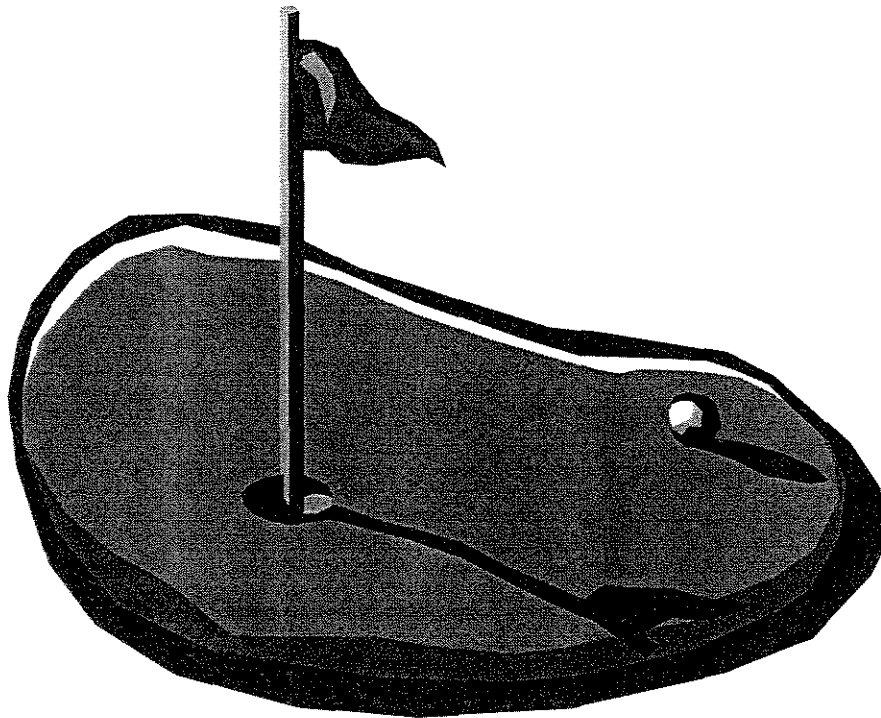


# Fairway Oaks Villas Horizontal Property Regime

Master Deed & By-Laws



# Fairway Oaks Villas

## Index

Master Deed

Percentages of Ownership

By-Laws

Easements

Amendments

Maps & Floor Plans

# Fairway Oaks Villas

## Master Deed

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

MASTER DEED  
OF  
FAIRWAY OAKS VILLAS  
HORIZONTAL PROPERTY REGIME

THIS MASTER DEED is made by KIAWAH ISLAND COMPANY LIMITED (subsequently referred to as Grantor), a corporation duly organized and existing under the laws of the Territory of the British Virgin Islands, pursuant to the Horizontal Property Act of South Carolina (Act) for the purpose of creating a horizontal property regime and establishing certain easements, covenants, and restrictions to run with the land submitted to the horizontal property regime.

ARTICLE I

NAME

The horizontal property regime hereby established shall be known as "Fairway Oaks Villas Horizontal Property Regime" (the Regime).

ARTICLE II

DEVELOPMENT IN PHASES

A. Two Phases. The Regime shall include the Property described in Article III of this Master Deed and shall be developed in two phases or stages. Phase I shall take place on and include the land identified in Article III, Paragraph B, as Phase I Land; Phase II, on the land identified as Phase II Land. No additional land shall be annexed to the Regime by Grantor in conjunction with this phased development, but nothing contained in this Master Deed shall prohibit the annexation of additional land by the Council of Co-owners (as defined in Article IV, Paragraph C).

B. Time. All development shall be completed within eighteen months from the date of recording of this Master Deed.

C. Location of Buildings and Improvements. All buildings to be constructed in Phase I are in place and the treated pole foundations for all Phase II buildings are in place, and their locations are shown on the plot plans labelled Exhibits A and B, respectively, which are attached to and hereby incorporated by reference in this Master Deed. Grantor reserves the right to prepare and record, at its own cost and expense, a supplemental plot plan to be labelled Exhibit BB showing the location of any and all improvements, in Phase II, and by the acceptance of a deed to a residential apartment, each Co-owner (as defined in Article IV, Paragraph A) consents to such supplemental filing.

D. Description of Buildings. The buildings in Phase II will, within reasonable construction tolerances, be identical to buildings of the same type (Buildings are classified by type in Article III, Paragraph C.) in Phase I, but should variations occur, Grantor reserves the right to prepare and record, at its own cost and expense, supplemental descriptions (and, to the extent necessary, supplemental exhibits) of the variations, and by the acceptance of a deed to an apartment, each Co-owner consents to such supplemental filing.

E. Phase II Common Elements. Phase II Common Elements (Common Elements are defined and enumerated in Article III, Paragraphs E, F, and G) which are a part of a building shall be similar in quantity (except to the extent that Phase II contains one more building than Phase I and that each phase does not contain the same number of each type of building) and quality to the Common Elements in Phase I. Other Phase II Common Elements are similar in quantity (except to the extent that Phase II contains one more building than Phase I) and quality to the other Common Elements in Phase I. Phase II will not contain any Common Elements for recreational purposes and will not contain any additional Common Elements which will substantially increase the proportionate amount of the Common Expenses (as defined in Article V) payable by the Phase I Co-owners.

## ARTICLE III

## THE PROPERTY

A. Property. The property (Property) means and includes the land identified below and all improvements and structures now existing or hereafter placed thereon and all easements, rights, and appurtenances belonging thereto. Property in Phase I is referred to as Phase I Property; Property in Phase II, as Phase II Property.

B. Land. The land (Land) owned in fee simple absolute by Grantor and hereby being submitted to the Regime is described as follows:

## 1. Phase I Land:

ALL that piece, parcel or tract of land situate, lying and being on the east side of Kiawah Beach Drive, Kiawah Island, Charleston County, S. C., containing 6.391 acres and shown on a plat entitled "Plat of Fairway Oaks Villas, Ph. 1, Exhibit - A, Located on Kiawah Island, South Carolina, Owned by Kiawah Island Company, Ltd., Kiawah Island, S. C. 29455," by Coastal Surveying Co., Inc. dated March 1, 1978, and revised April 12, 1978, and April 18, 1978, and recorded in Plat Book AK at page 118, in the R.M.C. Office for Charleston County, S. C., and more particularly described according to said plat as follows:

Commencing at the intersection of the eastern right-of-way line of Kiawah Beach Drive with the southern right-of-way line of the Kiawah Island Parkway and thence running along said eastern right-of-way line of Kiawah Beach Drive S00°54'55"E, 656.18 feet, to a point which is the point of beginning; thence running along the eastern right-of-way line of Kiawah Beach Drive N00°54'55"W, 91 feet to a point marked by a concrete monument; thence cornering and running S86°04'13"E, 303.74 feet to a point marked by a concrete monument; thence running N68°14'23"E, 143.00 feet to a point marked by a concrete monument; thence running N70°27'34"E, 393.52 feet to a point marked by a concrete monument; thence running S21°43'22"E, 221.63 feet to a point marked by a concrete monument; thence cornering and running S52°03'11"W, 165.68 feet to a point marked by a concrete monument; thence running S06°48'15"W, 208.40 feet to a point marked by a concrete monument; thence cornering and running N68°35'42"W, 286.73 feet to a point marked by a concrete monument; thence running S76°47'06"W, 516.03 feet to a point on the eastern right-of-way line of Kiawah Beach Drive marked by a concrete monument; thence cornering and running along said eastern right-of-way line of Kiawah Beach Drive N21°59'02"E, 51.24 feet to a point marked by a concrete monument; thence continuing along said right-of-way line, being a curved line 110.64 feet in length, having a chord bearing N10°32'02"E and a radius of 276.81 feet, to a point marked by a concrete monument; thence running N00°54'55"W, 117.76 feet to a point, being the point of beginning, be all the said dimensions a little more or less.

## 2. Phase II Land:

ALL that piece, parcel or tract of land situate, lying and being on the north side of Ship Watch Road, Kiawah Island, Charleston County, S. C., containing 5.295 acres more or less and shown on a plat entitled "Plot Plan of Fairway Oaks Villas, Phase II, Exhibit - B to Master Deed, Located on Kiawah Island, Charleston County, South Carolina, Owned by Kiawah Island Company, Ltd., Kiawah Island, S. C. 29455", by Coastal Surveying Co., Inc. dated May 5, 1978, and about to be recorded in the R.M.C. Office for Charleston County, S. C., and more particularly described according to said plat as follows:

Commencing at a point at the easternmost terminus of Ship Watch Road where the eastern right-of-way line thereof intersects with the Resident's Beach Club parcel and running thence along said right-of-way along a curved line 14.65 feet in length, having a chord bearing  $N32^{\circ}55'55''W$ , and a radius of 145.44 feet, to a point marked by a concrete monument; thence continuing running along said eastern right-of-way line  $N30^{\circ}02'46''W$ , 50.30 feet to a concrete monument; thence continuing running along the northern right-of-way line of Ship Watch Road along a curved line 105.21 feet in length, having a chord bearing  $N74^{\circ}22'10''W$ , and a radius of 68.00 feet to a point marked by a concrete monument; thence continuing running along said northern right-of-way line of Ship Watch Road  $S61^{\circ}18'24''W$ , 100.00 feet to a point marked by a concrete monument; thence cornering and running  $N28^{\circ}41'36''W$ , 85.00 feet to a point marked by a concrete monument; thence cornering and running  $N84^{\circ}58'48''W$ , 273.90 feet to a point marked by a concrete monument; thence cornering and running  $N06^{\circ}48'15''E$ , 208.40 feet to a point marked by a concrete monument; thence cornering and running  $N52^{\circ}03'11''E$ , 165.68 feet to a point marked by a concrete monument; thence running  $S80^{\circ}41'28''E$ , 154.23 feet to a point marked by a concrete monument; thence running  $N87^{\circ}00'22''E$ , 193.23 feet to a point marked by a concrete monument; thence running  $S89^{\circ}18'42''E$ , 140.97 feet to a point marked by a concrete monument; thence cornering and running along a curved line 350.00 feet in length, having a chord bearing  $S17^{\circ}55'41''E$ , and a radius of 3918.47 feet to a point marked by a concrete monument; thence cornering and running  $S67^{\circ}51'39''W$ , 241.06 feet to a point marked by a concrete monument, being the point of beginning, be all the said dimensions a little more or less.

C. Buildings and Improvements. The Land's boundaries approximate a rectangle having its short sides on the east and west and its long sides on the north and south. The western side of Phase I Land fronts on Kiawah Beach Drive, off of which a cul-de-sac, Sea Elder Court, branches to meander eastwardly toward the boundary between Phase I Land and Phase II Land. Ten buildings, each having four residential apartments, are located along Sea Elder Court and are numbered, for the purposes of the Act and this Master Deed, 1 through 10, beginning with 1 on the northern side of Sea Elder Court at its intersection with Kiawah Beach Drive and moving clockwise around the cul-de-sac to 10 on the southern side of Sea Elder Court at its intersection with Kiawah Beach Drive.

On the south side near its eastern end, Phase II Land fronts on Ship Watch Road, off of which a cul-de-sac, Dunlin Court, branches to meander westwardly toward the boundary between Phase I Land and Phase II Land. Eleven buildings, each having four residential apartments, are located along Dunlin Court and are numbered, for the purposes of the Act and this Master Deed, 11 through 21, beginning with 11 on the western side of Dunlin Court at its intersection with Ship Watch Road and moving clockwise around the cul-de-sac to 21 on the eastern side of Dunlin Court at its intersection with Ship Watch Road.

Each of the twenty-one buildings has two floors or levels and is substantially rectangular in shape, with its longitudinal axis generally parallel to that part of the cul-de-sac upon which it fronts. Access to each building is by the cul-de-sac upon which it fronts and, in the case of buildings 1, 2, 3, 8, 9, 10, and 11, the smaller cul-de-sac parking areas immediately in front of each building.

The buildings are classified by type according to the sequence and frequency in and with which the residential apartment configurations occur in them. There are five configurations designated A, B, C, D, and E, plus the mirror image of each. The A configuration apartment (which, along with the other configurations, is more fully described in Article III, Paragraph D of this Master Deed) has three bedrooms on two floors with its living room, dining room, and kitchen on the first floor; the B apartment, three bedrooms on two floors with its living room, dining

10 Buildings

room, and kitchen on the second floor; the C apartment, four bedrooms on two floors; the D apartment, two bedrooms on one floor, which is always the first floor in the building; and the E apartment, which is located above the D apartment, two bedrooms on one floor. Building 21, a Type W building, contains--from left to right when viewed from the part of the cul-de-sac immediately in front of the building--apartment configurations C, B, B, and B. Buildings 2, 7, 14, 16, and 18, Type X buildings, contain--from left to right--apartment configurations A, E over D, and C; buildings 6, 9, and 15 are mirror images and are Type X (Reversed). Buildings 10, 11, and 13, Type Y buildings, contain--from left to right--apartment configurations A, E over D, and B; and buildings 5, 17, 19, and 20 are mirror images and are Type Y (Reversed). Buildings 1, 3, 4, 8, and 12 are Type Z buildings and contain--from left to right--apartment configurations A, B, A, and A.

The locations of the buildings, with each being designated according to its type, are shown on Exhibits A and B, the plot plans.

