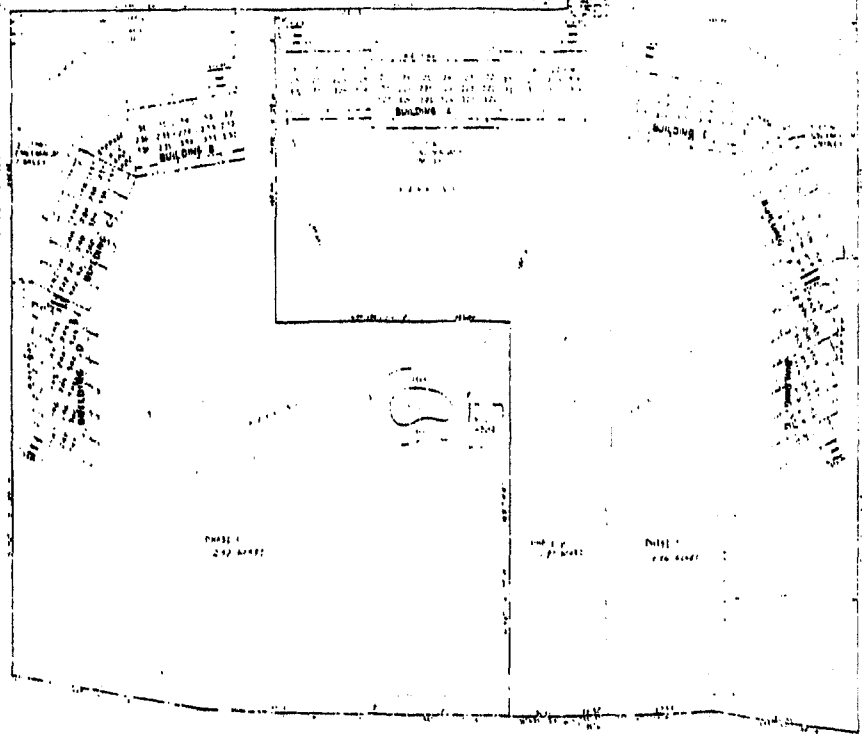
Apartments numbered 201 through 217 are located on the second floor.

Apartment numbers 301 through 317 consecutively are located on the third floor.

Apartment number 500 is a maintenance and storage unit containing approximately 1,350 square feet located on the first, second and third floors of the building. Entrance to each level of Apartment 500 is made from the common element walkway for that floor. There are no interior divisions (except between the levels) to the unit.

The pier is constructed of wood and is approximately fourteen (14) feet in width and approximately one hundred and fifty (150) feet in length extending into the Atlantic Ocean. Located approximately ninety (90) feet out on the pier is a building constructed of wood approximately fifteen (15) feet in length and twenty (20) feet in width. The Bill of Sale and Assignments of Rights, Title and Interest to the Pier, and appropriate permits are attached to this Amendment and incorporated into the Master Deed.

OCEAN BOULEVARD 100 FEET



THE BEACH COMPANY



NOTE
 REFERENCE TO THIS IS UNWARRANTED
 UNLESS FOR THE PURPOSES OF THIS CONTRACT

- LEGEND
- 1. RECEPTION SIGNAGE
 - 2. SIGNAGE
 - 3. SITE LIGHTS
 - 4. MAIL BOXES
 - 5. FIRE EXTINGUISHERS
 - 6. WATER TANK
 - 7. SEWER TANK

ISLE OF PALMS
 CHARLESTON COUNTY
 SOUTH CAROLINA

PROJECT
 OF
 A DEVELOPMENT PROJECT KNOWN AS
 SEA CABIN ISLE OF PALMS
 PREPARED FOR
 SEA CABIN CORPORATION

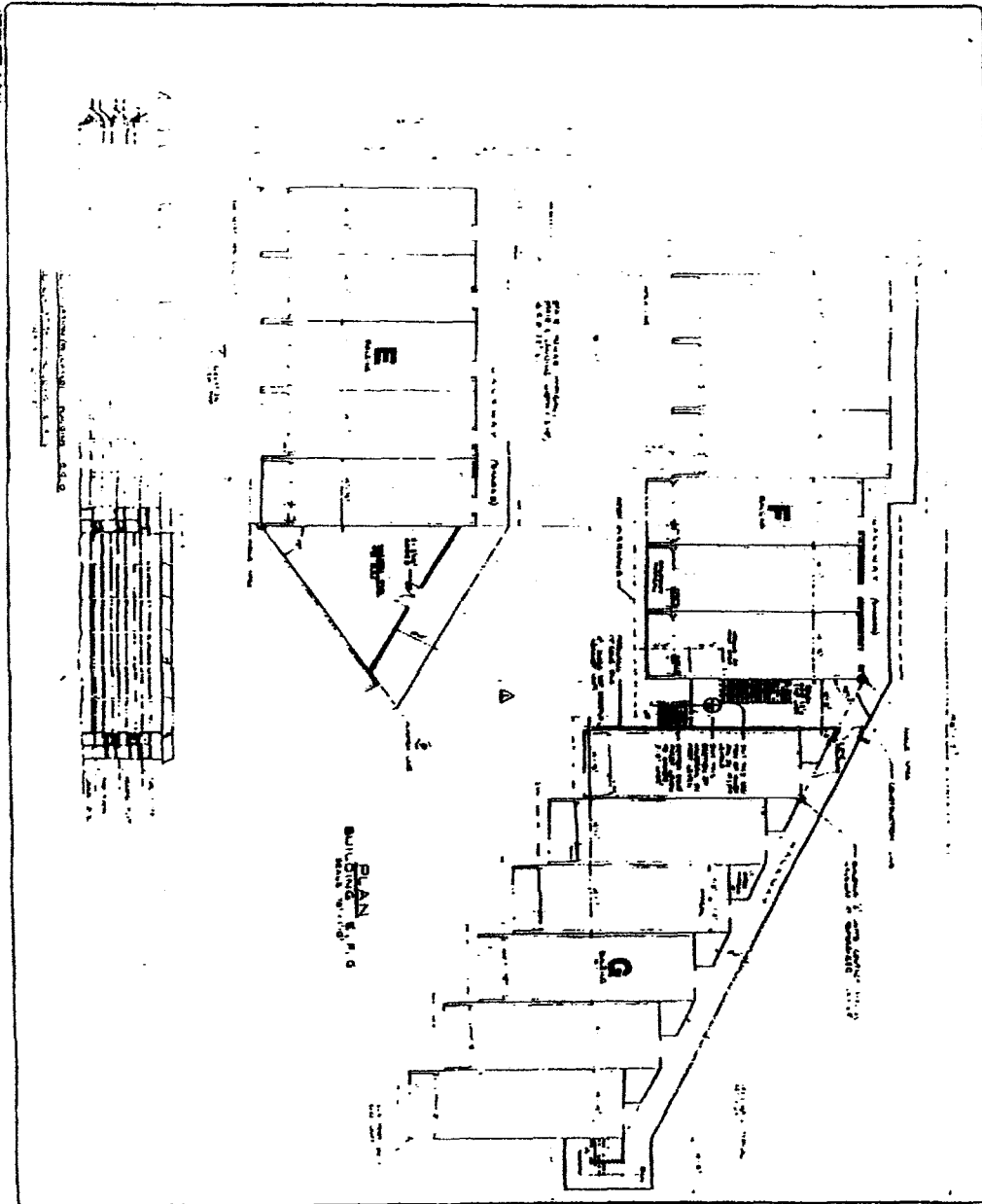
DESIGNED BY: [Signature]
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 APPROVED BY: [Signature]

