

DESCRIPTION OF PHASE I VILLAS

Phase I contains seven (7) buildings: Buildings 1, 2, 3 and 4 are of identical design and specification, each building consisting of two (2) living floors over parking with two (2) villas on each floor, or a total of four (4) villas in each building; Building 5 consists of two living floors over parking with two (2) villas on each floor and is attached to Buildings 6 and 7. Buildings 6 and 7 consist of three living floors over parking with two (2) villas on each floor, or a total of six (6) villas in each building. Access to Buildings 1, 2, 3 and 4 is provided by the building common elements consisting of stairways and a landing platform for each floor of the buildings. Access to Buildings 5, 6 and 7 is provided by the building common elements consisting of stairways, walkways and an elevator which services each floor of the buildings. All villas are of identical design and specification, whether a typical two-bedroom or two-bedroom reversed with the exception of the following:

- (a) 895 heated square feet together with an additional 224 square feet of open balcony for Villas 2011 and 2012 in Building 5, for Villas 2013 through 2018 in Building 6, and for Villas 2019 through 2021 in Building 7. 895 heated square feet together with an additional 302 square feet of open balcony for Villas 2063 through 2066 in Building 1, Villas 2059 through 2062 in Building 2, Villas 2001 through 2004 in Building 3, Villas 2005 through 2008 in Building 4, Villas 2009 and 2010 in Building 5, and Villas 2022 through 2024 in Building 7.
- (b) Entrance being made from the building stairway/landing platform common elements into the Villas foyer/living area.
- (c) The foyer leads to a living/dining area which includes a wet bar cabinet/sink.
- (d) The kitchen area is entered directly from the living/dining area. This area also has a closet/storage space for a washer and dryer and a closet/storage area for the owner's personal property.
- (e) A hallway from the living/dining area leads to the guest bedroom (bath/shower, vanity lavatory and water closet), linen closet, and a closet for the air handler and water heater.
- (f) The master bedroom (including closet storage) and master bathroom (including whirlpool bath/shower tub), vanity lavatory and water closet) are entered directly from the living/dining area.
- (g) Access to the open balcony area is provided through sliding glass doors in the living/dining area in all villas. In Villas 2001 through 2008, 2009 and 2010, 2022 through 2024, and 2059 through 2066, there is access to a second balcony through a sliding glass door in the guest bedroom.

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

NOTE: All square footage figures are approximate figures.

EXHIBIT "E"

CO-OWNER PERCENTAGE INTEREST IN THE COMMON ELEMENTS

Each Co-Owner owns in addition to his Villa an undivided interest in the Common Elements appurtenant to his Villa, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Villa 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 Developer proceeds with subsequent phases of development.

The values of each Villa shall be fixed at equal values for computing percentage interest in the Common Elements, and the equal values are fixed for the sole purpose of such computations and are fixed equally irrespectively of the actual value of any Villa. Because the Villas have equal values (for the sole purpose of computations herein), each Co-Owner will have an equal percentage ownership in the Common Elements at the commission of each Phase to the Regime. ("Commission" means annexation of a Phase to the Regime.)

The percentage of undivided interest in the Common Elements appurtenant to each Villa at the commission of each proposed Phase to Marsh Walk Horizontal Property Regime, is as follows:

<u>Phase</u>	<u>Number of Villas in Each Phase</u>	<u>Total Number of Villas at Commission of Each Phase</u>	<u>Percentage at Commission of Each Phase*</u>
I	32	32	3.1250
II	34	66	1.5152

* (These percentages apply to each Villa in the Regime at the time of commission of each Phase to the Regime as indicated in the appropriate column.)

In addition, each Co-Owner shall be entitled to one (1) vote which represents a certain percentage of the total votes of all of the Co-Owners. The vote of each Co-Owner shall be one (1) vote and the percentage of the total vote that it represents is the same percentage shown above in the appropriate column for each Phase of development at the time of commission of each Phase to the Regime. Such voting rights and the percentage of the total vote of each Co-Owner has been computed by taking as a basis the value of the individual Villa (all having equal value for the purposes herein and, therefore, equal percentages) in relation to the value of the Property as a whole.

The value of each unit is \$95,800. The value of the property in Phase I is \$3,065,600.