~~The exterior of each building is of rough-sawn cypress; pine veneer plywood roof overhangs; rough-sawn, treated pine beams; treated pine joists, decks, treads, and poles; cypress handrails; and cedar veneer plywood screen walls around air conditioning equipment platforms. Roofs are of cedar shingle. The exterior of each building type is shown on the six sheets of elevations labelled Exhibit C attached to and hereby incorporated by reference in this Master Deed.~~

The total ground area covered by all buildings is 1.938 acres, and approximately the following ground area lies under each type building, including its decks and stairs:

Type W	4,722 sq. ft.	(.108 acres)
Type X and X (Reversed)	3,754 sq. ft.	(.086 acres)
Type Y and Y (Reversed)	3,754 sq. ft.	(.086 acres)
Type Z	4,722 sq. ft.	(.108 acres)

~~Each building is of wood frame construction on a foundation of treated poles (average diameter of 10" at top) and beams. The high point of the finished grade beneath building 8 is 8.5 feet above mean sea level, and beneath all other buildings is 8.0 feet above mean sea level.~~

~~The top of the subfloor on the first floor or level of each building is 11'6" above mean sea level, and the nominal ceiling height is 8'1" except in (1) those rooms (typically, powder room, kitchen, utility room, bathroom, and part of the hall) in which the ceiling is furred down to a height of 7'1", (2) closets, where the ceilings are furred down to varying heights, (3) the utility room in D apartments, where ceiling height is 7'4", and (4) interior stairwells to the upper floor or level of A, B, and C apartments, where the ceiling height is 17' 1 1/2".~~

~~The top of the subfloor on the second floor or level of each building is 20'5" above mean sea level, and the nominal ceiling height is 8'1" except in (1) closets, where the ceilings are furred down to varying heights, and (2) the hall, dining room, living room, and bedroom on the second floor of C apartments, where ceiling height is 8' 2 1/2".~~

~~Each building has an unheated, uncooled, and unfinished attic accessible through scuttles in A, B, and C apartments.~~

~~Each building has an enclosed but uncovered area at each end with a raised platform for air conditioning equipment.~~

The dimensions (within reasonable construction tolerances) of each level of each building and the locations of the exterior stairs providing access to each apartment are shown on the floor plans, consisting of seven sheets, which are labelled Exhibit D and are attached to and hereby incorporated by reference in this Master Deed.

D. Apartments. Each of the twenty-one buildings contains four residential apartments known and identified as "Villas." Each Villa is designated for the purpose of any conveyance, lease, or other instrument affecting the title by a four-digit number. Beginning with the westernmost Villa in building 1 and moving clockwise around Sea Elder Court, the Phase I Villas are numbered 1301 through 1340. Beginning with the southernmost Villa in building 11 and moving clockwise around Dunlin Court, the Phase II Villas are numbered 1350 through 1393. Each first floor D configuration Villa is numbered before (has a number lower by one) the second floor E configuration Villa in the same building.

The number and configuration of each Villa and the number of the building in which the Villa is located are listed in Exhibit E, which is attached to and hereby incorporated by reference in this Master Deed.

The precise location, within reasonable construction tolerances, of the Villas within the buildings is shown on Exhibit D, the floor plans.

Certain design features are found in Villas of all configurations. The kitchen in each Villa contains a refrigerator/freezer with ice maker, dishwasher, garbage disposal, and oven/range with range hood, and an opening in the wall allows items to be passed between the kitchen and dining room. The utility room in each Villa contains a hot water heater, a clothes washer, a clothes dryer, and heating equipment serving such Villa exclusively.

~~The A configuration Villa has approximately 1,500 square feet of interior floor space. The first floor has a foyer, utility room, hall, kitchen, dining room, living room with a wet bar, and a bedroom with a private bathroom. A staircase with a coat closet below the upper flight gives access to the second floor, which has a hall with a lockable storage room, one bedroom with a bathroom which is also accessible from the hall, and a second bedroom with a private bathroom and a dressing area having a basin, medicine cabinet, and storage shelves. Each bedroom has one walk-in closet, and each bathroom has a tub with a shower head.~~

~~The B configuration Villa has approximately 1,517 square feet of interior floor space. The first floor has a foyer, utility room, hall, one bedroom with a bathroom (with a tub and showerhead) which is also accessible from the hall, and two other bedrooms, one with a lockable storage room, both with a dressing area having a basin and medicine cabinet, and both sharing one bathroom (with a shower stall). Each bedroom has one walk-in closet. A staircase with a coat closet below the upper flight gives access to the second floor, which has a hall, kitchen, dining room, living room with a wet bar and coat closet, and a powder room (half-bath) accessible from the living room.~~

~~The C configuration Villa has approximately 1,709 square feet of interior floor space. The first floor has a foyer, utility room, hall, one bedroom with a bathroom (with a tub and showerhead), which is also accessible from the hall, and two other bedrooms, one with a lockable storage room, both with a dressing area having a basin and medicine cabinet, and both sharing one bathroom (with a shower stall). A staircase with a coat closet below the upper flight gives access to the second floor, which has a hall, kitchen, dining room, living room with a wet bar, and a bedroom with a bathroom (with a tub and showerhead). Each bedroom has one walk-in closet.~~

~~The D and E configuration Villas are located entirely on one floor of a building, the D Villa being on the first floor and the E Villa on the second floor directly above the D Villa. D and E Villas have approximately 1,002 square feet of interior floor space which has been laid out identically. Each Villa has a foyer with a coat closet, utility room, hall with a lockable storage room, a kitchen with a bar sink, a combination living/dining room, one bedroom with a private bathroom and a walk-in closet, a second bedroom with two small closets, a dressing room having a basin and medicine cabinet and accessible from the hall and second bedroom, and a bathroom accessible from the dressing room. Both bathrooms have a tub with a showerhead.~~



Each Villa is accessible from the ground by a deck and stairs on the cul-de-sac side, and A and D Villas are also accessible by a deck and stairs on the opposite side of the building.

Exhibit D, the floor plans, shows, within reasonable construction tolerances, the dimensions and area of the Villas and of the common elements affording access to them.

The Villa encompasses and includes the space of that portion of a building designated by a four-digit number and bounded by:

1. the upper surface of all wood and concrete subflooring; and
2. the interior surface of all wall studs; the unfinished, inside surface of door and window frames; the unfinished, exterior surface of doors leading to and from the Villa; the exterior surface of windows and door glass; and
3. the unfinished, lower surface of all ceiling joists.

The Villa consequently and further includes the following:

1. all window and door glass and all window screens,
2. all exterior doors except for their finished, exterior surface,
3. all gypsum wall board,
4. all interior doors,
5. all interior paint and finishes, whether applied to floors, walls, ceilings, handrails, cabinets, or other woodwork and trim,
6. all carpet (and carpet underlay), vinyl asbestos tile, sheet vinyl, and slate,
7. all ceramic tile,
8. all built-in cabinets and shelves,
9. all interior lighting fixtures,
10. all exhaust fans and their ducts,
11. the heating, ventilation, and air conditioning system serving such Villa exclusively,
12. all electric, telephone, and other wiring, and receptacles, switches, and breaker boxes contained in the floors, walls, and ceilings bounding such Villa and serving such Villa exclusively,
13. all water, drain, sewer, and vent pipes and all conduits for wiring serving such Villa exclusively,
14. the following appliances: oven/range with range hood, refrigerator/freezer with ice-maker, dishwasher, garbage disposal, clothes washer, and clothes dryer,
15. hot water heater and plumbing fixtures, and
16. smoke detector.

E. Common Elements. All portions of the Property not encompassed and included within the Villas are common elements (Common Elements).

F. Limited Common Elements. The Limited Common Elements are those Common Elements which are appurtenant to and reserved for the use of a single Villa or group of Villas to the exclusion of the other Villas as follows:

2) what Villa Encompasses

3) Common: Limited Common Elements

1. the parking spaces in front of or most nearly in front of each building are reserved for use with the Villas in that building,
2. all decks and their railings and steps are reserved for use with the Villas to which they give access or from which they are directly accessible, and,
3. exterior light fixtures are reserved for use with the Villas having switches to control such lights.

G. General Common Elements. General Common Elements are those Common Elements the use of which is not reserved to a single Villa or group of Villas as follows:

1. the Land,
2. all sidewalks and walkways,
3. pilings, supports, braces, framing (including plates, studs, braces, headers, sills, joists, and rafters), sub-flooring, platforms (and surrounding screen walls) upon which air conditioning equipment is located, exterior walls (including sheathing and siding), and roofs, and
4. all other portions or parts of the Property not described in Paragraph D of this Article as being included in a Villa or not described in Paragraph F of this Article as being a Limited Common Element.

H. Values. The value of each D and E configuration (two bedroom) Villa is \$70,000; of each A and B (three bedroom) Villa, \$82,000, except for Villas 1391, 1392, and 1393, which have a value of \$90,000; and of each C (four bedroom) Villa, \$90,000, except for Villa 1390, which has a value of \$97,000. The value of the Property is \$6,631,000, Phase I Property being valued at \$3,168,000 and Phase II Property at \$3,463,000. The value of each Villa is as set out in Exhibit E. These values are fixed for the sole purpose of complying with the Act and shall not prevent any Co-owner from fixing a different circumstantial value to his Villa in all types of acts and contracts.

I. Ownership of Common Elements. Ownership of the Common Elements is apportioned among and appurtenant to the Villas based upon the relation of the value of each Villa to the value of all or part of the Property, depending on the stage of development.

Until the time of recording of the first Phase II deed, there shall be appurtenant to each Phase I Villa (a) an undivided present interest in the Phase I Common Elements, and (b) an undivided future interest in the Phase II Common Elements. The present interest is expressed in Exhibit E as a percentage (accurate to within .01%) based upon the relation of the value of the Villa to the value of Phase I Property. Until the time of recording of the first Phase II Deed, the Grantor shall own (a) all Common Elements in Phase II, and (b) that percentage of the Phase I Common Elements equal to the total of the percentage interests appurtenant to each Phase I Villa owned by it, as such total is reduced from time to time on account of the sale of Villas by Grantor.

At the time of recording of the first Phase II deed, a portion of the undivided present interest in the Phase I Common Elements appurtenant to each Phase I Villa shall revert to Grantor, and such Villa's undivided future interest in Phase II Common Elements shall become an undivided present interest. Consequently, at and from the time of recording of the first Phase II deed, there shall be appurtenant to each Villa in the Regime an undivided present interest in all Regime Common Elements, expressed in Exhibit E as a percentage (accurate to within .01%) based on the relation of the value of the Villa to the value of all Property. The Grantor shall have a percentage ownership interest in all Regime Common Elements equal to the total of the percentage interests appurtenant to the Villas owned by it, as such total may be reduced from time to time on account of the sale of Villas by Grantor.

Except as described above in conjunction with the recording of the first deed conveying a Phase II Villa, the percentage of the undivided interest in the Common Elements appurtenant to each Villa shall not be separated from the Villa and shall be deemed to be conveyed or encumbered with the Villa even though such interest is not expressly mentioned or described in the deed or other instrument of conveyance. Such percentage shall not be altered without the acquiescence of all the Co-owners.

#### ARTICLE IV

##### SYSTEM OF ADMINISTRATION OF THE REGIME

A. Co-owner. The term "Co-owner" means and includes an individual, firm, corporation (including the Grantor), partnership, association, trust, or other legal entity, or any combination thereof which owns a Villa. Unless Grantor owns a Phase I Villa, "Co-owner" shall not mean and include Grantor until such time as the first Phase II deed is recorded.

B. Voting. Prior to the time of recording the first Phase II deed, on all matters relating to the Regime upon which the Co-owners are entitled to vote, each Co-owner shall be entitled to cast the number of votes set out and identified in Exhibit E as "VOTES AND % OF OWNERSHIP OF PHASE I COMMON ELEMENTS," and the affirmative vote of ~~fifty-one~~ per cent or more of the value of the Phase I Property shall be required to adopt decisions unless this Master Deed or the Bylaws require a different percentage for a particular act or decision.

From the time of recording the first Phase II deed, on all matters relating to the Regime upon which the Co-owners are entitled to vote, each Co-owner shall be entitled to cast the number of votes set out and identified in Exhibit E as "VOTES AND % OF OWNERSHIP OF REGIME COMMON ELEMENTS," and the affirmative vote of fifty-one percent or more of the value of of the Regime Property shall be required to adopt decisions unless this Master Deed or the Bylaws requires a different percentage for a particular act or decision.

The Co-owners shall not be entitled to vote on any matter relating to the development of Phase II.

C. Council, Board of Directors, and Manager. Each Co-owner shall be a member of and constitute the Council of Co-owners (Council), an unincorporated association which shall act by and through a board of directors (Board of Directors) elected by and from the Co-owners. The Council shall employ a management agent (Manager) for the Regime.

The Grantor (prior to the election of the first Board of Directors) or the Co-owners (at any time upon the affirmative vote of a majority of the Co-owners) may incorporate the Council, and in such event

- (a) each Co-owner shall be a shareholder of the corporation, and his percentage of stock ownership in the corporation shall be equal to his percentage of ownership of the Common Elements,
- (b) the Bylaws referred to in Paragraph D of this Article IV shall be adopted as the bylaws of the corporation,
- (c) the Articles of Incorporation shall not contain provisions inconsistent with this Master Deed, and
- (d) the name of the corporation shall be "Fairway Oaks Villas Council of Co-owners."