ALL UTILITIES EQUIPMENT ARE CENTERED AT
 THE INSTALLED POINTS

FLOYD, COLEMAN, ASKINS & KELLAHAN

SEA CABIN ISLE OF PALMS
 SEA CABIN CORPORATION
 ISLE OF PALMS, SOUTH CAROLINA

NO.	DATE	BY	REVISION
1			
2			
3			
4			
5			

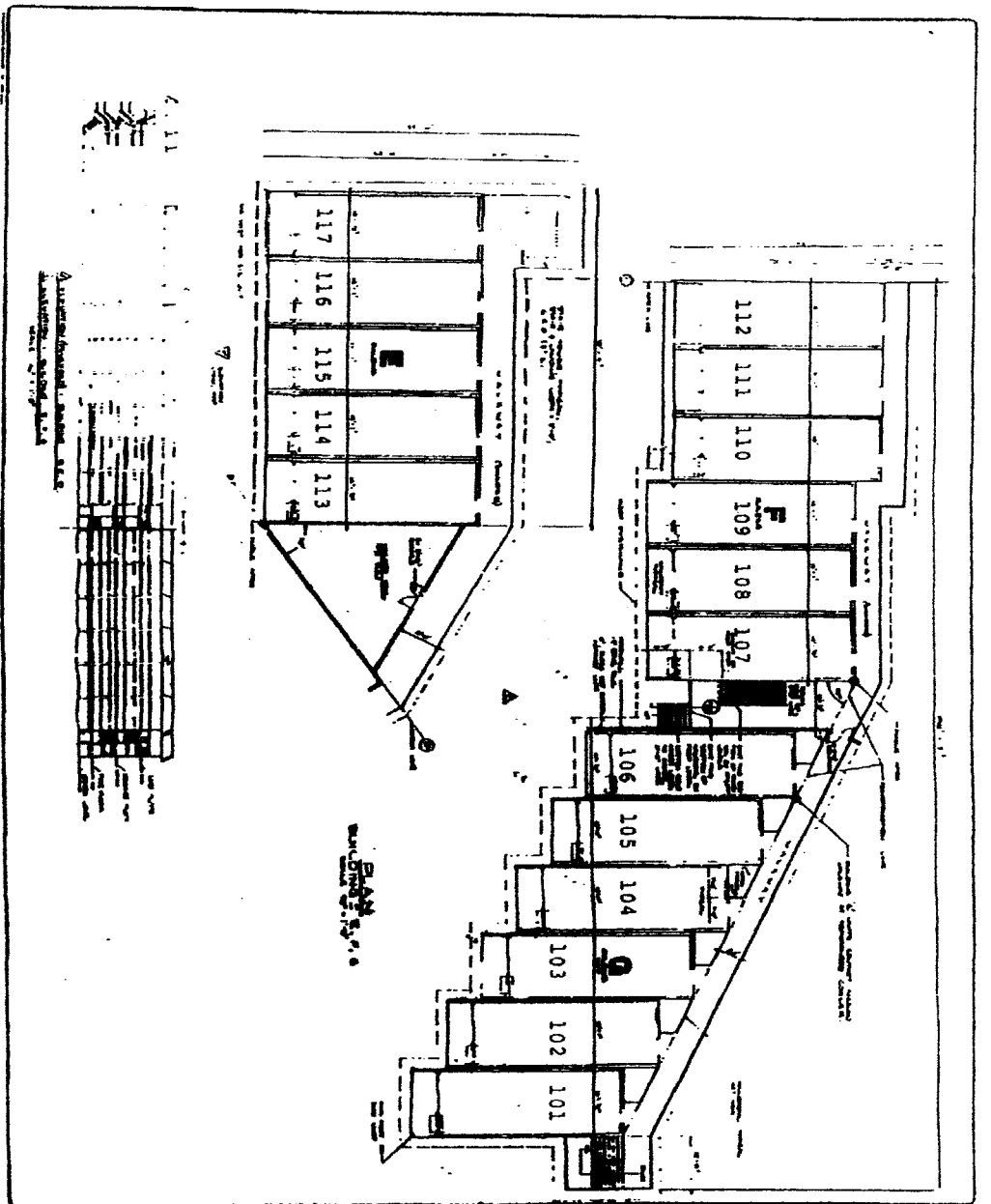


A4



BUILDING E, F, G
PLAN & ELEVATION

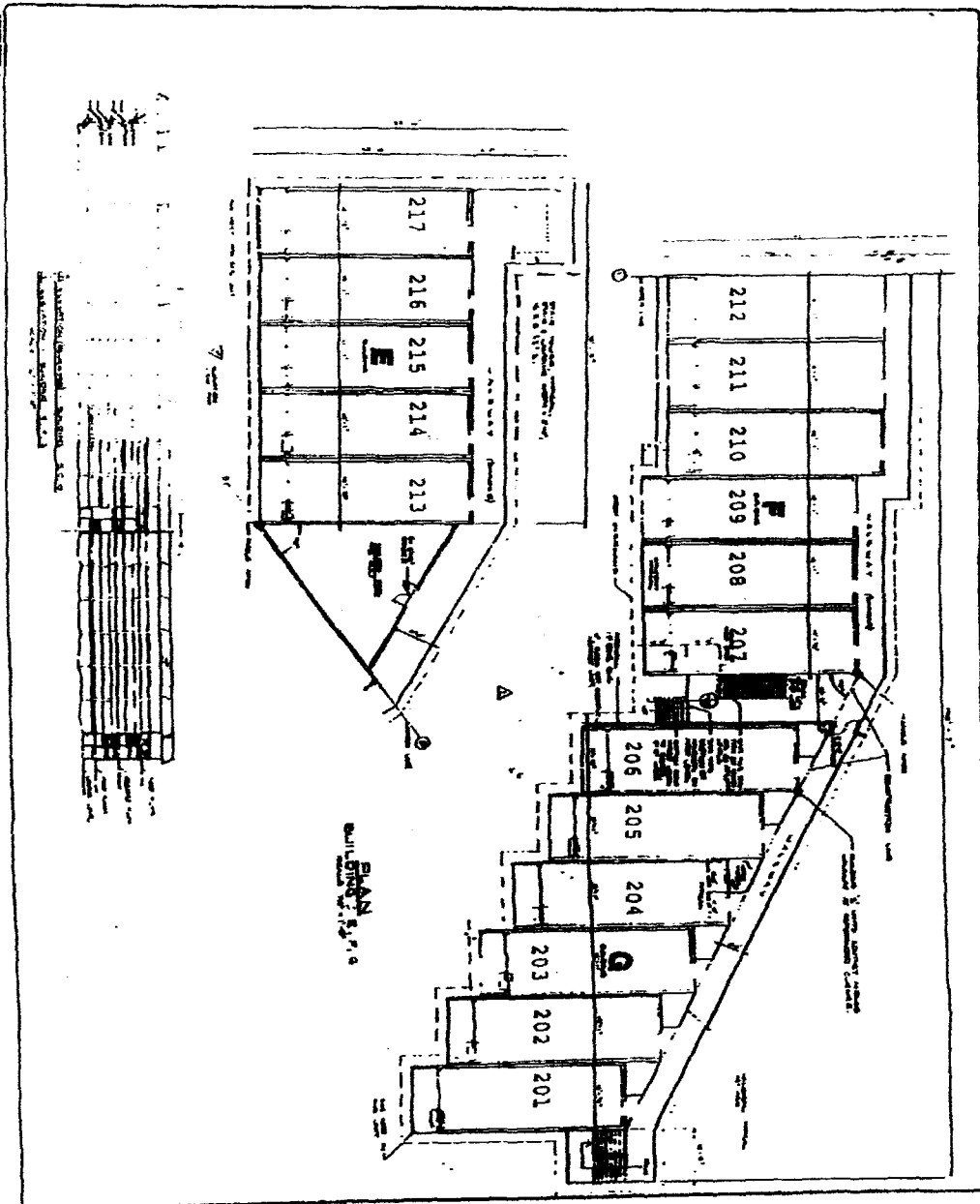




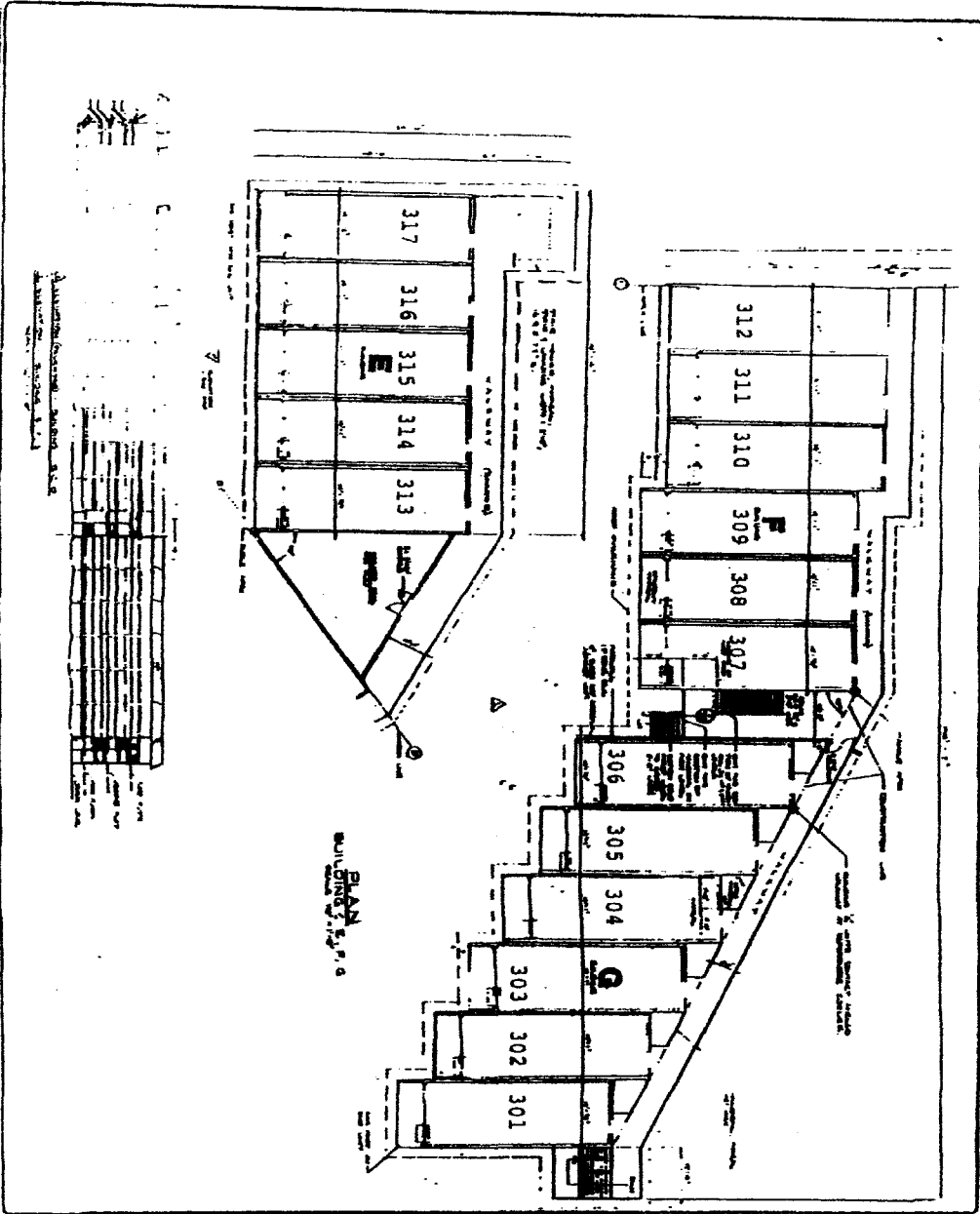
Assessment of building structure
 Assessed by: [illegible]
 Date: 2/1/2014

PLAN
 Scale: 1/8" = 1'-0"

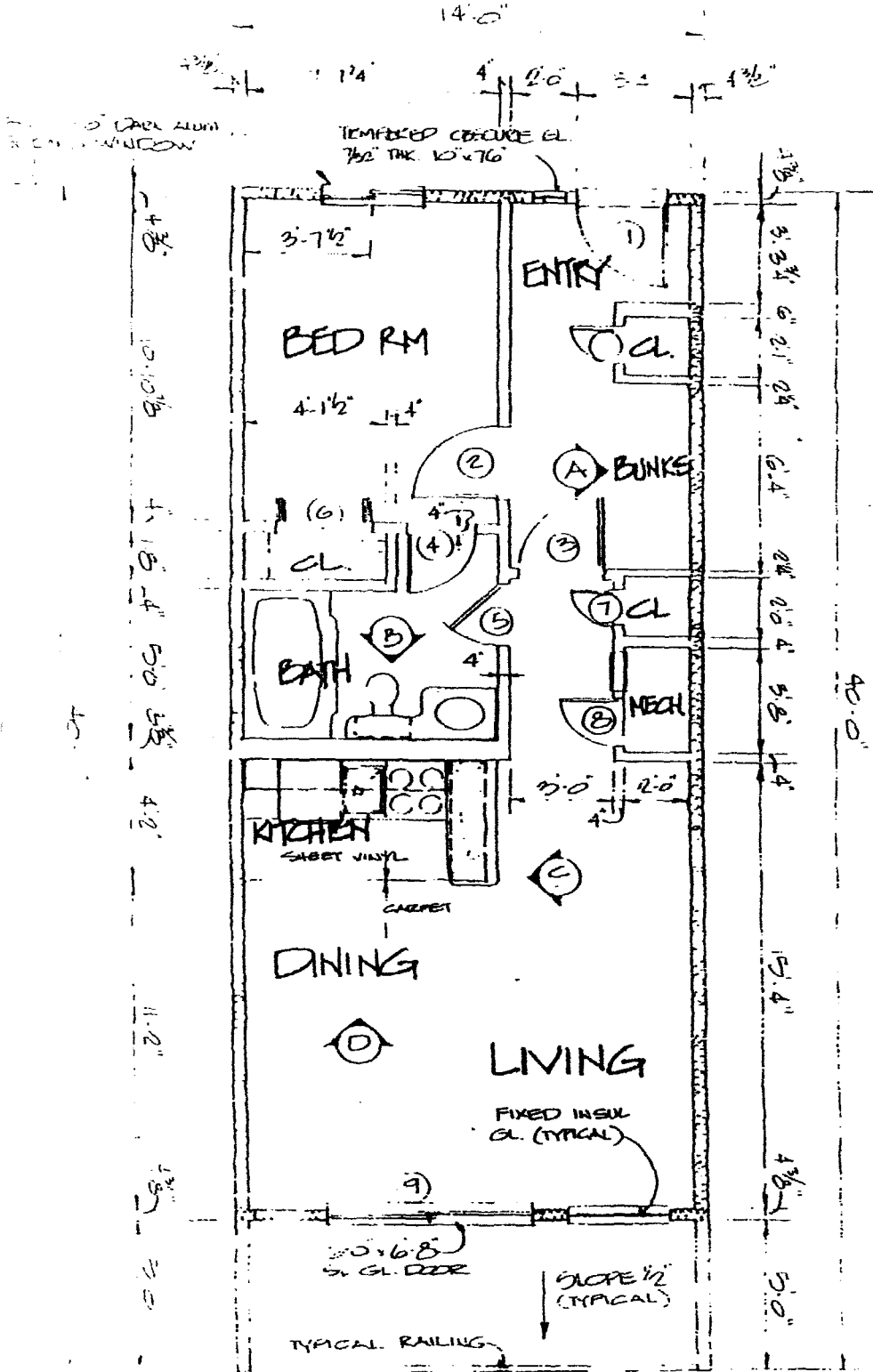
A4		BUILDING E.F.G. PLAN & ELEVATION First Floor Apt.			1	2	3	4	5	6	7	8	9	10
					11	12	13	14	15	16	17	18	19	20