DESCRIPTION OF PROPOSED PHASE II OF
MARSH WALK HORIZONTAL PROPERTY REGIME

The buildings in Phase II of the Regime will be of similar design, construction and materials as the buildings of Phase I. The number of buildings and Villas in each Phase is shown in Exhibit "A".

The individual Villas will be similar, if not identical to the typical two-bedroom, two-bedroom reversed Villas described and shown in the plans contained in Exhibit "C".

The general location and description of proposed improvement constituting Common Elements is shown in Exhibit "A" and is based on Developer's intention to complete and submit to the Regime all proposed phases of development in accordance with the preliminary site plan shown in Exhibit "A". Accordingly, the construction of additional improvements is subject to change in Developer's plans, and subject to other provisions at this Master Deed.

BY-LAWS OF MARSH WALK
HORIZONTAL PROPERTY REGIME

ARTICLE I

PLAN OF VILLA OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located in Charleston County, South Carolina, and known as "MARSH WALK HORIZONTAL PROPERTY REGIME" has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina.

Section 2. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and the Regime. The provisions of these By-Laws shall automatically become applicable to property which may be added to the Regime upon the recording of an amendment to the Master Deed submitting such additional property to the provisions of the Horizontal Property Act of South Carolina and the provisions of this Master Deed.

Section 3. PERSONAL APPLICATION. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the dwelling units (hereinafter usually referred to as "Villas") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Villas will signify that these By-Laws and the provisions of the Master Deed, are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the same as the ownership in the common elements percentage assigned to the Villa or Villas in the Master Deed.

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

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

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

ARTICLE III

COUNCIL OF CO-OWNERS

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

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

Section 3. ORGANIZATIONAL MEETING AND ANNUAL MEETINGS. The Developer shall call the Organizational Meeting of the Council within thirty (30) days after title to 90% of the Villas has been conveyed, or ninety (90) days following the date of conveyance of the first Villa, whichever is sooner. Developer shall notify all Co-Owners of the time and place set for such organizational meeting in writing not less than ten days prior to the date set for such meeting. Thereafter, the Council shall meet annually on a date fixed by the Council's Board of Directors. At the organizational meeting and thereafter at the annual meetings, the Council shall elect by ballot of the Co-Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Co-Owners may also transact such other business of the Council as may properly come before them.

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

Section 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least ten (10), but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

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

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

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.

- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Council shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of three (3) persons. Until succeeded by the Board Members elected by the Villa Owners, Board Members need not be Villa Owners.

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

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

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the Common Elements.
- (c) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Common Elements.
- (d) Collection of assessments from the Co-Owners.
- (e) Performing or causing to be performed all repairs necessitated by any natural disaster or man-made damage. Such repairs to be paid for from the escrow account and from the proceeds of any special assessment.
- (f) Obtaining of insurance for the Property, pursuant to the provisions of the Master Deed, or causing the same to be done.
- (g) Grant or relocate easements which are not inconsistent with the owner's full use and enjoyment of the common properties.
- (h) Making of repairs, additions and improvements to or alterations of, the Property and repairs to and restoration of the Property in accordance with the provisions of the Master Deed and with the other provisions of these By-Laws; provided, however, that

the Board of Directors shall not undertake any repair covered by the warranty without the consent of a majority of the Villa Owners.

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

Section 5. FIRST BOARD OF DIRECTORS. Subject to the remainder of this paragraph, the Developer may appoint and remove members of the Board of Directors of the Council of Co-owners ("Board") which shall consist of three (3) members for a period of not exceeding five (5) years from the date of the first conveyance of villa to a person other than the Developer. The period of Developer control terminates no later than one hundred twenty (120) days after conveyance of seventy-five (75%) per cent of the Villas to Villa Owners other than the Developer. The Developer may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period. In determining whether the period of Developer control has terminated or whether Villa Owners other than the Developer are entitled to elect members of the Board, the percentage of the Villas conveyed shall be calculated as if all of the Villas the Developer has built or retains on unexpired reservation of the right to build in the Master Deed were included in the Regime.

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

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any regular or special meeting of the Council duly called, any one or more of the members of the Board other than those members appointed by the Developer may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be a Villa Owner (except as provided in Section 1 and 5 regarding Developer's appointees).