D. Bylaws and Regulations. The Council and the administration of the Regime shall be governed by (1) the bylaws (Bylaws) attached to this Master Deed as Exhibit F and hereby incorporated by reference in it, and (2) any regulations (Regulations) adopted pursuant to the Bylaws. The Bylaws may be modified or amended only in the manner set forth in Article X of this Master Deed.

ARTICLE V  
COMMON EXPENSES

A. Liability of Co-owners. The Co-owners of the Villas are bound to contribute in proportion to their respective interest in the Common Elements toward the following expenses (Common Expenses):

1. those expenses of maintaining, repairing, or replacing the Common Elements as qualified by Article VI, Paragraph D of the Bylaws;
2. insurance premiums paid by the Council in accordance with the provisions of this Master Deed and the Bylaws;
3. indemnification of Board of Directors members and Council officers as provided in Article XI, Paragraph D of the Bylaws, and
4. any other expense (including contributions to reserve funds) lawfully agreed upon by the Council as necessary to the operation, administration, and preservation of the Regime.

The liability of each Co-owner for the Common Expenses shall be limited to the amounts for which he is assessed from time to time in accordance with the Act, this Master Deed, and the Bylaws. No Co-owner may exempt himself from contributing toward the Common Expenses by a waiver of the use or enjoyment of the Common Elements or by abandonment of his Villa.

B. Liability of Purchaser. The purchaser of a Villa (other than a purchaser at a foreclosure sale as described in Paragraph E of this Article) shall be jointly and severally liable with the seller for the latter's pro-rata share of Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser as such joint debtor. The Council shall issue to any prospective purchaser upon request a statement of any amounts due by the seller of any Villa, and the purchaser's liability under this paragraph shall be limited to the amount as set forth in the statement.

C. Payment Out of Sales Price. Upon the sale or conveyance of a Villa all unpaid assessments against a Co-owner for his pro rata share of the Common Expenses shall first be paid out of the sales price or by the purchaser in preference over any assessments or charges of whatever nature except the following:

1. assessments, liens, and charges for taxes on the Villa which are past due and unpaid; and
2. payments due under mortgage instruments or encumbrances duly recorded.

D. Lien on Villa. All sums assessed but unpaid for the share of the Common Expenses chargeable to any Villa shall constitute a lien on such Villa prior and superior to all other liens except (1) tax liens in favor of any assessing unit, and (2) mortgage and other liens, duly recorded. Such lien may be foreclosed by suit by the Manager or the Board of Directors, acting on behalf of the Council, in like manner as a mortgage of real property. In any such foreclosure the Co-owner shall be required to pay a reasonable rental for the Villa after the commencement of the foreclosure action, and the plaintiff shall be entitled to the appointment of a receiver to collect the same. The Manager or the Board of Directors, acting on behalf of the Council, shall have power to bid in at any foreclosure sale and to acquire, hold, lease, mortgage, encumber, and convey a Villa. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same.

E. Foreclosure Purchaser. Where the mortgagee or other purchaser of a Villa obtains title as a result of the foreclosure of his 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 Villa accruing after the date of recording the mortgage but prior to the acquisition of title by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Co-owners, including such acquirer and his successors and assigns.

S. Liens

F. Records. The Manager or the Board of Directors shall keep, or cause to be kept, 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 entries in it shall be available for examination by Co-owners at convenient hours on working days.

ARTICLE VI

EASEMENTS, COVENANTS, AND RESTRICTIONS

A. Use of Property. Each Co-owner shall be entitled to the exclusive ownership and possession of his Villa and may use the Common Elements in accordance with the purpose for which they were intended without hindering or infringing upon the rights of other Co-owners. The Board of Directors shall resolve any question regarding the intended use of the Common Elements.

B. Future Easements. The Board of Directors may hereafter grant easements for the benefit of the Property, and each Co-owner, by the acceptance of the deed to his Villa, grants to the Board of Directors an irrevocable power of attorney to execute, deliver, and record for and in the name of each Co-owner, those instruments necessary and proper to the granting of such easements.

C. Encroachments. If any portion of the Common Elements now encroaches upon any Villa, or if any Villa now encroaches upon any other Villa or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (1) the settling or shifting of the Land or any improvement, (2) the repair, alteration, construction, or reconstruction of Common Elements made by or with the consent of the Council, (3) the repair or reconstruction of a Villa following damage by fire or other casualty, (4) condemnation or eminent domain proceedings, or (5) the development of Phase II, a valid easement shall exist for such encroachment and for the maintenance of the same.

D. Right of Access. The Council shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Villa from time to time during reasonable hours as may be necessary to permit the inspection, 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 Property.

E. Maintenance of Common Elements. The maintenance, repair, and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed, and the Bylaws.

F. Prohibited Work. A Co-owner shall not make any additions or improvements to or do any work upon the Common Elements or make any structural alteration of his Villa without first (1) having plans and specifications approved by the Board of Directors, and (2) depositing with the Board funds sufficient (in the sole discretion of the Board) to defray all costs, including attorneys' fees, of amending this Master Deed and recording such amendment. The Board of Directors shall not approve any addition or improvement which in the Board's judgment would jeopardize the soundness of safety of the Property or reduce the value of the Property. No change in the exterior appearance of any part of any building shall be allowed unless pursuant to a plan adopted by the Board to change the overall exterior appearance of the building.

G. Partition. The Common Elements 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.

H. Covenants. The Property, except as hereinafter noted, is and shall be subject to the following easements, covenants, and restrictions as well as those shown on the plot plans:

- 1. Declaration of Covenants and Restrictions of The Kiawah Island Community Association, Inc., dated December 21, 1977, recorded in Deed Book M 114 at page 407 in the Office of the R.M.C. for Charleston County, South Carolina;

Easements ; C:R.

2. Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property in Kiawah Island, dated December 21, 1977, recorded in Deed Book M 114 at page 406 in the Office of the R.M.C. of Charleston County, South Carolina;
3. Class "B" Covenants for Multi-Family Residential Areas in Kiawah Island, dated February 19, 1976, recorded in Deed Book T 108 at page 340, in the Office of the R.M.C. of Charleston County, South Carolina;
4. an easement for pedestrian, bicycle, golf cart, and service and maintenance vehicle passage over a strip of land, the width and location of which is shown on Exhibits A and B;
5. an easement in favor of Grantor, its agents, independent contractors, invitees, and assigns for entry into and upon and passage over Regime Property for the purpose of facilitating construction and sale of Villas; and
6. a construction loan on Phase II in favor of The First National Bank of South Carolina in the amount of \$2,660,000.

## ARTICLE VII

## LIENS

A. Attachment. No lien arising subsequent to the recording of this Master Deed and while the Property remains subject to the Act shall be effective against the Property. During such period liens or encumbrances shall arise or be created only against each Villa and the percentage of undivided interest in the Common Elements appurtenant thereto in the same manner and under the same conditions and in every respect the same 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, his agent, contractor, or subcontractor shall be the basis for the filing of a mechanic's or materialman's lien against the Villa 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 each and every Co-owner should the need for emergency repairs arise. Labor performed or materials furnished for the Common Elements, if duly authorized by the Council, the Manager, or the Board of Directors in accordance with the Act, this Master Deed, or the 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 Villas and may be discharged as provided in Paragraph B of this Article.

B. Discharge. In the event a lien against two or more Villas becomes effective, the respective Co-owners may remove their Villa from the lien by payment of the fractional or proportional amounts attributable to each of the Villas affected. Such individual payment shall be computed by reference to the percentages appearing in this Master Deed. Upon payment, discharge, or other satisfaction, the Villa and the percentage of undivided interest in the Common Elements appurtenant thereto shall be free and clear of the lien. Such partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any Villa and the percentage of undivided interest in the Common Elements appurtenant thereto not so paid, satisfied, or discharged.

C. Taxes. Taxes, assessments, and other charges of this State, of any political subdivision, of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each Villa, which shall be carried on the tax books as a separate and distinct entity, and not on the buildings or Property as a whole. No forfeiture or sale of the buildings or Property as a whole for delinquent taxes, assessments, or charges shall ever divest or in anywise affect the title to an individual Villa so long as taxes, assessments, and charges on the individual Villa are currently paid.

ARTICLE VIII

INSURANCE

7) Insurance

Without prejudice to the right of each Co-owner to insure his Villa on his own account for his own benefit, the Council shall insure the Phase I property against risks until the first Phase II deed is recorded, and, from and after the time of recording of the first Phase II deed, shall insure all Property against risks.

ARTICLE IX

RECONSTRUCTION

8) Reconstruction

A. When Required. In case of fire or any other disaster, the indemnity obtained by the Council from any insurance shall, except as hereinafter provided, be applied to reconstruct the Property, but reconstruction shall not be compulsory where two-thirds or more of the Property is in need of reconstruction. In the latter situation, the Board of Directors shall promptly call a special meeting of the Council to determine whether the Property shall be reconstructed, and reconstruction shall take place only upon the unanimous vote of the Co-owners. In the event that the Co-owners determine not to reconstruct the Property, (1) the Secretary shall execute and record, in the same manner as this Master Deed, a certificate evidencing such decision, and (2) the indemnity shall be delivered pro rata to the Co-owners (and their mortgagees, if any, as their interests may appear) entitled to it in accordance with the provisions made in the Bylaws. Any reconstruction shall be carried out as provided in the Bylaws.

B. Costs. 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 Villas or as may be provided in the Bylaws; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed with the reconstruction at the expense of all the Co-owners benefited thereby, upon proper resolution setting forth the circumstances in the case and the cost of the work, with the intervention of the Council. The provisions of this paragraph may be changed by the unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

ARTICLE X

AMENDMENTS

A. Master Deed. Except for the supplemental filings referred to in Article II, this Master Deed may be amended until the recording of the first Phase II deed only by written agreement of the Co-owners owning two-thirds of the value of Phase I Property, and from and after the time of recording of the first Phase II deed, only by written agreement of the Co-owners owning two-thirds of the value of all Property.

B. Bylaws. The Bylaws may be amended until the recording of the first Phase II deed by the affirmative vote of the Co-owners owning two-thirds of the value of Phase I Property, and from and after the time of recording of the first Phase II deed, by the affirmative vote of the Co-owners owning two-thirds of the value of all Property.

C. Recording. No amendment to this Master Deed or the Bylaws shall be effective unless and until recorded as required by the Act.

ARTICLE XI

MISCELLANEOUS

9. Miscellaneous

A. Application. All Co-owners, tenants of Co-owners, employees of Co-owners and tenants, or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act, this Master Deed, the Bylaws, and the Regulations. The easements, covenants, restrictions, and conditions in this Master Deed run with the Property and bind and inure to the benefit of any person having an interest in the Property.

B. Compliance. Each Co-owner shall comply strictly with the Bylaws and with the Regulations, as either may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Master Deed or in the deed to the Villa of such Co-owner. Failure to comply with any of the same shall be ground for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the Manager or the Board of Directors on behalf of the Council or, in a proper case, by an aggrieved Co-owner.

C. Waiver. No provision of this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce it, regardless of the number of violations or breaches which may have occurred.

D. Conflicts. In the event that any of the provisions of this Master Deed conflict with the provisions of the Act, the Act shall control.

E. Severability. The provisions of this Master Deed are severable, and the invalidity of one or more shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder.

F. Captions. Captions are inserted in this Master Deed only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Master Deed or any provision of it.

G. Gender and Number. All pronouns shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

H. Termination. All (or such lesser percentage as the Act, if amended, may then allow) the Co-owners or the sole Co-owner of the Property may waive the Regime and regroup or merge the records of the Villas with the Common Elements, provided that the Villas are unencumbered or, if encumbered, that the creditors on whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the Property owned by the debtors.

I. Acceptance of Deed to a Villa. In addition to the consequences set out in Article II, Paragraphs C and D, and in Article VI, Paragraph B, the acceptance of a deed of conveyance, the entering into of a lease, or any other occupancy or use of a Villa shall constitute (1) an acceptance and ratification of the provisions of the Master Deed by such Co-owner, tenant, or occupant, and (2) an acknowledgment by the Co-owner, tenant, or occupant that the Grantor makes no implied or express warranties relating to the Villa or to Common Elements except for such warranties as are contained in the general warranty deed conveying the same.

J. Assignment of Warranties. All contractual warranties running in favor of the Grantor in connection with the construction of the building and installation of material, equipment, and appliances therein, shall accrue to the benefit of and are hereby assigned to the respective Co-owners or the Council as appropriate.

K. Rights of Grantor. Grantor shall have no legal rights and obligations vis-a-vis the Regime except (1) those incumbent upon the Manager of the Regime, (2) those attendant to its status as Co-owner of a Villa during such time as it may own a Villa, (3) those incumbent upon it as Developer of Phase II, and (4) the rights and obligations set out in the prior covenants listed in Article VI, Paragraph H of this Master Deed.



IN WITNESS WHEREOF, Grantor has executed this Master Deed this 10th day of May, 1978.