A4		BUILDING E, F, G PLAN & ELEVATION Second Floor apt.			1
					2

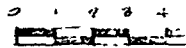


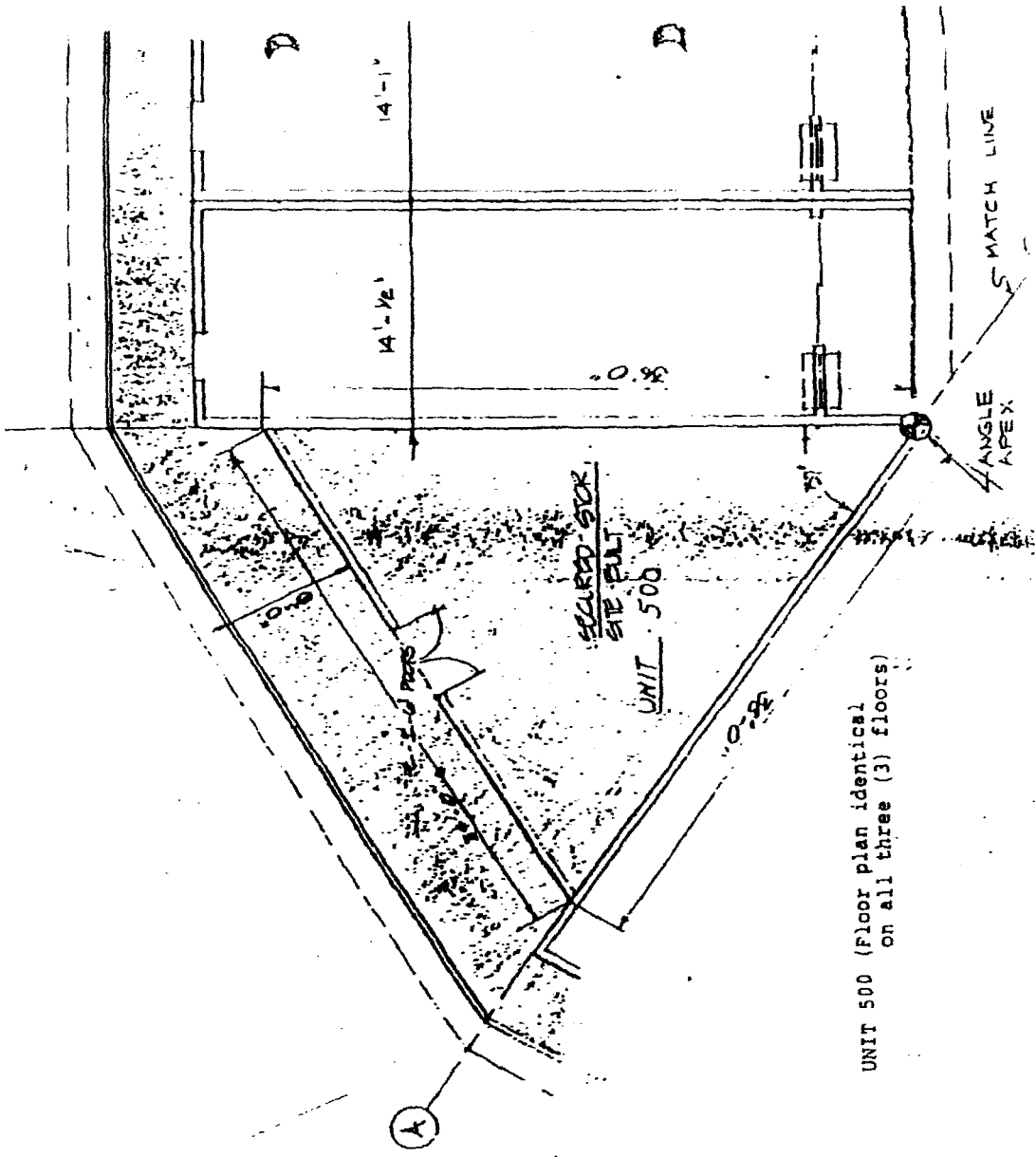
A4		BUILDING E.F.G. PLAN & ELEVATION Third Floor Apts.		
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Apartments 117, 217 & 317

LEFT HAND FLOOR PLAN





UNIT 500 (Floor plan identical on all three (3) floors)

STATE OF SOUTH CAROLINA *
*
COUNTY OF CHARLESTON *

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief, that the pages numbered 5 through 12, to this Exhibit "1" to the Second Amendment to the Master Deed of Sea Cabin on the Ocean III Horizontal Property Regime and the plot plan referred to in the description of the property, adequately and accurately depict the land, buildings and the improvements and elevations of Sea Cabin on the Ocean III Horizontal Property Regime Phase 3 in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.



**BYLAWS OF
SEA CABIN ON THE OCEAN III
HORIZONTAL PROPERTY REGIME**

BY-LAWS
OF
SEA CABIN ON THE OCEAN III HORIZONTAL PROPERTY REGIME
REGIME COUNCIL OF CO-OWNERS

ARTICLE I

NAME

The name of the Association shall be the Sea Cabin On the Ocean III Horizontal Property Regime Council of Co-Owners.

ARTICLE II

OFFICES

The principal office of the Association shall be located at Sea Cabin On the Ocean III Horizontal Property Regime, Isle of Palms, 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.

ARTICLE III

PURPOSE

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of the Sea Cabin On

the Ocean III Horizontal Property Regime to manage and control Sea Cabin on the Ocean III Horizontal Property Regime and the activities of its Co-Owners therein and of all persons using or occupying the facilities of Sea Cabin On the Ocean III Horizontal Property 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 Sea Cabin On the Ocean III Horizontal Property Regime Council of Co-Owners in the Master Deed of Sea Cabin On the Ocean III 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, and to be the Council of Co-Owners for this Horizontal Property Regime as defined and called for in the Act and the Master Deed.

ARTICLE IV

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, as the case may be.

ARTICLE V

MEMBERS

Each and every Co-Owner of an Apartment or an interest in an Apartment in Sea Cabin On the Ocean III Horizontal Property Regime shall be a Member of this Association. Further, there shall be appurtenant to each Apartment in Sea Cabin On the Ocean III Horizontal Property Regime the number of votes assigned in the Master Deed which shall be voted collectively by the Voting Member of that Apartment as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Apartment, such subsequent transferee shall

automatically become a Member hereof and likewise the vote appurtenant to that apartment shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown 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 VI

APPLICATION

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of Sea Cabin On the Ocean III Horizontal Property Regime or occupying any Apartment thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of an Apartment or use of the facilities of the Condominium shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, The Act or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE

VOTING MAJORITY

Section 1. There is hereby assigned to each Apartment the number of votes as described and assigned in the Master Deed which shall be voted by the Voting Member thereof as described in the Master Deed. The vote so assigned to each may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of

them as the Voting member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Apartment on all matters to come before the Council of Co-Owners for vote until the Secretary be given written notice of change. The vote assigned to each Apartment represents the percentage value of that Apartment as opposed to the Regime as a whole as then comprised.

Section 2. 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 Condominium as then constituted 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 Condominium.

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

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 the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Corporation 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 VIII
ADMINISTRATION

Section 1. 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 different Co-Owners than seven, the number of Directors shall be equal to the number of different Co-Owners; provided, however, there shall always be an odd number of Directors. If there be an even number of different Co-Owners less than seven, there shall be one less director than the number of different Co-Owners. The initial Board of Directors shall be nominated and elected at the organizational meeting. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Council of Co-Owners. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary 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 elected and qualified.

Section 2. Any Director who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or assessments (as defined in the Master Deed and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. 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.

ARTICLE IX
BOARD OF DIRECTORS

Section 1. Consistent with these By-Laws, the Board shall:

A. Transact all Association business and prescribe the Rules and Regulations for the use of Sea Cabin On the Ocean III Horizontal Property 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. Annually set the common expenses for the operation of the Condominium.

C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Council of Co-Owners.

D. Serve without compensation.

E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without remuneration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. 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.

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a 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.

Section 3. 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 to be delivered 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.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association 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 register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

Section 5. 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.

Section 6. The Board of Directors shall annually on or before November 15 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 Condominium and such other expenses as are deemed necessary or appropriate expenses of the Condominium. 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. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty days prior to the time such assessment so changed shall be due. The Council of Co-Owners shall have a lien upon each Apartment together with the common elements and common surplus appurtenant thereto for payment of all assessments not paid when due in the amount of such unpaid assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Master Deed and Exhibits thereto and/or in The Act.

ARTICLE X

OFFICERS

Section 1. The principal officers of the Association shall be 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 secretaries and such other officers as in their judgement may be necessary. No two offices may be held by the same person unless there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the

Council of Co-Owners and shall serve for the twelve month period next succeeding. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Association, 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 regulations as the Board shall determine.

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.

Section 6. There shall be a Treasurer who shall keep the funds of the Condominium and shall disburse them to meet the ordinary and usual expenses of the Condominium and for other purposes as required by the Master Deed, The Act and/or upon order of the Board of Directors after such disbursement order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Council of Co-Owners. The Treasurer shall be bonded at the expense of the Association.

Section 7. If required by the Board of Directors, the assistant treasurer, if any, shall 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. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgement the best interests of the Association will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE XI

MEETINGS

Section 1. There shall be an Annual Meeting of the Council of Co-Owners (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.

Section 2. Special meetings of the Council of Co-Owners may be called by the Board. Also, upon request of voting members totaling 50 percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty days thereafter. Special meetings of the Council of Co-Owners may be held at the call of 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.