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

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

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

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

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

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

Section 14. COMPENSATION. No Member of the Board of Directors shall receive any compensation from the Regime for acting as such; provided, however, that the members of the Board of Directors other than those members appointed by the Developer may be paid for reasonable travel expenses to a meeting of the Board.

Section 15. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Villa Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Villa owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Regime unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Regime. It is understood and permissible for the members of the Board of Directors who are members of or employed by Developer, to contract with Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Villa owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all villa owners in the Common Elements. Every agreement made by the Board of Directors, or by the managing agent or by the manager on behalf of the Regime shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent(s) for the Villa owners and shall have no personal liability thereunder (except in their capacity as Villa Owners), and that each Villa Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Villa Owners in the Common Elements. The Board may obtain Directors and Officers insurance, the premiums to be assessed as a Common Expense.

ARTICLE V

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OFFICERS

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

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

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Villa owner unless he is an appointee of Developer as provided in Sections 1 and 5 of Article IV.

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

Section 5. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Council; he shall have charge of such books and papers as the Board may direct. He shall, in general, perform all the duties incident to the office of the Secretary.

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

ARTICLE VI

NOTICES

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

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

OBLIGATIONS OF THE CO-OWNERS

Section 1. ASSESSMENTS OF COMMON EXPENSES. All Co-Owners shall be obligated to pay the periodic assessments imposed by the Regime to meet all Regime common expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazards. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Villa Owners with a copy of the proposed budget for the next calendar year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Developer will be liable for the amount of any assessment against completed Villas within the Regime which have not been sold and Developer shall have all voting rights attendant to the ownership of said Villas until said Villas are sold; provided, however, that assessments for unsold units shall commence one hundred eighty (180) days after issuance of a certificate of occupancy for each respective unit. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

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

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Directors before the expiration of any year to fix the assessments hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this Paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Villa.

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

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board of Directors shall take prompt action to collect any common charge due from any Villa owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Villa owner in paying the Board of Directors the common charges as determined by the Board, such Villa Owners shall be obligated to pay interest at the maximum legal rate per annum on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Villa owner, or by foreclosure of the lien on such apartment granted by Section 27-31-210, of the Code of Laws of South Carolina, 1976, as amended.

Section 5. STATEMENT OF COMMON CHARGES. The Board of Directors shall, for a reasonable fee, not to exceed Ten (\$10.00) Dollars, promptly provide any purchaser, Villa Owner, encumbrancer or prospective encumbrancer of a Villa so requesting the same in writing with a written statement of all unpaid common charges due from the owner of that Villa and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Villa may pay any unpaid common charge payable with respect to such Villa and upon such payment such encumbrancer shall have a lien on such Villa for the amounts paid of the same rank as the lien of his encumbrance. Any encumbrancer holding mortgages on more than five (5) Villas within the Regime shall be entitled to receive a statement of account on the units securing all of said mortgages once each calendar year without any fee or charges.

Section 6. MAINTENANCE AND REPAIR.

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

(b) All the repairs of internal installations of the Villas such as water, light, gas, power, sewage, telephones, air conditioning, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the Villa shall be at the expense of the Co-Owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed, the painting and decorating of the exterior doors and exterior window sash and the washing of exterior glass shall be made by the Board of Directors or its agent and shall be charged to all the Villa Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Villa Owner, in which such case the expense shall be charged to such Villa Owner.

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

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

Section 9. USE OF VILLAS - INTERNAL OR EXTERNAL CHANGES.

(a) Each Villa other than any Villa owned by Developer, shall be utilized for residential purposes only. This shall expressly include the right of the owner to rent such Villas to others for residential purposes.

(b) A Co-Owner shall not make structural modifications or alterations in his Villa or installations located therein without previously notifying the Board in writing. The Board shall have the obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A Co-Owner shall make no changes whatsoever to the exterior of the Villa, any stairs, hallways, or balconies appurtenant thereto, or to any of the Common Elements without approval of the Board. Provided, however, that the Board of Directors shall be authorized to approve minor additions to landscaping and the minor changes of this nature which in their sole discretion will not interfere or conflict with the overall scheme and appearance of the common areas.