KIAWAH ISLAND COMPANY LIMITED

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

Jo Ann Towe

Thomas G. Buist

BY: Frank W. Brumley

Frank W. Brumley, Senior Vice  
President and General Manager

BY: Lovick P. Suddath  
Lovick P. Suddath, Vice President

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF CHARLESTON

Before me, the undersigned notary public, appeared Jo Ann Towe, who, being duly sworn, said that she saw KIAWAH ISLAND COMPANY LIMITED by Frank W. Brumley, its Senior Vice President and General Manager, sign the within Master Deed, and Lovick P. Suddath, its Vice President, sign and attest the same, and said corporation, by said officers, deliver said Master Deed as its act and deed, and that she with Thomas G. Buist witnessed the same.

Jo Ann Towe

SWORN to before me this 10th  
day of May, 1978.

Thomas G. Buist

Notary Public for South Carolina  
My Commission Expires: 11-25-79

# Fairway Oaks Villas

## Percentages of Ownership

EXHIBIT E  
TO MASTER DEED OF  
FAIRWAY OAKS VILLAS  
HORIZONTAL PROPERTY REGIME

BUILDING NUMBER	VILLA NUMBER	TYPE	VALUE	VOTES AND % OF OWNERSHIP OF PHASE I COMMON ELEMENTS	VOTES AND % OF OWNERSHIP OF REGIME COMMON ELEMENTS
8	1	A <sup>342</sup>	82,000	2.59	1.24
	1	B <sup>282</sup>	82,000	2.59	1.24
	✓1	A	82,000	2.59	1.24
	1	A	82,000	2.59	1.24
6	2	A	82,000	2.59	1.24
	2	D <sup>282</sup>	70,000	2.21	1.05
	✓2	E <sup>282</sup>	70,000	2.21	1.05
	2	C <sup>102</sup>	90,000	2.83	1.36
	3	A	82,000	2.59	1.24
8	✓3	B	82,000	2.59	1.24
	3	A	82,000	2.59	1.24
	3	A	82,000	2.59	1.24
	3	A	82,000	2.59	1.24
8	4	A	82,000	2.59	1.24
	4	B	82,000	2.59	1.24
	✓4	A	82,000	2.59	1.24
	4	A	82,000	2.59	1.24
5	5	B	82,000	2.59	1.24
	5	D	70,000	2.21	1.05
	5	E	70,000	2.21	1.05
	5	A	82,000	2.59	1.24
	6	C	90,000	2.83	1.36
6	6	D	70,000	2.21	1.05
	6	E	70,000	2.21	1.05
	6	A	82,000	2.59	1.24
	7	A	82,000	2.59	1.24
6	7	D	70,000	2.21	1.05
	7	E	70,000	2.21	1.05
	7	C	90,000	2.83	1.36
	8	A	82,000	2.59	1.24
8	✓8	B	82,000	2.59	1.24
	8	A	82,000	2.59	1.24
	8	A	82,000	2.59	1.24
	9	C	90,000	2.83	1.36
9	9	D	70,000	2.21	1.05
	9	E	70,000	2.21	1.05
	9	A	82,000	2.59	1.24
	10	A	82,000	2.59	1.24
6	10	D	70,000	2.21	1.05
	10	E	70,000	2.21	1.05
	10	B	82,000	2.59	1.24
	PHASE I TOTAL		\$3,168,000	100.00	47.80

BUILDING NUMBER	VILLA NUMBER	TYPE	VALUE	
11	1350	A	82,000	1.24
11	1351	D	70,000	1.05
11	1352	E A	70,000	1.05
11	1353	B	82,000	1.24
12	1354	A	82,000	1.24
12	1355	B	82,000	1.24
12	1356	A B	82,000	1.24
12	1357	A	82,000	1.24
13	1358	A	82,000	1.24
13	1359	D	70,000	1.05
13	1360	E A	70,000	1.05
13	1361	B	82,000	1.24
14	1362	A	82,000	1.24
14	1363	D	70,000	1.05
14	1364	E C	70,000	1.05
14	1365	C	90,000	1.36
15	1366	C	90,000	1.36
15	1367	D	70,000	1.05
15	1368	E	70,000	1.05
15	1369	A	82,000	1.24
16	1370	A	82,000	1.24
16	1371	D	70,000	1.05
16	1372	E	70,000	1.05
16	1373	C	90,000	1.36
17	1374	B	82,000	1.24
17	1375	D	70,000	1.05
17	1376	E	70,000	1.05
17	1377	A	82,000	1.24
18	1378	A	82,000	1.24
18	1379	D	70,000	1.05
18	1380	E	70,000	1.05
18	1381	C	90,000	1.36
19	1382	B	82,000	1.24
19	1383	D	70,000	1.05
19	1384	E	70,000	1.05
19	1385	A	82,000	1.24
20	1386	B	82,000	1.24
20	1387	D	70,000	1.05
20	1388	E	70,000	1.05
20	1389	A	82,000	1.24
21	1390	C	97,000	1.46
21	1391	B	90,000	1.36
21	1392	B	90,000	1.36
21	1393	B	90,000	1.36
PHASE II TOTAL			\$3,463,000	52.20
PHASE I TOTAL			<u>3,168,000</u>	<u>47.80</u>
TOTAL VALUE			\$6,631,000	100.00

# Fairway Oaks Villas

## By-Laws

EXHIBIT F TO  
MASTER DEED  
OF  
FAIRWAY OAKS VILLAS  
HORIZONTAL PROPERTY REGIME

BYLAWS

THESE BYLAWS of Fairway Oaks Villas Horizontal Property Regime (the Regime) are promulgated pursuant to the Horizontal Property Act of South Carolina (the Act) for the purpose of governing the Council of Co-owners (the Council) and the administration of the Regime. All terms not defined in these Bylaws have the meaning set out in the Act or the Master Deed.

ARTICLE I

COUNCIL OF CO-OWNERS

A. Membership. Each Co-owner shall be a member of the Council. A person who holds title to a Villa merely as security for payment of a debt shall not be a member entitled to exercise the rights of a Co-owner unless such person holds a proxy conferring such rights.

B. Quorum. Prior to the time of recording the first Phase II deed, the presence of Co-owners owning ~~fifty-one~~ fifty-one per cent of the value of Phase I Property shall constitute a quorum for the transaction of business at meetings of the Council. From the time of recording the first Phase II deed, the presence of Co-owners owning fifty-one per cent of the value of all Property shall constitute a quorum.

C. Voting. A Co-owner's voting rights and the vote required to adopt decisions shall be as set out in Article IV, Paragraph B of the Master Deed. Votes can be cast only at meetings of the Council convened in accordance with the Bylaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof, and any other legal entity shall act by any managing agent thereof. When a Co-owner consists of two or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Co-owner unless another of such persons objects, in which case the vote which such Co-owner would otherwise be entitled to cast may not be cast. All votes appurtenant to a single Villa must be cast together and may not be split.

D. Proxies. Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Council. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall be honored until delivered to the Secretary of the Council.

E. Consents. Any action which may be taken by a vote of the Co-owners may also be taken by written consent to such action signed by all Co-owners.

F. Initial Meeting. The initial meeting of the Council shall be held upon call by the Manager (Article IV) as soon after the sale of the twenty-first Phase I Villa as the Manager deems practicable and convenient. The following matters, and such other business as the Manager may deem appropriate, shall be taken up at the initial meeting:

1. adoption of a fiscal year,
2. approval of a budget for the fiscal year,
3. determination of the Annual Assessment and the date upon which it is due and payable,
4. determination of the date of the first and subsequent annual meetings, and
5. the election of the initial (three-person) Board of Directors in accordance with Article II of these Bylaws.

G. Annual Meetings. The annual meeting of the Council shall be held on a date determined by the Council. Any business which is appropriate for action of the Co-owners may be transacted at an annual meeting.

H. Special Meetings. Special meetings of the Council may be called at any time by the President of the Council or by a majority of the Board of Directors and shall be called upon the written request of Co-owners owning a majority of the Phase I Property if prior to the recording of the first Phase II deed or a majority of all Property if after the recording of the first Phase II deed. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Co-owners waive notice of any additional business.

I. Notice of Meetings. Written notice of every annual or special meeting of the Council stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted, shall be given to every Co-owner not fewer than ten nor more than thirty days in advance of the meeting. Failure to give proper notice of a meeting of the Co-owners shall not invalidate any action taken in such meeting unless (1) a Co-owner who was present but was not given proper notice objects at such meeting, in which case the matter to which such Co-owner objects shall not be taken up, or (2) a Co-owner who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty days following such meeting, in which case the action to which such Co-owner objects shall be void.

J. Waiver of Notice. Waiver of notice of a meeting of the Council shall be deemed the equivalent of proper notice. Any Co-owner may in writing waive notice of any meeting either before or after such meeting. Attendance at a meeting by a Co-owner, whether in person or by proxy, shall be deemed waiver by such Co-owner of notice of the time, date, and place thereof unless such Co-owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

K. Place of Meeting. All meetings of the Council shall be held at such convenient place as the Board of Directors may direct.

L. Adjournment. Any meeting of the Council may be adjourned from time to time for periods not exceeding forty-eight hours by vote of Co-owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business which could properly be transacted at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.

M. Order of Business. The order of business at all meetings of the Co-owners shall be as follows:

1. Roll Call;
2. Proof of proper notice of the meeting or waiver of notice;
3. Reading of minutes of preceding meeting;
4. Report of the Board of Directors;
5. Reports of officers;
6. Reports of committees;
7. Report of Manager;
8. Election of Directors (when required);
9. Unfinished business;
10. New business.

N. Minutes of meeting. The Secretary of the Council shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Council. Such minutes shall be made available for examination and copying by any Co-owner at any reasonable time.

ARTICLE II

BOARD OF DIRECTORS OF THE COUNCIL

A. Form of Administration. The Council shall act by and through its Board of Directors.

B. Authorities and Duties. On behalf of and as directed by the Council, and as required by the Act, the Master Deed, and these Bylaws, the Board of Directors shall provide for the following:

1. the contracting with a management agent to provide for the ~~surveillance~~ and security of the Property, the maintenance, repair, and replacement of the Common Elements, and the designation and dismissal of the personnel necessary to accomplish the same;
2. the collection of assessments from the Co-owners;
3. the procuring and keeping in force of insurance on the Property;
4. the enactment of reasonable regulations governing the operation and use of the Common Elements;
5. the enforcement of the terms of the Master Deed, these Bylaws, and any Regulations promulgated pursuant to the Bylaws;
6. to otherwise administer the Council and the Regime on behalf of and for the benefit of all Co-owners.

C. Qualification. Only an individual who is a Co-owner, or who together with another person or other persons is a Co-owner, or who is an officer of a corporation, a general partner of a partnership, an associate of an association, a trustee of a trust, or a managing agent of any other legal entity which is a Co-owner, or which together with another person or other persons is a Co-owner, may be elected and serve or continue to serve as a Director of the Council. The number of Directors provided at any one time by a Co-owner which is an organization or which consists of more than one individual shall not exceed the number of apartments owned by such Co-owner.

D. Election and Term. The initial Board of Directors shall consist of three people who shall be elected at the initial meeting of the Council and shall serve until the first annual meeting of the Council. At the first annual meeting the Co-owners shall elect five Directors, three for a term of two years (to be elected in one election) and two for a term of one year (to be elected in a second election), and the Board shall thereafter consist of five Directors. At each subsequent annual meeting Directors shall be elected for two-year terms to succeed the Directors whose terms expire at the meeting. A plurality of the votes cast shall be sufficient to elect a Director in any election. A Director may be elected to succeed himself, and a Director shall be deemed to continue in office until his successor has been elected and has assumed office.

E. Removal. A Director may be removed from office with or without cause by the vote of the Co-owners.

F. Vacancies. Any vacancy on the Board of Directors shall be filled by appointment by the majority of the remaining Directors, and the new Director shall serve for the unexpired term of his predecessor.

G. Voting. Each Director shall have one vote on all matters acted upon by the Board of Directors. The affirmative vote of two Directors on the initial Board and of three Directors on subsequent Boards shall be sufficient for any action unless otherwise specified in the Master Deed or these Bylaws.

H. Quorum. Three Directors shall constitute a quorum for the transaction of business.

I. Consents. Any action which may be taken by a vote of the Board of Directors may also be taken by written consent to such action signed by all Directors.



J. Referendum. Any decision voted by the Council shall be binding upon the Board of Directors and shall supersede any previous inconsistent action or make invalid any subsequent inconsistent action taken by the Board of Directors, but no such action by the Co-owners shall impair the enforceability of any contract duly authorized or entered into by the Board of Directors pursuant to authority granted in the Act, the Master Deed, or these Bylaws.

K. Annual Meetings. An annual meeting of the Board of Directors shall be held during each fiscal year within thirty days preceding the annual meeting of the Council. Any business which is appropriate for action of the Board of Directors may be transacted at an annual meeting.

L. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, dates, and places as the Board of Directors may determine from time to time. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting.

M. Special Meetings. Special meetings of the Board of Directors may be called from time to time by the President of the Council and shall be called upon the written request of two of the Directors. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Directors waive notice of any additional business.

N. Notice of Meetings. Written notice of every regular or special meeting of the Board of Directors stating the time, date, and place of the meeting and, in the case of special meeting, the business proposed to be transacted shall be given to every Director not fewer than three nor more than ten days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless (1) a Director who was present but was not given proper notice objects at such meeting, in which case the matter to which such Director objects shall not be taken up, or (2) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty days following such meeting, in which case the action to which such Director objects shall be void.

O. Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may in writing waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be deemed waiver by such Director of notice of the time, date, and place thereof unless such Director specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

P. Place of Meeting. All meetings of the Board of Directors shall be held at such convenient place as the Board may select. Meetings may be conducted by telephone if all Directors consent.

Q. Minutes of Meetings. The Secretary of the Council shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of such minutes shall be distributed to each Co-owner within thirty days following each meeting, and all such minutes shall be made available for examination and copying by any Co-owner at any reasonable time.

R. Compensation. The Directors may receive such compensation as the Council may determine and shall be entitled to reimbursement by the Council for expenses incurred in the conduct of their duties.

### ARTICLE III

#### OFFICERS OF THE COUNCIL

A. Designation. The Council shall have a President, a Vice President, a Secretary, and a Treasurer. The Council may also have one or more assistants to any of such officers as may be necessary from time to time. The offices of Secretary and Treasurer may be filled by the same individual and the combined office referred to as Secretary-Treasurer. The officers shall have the authority, powers, duties, and responsibilities provided by these Bylaws, or, to the extent not so provided, by the Board of Directors.

B. Qualifications. Only Directors may be elected and serve as officers.

C. Election and Term. Officers of the Council shall be elected at each annual meeting of the Board of Directors and at such other times as may be required to fill vacancies in any office. All officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An officer may be re-elected to any number of terms.

D. Removal. Any officer may be removed from office at any time with or without cause by the Board of Directors.

E. President. The President shall be the chief executive officer of the Council. He shall preside at all meetings of the Council and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in a corporate president, 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 deem appropriate to assist in the conduct of the affairs of the Council.

F. Vice President. The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

G. Secretary. The Secretary shall prepare and keep, or cause to be prepared and kept, the minutes of all meetings of the Co-owners and of the Board of Directors, and shall have charge of such books and papers as the Board of Directors may direct.

H. Treasurer. The Treasurer shall have custody of and responsibility for Council funds and securities and shall keep the financial records and books of account belonging to the Council. Custody of Council funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the Manager (Article IV) if the Board of Directors so determine, but in such case the Treasurer shall verify the amounts of Council funds and securities in the custody of the Manager and review and reconcile the accounts maintained by the Manager at such intervals as may be determined by the Board of Directors.

I. Compensation. The officers may receive such compensation as the Council may determine and shall be entitled to reimbursement by the Council for expenses incurred in the conduct of their duties.

### ARTICLE IV

#### MANAGER

A. Employment. Kiawah Island Company Limited or its designee shall be employed by the Council as the Manager of the Regime for the longer of one calendar year from and including the date upon which the Master Deed is recorded or for the Council's first fiscal year; provided, however, that Kiawah Island Company Limited or its designee may consent to serve for a shorter time. After such period of time, the Council shall employ a management agent entirely of its own choosing.

B. Qualification. The Manager may be a natural person or a corporation or other legal entity. No individual who is a Director or an officer of the Council or who resides in the home of a Director or an officer of the Council shall be the Manager.

C. Authority and Duties. The Manager shall provide the services and perform the duties set out in Article II, Paragraph B, Section 1 of these Bylaws, and shall provide such other services and perform such other duties (including, but not limited to, those enumerated in Article II, Paragraph B, Sections 2 through 6) as authorized and directed from time to time by the Board of Directors. The Manager shall confer fully and freely with the Board of Directors and shall attend meetings of the Board and of the Council when requested to do so by the Board.

## ARTICLE V

### FINANCES

A. Fiscal Year. The fiscal year of the Council shall be as determined by the Council.

B. Budget. The Board of Directors shall prepare and submit, or cause to be prepared and submitted, to the Co-owners at their annual meeting a proposed budget for the Regime for the fiscal year. The proposed budget shall set forth with particularity the anticipated Common Expenses for the fiscal year and the amount of money needed to establish reasonable reserves for the payment of future Common Expenses and contingencies.

C. Approval of Budget. The proposed budget, as it may be amended upon motion of any Co-owner, shall be submitted to a vote of the Co-owners and when approved shall become the budget (Budget) of the Regime for the fiscal year. The terms of the Budget shall be binding upon the Board of Directors unless and until such terms are amended by action of the Co-owners.

D. Annual Assessments. The funds required by the Budget shall be collected from the Co-owners in annual assessments (Annual Assessments) in proportion to their respective interests in the Common Elements as set out in Exhibit E, and the Annual Assessments shall be payable as and when determined by the Council.

E. Special Assessments. The funds required from time to time to pay any Common Expenses which are not covered by the Budget but which are approved by the Co-owners shall be collected from the Co-owners by the Board of Directors in such installments as the Co-owners shall determine (Special Assessments).

F. Individual Assessments. Any payments to the Council which one or more, but fewer than all, of the Co-owners shall be obligated to make pursuant to the terms of the Act, the Master Deed, or these Bylaws shall be due upon demand and shall be collected by the Board of Directors as individual assessments (Individual Assessments).

\* G. Collection. Co-owners shall be personally liable for all assessments and shall pay the same promptly when due. The Board of Directors shall take prompt and appropriate action to collect by suit, foreclosure, or other lawful method any overdue assessment. If any overdue assessment is collected by an attorney or by action at law, the Co-owner owing the same shall be required to pay all reasonable costs of collection, including attorney's fees.

\* H. Penalty. An assessment not paid within fifteen days following the date when due shall bear a penalty of five dollars plus one per-cent of the assessment per month from the date when due. The penalty shall be added to and collected in the same manner as the assessment. The Board of Directors may in its discretion waive all or any portion of a penalty or interest imposed pursuant to this paragraph if it affirmatively appears that the failure to pay the assessment when due was caused by circumstances beyond the control of the Co-owner.

I. Accounts. The Board of Directors shall maintain on behalf of the Council a checking account with a state- or federally-chartered bank having an office in the county where the Property is situated. The Board of Directors may also maintain on behalf of the Council an interest-bearing savings account with a state- or federally-chartered bank, savings and loan association, or building and loan association. If a Manager is employed, said accounts may be maintained in the name of the Manager as agent of the Council. All funds of the Council shall be promptly deposited in one of said accounts, except that the Board of Directors may maintain a petty cash fund of not more than fifty dollars for payment of minor current expenses of the Council. The books and records relating to any account of the Council shall be made available for examination and copying by any Co-owner at any reasonable time.

\* J. Payments. The Board of Directors shall provide for payment of all debts of the Council from the funds collected from the Co-owners. Expenditures specifically approved in the budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of fifty dollars shall be reviewed and approved by the President or the Board of Directors before payment is made. All checks and requests for withdrawals drawn upon any account of the Council shall be signed by the President and the Treasurer or by any two officers of the Council designated by the Board of Directors. The Board of Directors may authorize the Manager to draw checks upon the account of the Council. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

K. Bonding. The Board of Directors shall secure a fidelity bond in an amount of not less than ten thousand dollars covering every individual authorized to withdraw funds from any checking or savings account maintained by the Council. The cost of the bond shall be a Common Expense.

## ARTICLE VI

### MAINTENANCE AND IMPROVEMENTS

A. Maintenance by Manager. The Manager shall provide for the maintenance, repair, and replacement of the Common Elements.

B. Maintenance by Co-owners. The Villas shall be maintained in good condition and repair by their respective Co-owners.

C. Default by Co-owner. In the event that any Co-owner fails to perform the maintenance required of him by these Bylaws or by any lawful Regulation, and such failure creates or permits a condition which is hazardous to life, health, or property, which unreasonably interferes with the rights of another Co-owner, or which substantially detracts from the value or appearance of the Property, the Board of Directors shall, after giving such Co-owner reasonable notice and opportunity to perform such maintenance, cause such maintenance to be performed and charge all reasonable expenses of doing so to such Co-owner by an Individual Assessment.

D. Expenses. The expense of all maintenance, repair, and replacement provided by the Manager shall be Common Expenses, except that when such expenses are necessitated by (i) the failure of a Co-owner to perform the maintenance required by these Bylaws or by any lawful Regulation, (ii) the willful act, neglect, or abuse of a Co-owner, or (iii) an uninsured loss which is to be borne by a Co-owner in accordance with Article VII of these Bylaws, they shall be charged to such Co-owner by an Individual Assessment.

E. Improvements. The Board of Directors shall provide for the making of such improvements to the Common Elements as may be approved from time to time by the Co-owners. The cost of such improvements shall be Common Expenses; provided, however, that no Co-owner shall without his consent be assessed in any one year an amount in excess of one per cent of the value of his Villa (as set out in Exhibit E) for the making of improvements to the Common Elements.

## ARTICLE VII

### RECONSTRUCTION

A. Reconstruction. Unless the Co-owners affirmatively determine in the manner provided in the Master Deed not to reconstruct the Property following damage or destruction thereof, the Board of Directors shall promptly provide for such reconstruction. If the cost of such reconstruction exceeds ten thousand dollars, the Board of Directors shall employ an architect licensed to practice in the jurisdiction in which the Property is situated to supervise the reconstruction. It shall be the duty of such architect to inspect the progress of the reconstruction at regular intervals and to submit written authorizations to the Council for payment for work performed. When an architect is not required by the terms hereof, the Board of Directors may perform such inspections and submit such authorizations.

B. Costs. The Board of Directors shall employ for the purpose of reconstructing the Property the proceeds of any insurance obtained on the Property by the Board of Directors on behalf of the Council. If such insurance proceeds do not cover the cost of the reconstruction, the deficiency shall be borne by the Council as a Common Expense up to an amount equal to the sum of (1) the amount deducted pursuant to a "loss deductible" clause of the insurance policy plus (2) all expenses of the Council in administering the proceeds. Any deficiency in excess of such amount shall be borne by the Co-owners in proportion to their respective interests in the portion or portions of the Property reconstructed.

## ARTICLE VIII

### CONDEMNATION

A. Rights of Co-owners. If any portion of the Property is condemned by any authority having the power of eminent domain, each Co-owner shall be entitled to receive notice of such condemnation and to participate in the proceedings incident thereto unless otherwise prohibited by law. Each Co-owner shall be entitled to an individual award to be determined by the value of his interest in the portion or portions of the Property condemned.

B. Duties of Council. In the event that any award is received by the Council on account of condemnation of any portion or portions of the Common Elements, the Board of Directors shall hold such award for disbursement in the same manner as if it were insurance proceeds. The Board of Directors shall promptly call a special meeting of the Council to determine whether any condemned portion of the Common Elements shall be replaced. If the Council determines to replace any condemned portion of the Common Elements, the Board of Directors shall provide for the replacement of such portions in the same manner as if such portions had been destroyed by casualty.

## ARTICLE IX

### INSURANCE

A. Insureds. Insurance policies upon the Property, covering the items described below, shall be purchased by the Council or its Manager for the benefit of the Regime, the Council, and the Co-owners of the Villas and their mortgagees, as their interests may appear. Provision shall be made for the issuance of certificates of insurance, with mortgagee endorsements, to the mortgagees of all Co-owners. Such policies and endorsements shall be deposited with and held by the Manager.

B. Coverage. Insurance shall cover the following when available:

(a) the replacement value of all Phase I Villas and Common Elements until the recording of the first Phase II deed, and of all Villas and Common Elements from and after the recording of the first Phase II deed. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and against such other risks as are customarily covered with respect to buildings and improvements similar to the buildings and improvements on the Land. No insurance of the contents of or improvements to any Villa (other than the fixtures originally installed therein during construction) shall be provided by the Council;

(b) public liability in such amounts and with such coverage as shall be determined by the Board of Directors, including, but not limited to, hired automobile and non-owned automobile coverage;

(c) workmen's compensation (if required); and

(d) such other insurance as the Board of Directors shall from time to time determine to be desirable.

C. Premiums and Deductibles. Premiums upon insurance policies and that portion of any covered loss not compensated for because of the deductible clause of the policy shall be paid by the Council as a Common Expense *amended*

D. Claims Adjustment. The Board of Directors is hereby irrevocably appointed agent for each Co-owner to adjust all claims arising under insurance policies purchased by the Council or its Manager, and to execute and deliver releases upon payment of claims.

E. Proceeds. The proceeds received by the Council from any indemnity paid under a hazard insurance policy shall be held by the Board of Directors. After deduction of all reasonable expenses of the Board in administering such proceeds, the net proceeds shall be distributed as follows: *★*

(a) if the Property is not reconstructed as provided in Article IX of the Master Deed, then each Co-owner shall receive a share of the proceeds proportionate to his interest in the Common Elements as shown in Exhibit E; or

✓ (b) if reconstruction takes place, then such proceeds shall be used to meet reconstruction costs as provided in Article IX of the Master Deed and Article VII of these Bylaws, and any proceeds remaining after all the costs of reconstructing the Property have been paid shall be distributed to the Council for the benefit of all Co-owners.

F. Insurance by Co-owners. Each Co-owner shall be responsible for obtaining such amounts of (1) hazard insurance on his Villa and its contents for his own benefit, and (2) liability insurance covering accidents occurring within his Villa. Any Co-owner who obtains hazard insurance for his own benefit shall within thirty days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance.