Section 3. Voting members holding fifty-one percent of the total votes of the Council of Co-Owners must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Council of Co-Owners. Should voting members holding fifty-one per cent 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 the Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are Voting Members holding at least twenty-five percent of the total outstanding votes of the Council of Co-Owners present and that the business to be conducted at such meeting does not require that a greater number of Voting Members be present.

Section 4. Any action required by law to be taken at a meeting of the Council of Co-Owners or any action which may be taken in a meeting of the Council of Co-Owners 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.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Corporation's records shall constitute notice.

ARTICLE XII OBLIGATIONS OF CO-OWNERS

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special assessments and charges levied and imposed by the Council of Co-Owners and/or through its Board of Directors for such purposes as are enumerated in the Master Deed, in The Act and in these By-Laws. Such charges or assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Council. All common assessments shall be prorated dependent upon each Co-Owner's percentage of ownership in the common elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such assessments shall include monthly payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in Master Deed, The Act and/or these By-Laws.

Section 2. The amount of assessment levied shall be paid on or before the date due. If not so paid, the amount of such assessment plus any other charges thereon including interest at the maximum limit provided by law per annum from the date of the delinquency and cost of collection, including attorney's fees, shall constitute and become a lien

on the Co-Owner's Apartment and share of the common elements and common surplus appurtenant thereto. Upon recording of the lien with the proper governmental authority for Charleston County, South Carolina, such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and The Act. The notice of assessment which shall state the amount of such assessment and such other charges and give the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. 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. The priority of the lien hereinabove set forth shall be as provided in the Master Deed and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Council in like manner as a mortgage and in such event, the Council may be a bidder at the foreclosure sale. The Council 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.

Section 4. Upon request, the Board shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

Section 5. The Council 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 Condominium shall be refused entrance into the Condominium and use of the facilities thereof until all assessments and penalties to which such Co-Owner is subject have been paid.

Section 6. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the

Master Deed, The Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Condominium in its entirety or in a part belonging to some other Co-Owner(s). The Council shall be responsible for all maintenance and repair work required of the Council in the Master Deed, these By-Laws and/or The Act.

A Co-Owner shall reimburse the Council if there be any expenditures incurred in repairing and/or replacing any common elements or facilities damaged by such Co-Owner, his family, guests, invitees or lessees.

Section 7. Each Apartment, other than any Apartment owned by Sea Cabin Corporation, shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Apartment by a Co-Owner to a lessee or rentor to use for residential purposes.

Section 8. No Co-Owner shall make any structural modifications or alterations in his apartment or upon any common elements without the approval of the Council of Co-Owners through the Board of Directors.

Section 9. No Co-Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common areas or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided.

Section 10. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Master Deed or the Act whether such Co-Owner is present at the time or not.

Section 11. No occupant of an apartment shall post any advertisements or posters of any kind in or on the Condominium property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Sea Cabin Corporation during the period it is managing, renting or selling apartments.

Section 12. Occupants of apartments shall use extreme care about making noises or the use of musical instruments, radio, 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.

It is prohibited to hang garments, rugs, etc. from the windows or from any 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 being on the exterior part of any of the buildings.

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

Section 13. No Co-Owner, occupant or lessee of an apartment shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 14. Nothing herein contained shall limit in any manner the power of the Council and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Condominium by the Co-Owners and/or occupants thereof. Further, all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 15. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Condominium a MATV system and/or cable

television system and/or television sets. Furthermore, Sea Cabin Corporation, as Grantor, shall have the right to enter into such agreements on behalf of and for the Council of Co-Owners, its Board and the Co-Owners which agreement(s) shall be binding upon the Council of Co-Owners and each and every Co-Owner.

ARTICLES

MORTGAGES

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".

Section 2. The Board shall, at the request of such mortgagee, report any unpaid assessments due from the Co-Owner of such condominium Unit so mortgaged.

Section 3. Any and all Institutional Mortgagees shall have all rights and powers granted unto them by the Master Deed and/or The Act and nothing herein contained shall supercede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Council or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Master Deed and/or The Act or should that Institutional Mortgagee by reason of the Master Deed and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

ARTICLE XIV

RULES AND REGULATIONS

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 the Condominium. subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and The Act together with any Rules and Regulations issued thereunder. 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.

ARTICLE XV

CONTRACTS, CHECKS, DEPOSITS, AGREEMENTS AND FUNDS

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Council to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Council and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Council shall be signed by such officer or officers, agent or agents of the Council 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).

Section 3. All funds of the Council of Co-Owners 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 Council at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances and purposes of such deposits may require.

Section 4. The Board may accept on behalf of the Council any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Council.

ARTICLE XVI
CERTIFICATES OF MEMBERSHIP

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 certificate may 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 the 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.

Section 3. Any Co-Owner failing to pay assessments when due may have his membership in the Association and his use of his Apartment and the facilities of the Condominium suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.

ARTICLE XVII
BOOKS AND RECORDS

Section 1. The Council and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Council, of the Board and committees having any authority of the Board and/or the Council and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are Voting Members.

Section 2. For purposes of voting at all meetings of the Council of Co-Owners, that person designated as Voting Member for a particular apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The names of the Voting Members entitled to vote at any meeting and may not thereafter be changed without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

ARTICLE XVIII
MISCELLANEOUS

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Council 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 matter as to which he is adjudged to be liable for 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 even though such action takes place after such Director or Officer has been succeeded in office by someone else. Such payment by the Council shall be included as a part of the Common Expenses.

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Council 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 XIX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the South Carolina Horizontal Property Act, Title 27, Chapter 312, 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.

ARTICLE XX

AMENDMENTS

These By-Laws may be amended by a vote of two-thirds of the total vote of the Condominium, which represents two-thirds of the total value of the Property, unless some other or greater vote is required herein, in the Master Deed and/or in The Act. The percentages and vote set forth in the Master Deed and Exhibits thereto are based upon the value of each apartment in relation to the entire Condominium property.

ARTICLE XXI

INCORPORATION

Nothing herein contained shall prevent the Association from, in the

future, incorporating, if such be approved by a two-thirds vote of the voting Members and not objected to by any institutional Mortgagee of record provided, however, such shall not work to void or avoid any rights, duties, obligations or liabilities of any individual Co-Owner under the Master Deed, The Act or herein, or therefore made or entered into, whether then executory or not.

ARTICLE XXII

DISSOLUTION

Termination of the Condominium shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Co-Owners shall be turned over to the Association's successor as governing entity of the Condominium, or if the Condominium be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the Common Elements and disbursed as provided in The Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Co-Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(e) (3) and 170(c) of the Internal Revenue Code and from South Carolina Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

THESE BY-LAWS are hereby adopted, accepted and fully ratified as THE BY-LAWS OF THE SEA CABIN .ON THE OCEAN III HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS this 2nd day of MAY, 1980.

Witnesseth:

[Signature]

Margaret A. Free

[Signature] (SEAL)
President and Duly Authorized
Agent

ATTEST:

[Signature]

(SEAL)

CODE OF LAWS OF SOUTH CAROLINA, 1976
Horizontal Property Act – Chapter 31
Code §27-31-10 through §27-31-300

CHAPTER 31
Horizontal Property Act

	Beginning Section
ARTICLE 1. General Provisions	27-31-10
ARTICLE 2. Conversion of Rental Units to Condominium Ownership	27-31-410

ARTICLE 1
GENERAL PROVISIONS

- SEC.**
- 27-31-10. Short title.
 - 27-31-20. Definitions.
 - 27-31-30. Establishment of horizontal property regime.
 - 27-31-40. Apartments may be purchased, owned and the like.
 - 27-31-50. More than one person may own apartment.
 - 27-31-60. Property rights of apartment owner.
 - 27-31-70. Common elements shall not be divided.
 - 27-31-80. Use of common elements.
 - 27-31-90. Incorporation of co-owners.
 - 27-31-100. Master deed or lease; contents.
 - 27-31-110. Plot plan and building plan shall accompany master deed or lease.
 - 27-31-120. Designation of apartments on plans; conveyance or lease of apartment.
 - 27-31-130. Horizontal property regime may be waived and merged.
 - 27-31-140. Merger shall not bar another horizontal property regime.
 - 27-31-150. Property shall be governed by bylaws.
 - 27-31-160. Provisions required in bylaws; modification of system of administration.
 - 27-31-170. Co-owners shall comply with bylaws, rules and regulations and the like; remedy for noncompliance.
 - 27-31-180. Records of receipts and expenditures.
 - 27-31-190. Expenses shall be shared.
 - 27-31-200. Unpaid assessments shall be paid from sales price.
 - 27-31-210. Lien for unpaid assessments; right of mortgagee or purchaser acquiring title at foreclosure sale.
 - 27-31-220. Liability of purchaser of apartment.
 - 27-31-230. Liens arising subsequent to recording of master deed or lease.
 - 27-31-240. Property may be insured.
 - 27-31-250. Insurance benefits shall be used to reconstruct building.
 - 27-31-260. Sharing expenses in case of fire or other disaster.
 - 27-31-270. Assessment and collection of taxes.
 - 27-31-280. Council of co-owners shall have right of access to apartments.
 - 27-31-290. Limitation on liability of co-owners for common expenses.
 - 27-31-300. Effect on contracts entered into before June 6, 1967.

§ 27-31-10. Short title.

This chapter shall be known as the "Horizontal Property Act."

HISTORY: 1962 Code § 57-494; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 1 et seq.

31 CJS, Estates §§ 145, 146

Condominiums in South Carolina: Possibilities and Pitfalls. 17 SC L Rev 334.

Annotations—

Self-dealing by developers of condominium project as affecting contracts or leases with condominium association. 73 ALR3d 613.

CASE NOTES

In an action to compel a town to approve the conversion of an apartment building to a condominium building, pursuant to §§ 27-31-10 et seq., the trial court properly entered summary judgment against the town, on the basis that the proposed conversion constituted a change of ownership,

over which the town held no control, and not a change of use, where the proposed change did not involve any structural changes in the subject building. *Baker v Sullivan's Island* (1983 App) 279 SC 581, 310 SE2d 433.

Cited in *Hoffman v Cohen* (1974) 262 SC 71, 202 SE2d 363.

§ 27-31-20. Definitions.