Section 10. USE OF COMMON ELEMENTS. A Co-Owner shall not place or cause to be placed in the passages, parking areas of roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Co-Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 11. TERRACES, BALCONIES AND SCREENED PORCHES.

(a) If present with the Villa, a terrace or balcony to which there is direct access only from the interior of one Villa, shall be for the exclusive use of the owner of such Villa. Any such terrace or balcony shall be kept free of debris and all other accumulation by the Owner of such Villa who shall also make all repairs thereto caused or permitted, by his negligence, misuse or neglect. All other repairs, in, to or with respect to such terrace or balcony shall be made by the Board of Directors and the cost thereof shall be a common expense. No alterations shall be made to said terrace or balcony without the written consent of the Board of Directors and as a part of an overall modification made throughout the Regime.

(b) Screened porches shall be maintained by individual owners. Repairs to screened porches and the cost thereof shall not be a common expense.

Section 12. RIGHT OF ENTRY.

(a) A Co-Owner shall grant the right of entry to the management Agent or to any person authorized by the Board in case of: (i) routine required maintenance provided by the Regime whose cost is a common expense, and (ii) any emergency originating in or threatening his Villa, whether the Co-Owner is present at the time or not.

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

Section 13. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Villa and Common Elements of the Regime, the Board may from time to time adopt, modify, and revoke in whole or in part such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons on said property of the Regime as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all Villa Owners and the occupants of villas in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

(b) No residents of the Property shall:

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

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

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

ARTICLE VIII

INSURANCE

The Board of Directors shall be required to obtain and maintain insurance coverage insuring the Condominium Property as provided in Article X of the Master Deed.

ARTICLE IX

AMENDMENTS

Section 1. BY-LAWS. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by Co-Owners representing at least two-thirds (2/3) of the total value of the Property as shown on the Master Deed and any amendment thereto submitting additional Phases to the Regime. So long as the Developer remains the owner of any Villa in this Horizontal Property Regime or still has available an unexercised option to add future Phases to the Regime these By-Laws may not be amended without the Developer's consent.

ARTICLE X

MORTGAGES

Section 1. NOTICE TO BOARD. A Co-Owner who mortgages his Villa shall notify the Board of the name and address of his mortgagee; and the Board shall maintain such information in a book entitled "Mortgages on Villas."

Section 2. NOTICE TO MORTGAGEE. The Board shall give thirty (30) days written notice of the following events to all mortgagees which it has notice:

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

Section 3. STATEMENT TO MORTGAGEE. Upon request of any mortgagee listed in the book entitled "Mortgages on Villas", the Board, shall supply such Mortgagee with a current financial statement of the Regime.

ARTICLE XI

COMPLIANCE

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

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

ARCHITECT'S AND ENGINEER'S CERTIFICATE

Floor plans for the buildings and villas included in Phase I of Marsh Walk on Seabrook Island Horizontal Property Regime have been duly indexed and recorded in the R.M.C. Office for Charleston County, South Carolina in Plat Book ATTACHED TO MASTER DEED, Page .

I certify that these floor plans show graphically the dimensions, area and the location of each building and each villa within the buildings constructed on the property and the dimensions, area and location of the common elements affording access to each villa.

Vernon H. Nowell

VERNON H. NOWELL Architect
 S.C. REG. #1896

The plot plan referred to in Exhibit "C" of this Master Deed shows graphically the common elements and location of the buildings of Marsh Walk on Seabrook Island Horizontal Property Regime, Phase I, and said common elements are further described in other parts of this Master Deed, as of July 19, 1984.

Gustavous H. Bell

GUSTAVOUS H. BELL, C.E.
 S.C. REG. #3308

LEONARD KRAWCHECK
ATTORNEY AT LAW

FILED, INDEXED & RECORDED

V138-510

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BK V138 PL 558

F. BRUCE KING
REGISTER MEANS CONVEYANCE
CHARLESTON COUNTY, S.C.

TMS VERIFIED
BAC 25
DTD 7/23/84
249-01-20-94

169 thru 194

Recorded this 19 th day of July 1984
On Property Record Card

Pauline S. Hoyer

Auditor Charleston County