## ARTICLE X

### RESTRICTIONS AND REGULATIONS

A. Restrictions. The use of the Property shall be subject to the following restrictions:

1. Villas shall be used only as residences.

2. No Co-owner shall create or permit excessive noise, smoke, or offensive odors or any nuisance or unreasonably interfere with the use and enjoyment of the Property by any other person entitled to the same. No person shall maintain on the Property, and no Co-owner shall permit within his Villa any condition which is unreasonably hazardous to the life, health or property of any other person.

B. Regulations. The Board of Directors may adopt and amend from time to time such reasonable regulations (Regulations) governing the operation and use of the Property as they may deem necessary or desirable. It shall not be necessary to record Regulations newly adopted or the amendment or repeal of existing Regulations, but no Co-owner shall be bound by any newly adopted Regulation or any amendment or repeal of an existing Regulation until a copy of the same has been delivered to him.

C. Enforcement. The Board of Directors shall enforce the terms of the Act, the Master Deed, and these Bylaws and the Regulations promulgated pursuant hereto by taking prompt and appropriate action to correct any violations. In addition to any other remedy to which the Council or any Co-owner may be entitled, the Board of Directors may impose against a Co-owner reasonable fines not to exceed a total of ten dollars (\$10.00) per day for any violation of the terms of the Act, the Master Deed, these Bylaws, or the Regulations promulgated pursuant hereto. Such fines shall be collected by Individual Assessment. Each day during which a violation occurs or continues may be deemed a separate offense.

D. Responsibility of Co-owners. Each Co-owner shall be deemed responsible for the conduct of members of his household and his tenants, agents, guests and pets, but the responsibility of the Co-owner shall not relieve any member of his household or any of his tenants, agents, or guests for any liability to the Council or to a Co-owner for their own acts.

## ARTICLE XI

### LIABILITIES AND INDEMNIFICATION

A. Liability of Council. No Co-owner shall be liable for a greater percentage of a debt or liability of the Council than his percentage of ownership of the Common Elements. All correspondence of the Council and all contracts executed by the Council shall incorporate the following recital:

Fairway Oaks Villas Council of Co-owners is an association established pursuant to the Horizontal Property Act of South Carolina. No member of the Council shall be liable for a greater percentage of a debt or liability of the Council than his percentage of ownership of the Common Elements.

B. Indemnification Among Co-owners. Each Co-owner shall be entitled to contribution from and indemnification by every other Co-owner to the extent that such Co-owner discharges or is required to discharge any portion of any liability of the Council in excess of such Co-owner's proportionate share thereof, except that no Co-owner shall be required to provide contribution or indemnification on account of a debt which was due and payable prior to the time such Co-owner became a Co-owner.

C. Liability of Directors and Officers. No Director or officer of the Council shall be liable to any Co-owner for any decision, action, or omission made or performed by such Director or officer in the course of his duties unless such Director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Act, the Master Deed, or these Bylaws.

D. Indemnification of Directors and Officers. The Council shall indemnify and defend each Director and each officer of the Council from any liability claimed or imposed against him by reason of his position or actions as a Director or an officer of the Council if all of the following conditions are satisfied:

1. such Director or officer is not required to bear such liability by the terms of the Act, the Master Deed, or these Bylaws;
2. such Director or officer gives the Council adequate notice of the claim or imposition of liability to permit the Council reasonable opportunity to defend against the same; and
3. such Director or officer cooperates with the Council in defending against the liability.

The expense of indemnifying a Director or an officer shall be a Common Expense and shall be borne by all the Co-owners, including such Director or officer, in equal shares.

## ARTICLE XII

### ATTESTATIONS AND CERTIFICATIONS

A. Attestation of Documents. The presence of the signature of the Secretary or an Assistant Secretary of the Council on any contract, conveyance, or any other document executed on behalf of the Council by another officer of the Council shall attest:

1. that the officer of the Council executing the document does in fact occupy the official position indicated, that one in such position is duly authorized to execute such document on behalf of the Council, and that the signature of such officer subscribed on the document is genuine; and
2. that the execution of the document on behalf of the Council has been duly authorized.

B. Certification of Documents. When any document relating to the Property or the Council is certified as authentic by the Secretary or an Assistant Secretary of the Council, a third party without knowledge or reason to know to the contrary may rely on such document as being what it purports to be.

C. Certification of Actions and Facts. When there is executed by the Secretary or an Assistant Secretary a written statement setting forth (i) actions taken by the Council or by the Board of Directors, or (ii) facts relating to the Property or the Council as determined by the Board of Directors, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

## ARTICLE XIII

### MISCELLANEOUS

A. Record of Ownership. Any person who acquires title to a Villa (unless merely as security for a debt) shall promptly inform the Board of Directors of his identity and the date upon and manner in which title was acquired. The Board of Directors shall maintain a record of the names of all Co-owners and of the dates upon which they acquired title to their Villas.

B. Notices. Any notices or documents placed in the mail receptacle or affixed to the front door of a Villa by or at the direction of the Board of Directors shall be deemed delivered to the Co-owner of such Villa unless the Co-owner has previously specified to the Board of Directors in writing another address for delivery of such notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a Co-owner shall be deemed delivered to the Board of Directors.

C. Waiver. No provision of these Bylaws or of the Regulations promulgated pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

D. Conflicts. In the event of any conflict between these Bylaws and the Act or the Master Deed, the Act or the Master Deed shall control, as appropriate. In the event of a conflict between these Bylaws and the Regulations, these Bylaws shall control.

E. Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

F. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision hereof.

G. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.



Fairway Oaks Villas

Easement

STATE OF SOUTH CAROLINA     )  
  )  
COUNTY OF CHARLESTON     )                   EASEMENT

Fairway Oaks Villas  
Horizontal Property Regime  
Kiawah Island, South Carolina

WHEREAS, the Kiawah Island Company Limited (hereinafter referred to as the "Company") has heretofore entered into a certain agreement known as the "Kiawah Island Community Antenna Television Contract" with Premier Cablevision, Inc., hereinafter referred to as the "Contractor", whereby Contractor is to provide community television service to the citizens of Kiawah Island; and

WHEREAS, Fairway Oaks Villas Horizontal Property Regime, Kiawah Island, South Carolina, (hereinafter referred to as the "Regime") is desirous of granting unto the Company certain easements as specified herein for the benefit of the Regime to enable the Company to authorize Contractor to provide said services to the Villas (Apartments) of the Regime;

NOW THEREFORE, for and in consideration of the premises and the further consideration of the sum of One and 00/100 (\$1.00) Dollar in hand paid at and before the sealing of these presents, receipt of which is hereby acknowledged:

1. The Regime has granted, bargained, sold, and released and by these presents does grant, bargain, sell, and release unto the Company, its successors and assigns, a nonexclusive transmissible easement over, under, across and through the Common Elements of the Regime as is necessary and/or convenient for the installation and maintenance of facilities to provide cable television service to the Villas (Apartments) of the Regime under the Kiawah Island Community Antenna Television Contract.

2. The Regime reserves unto itself and its successors and assigns the full right to take, use and enjoy the land and improvements embraced within the easements herein granted in every manner not inconsistent with this grant, including but not limited to, the specific right to cross and recross said easements with other utilities.

3. The easement rights herein granted are of a commercial nature and the easements herein contained are of the nature of covenants running with the land and therefore binding on the Regime, its successors and assigns. The easements herein granted may be assigned by the Company without the consent of the Regime.

4. The easement rights granted herein shall commence upon the date set forth hereinbelow and shall terminate thirty (30) years thereafter, provided however, that the term hereof shall be extended as necessary to accommodate continuation of cable television service to the Regime after the said initial thirty (30) year period.

IN WITNESS WHEREOF, the Regime has caused these presents to be executed in its name, and its seal hereunto affixed, as of the 2nd day of APRIL, 1984.

SIGNED, SEALED, DELIVERED  
IN THE PRESENCE OF:

FAIRWAY OAKS VILLAS HORIZONTAL PROPERTY  
REGIME

David Moriarty

By: JoAnn J. Preston of the  
Council of Co-owners

Frank Clifton

By: C. Harris Thaxton of the  
Council of Co-owners

\*\*\*\*\*

STATE OF SOUTH CAROLINA )  
  )  
COUNTY OF CHARLESTON        ) -

PERSONALLY appeared before me DAVID MORIARTY who, on oath, says that (s)he saw the within named Fairway Oaks Villas Horizontal Property Regime by JO ANN PRESTON, its DIRECTOR of the Council of Co-owners, and HARRIS THAXTON, its DIRECTOR of the Council of Co-owners, sign the within Easement, and the said association by said officers, seal said Easement, and, as its act and deed, deliver the same, and that (s)he with FRANK CLIFTON witnessed the execution thereof.

David Moriarty

SWORN to before me this 2nd day of April, 1984.

James O. Middleton (SEAL)  
Notary Public for South Carolina  
My Commission Expires: July 16, 1990

H92/p

# Fairway Oaks Villas

## Amendments

STATE OF SOUTH CAROLINA ) FIRST AMENDMENT TO MASTER  
                                  ) DEED AND BY-LAWS OF FAIRWAY  
COUNTY OF CHARLESTON ) OAKS VILLAS HORIZONTAL  
                                  ) PROPERTY REGIME

WHEREAS, the Kiawah Island Company Limited, a corporation that was duly organized and existing under the laws of the Territory of the British Virgin Islands, executed that instrument entitled "Master Deed of Fairway Oaks Villas Horizontal Property Regime" (the "Master Deed") and By-Laws attached thereto as exhibit "F" entitled "Exhibit F to Master Deed of Fairway Oaks Villas Horizontal Property, Regime, By-Laws" (the "By-Laws"), which said instruments were dated May 10, 1978, and recorded on May 18, 1978, in the R.M.C. Office for Charleston County in Book V-115, Page 64; and

WHEREAS, Article X of the Master Deed provides a mechanism by which the Master Deed and By-Laws may be amended by a two-thirds vote of the Co-owners owning two-thirds of the value of all "Property" as that term is defined in the Master Deed; and

WHEREAS, by vote of the Co-owners and upon proper notice in each instance given and with a quorum present, the By-Laws were amended as set forth herein; and

WHEREAS, the Council of Co-owners of Fairway Oaks Villas desires that said amendment be made of record by execution and recordation of a written amendment to the Master Deed of which the By-Laws are a part.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the By-laws which are a part of the "Master Deed of Fairway Oaks Villas

"Horizontal Property Regime" dated May 10, 1978, and recorded on May 18, 1978, in the R.M.C. Office for Charleston County in Book V-115, Page 64, are hereby amended by the Council of Co-owners of Fairway Oaks Villas after a duly held vote of the Co-owners. Notice of the meeting was given to the Co-owners as provided in the By-Laws. The By-Laws shall be amended as follows:

I. Article I, Section B is hereby amended to read as follows:

B. Quorum. Prior to the time of recording the first Phase II deed the presence of Co-owners owning fifty-one per cent of the value of Phase I Property shall constitute a quorum for the transaction of business at the meetings of the Council. From the time of recording the first Phase II deed, the presence of Co-owners owning fifty-one per cent of the value of all Property shall constitute a quorum. Any absent Member who does not execute and return the proxy form sent to him in the registered mailing referred to in Section C of this Article shall be deemed to be present for the purposes of determining the presence of a quorum.

II. Article I, Section C is hereby amended to read as follows:

C. Voting. A Co-owners voting rights and the vote required to adopt decisions shall be as set out in Article IV, Paragraph B of the Master Deed. Votes can be cast only at meetings of the Council convened in accordance with the By-Laws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof, and any other legal entity shall act by any managing agent thereof. When a Co-owner consists of two or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Co-owner unless another such persons objects, in which case the vote which such Co-owner would otherwise be entitled to cast may not be cast.

All votes appurtenant to a single villa must be cast together and may not be split. The failure of an absent Co-owner to execute and return the proxy form sent to him in the registered mailing referred to in Section D of this Article shall constitute a proxy to and for the majority present and voting.

III. Article I, Section D is hereby amended to read as follows:

- D. **Proxy.** Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Council. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall be honored until delivered to the Secretary of the Council. If within the time designated in Section I of this Article prior to a duly called meeting a Co-owner is informed by registered mail of (1) the time and place of the meeting, (2) the agenda for the meeting, and (3) such data as is then available relative to issues on which there will be a vote, and a proxy form is included in such mailing, and the Co-owner neither attends the meeting nor returns his executed proxy, then such Co-owner shall be deemed to have given his proxy to and for the majority present and voting.

The effective date of each of the aforesaid amendments to the By-Laws is the date of the recording of this amendment in the R.M.C. Office for Charleston County, South Carolina.

IN WITNESS WHEREOF, The Council of Co-owners of Fairway Oaks Villas Horizontal Property Regime has caused these presents to be executed by its duly authorized officers, this 12th day of October, 1989.

FAIRWAY OAKS VILLAS HORIZONTAL  
PROPERTY REGIME COUNCIL OF CO-OWNERS

Karen Ryan  
Witness

BY: Norma Alan  
President

Cathy C. Wadley  
Witness

BY: John E. W. David  
Secretary

Karen Ryan  
Witness

Cathy C. Wadley  
Witness

STATE OF SOUTH CAROLINA )  
  )  
COUNTY OF CHARLESTON     )

PROBATE

PERSONALLY appeared before me the undersigned witness, who, on oath, states that (s)he saw the within named KAREN L. ROGERS sign, seal and as their act and deed deliver the within written instrument and that (s)he with the other witness whose signature appears above, witnessed the execution thereof.