Unless it is plainly evident from the context that a different meaning is intended, as used herein:

- (a) "Apartment" means a part of the property intended for any type of independent use (whether it be for residential, recreational, storage, or business) including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building or if not in a building in a separately delineated place whether open or enclosed and whether for the storage of an automobile, moorage of a boat, or other lawful use, and with a direct exit to a public street or highway, or to a common area leading to such street or highway;
- (b) "*Building*" means a structure or structures, containing in the aggregate two or more apartments, comprising a part of the property;
- (c) "*Condominium ownership*" means the individual ownership of a particular apartment in a building and the common right to a share, with other co-owners, in the general and limited common elements of the property;
- (d) "*Co-owner*" means a person, firm, corporation, partnership, association, trust or other legal entity, or any

combination thereof, who owns an apartment within the building;

- (e) "*Council of co-owners*" means all the co-owners as defined in subsection (d) of this section; but a majority, as defined in subsection (h) of this section, shall, except as otherwise provided in this chapter, constitute a quorum for the adoption of decisions;
- (f) "General common elements" means and includes:
 - (1) The land whether leased or in fee simple and whether or not submerged on which the apartment or building stands; provided, however, that submerged land developed or used under this chapter is subject to any law enacted relating to the leasing of submerged lands by the State for the benefit of the public;
 - (2) The foundations, main walls, roofs, halls, lobbies, stairways, moorages, walkway docks, and entrance and exit or communication ways;
 - (3) The basements, flat roofs, yards, and gardens, except as otherwise provided or stipulated;
 - (4) The premises for the lodging of janitors or persons in charge of the property, except as otherwise provided or stipulated;
 - (5) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like;
 - (6) The elevators, garbage incinerators and, in general, all devices or installations existing for common use;
 - (7) All other elements of the property rationally of common use or necessary to its existence, upkeep, and safety;
- (g) "Limited common elements" means and includes those common elements which are agreed upon by all the co-owners to be reserved for the use of a certain number of apartments to the exclusion of the other apartments, such as special corridors, stairways, elevators, finger piers, sanitary services common to the apartments of a particular floor, and the like;
- (h) "*Majority of co-owners*" means fifty-one percent or more of the basic value of the property as a whole, in accordance with the percentages computed in accordance with the provisions of § 27-31-60.
- (i) "*Master deed*" or "*master lease*" means the deed or

lease establishing and recording the property of the horizontal property regime;

- (j) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof;
- (k) "Property" means and includes the land whether leasehold or in fee simple and whether or not submerged, the building, all improvements, and structures on the land, and all easements, rights, and appurtenances belonging thereto;"
- (l) "To record" means to record in accordance with the provisions of §§ 30-5-30 through 30-5-200, 30-7-10 through 30-7-90 and 30-9-10 through 30-9-80, or other applicable recording statutes.

HISTORY: 1962 Code § 57-495; 1962 (52) 1866; 1966 (54) 2314; 1967 (55) 449; 1970 (56) 2572; 1973 (58) 783; 1984 Act No. 463, § 1.

Cross references—

"Habitable structures" for purposes of beach protection, see § 48-39-270(2).

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 1-3.
7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 52.3 (breach of contract for management and landscape maintenance of common areas).

Annotations—

Personal liability of owner of condominium unit to one sustaining personal injuries or property damage by condition of common areas. 39 ALR4th 98.

Liability of owner of unit in condominium, recreational development, time-share property, or the like, for assessment in support of common facilities levied against and unpaid by prior owner. 39 ALR4th 114.

Validity and enforceability of condominium owner's covenant to pay dues or fees to sports or recreational facility. 39 ALR4th 129.

Condominium association's liability to unit owner for injuries caused by third person's criminal conduct. 59 ALR4th 489.

Standing to bring action relating to real property of condominium. 74 ALR4th 165.

CASE NOTES

A nonprofit corporation that owned and administered common elements of a condominium project had standing to bring an action against various parties involved in the construction, development, and sale of the condominium complex for damages resulting from alleged defects in the construction of the roofs, under § 27-31-20, since the roofs were common elements that had to be maintained by the corporation; but the corporation did not have standing to bring the action for the defects in the balconies. *Roundtree Villas Asso. v 4701 Kings Corp.* (1984) 282 SC 415, 321 SE2d 46.

§ 27-31-30. Establishment of horizontal property regime.

Whenever a lessee, sole owner or the co-owners of property expressly declare, through the recordation of a master deed or

lease, which shall set forth the particulars enumerated in § 27-31-100, their desire to submit their property to the regime established by this chapter, there shall thereby be established a horizontal property regime.

HISTORY: 1962 Code § 57-496; 1962 (52) 1866; 1967 (55) 449; 1970 (56) 2572.

Research and Practice References—

- 15A Am Jur 2d, Condominiums and Cooperative Apartments § 8.
- 31 CJS, Estates §§ 147, 148.
- 5 Am Jur Legal Forms 2d, Condominiums, § 64:17 (enabling declaration).
- 29 Am Jur Trials 157, Condominium Construction Litigation: Representing the Community Association.
- Condominiums in South Carolina: Possibilities and Pitfalls. 17 SC L Rev 334.

Annotations—

- Liability of condominium association or corporation for injury allegedly caused by condition of premises. 45 ALR3d 1171.
- Erection of condominium as violation of restrictive covenant forbidding erection of apartment houses. 65 ALR3d 1212.
- Self-dealing by developers of condominium project as affecting contracts or leases with condominium association. 73 ALR3d 613.
- Construction of contractual or state regulatory provisions respecting formation, composition, and powers of governing body of condominium association. 13 ALR4th 598.
- Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.

CASE NOTES

A member of an unincorporated condominium association, established pursuant to the Horizontal Property Act, may bring an action against the association either in contract or tort, including an action for personal injury resulting from the association's negligent maintenance of common elements. *Murphy v Yacht Cove Homeowners Asso.* (1986) 289 SC 367, 345 SE2d 709.

A property regime has standing to bring an action for construction defects in common elements that the regime

has the duty to maintain, even if the regime does not own the common elements. *Queen's Grant Villas Horizontal Property Regimes I-V v Daniel International Corp.* (1985) 286 SC 555, 335 SE2d 365.

A property regime has standing to bring an action for construction defects in common elements that the regime has a duty to maintain. *Dockside Asso. v Detyens, Simmons & Carlisle* (1985) 287 SC 287, 337 SE2d 887, later app (App) 297 SC 91, 374 SE2d 907.

§ 27-31-40. Apartments may be purchased, owned and the like.

Once the property is submitted to the horizontal property regime, an apartment in the property may be individually conveyed and encumbered and may be the subject of ownership, possession or sale and of all types of juridic acts inter vivos or mortis causa, as if it were sole and entirely independent of the other apartments in the property of which it forms a part, and the corresponding individual titles and interests shall be recordable.

HISTORY: 1962 Code § 57-497; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

- 15A Am Jur 2d, Condominiums and Cooperative Apartments § 18.
- 31 CJS, Estates § 149.
- 5 Am Jur Legal Forms 2d, Condominiums, § 64:41 (subscription and purchase agreement).
- 5 Am Jur Legal Forms 2d, Condominiums, § 64:55 (deed to individual).

Annotations—

Liability of vendor of condominiums for damages occasioned by defective condition thereof. 50 ALR3d 1071.

Validity, construction, and application of statutes, or of condominium association's bylaws or regulations, restricting sale, transfer, or lease of condominium units. 17 ALR4th 1247.

ATTORNEY GENERAL'S OPINIONS

A waiting period of 180 days to protect tenants of structures being converted into condominiums does not unconstitutionally impair the obligations of contracts or deprive the owner of his property without due process of law. 1981 Op Att'y Gen, No. 81-57, p 83.

§ 27-31-50. More than one person may own apartment.

Any apartment may be held and owned by more than one person as tenants in common or in any other real estate tenancy relationship recognized under the laws of this State.

HISTORY: 1962 Code § 57-498; 1962 (52) 1866; 1967 (55) 449.

§ 27-31-60. Property rights of apartment owner.

(a) An apartment owner shall have the exclusive ownership of his apartment and shall have a common right to a share, with the other co-owners, in the common elements of the property, equivalent to the percentage representing the value of the individual apartment, with relation to the value of the whole property. This percentage shall be computed by taking as a basis the value of the individual apartment in relation to the value of the property as a whole.

The percentage shall be expressed at the time the horizontal property regime is constituted, shall have a permanent character, and shall not be altered without the acquiescence of the co-owners representing all the apartments of the property.

The basic value, which shall be fixed for the sole purpose of this chapter and irrespectively of the actual value, shall not prevent each co-owner from fixing a different circumstantial value to his apartment in all types of acts and contracts.

(b) The owner of any apartment embraced in the master deed and building plan shall have the right to require specific perfor-

mance of any proposed common elements for recreational purposes set out in the master deed which are included in the next stage of the development that applies to recreational facilities in the event the additional stages of erection do not develop.

HISTORY: 1962 Code § 57-499; 1962 (52) 1866; 1967 (55) 449; 1973 (58) 783.

Research and Practice References—

31 CJS, Estates § 147.

Annual Survey of South Carolina Law: Property. 38 SC L Rev 178 Autumn, 1986.

Annotations—

Personal liability of owner of condominium unit to one sustaining personal injuries or property damage by condition of common areas. 39 ALR4th 98.

Right of condominium association's management or governing body to inspect individual units. 41 ALR4th 730.

§ 27-31-70. Common elements shall not be divided.

The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of the co-ownership. Any covenant to the contrary shall be void.

HISTORY: 1962 Code § 57-500; 1962 (52) 1866; 1967 (55) 449.

CASE NOTES

A property regime has standing to bring an action for construction defects in common elements that the regime has the duty to maintain, even if the regime does not own the common elements. *Queen's Grant Villas Horizontal Property Regimes I-V v Daniel International Corp.* (1985) 286 SC 555, 335 SE2d 365.

A property regime has standing to bring an action for construction defects in common elements that the regime has a duty to maintain. *Decksider Asso. v Detyens, Simmons & Carlisle* (1985) 287 SC 287, 337 SE2d 887, later app (App) 297 SC 91, 374 SE2d 907.

§ 27-31-80. Use of common elements.

Each co-owner may use the elements held in common in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other co-owners.

HISTORY: 1962 Code § 57-501; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 13, 16.

Condominiums in South Carolina: Possibilities and Pitfalls. 17 SC L Rev 334.

Annotations—

Personal liability of owner of condominium unit to one sustaining personal injuries or property damage by condition of common areas. 39 ALR4th 98.

CASE NOTES

A member of an unincorporated condominium association, established pursuant to the Horizontal Property Act, may bring an action against the association either in contract or tort, including an action for personal injury resulting from the association's negligent maintenance of common elements. *Murphy v Yacht Cove Homeowners Asso.* (1986) 289 SC 367, 345 SE2d 709.

§ 27-31-90. Incorporation of co-owners.

Nothing herein contained shall prohibit any council of co-owners from incorporating pursuant to the laws of South Carolina for the purpose of the administration of the property constituted into a horizontal property regime. In the event of such incorporation, the percentage of stock ownership of each co-owner in the corporation shall be equal to the percentage of his right to share in the common elements as computed in accordance with the provisions of this chapter.

HISTORY: 1962 Code § 57-502; 1967 (55) 449.

Research and Practice References—

31 CJS, Estates § 150.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

§ 27-31-100. Master deed or lease; contents.