Karen L. Rogers  
Witness

SWORN TO before me this 12th  
day of Oct, 1989.

Sylvia A. Fortright  
Notary Public for South Carolina  
My Commission Expires: 4/24/94



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

PROBATE

PERSONALLY appeared before me the undersigned witness, who, on oath, states that (s)he saw the within named Karen C. Rogers sign, seal and as their act and deed deliver the within written instrument and that (s)he with the other witness whose signature appears above, witnessed the execution thereof.

Kenneth L. Ryland  
Witness

SWORN TO before me this 12th  
day of Oct., 1989.

Stephan A. Cortright  
Notary Public for South Carolina  
My Commission Expires: 4/24/94

STATE OF SOUTH CAROLINA )  
 ) CERTIFICATE OF AMENDMENT TO BY-LAWS  
COUNTY OF CHARLESTON )

THIS is certification that the By-Laws of FAIRWAY OAKS COUNCIL OF CO-OWNERS, of record in the RMC Office for Charleston County, in Book V115, Page 64, as amended by instrument recorded in Book D188, Page 839, have been further amended in accordance with and pursuant to the provisions for amending the By-Laws in the following particular: , to wit:

1. Article IX, Section C, shall be amended so as to read as follows:

C. Premiums and Deductibles. Premiums upon insurance policies and any covered loss to the common elements not compensated for because of the deductible clause of the policy shall be paid by the Council as a Common Expense. Any portion of a covered loss to a Villa not compensated for because of the deductible clause of the policy shall be paid for by the Co-Owners in accordance with Article IXB of the Master Deed. In other words, the Council may find it necessary to purchase insurance coverage which insures property which is a part of a Villa; however, notwithstanding anything to the contrary in the Master Deed of these By-Laws, the Council shall not be responsible for payment of any insurance deductibles in connection with any loss sustained to contents of Villas or property which is a part of a Villa when a Co-Owner makes the claim against the Council's coverage and the source of the damage is not due to any failure of a limited or general common element or to any fault on the part of the Council.

WITNESS, the hand and seal of the Secretary of Fairway Oaks Villas Council of Co-Owners, this 16 day of November, 1993.

WITNESSES:

FAIRWAY OAKS VILLAS COUNCIL OF CO-OWNERS

*John M. Phillips*  
*Gregory B. Artis*

BY: *[Signature]*  
President  
ITS: \_\_\_\_\_

STATE OF SOUTH CAROLINA )

BAE 245 PG 650

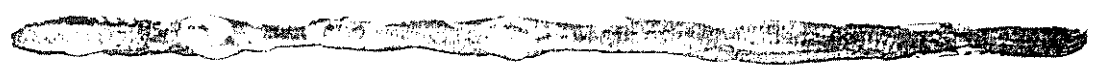
COUNTY OF CHARLESTON )

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named Norman A Case as duly authorized <sup>President</sup> ~~secretary~~ for Fairway Oaks Council of Co-Owners, sign the within written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

St. D. Phillips

SWORN to before this 16 day of Nov, 1993.

David B. Curtis  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES: 6/14/2000



STATE OF SOUTH CAROLINA )  
 ) CERTIFICATE OF AMENDMENT TO BY-LAWS  
COUNTY OF CHARLESTON )

THIS is certification that the By-Laws of FAIRWAY OAKS COUNCIL OF CO-OWNERS, of record in the RMC Office for Charleston County, in Book V115, Page 64, as amended by instruments recorded in Book D188, Page 839, and Book E245, Page 649, have been further amended in accordance with and pursuant to the provisions for amending the By-Laws in the following particulars, to wit:

1. Article V, Section J, shall be amended so as to read as follows:

J. Payments. The Board of Directors shall provide for payment of all debts of the Council from the funds collected from the Co-Owners. Expenditures specifically approved in the budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of One thousand and no/100 (\$1000.00) Dollars shall be reviewed and approved by the President or the Board of Directors before payment is made. All checks and requests for withdrawals drawn upon any account of the Council shall be signed by the President and the Treasurer or by any two officers of the Council designated by the Board of Directors. The Board of Directors may authorize the Manager to draw checks upon the account of the Council. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

WITNESS the hand and seal of the Secretary of Fairway Oaks Villas Council of Co-Owners, this 11<sup>th</sup> day of October, 1996.

WITNESSES:

FAIRWAY OAKS VILLAS COUNCIL OF CO-OWNERS

✓ Ray B. Mank  
✓ Shirley Watts

BY: [Signature]  
Its: President

STATE OF SOUTH CAROLINA )

COUNTY OF CHARLESTON )

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named Mr. Norman Case, sign, seal and as his act and deed, deliver the within in written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

✓ Kan R. Marki

SWORN to before me this 11<sup>th</sup>  
day of October, 1996.

Ashley D. Watts  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES: 12-26-96 ]

RETURN TO:  
KRAWCHECK & DAVIDSON  
9 STATE ST.  
CHASN., S. C. 29401

BK R 275PG771

10. W  
A

FILED

R275-769

96 OCT 22 PM 1:53

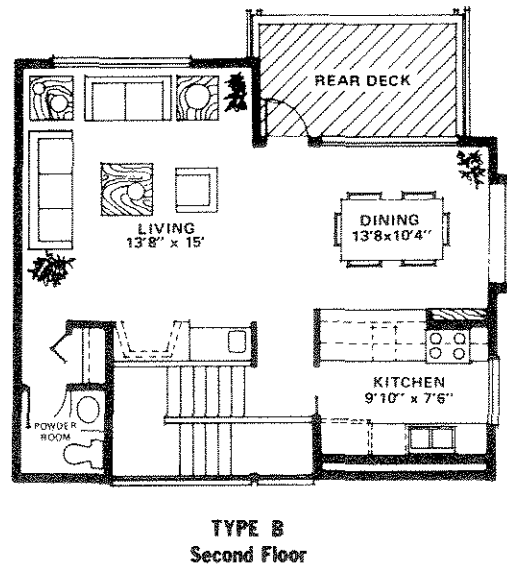
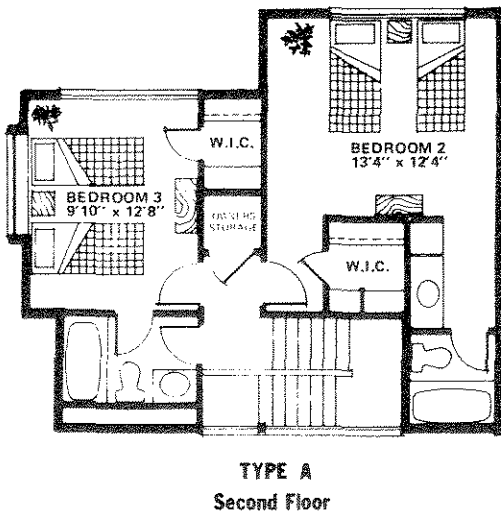
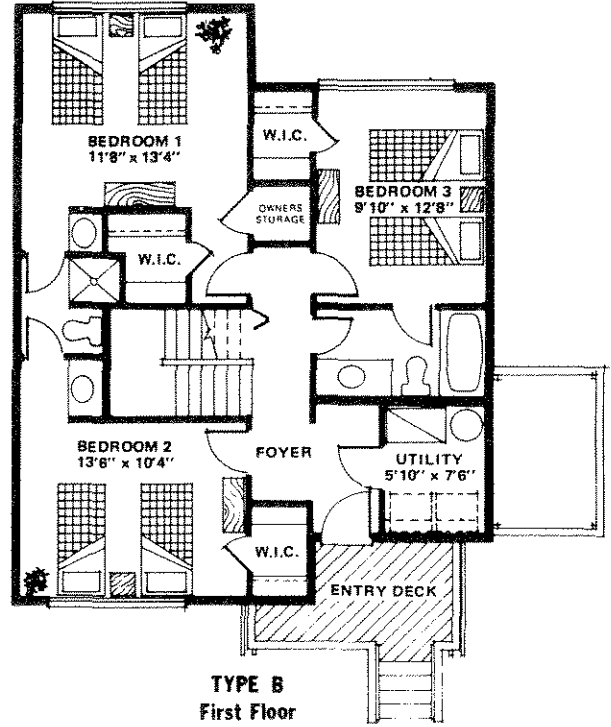
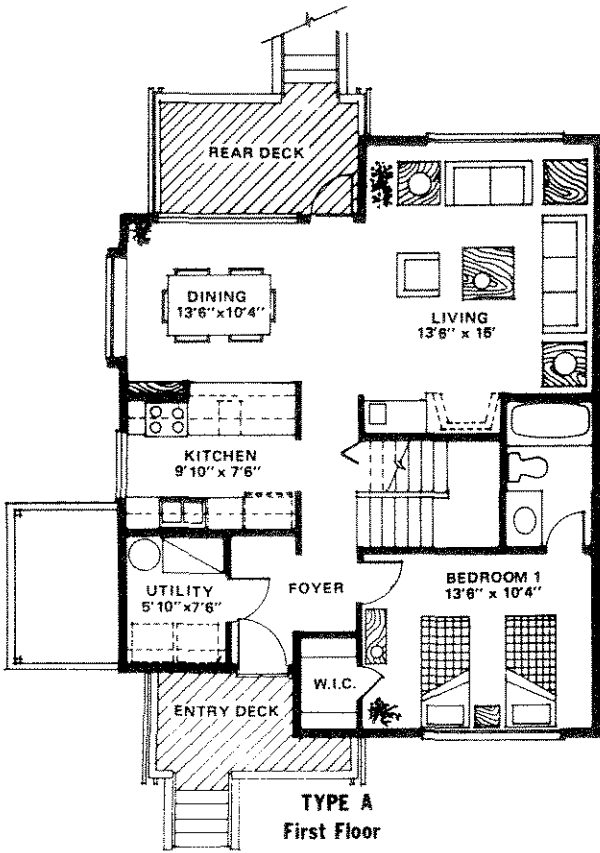
CHARLIE C. LYERAND  
REGISTER  
CHARLESTON COUNTY SC