The master deed or lease creating and establishing the horizontal property regime shall be executed by the owner or owners of the real property making up the regime and shall be recorded with the register of mesne conveyance or clerk of court of the county where such property is located. The master deed or lease shall express the following particulars:

- (a) The description of the land whether leased or in fee simple and the building if applicable, expressing their respective areas;
- (b) The general description and number of each apartment, expressing its area, location and any other data necessary for its identification;
- (c) The description of the general common elements of the property, and, in proper cases, of the limited common elements restricted to a given number of apartments, expressing which are those apartments;
- (d) The value of the property and of each apartment, and, according to these basic values, the percentage appertaining to the co-owners in the expenses of, and rights in, the elements held in common; and
- (e) The name by which the horizontal property regime is to

be known followed by the words "HORIZONTAL PROPERTY REGIME."

- (f) A description of the full legal rights and obligations, both currently existing and which may occur, of the apartment owner, the co-owners, and the person establishing the regime. The master deed of any horizontal property regime developed under the provisions of this chapter that contains any submerged land shall contain a notice of restriction stating that all activities on or over and all uses of the submerged land or other critical areas are subject to the jurisdiction of the Coastal Council, including, but not limited to, the requirement that any activity or use must be authorized by the South Carolina Coastal Council. The notice shall further state that any owner is liable to the extent of his ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area.
- (g) In the event the owner of property submitting it for establishment of a horizontal property regime proposes to develop the property as a single regime but in two or more stages or proposes to annex additional property to the property described in the master deed, the master deed shall also contain a general description of the plan of development, including:
- (1) The maximum number of units in each proposed stage of development;
 - (2) The dates by which the owner submitting such property to condominium ownership will elect whether or not he will proceed with each stage of development;
 - (3) A general description of the nature and proposed use of any additional common elements which the owner submitting property to condominium ownership proposes to annex to the property described in the master deed, if such common elements might substantially increase the proportionate amount of the common expenses payable by existing unit owners;
 - (4) A chart showing the percentage interest in the common elements of each original unit owner at each stage of development if the owner submitting property to condominium ownership elected to proceed with all stages of development.

- (h) Any restrictions or limitations on the lease of a unit including, but not limited to, the amount and term of the lease.

HISTORY: 1962 Code § 57-503; 1962 (52) 1866; 1967 (55) 449; 1970 (56) 2572; 1973 (58) 783; 1984 Act No. 463, §§ 2, 6; 1987 Act No. 143 § 1.

Research and Practice References—

- 15A Am Jur 2d, Condominiums and Cooperative Apartments § 18.
 31 CJS, Estates § 149.
 7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 3.1 (complaint by unit owner: negligence of association).
 7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 52.3 (breach of contract for management and landscape maintenance of common areas).
 5 Am Jur Legal Forms 2d, Condominiums, § 64:16 (master deed).

Annotations—

- Liability of condominium association or corporation for injury allegedly caused by condition of premises. 45 ALR3d 1171.
 Construction of contractual or state regulatory provisions respecting formation, composition, and powers of governing body of condominium association. 13 ALR4th 598.
 Validity, construction, and application of statutes, or of condominium association's bylaws or regulations, restricting sale, transfer, or lease of condominium units. 17 ALR4th 1247.
 Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.
 Validity, construction, and application of statutes, or of condominium association's bylaws or regulations, restricting number of units that may be owned by single individual or entity. 39 ALR4th 88.
 Right of condominium association's management or governing body to inspect individual units. 41 ALR4th 730.

CASE NOTES

A member of an unincorporated condominium association, established pursuant to the Horizontal Property Act, may bring an action against the association either in contract or tort, including an action for personal injury resulting from the association's negligent maintenance of common elements. *Murphy v Yacht Cove Homeowners Asso.* (1986) 289 SC 367, 345 SE2d 709.

§ 27-31-110. Plot plan and building plan shall accompany master deed or lease.

There must be attached to the master deed or lease, at the time it is filed for record a map or plot showing the horizontal and vertical location of any building and other improvements within the property boundary, which shall have the seal and signature of a registered land surveyor licensed to practice in this State. There must also be attached a plot plan of the proposed construction showing the location of the building and other improvements, and set of floor plans of the building which must show graphically the dimensions, area, and location of each apartment therein and

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the dimension, area, and location of common elements affording access to each apartment. Other common elements, both limited and general, must be shown graphically insofar as possible and must be described in detail in words and figures. The building plans must be certified to by an engineer or architect authorized and licensed to practice his profession in this State.

HISTORY: 1962 Code § 57-504; 1962 (52) 1866; 1967 (55) 449; 1970 (56) 2572, 1984 Act No. 463, § 3.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 18.

§ 27-31-120. Designation of apartments on plans; conveyance or lease of apartment.

Each apartment must be designated, on the plans referred to in § 27-31-110, by letter or number or other appropriate designation and any conveyance, lease, or other instrument affecting title to the apartment, which describes the apartment by using the letter or number followed by the words "in Horizontal Property Regime," is deemed to contain a good and sufficient description for all purposes. Any conveyance or lease of an individual apartment is deemed to also convey or lease the undivided interest of the owner in the common elements, both general and limited, appertaining to the apartment without specifically or particularly referring to same.

HISTORY: 1962 Code § 57-505; 1962 (52) 1866; 1967 (55) 449; 1973 (58) 783; 1984 Act No. 463, § 4.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 13, 18.

Annotations—

Liability of vendor of condominiums for damages occasioned by defective condition thereof. 50 ALR3d 1071.

§ 27-31-130. Horizontal property regime may be waived and merged.

All the co-owners or the sole owner of the property constituted into an horizontal property regime may waive the regime and regroup or merge the records of the individual apartments with the principal property, provided that the individual apartments are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors.

HISTORY: 1962 Code § 57-506; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 52, 53.

§ 27-31-140. Merger shall not bar another horizontal property regime.

The merger provided for in § 27-31-130 shall in no way bar the subsequent constitution of the property into another horizontal property regime whenever so desired and upon observance of the provisions of this chapter.

HISTORY: 1962 Code § 57-507; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 52, 53.

§ 27-31-150. Property shall be governed by bylaws.

The administration of the property constituted into horizontal property, whether incorporated or unincorporated, shall be governed by bylaws which shall be inserted in or appended to and recorded with the master deed or lease.

HISTORY: 1962 Code § 57-508; 1962 (52) 1866; 1967 (55) 449; 1970 (56) 2572.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 16, 17.

5 Am Jur Legal Forms 2d, Condominiums, § 64:81 (bylaws).

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Enforceability of bylaw or other rule of condominium or co-operative association restricting occupancy by children. 100 ALR3d 241.

Validity, construction, and application of statutes, or of condominium association's bylaws or regulations, restricting sale, transfer, or lease of condominium units. 17 ALR4th 1247.

Right of condominium association's management or governing body to inspect individual units. 41 ALR4th 730.

Validity and construction of condominium bylaws or regulations placing special regulations, burdens, or restrictions on nonresident unit owners, 76 ALR4th 295.

§ 27-31-160. Provisions required in bylaws; modification of system of administration.

The bylaws must necessarily provide for at least the following:

- (a) Form of administration, indicating whether this shall be in charge of an administrator or of a board of administration, or otherwise, and specifying the powers, manner of removal and, where proper, the compensation thereof;
- (b) Method of calling or summoning the co-owners to assemble; that a majority of at least fifty-one percent is required to adopt decisions; who is to preside over the meeting and who will keep the minutes book wherein the resolutions shall be recorded;

- (c) Care, upkeep and surveillance of the property and its general or limited common elements and services;
- (d) Manner of collecting from the co-owners for the payment of the common expenses;
- (e) Designation and dismissal of the personnel necessary for the works and the general or limited common services of the property.

The sole owner of the property or, if there be more than one, the co-owners representing two thirds of the total value of the property, may at any time modify the system of administration, but each one of the particulars set forth in this section shall always be embodied in the bylaws. No such modification may be operative until it is embodied in a recorded instrument which shall be recorded in the same office and in the same manner as was the master deed or lease and original bylaws of the horizontal property regime involved.

HISTORY: 1962 Code § 57-509; 1962 (52) 1866; 1967 (55) 449; 1970 (56) 2572.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 16, 17.

5 Am Jur Legal Forms 2d, Condominiums, § 64:81 (bylaws).

5 Am Jur Legal Forms 2d, Condominiums, § 64:111 (management agreement).

31 Am Jur Trials 193, Litigation Between Association Members for Breach of Condominium Provisions: Noise.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Construction of contractual or state regulatory provisions respecting formation, composition, and powers of governing body of condominium association. 13 ALR4th 598.

Validity and construction of condominium bylaws or regulations placing special regulations, burdens, or restrictions on nonresident unit owners. 76 ALR4th 295.

§ 27-31-170. Co-owners shall comply with bylaws, rules and regulations and the like; remedy for noncompliance.

Each co-owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the master deed or lease or in the deed or lease to his apartment. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the administrator or the board of administration, or other form of administration specified in the bylaws, on behalf of the council of co-owners, or in a proper case, by an aggrieved co-owner.

HISTORY: 1962 Code § 57-510; 1967 (55) 449; 1973 (58) 783.

Cross references—

Civil remedies generally, see §§ 15-1-10 et seq.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 16, 17.

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 1 (complaint, petition, or declaration by association against unit owner for failure to pay monthly charges for upkeep).

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 1.5 (complaint by association to compel unit owner to remove animal). 7

Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 1 (complaint by association—violation of condominium's covenants).

31 Am Jur Trials 193, Litigation Between Association Members for Breach of Condominium Provisions: Noise.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Agency. 39 SC L Rev 215, Autumn, 1987.

Annotations—

Enforceability of bylaw or other rule of condominium or co-operative association restricting occupancy by children. 100 ALR3d 241.

Validity, construction, and application of statutes, or of condominium association's bylaws or regulations, restricting sale, transfer, or lease of condominium units. 17 ALR4th 1247.

Adequacy and application of guidelines relating to condominium association's requisite approval of individual unit owner's improvements or decoration. 25 ALR4th 1059.

Liability of owner of unit in condominium, recreational development, time-share property, or the like, for assessment in support of common facilities levied against and unpaid by prior owner. 39 ALR4th 114.

Right of condominium association's management or governing body to inspect individual units. 41 ALR4th 730.

CASE NOTES

A member of an unincorporated condominium association, established pursuant to the Horizontal Property Act, may bring an action against the association either in contract or tort, including an action for personal injury

resulting from the association's negligent maintenance of common elements. *Murphy v Yacht Cove Homeowners Asso.* (1986) 289 SC 367, 345 SE2d 709.

§ 27-31-180. Records of receipts and expenditures.

The administrator or the board of administration, or other form of administration specified in the bylaws, shall keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the property and its administration, and specifying the maintenance and repair expenses of the common elements and any other expenses incurred. Both the book and the vouchers accrediting the entries made thereupon shall be available for examination by all the co-owners at convenient hours on working days that shall be set and announced for general knowledge.

HISTORY: 1962 Code § 57-511; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 36, 37.

✓ **§ 27-31-190. Expenses shall be shared.**

The co-owners of the apartments are bound to contribute pro rata in the percentages computed according to § 27-31-60 toward the expenses of administration and of maintenance and repair of the general common elements and, in the proper case, of the limited common elements of the property and toward any other expense lawfully agreed upon.

No co-owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or by abandonment of the apartment belonging to him.

HISTORY: 1962 Code § 57-512; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 36, 37.

31 CJS, Estates § 150.

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 51 (complaint, petition, or declaration alleging defective condition of common area of condominium building causing injuries to visitors).

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 54 (instruction to jury explaining liability of unit owners of condominium for injuries suffered by visitor in common area).

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Expenses for which condominium association may assess unit owners. 77 ALR3d 1290.

Liability of owner of unit in condominium, recreational development, time-share property, or the like, for assessment in support of common facilities levied against and unpaid by prior owner. 39 ALR4th 114.

§ 27-31-200. Unpaid assessments shall be paid from sales price.

Upon the sale or conveyance of an apartment, all unpaid assessments against a co-owner for his pro rata share in the expenses to which § 27-31-190 refers shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except the following:

- (a) Assessments, liens and charges for taxes past due and unpaid on the apartment; and
- (b) Payments due under mortgage instruments or encumbrances duly recorded.

HISTORY: 1962 Code § 57-513; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 36, 37.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

§ 27-31-210. Lien for unpaid assessments; right of mortgagee or purchaser acquiring title at foreclosure sale.

(a) All sums assessed by the administrator, or the board of administration, or other form of administration specified in the bylaws, but unpaid, for the share of common expenses chargeable to any apartment shall constitute a lien on such apartment prior to all other liens except only (i) tax liens on the apartment in favor of any assessing unit, and (ii) mortgage and other liens, duly recorded, encumbering the apartment. Such lien may be foreclosed by suit by the administrator, or the board of administration, or other form of administration specified in the bylaws, acting on behalf of the council of co-owners, in like manner as a mortgage of real property. In any such foreclosure the apartment owner shall be required to pay a reasonable rental for the apartment after the commencement of the foreclosure action and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect such rents. The administrator, or the board of administration, or other form of administration specified in the bylaws, acting on behalf of the council of co-owners, shall have the power to bid in the apartment at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses may be maintainable without instituting foreclosure proceedings.

(b) Where the mortgagee of any mortgage of record or other purchaser of an apartment obtains title at the foreclosure sale of such a mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the co-owners chargeable to such apartment accruing after the date of recording such mortgage but prior to the acquisition of title to such apartment by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners, including such acquirer, his successors and assigns.

HISTORY: 1962 Code § 57-514; 1967 (55) 449.

Research and Practice References—

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

CASE NOTES

Section 27-31-210(a) necessitates treatment of assessment lien foreclosures as actions in equity, which allows reviewing courts to find facts in accordance with their own view of evidence and not to be bound by factual findings of trial judge. *Dockside Asso. v Detyens* (1987) 294 SC 86, 362 SE2d 874.

§ 27-31-220. Liability of purchaser of apartment.

The purchaser of an apartment (other than a purchaser at a foreclosure sale as described above in § 27-31-210(b)) shall be jointly and severally liable with the seller for the amounts owing by the latter under § 27-31-190 up to the time of the conveyance, without prejudice to the purchaser's right to recover from the other party the amounts paid by him as such joint debtor. The council of co-owners shall provide for the issuance and shall issue to any purchaser, upon his request, a statement of such amounts due by the seller and the purchaser's liability under this section shall be limited to the amount as set forth in the statement.

HISTORY: 1962 Code § 57-515; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 43.

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 10 (instruction to jury as to rights and obligations of condominium owners among themselves).

§ 27-31-230. Liens arising subsequent to recording of master deed or lease.

(a) No lien arising subsequent to recording the master deed or lease as provided in this chapter, and while the property remains subject to this chapter, shall be effective against the property. During such period liens or encumbrances shall arise or be created only against each apartment and the percentage of undivided interest in the common elements appurtenant to such apartment, in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership; *provided*, that no labor performed or materials furnished with the consent or at the request of a co-owner or his agent or his contractor or subcontractor, shall be the basis for the filing of a mechanic's or materialman's lien against the apartment or any other property of any other co-owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the owner of any apartment in the case of emergency repairs thereto. Labor performed or materials furnished for the common elements, if duly authorized by the council of co-owners, the administrator or board

For closure of liens for assessment

of administration or other administration specified by the bylaws, in accordance with this chapter, the master deed, lease or bylaws, shall be deemed to be performed or furnished with the express consent of each co-owner and shall be the basis for the filing of a mechanic's or materialman's lien against each of the apartments and shall be subject to the provisions of subparagraph (b) hereunder.

(b) In the event a lien against two or more apartments becomes effective, the owners of the separate apartments may remove their apartment and the percentage of undivided interest in the common areas and facilities appurtenant to such apartment from the lien by payment of the fractional or proportional amounts attributable to each of the apartments affected. Such individual payment shall be computed by reference to the percentages appearing in the master deed or lease. Subsequent to any such payment, discharge or other satisfaction, the apartment and the percentage of undivided interest in the common elements appurtenant thereto shall thereafter be free and clear of the lien so paid, satisfied or discharged. Such partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any apartment and the percentage of undivided interest in the common elements appurtenant thereto not so paid, satisfied or discharged.

HISTORY: 1962 Code § 57-516; 1967 (55) 449; 1970 (56) 2572.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 47.

§ 27-31-240. Property may be insured.

The council of co-owners shall insure the property against risks, without prejudice to the right of each co-owner to insure his apartment on his own account and for his own benefit.

HISTORY: 1962 Code § 57-517; 1962 (52) 1866; 1967 (55) 449.

Cross references—

Regulation of the insurance industry, see §§ 38-1-10 et seq.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 54.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

§ 27-31-250. Insurance benefits shall be used to reconstruct building.

In case of fire or any other disaster, the insurance indemnity must, except as provided in the following paragraph, be applied to reconstruct the building or other structure.

Reconstruction is not compulsory where it comprises the whole or more than two-thirds of the property. In this case, and unless otherwise unanimously agreed upon by the co-owners, the indemnity must be delivered pro rata to the co-owners entitled to it in accordance with provision made in the bylaws or in accordance with a decision of three-fourths of the co-owners if there is no bylaw provision.

Should it be proper to proceed with the reconstruction, the provisions for this eventuality made in the bylaws shall be observed, or, in lieu thereof, the decision of the council of co-owners shall prevail.

HISTORY: 1962 Code § 57-518; 1962 (52) 1866; 1967 (55) 449; 1984 Act No. 463, § 5.

Cross references—

Regulation of the insurance industry, see §§ 38-1-10 et seq.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 54.

7 Am Jur Pl & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 3 (complaint, petition, or declaration by unit owner of condominium to compel reconstruction after building destroyed).

§ 27-31-260. Sharing expenses in case of fire or other disaster.

Where the property is not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction, the rebuilding costs shall be paid by all the co-owners directly affected by the damage, in proportion to the value of their respective apartments, or as may be provided in the bylaws; and if any one or more of those composing the minority shall refuse to make such payments, the majority may proceed with the reconstruction at the expense of all the co-owners benefited thereby, upon proper resolution setting forth the circumstances of the case and the cost of the works, with the intervention of the council of co-owners.

The provisions of this section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

HISTORY: 1962 Code § 57-519; 1962 (52) 1866; 1967 (55) 449.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 54-56.

§ 27-31-270. Assessment and collection of taxes.

Taxes, assessments and other charges of this State, or of any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each individual apartment, each of which shall be

carried on the tax books as a separate and distinct entity for that purpose, and not on the building or property as a whole. No forfeiture or sale of the building or property as a whole for delinquent taxes, assessments or charges shall ever divest or in anywise affect the title to an individual apartment so long as taxes, assessments and charges on the individual apartment are currently paid.

HISTORY: 1962 Code § 57-520; 1962 (52) 1866; 1967 (55) 449.

Cross references—

Taxation generally, see §§ 12-1-10 et seq.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 48, 49.

7 Am Jur P1 & Pr Forms (Rev), Condominiums and Cooperative Apartments, Form 10 (instruction to jury as to rights and obligations of condominium owners among themselves).

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Real-estate taxation of condominiums. 71 ALR3d 952.

ATTORNEY GENERAL'S OPINIONS

A municipality is authorized to levy assessments for permanent improvements on individually owned apartment units comprising a horizontal housing property (condominium regime) or apartment building under the provisions of this section [Code 1962 § 57-520]. 1962-63 Ops. Att'y Gen., No 1604, p 184.

Local assessments for permanent improvements may be levied against the individual apartments in a horizontal property regime, in accordance with this section [Code 1962 § 57-520], without violating SC Const, Art 10, § 14a. 1962-63 Ops. Att'y Gen., No 1604, p 184.

§ 27-31-280. Council of co-owners shall have right of access to apartments.

The council of co-owners shall have the irrevocable right, to be exercised by the administrator or the board of administration, or other form of administration specified in the bylaws, to have access to each apartment from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

HISTORY: 1962 Code § 57-521; 1967 (55) 449.

Research and Practice References—

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Construction of contractual or state regulatory provisions respecting formation,

§ 27-31-280

PROPERTY AND CONVEYANCES

composition, and powers of governing body of condominium association. 13 ALR4th 598.

Right of condominium association's management or governing body to inspect individual units. 41 ALR4th 730.

§ 27-31-290. Limitation on liability of co-owners for common expenses.

The liability of each co-owner for common expenses shall be limited to the amounts for which he is assessed from time to time in accordance with this chapter, the master deed or lease and the bylaws.

HISTORY: 1962 Code § 57-522; 1967 (55) 449; 1970 (56) 2572.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments § 58.

5 Am Jur Proof of Facts 3d, Condominium Association's Failure to Protect Residents and Guests from Criminal Attack, §§ 1 et seq.

Annotations—

Validity and enforceability of condominium owner's covenant to pay dues or fees to sports or recreational facility. 39 ALR4th 129.

§ 27-31-300. Effect on contracts entered into before June 6, 1967.

The provisions of this chapter shall in no way impair, alter or revise any contract entered into with regard to horizontal properties or condominiums prior to June 6, 1967.

HISTORY: 1962 Code § 57-523; 1967 (55) 449.

ARTICLE 2

CONVERSION OF RENTAL UNITS TO CONDOMINIUM
OWNERSHIP

SEC.

27-31-410. "Conversion of rental units to condominium ownership" defined.

27-31-420. Rights and duties of owners, landlords and tenants when rental units are converted to condominiums; notices; offers; vacation; phased conversions.

27-31-430. Disclosure of physical condition of building.

27-31-440. Conversion program may be abandoned after notices given.

§ 27-31-410. "Conversion of rental units to condominium ownership" defined.

As used in this chapter, "conversion of rental units to condominium ownership" means the establishment of a horizontal property regime encompassing a preexisting building which, at anytime prior to the recording of the master deed or master lease, was wholly or partially occupied by persons as their residence on a

permanent or at least a continuing basis other than persons who, at the time of such recording, had contractual rights to acquire condominium ownership within the building.

HISTORY: 1983 Act No. 37 § 2.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 21, 22.

Annotations—

Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.