*Handwritten initials/signature*

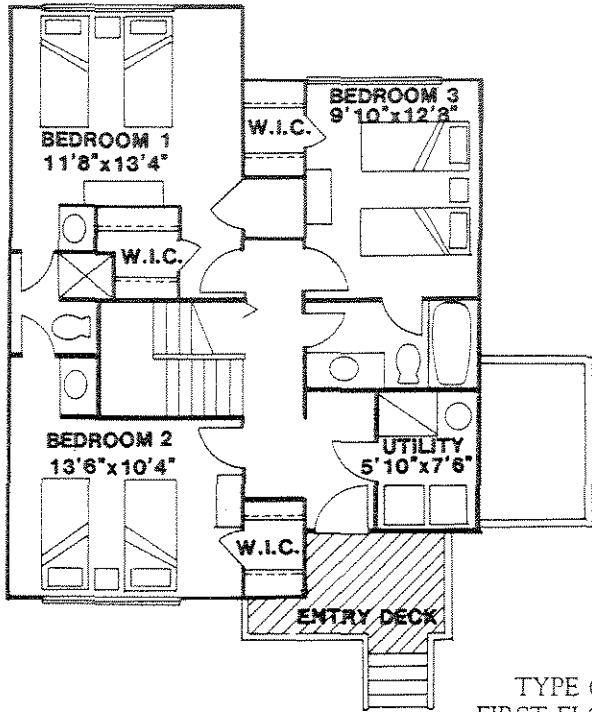
# Fairway Oaks Villas

## Maps

# FAIRWAY OAKS

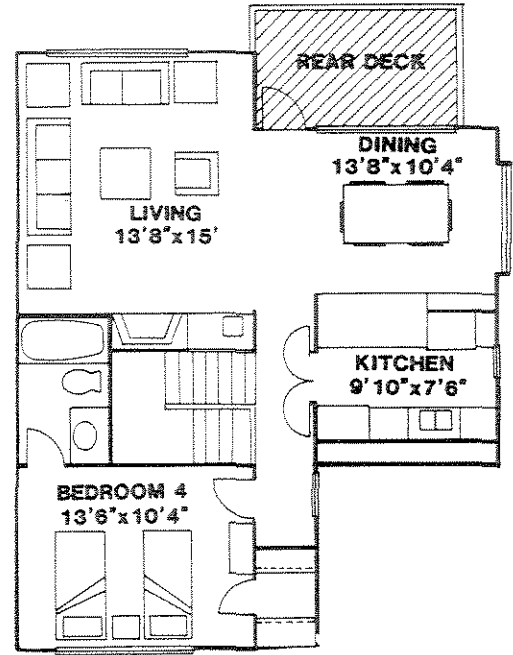




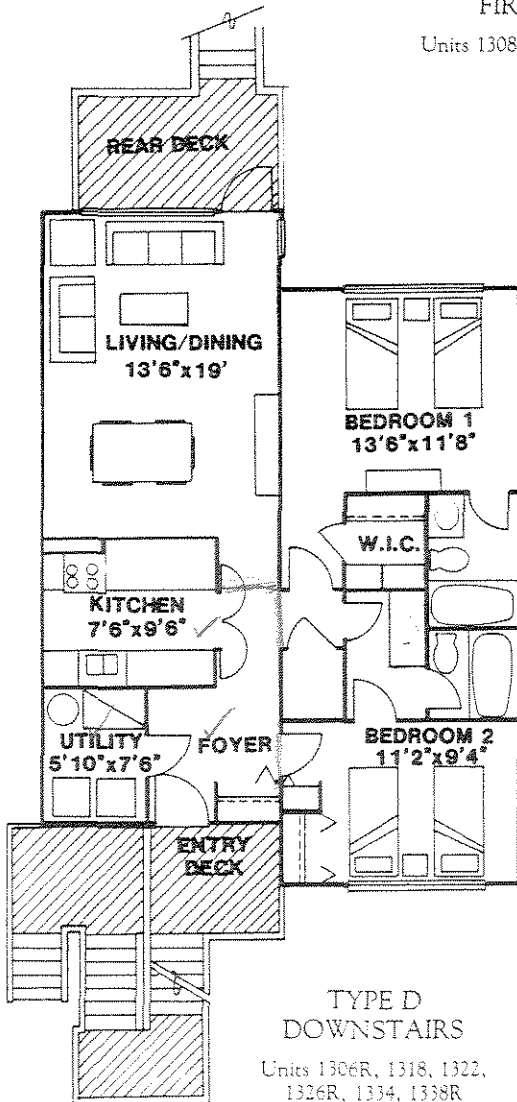


TYPE C  
FIRST FLOOR

Units 1308R, 1321, 1328R, 1333

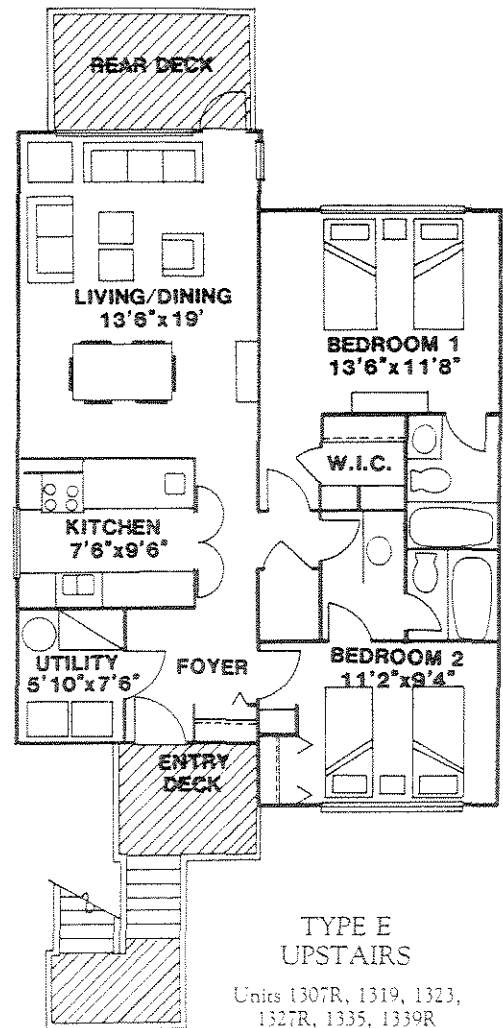


TYPE C  
SECOND FLOOR



TYPE D  
DOWNSTAIRS

Units 1306R, 1318, 1322,  
1326R, 1334, 1338R



TYPE E  
UPSTAIRS

Units 1307R, 1319, 1323,  
1327R, 1335, 1339R

7600448

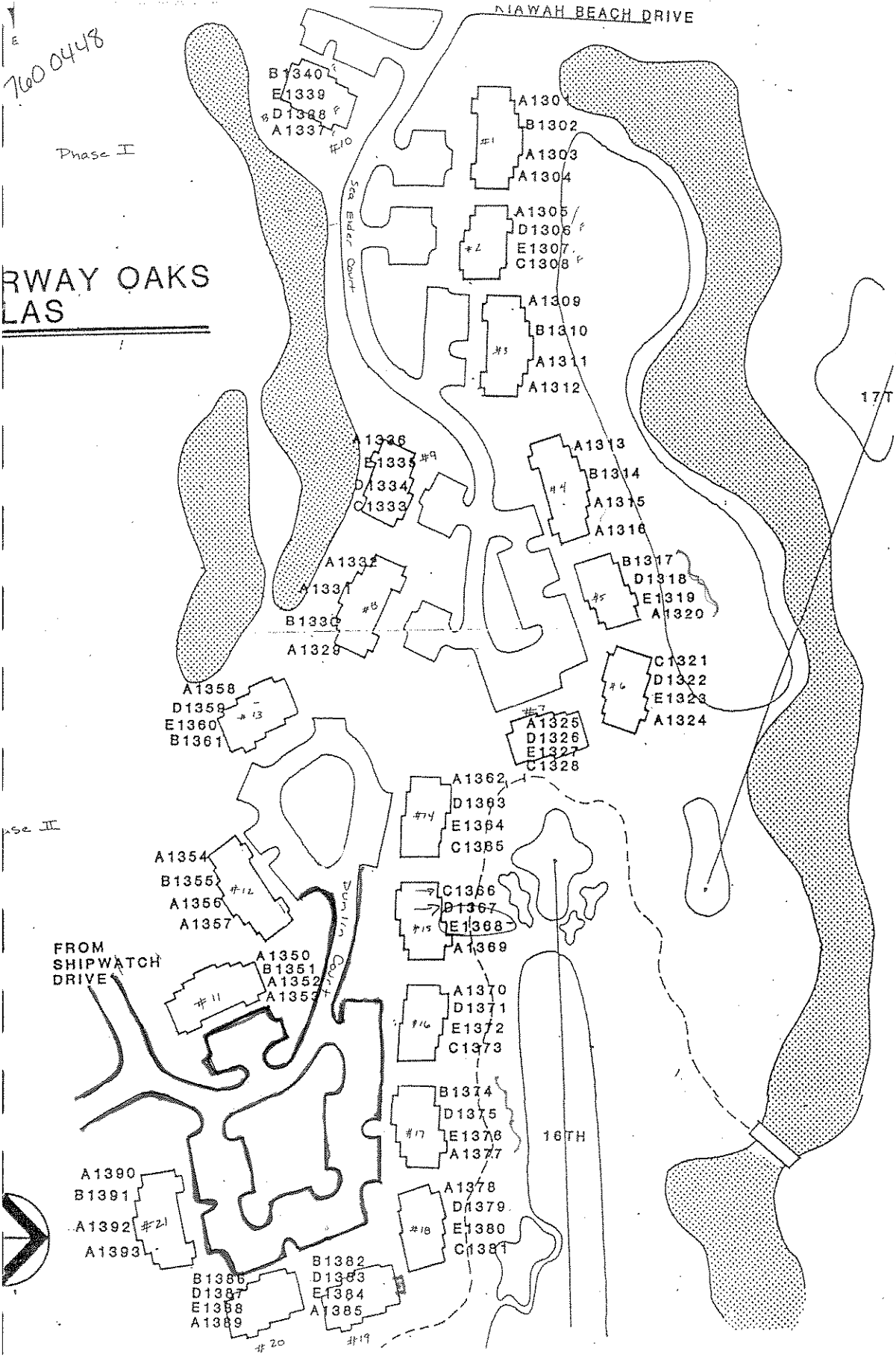
NAWAH BEACH DRIVE

Phase I

RWAY OAKS  
LAS

Phase II

FROM  
SHIPWATCH  
DRIVE



□ - old location  
 ○ - New location



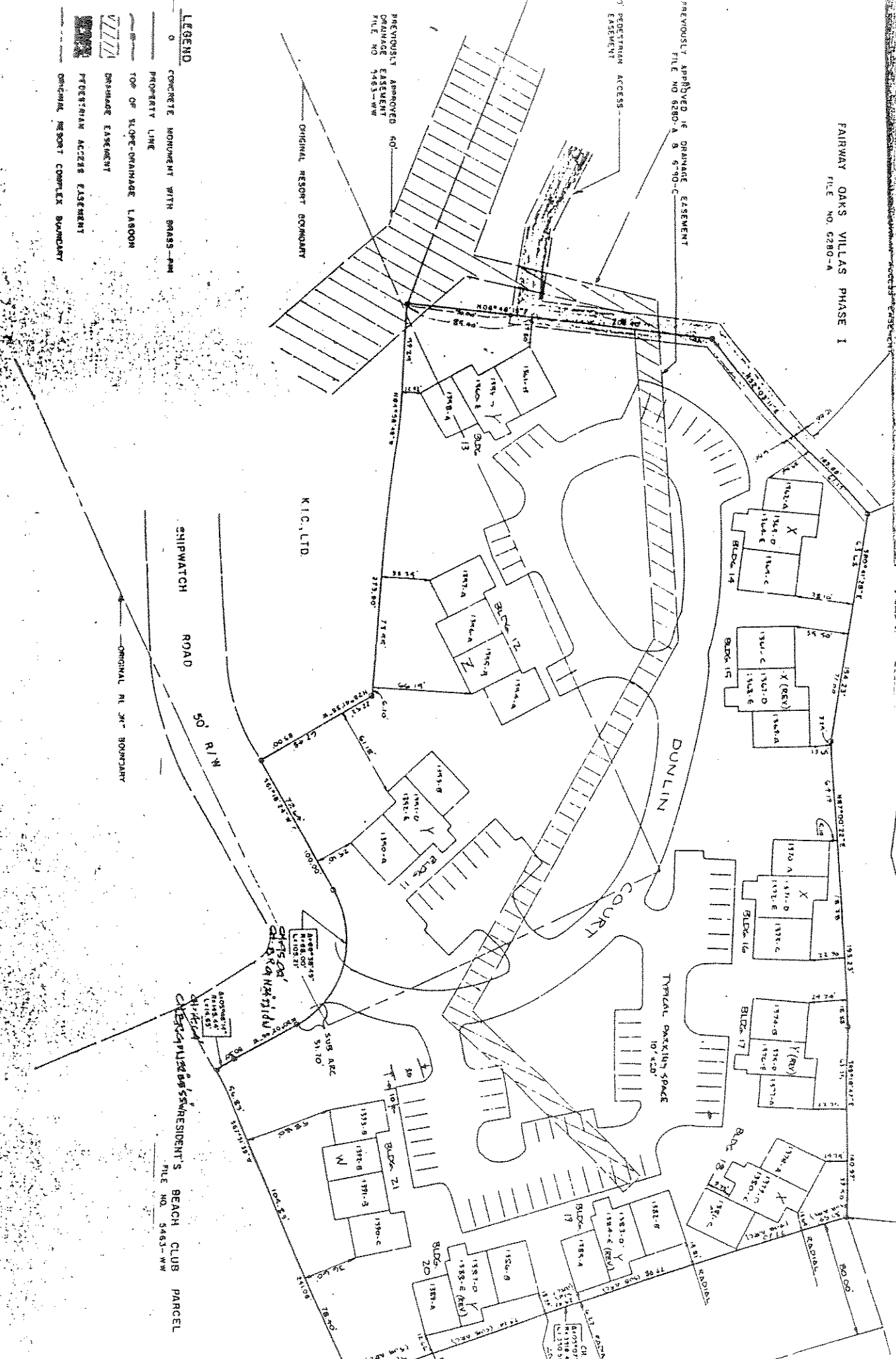
UNLESS OTHERWISE NOTED

**LEGEND**

- CONCRETE MONUMENT WITH BRASS PIN
- PROPERTY LINE
- TOP OF SLOPE-DRAINAGE LAGOON
- ⊕ TYPICAL WATER METER
- ▨ DRAINAGE EASEMENT

3/22/2007  
 PREPARED BY  
 CIVIL ENGINEER  
 CK. BR. 00000  
 NO. 107 001

FAIRWAY OAKS VILLAS PHASE I  
FILE NO. 6280-A



PREVIOUSLY APPROVED DRAINAGE EASEMENT  
FILE NO. 5483-WW

PREVIOUSLY APPROVED DRAINAGE EASEMENT  
FILE NO. 6280-A & 570-C

PROTESTANT ACCESS EASEMENT

ORIGINAL RESORT BOUNDARY

K.I.C. LTD.

SHIPWATCH ROAD 50' R/W

ORIGINAL R.E. BOUNDARY

CHESHAM VILLAGE BEACH RESIDENTS' BEACH CLUB PARCEL  
FILE NO. 5483-WW

- LEGEND**
- 0 CONCRETE MONUMENT WITH BRASS-444
  - PROPERTY LINE
  - TOP OF SLOPE-DRAINAGE LABOUR
  - DRAINAGE EASEMENT
  - PROTESTANT ACCESS EASEMENT
  - ORIGINAL RESORT COMPLEX BOUNDARY

STATE OF SOUTH CAROLINA )  
 ) CERTIFICATE OF AMENDMENT TO BY-LAWS  
COUNTY OF CHARLESTON )

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WITNESS, the hand and seal of the Secretary of Fairway Oaks Villas Council of Co-Owners, this 16 day of November, 1993.

WITNESSES: FAIRWAY OAKS VILLAS COUNCIL OF CO-OWNERS

*Peter M. Phillips*

BY: *[Signature]*  
President

*Gregory B. Curtis*

ITS: \_\_\_\_\_