§ 27-31-420. Rights and duties of owners, landlords and tenants when rental units are converted to condominiums; notices; offers; vacation; phased conversions.

(A) Whenever a lessee, sole owner, or co-owner of a building declares the undertaking of a conversion of rental units to condominium ownership through the recordation of a master deed or master lease, within thirty days of the date of recordation the lessee or owner shall deliver in writing to each tenant in possession of an apartment within the building to be converted:

- (1) the disclosure items required by § 27-31-430;
- (2) written notice of the planned conversion which shall set forth generally the rights of tenants under this section;
- (3) an offer to convey to the tenant the apartment occupied by the tenant at a specified price and upon specified terms.

The tenant shall not be required to vacate the apartment until expiration of his lease or for one hundred twenty days, or ninety days if the tenant is under the age of sixty, following delivery of the notice, whichever is longer, and the terms of the tenancy shall not be altered during that period. Any notice which under the terms of such tenancy is required to be given to prevent the automatic renewal or extension of the term of such tenancy may be given during such period. Failure to give notice as required by this section shall constitute a defense to an action by the lessee or owner for possession if initiated less than one hundred twenty days, or ninety days if the tenant is under the age of sixty, after delivery of the notice, except as provided in subsection (E).

(B) The price and terms offered to each tenant in possession shall be at least as favorable as the price and terms offered to prospective purchasers who are not tenants in possession of apartments in the building to be converted. The tenant shall be allowed sixty days in which to accept such offer and, in the event the tenant shall not have accepted the offer within the sixty days, the lessee or owner of the building shall be prohibited for an

additional fifty days, or fifteen days if the tenant is under the age of sixty, from making an offer to convey the apartment to any other person at a price or upon terms more favorable than those offered to the tenant, unless such more favorable offer first shall have been extended to the tenant for his exclusive consideration for a period of ten days. Acceptance of an offer by a tenant in possession shall be in writing. If a declarant, in violation of this subsection, conveys a unit to a purchaser for value who has no knowledge of the violation, recordation of the deed conveying the unit extinguishes any right a tenant may have under the subsection to purchase that unit if the deed states that the seller has complied with the subsection, but does not affect the right of a tenant to recover damages from the declarant for a violation of this subsection.

(C) Where the conversion is to be accomplished on a phase-in basis, the notices required shall be given within thirty days of the undertaking of the conversion of each building.

(D) Notices and offers required or permitted to be delivered to a tenant by this article may be:

- (1) hand delivered to the tenant; or
- (2) hand delivered to the apartment; or
- (3) posted in the United States mails, postage prepaid, addressed to the tenant at the individual's apartment address.

Acceptances of offers of a lessee or owner may be:

- (1) hand delivered to the lessee or owner; or
- (2) hand delivered to an authorized representative of the lessee or owner; or
- (3) posted in the United States mails, postage prepaid, properly addressed to the lessee or owner. If registered or certified mail is used, the postmark date of the registered or certified mail receipt received upon posting shall be the date of delivery for purposes of this article.

(E) Nothing in this section shall prevent termination of a lease according to law for violation of its terms.

(F) In the event of extended occupancy by the tenant pursuant to subsection (A), the rights and obligations of the landlord and tenant during the period of extended occupancy shall remain the same as prior to the period.

HISTORY: 1983 Act No. 37 § 2.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 21, 22.

5A Am Jur Legal Forms 2d, Cooperative Apartments § 70:4 (notice of conversion).

5A Am Jur Legal Forms 2d, Cooperative Apartments §§ 70:11 et seq. (formation of cooperatives).

Annotations—

Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.

§ 27-31-430. Disclosure of physical condition of building.

Whenever the lessee, sole owner, or co-owner of a building declares the undertaking of a conversion of rental units to condominium ownership through the recordation of a master deed or master lease, written disclosure shall be made within thirty days of the date of the recordation to all prospective purchasers, including tenants in possession, as to the physical condition of the building. The disclosure shall contain a written report prepared by an independent registered architect or engineer licensed to practice his profession in this State, describing the present condition of all general common elements. The report shall contain a good faith estimate of the remaining useful life to be expected for each item reported on, together with a list of any notices of uncured violations of building codes or other county or municipal regulations, together with the estimated cost of curing those violations. The good faith estimate of useful life shall not constitute a warranty and, as to an independent registered architect or engineer licensed to practice his profession in this State, shall not be deemed a representation of material fact or an inducement to purchase and shall not give rise to any cause of action at law or in equity against such architect or engineer. A failure to make the disclosure required by this section shall constitute a violation of the South Carolina Unfair Trade Practices Act.

HISTORY: 1983 Act No. 37 § 2.

Cross references—

Items required to be delivered to tenants in possession, see § 27-31-420.
South Carolina Unfair Trade Practices Act, generally, see §§ 39-5-10 et seq.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 21, 22.

Annotations—

Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.

§ 27-31-440. Conversion program may be abandoned after notices given.

Nothing contained in this article shall require the lessee, sole owner, or co-owner to convert to a condominium if, after recording the master deed or master lease and giving the required notices, the lessee, sole owner, or co-owner finds that he cannot

meet any presale requirements that he has established or that he no longer wishes to convert the property.

HISTORY: 1983 Act No. 37 § 3.

Research and Practice References—

15A Am Jur 2d, Condominiums and Cooperative Apartments §§ 21, 22.

Annotations—

Validity and construction of law regulating conversion of rental housing to condominiums. 21 ALR4th 1083.

(A86, R155, H3535)

AN ACT TO AMEND SECTION 27-31-20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITIONS OF "BUILDING", "GENERAL COMMON ELEMENTS", AND "PROPERTY" IN THE HORIZONTAL PROPERTY ACT, SO AS TO PROVIDE THAT THESE DEFINITIONS APPLY TO EXISTING, PROPOSED, OR TO BE CONSTRUCTED STRUCTURES, COMMON ELEMENTS, OR LAND AND BUILDINGS AS APPROPRIATE; TO AMEND SECTION 27-31-30, RELATING TO THE PROVISIONS APPLICABLE TO THE ESTABLISHMENT OF A HORIZONTAL PROPERTY REGIME, SO AS TO PROVIDE THAT PROPERTY MAY BE SUBMITTED TO SUCH A REGIME PRIOR TO CONSTRUCTION OR THE COMPLETION OF ANY BUILDING, APARTMENT, IMPROVEMENTS, OR STRUCTURES ON THE PROPERTY UNDER CERTAIN CONDITIONS; TO AMEND SECTION 27-31-100, AS AMENDED, RELATING TO THE HORIZONTAL PROPERTY ACT AND THE CONTENTS OF THE MASTER DEED OR LEASE, SO AS TO PROVIDE THAT THE MASTER DEED OR LEASE SHALL SET FORTH THE DESCRIPTION OF THE LAND, WHETHER LEASED OR IN FEE SIMPLE, AND THE BUILDING OR BUILDINGS IN EXISTENCE OR TO BE CONSTRUCTED, IF APPLICABLE, AND THEIR RESPECTIVE AREAS; AND TO AMEND SECTION 27-31-110, RELATING TO THE HORIZONTAL PROPERTY ACT AND THE REQUIREMENT THAT THE PLOT PLAN AND BUILDING PLAN ACCOMPANY THE MASTER DEED OR LEASE, SO AS TO EXTEND THE PROVISIONS OF THE SECTION TO PROPOSED OR ANTICIPATED BUILDINGS OR CONSTRUCTION, AS WELL AS BUILDINGS OR CONSTRUCTION ALREADY EXISTING.

Be it enacted by the General Assembly of the State of South Carolina:

Definitions revised

SECTION 1. Section 27-31-20(b), (f), and (k) of the 1976 Code are amended to read:

"(b) 'Building' means an existing or proposed structure or structures, containing in the aggregate two or more apartments, comprising a part of the property;

(f) 'General common elements' means and includes:

- (1) The land whether leased or in fee simple and whether or not submerged on which the apartment or building stands; provided, however, that submerged land developed or used under this chapter is subject to any law enacted relating to the leasing of submerged lands by the State for the benefit of the public;
- (2) The foundations, main walls, roofs, halls, lobbies, stairways, moorages, walkway docks, and entrance and exit or communication ways in existence or to be constructed or installed;
- (3) The basements, flat roofs, yards, and gardens, in existence or to be constructed or installed, except as otherwise provided or stipulated;

(4) The premises for the lodging of janitors or persons in charge of the property, in existence or to be constructed or installed, except as otherwise provided or stipulated;

(5) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like, in existence or to be constructed or installed;

(6) The elevators, garbage incinerators, and, in general, all devices or installations existing or to be constructed or installed for common use;

(7) All other elements of the property, in existence or to be constructed or installed, rationally of common use or necessary to its existence, upkeep, and safety;

(k) 'Property' means and includes (1) the land whether leasehold or in fee simple and whether or not submerged, (2) the building, all improvements, and structures on the land, in existence or to be constructed, and (3) all easements, rights, and appurtenances belonging thereto;"

Property submitted prior to construction or completion

SECTION 2. Section 27-31-30 of the 1976 Code is amended to read:

"Section 27-31-30. Whenever a lessee, sole owner, or the co-owners of property expressly declare, through the recordation of a master deed or lease, which shall set forth the particulars enumerated in Section 27-31-100, their desire to submit their property to the regime established by this chapter, there shall thereby be established a horizontal property regime. Property may be submitted to a horizontal property regime prior to construction or the completion of any building or apartment, improvements, or structures on the property if all proceeds from its sale are deposited into an escrow account with an independent escrow agent until construction or completion of the proposed property as evidenced by issuance of a certificate of occupancy from the appropriate municipal or county authority. In lieu of any escrow required by this section, the escrow agent may accept a surety bond issued by a company licensed to do business in this State as surety in an amount equal to or in excess of the funds that would otherwise be placed in the escrow account with the South Carolina Real Estate Commission designated as beneficiary of any such surety bond."

Master deed description

SECTION 3. Section 27-31-100(a) of the 1976 Code is amended to read:

"(a) The description of the land whether leased or in fee simple, and the building or buildings in existence or to be constructed, if applicable, expressing their respective areas;"

Plot plan and building plan requirements

SECTION 4. Section 27-31-110 of the 1976 Code is amended to read:

"Section 27-31-110. There must be attached to the master deed or lease, at the time it is filed for record, a map or plat showing the horizontal and vertical location of any building which is

proposed or in existence and other improvements within the property boundary, which shall have the seal and signature of a registered land surveyor licensed to practice in this State. There must also be attached a plot plan of the completed or proposed construction showing the location of the building which is proposed or in existence and other improvements, and a set of floor plans of the building which must show graphically the dimensions, area, and location of each apartment therein and the dimension, area, and location of common elements affording access to each apartment. Other common elements, both limited and general, must be shown graphically insofar as possible and must be described in detail in words and figures. The building plans must be certified to by an engineer or architect authorized and licensed to practice his profession in this State."

Time effective

SECTION 5. This act takes effect upon approval by the Governor.

Ratified the 9th day of June, 1999.

Approved the 11th day of June, 1999.