

STATE OF SOUTH CAROLINA }
COUNTY OF GEORGETOWN }

MASTER DEED
OF
BELLE ISLE
HORIZONTAL PROPERTY REGIME

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GEORGETOWN COUNTY S.C.

THIS MASTER DEED, made this 25th day of September 1978 by Belle Isle Gardens Company, A South Carolina limited partnership ("Grantor"), pursuant to the Horizontal Property Act of South Carolina (the "Act") for the purpose of creating a horizontal property regime and establishing certain easements, covenants and restrictions to run with the property herein dedicated to the establishment of Belle Isle Horizontal Property Regime (hereinafter sometimes referred to as "Regime" or "Condominium").

W I T N E S S E T H :

ARTICLE I
THE PROPERTY

- PROPERTY:** As used herein, the term "Property" means and includes the land hereinafter identified and all improvements and structures now existing or hereafter placed thereon by Grantor, and all easements, rights and appurtenances belonging thereto.
- LAND:** The land ("Land") which is subject to this Master Deed is that certain tract or parcel described as Phase III in Exhibit "A-1" attached hereto and consisting of 4.89 acres. Grantor reserves the right as hereinafter provided in Article VII to incorporate within the land and to subject to this Master Deed, the additional tracts or parcels described as follows:

• PHASE IV	consisting of	<u>16.17</u>	acres
PHASE V	consisting of	<u>3.65</u>	acres
PHASE VI	consisting of	<u>11.23</u>	acres
PHASE VII	consisting of	<u>10.75</u>	acres
PHASE VIII	consisting of	<u>4.57</u>	acres
PHASE IX	consisting of	<u>13.95</u>	acres
PHASE X	consisting of	<u>19.03</u>	acres

All of the parcels referred to by Phase and acreage above are owned by Grantor in fee simple subject to certain liens and encumbrances and are more particularly described and delineated upon the plat attached hereto as Exhibit "B" which has been recorded with the Office of the Clerk of Court for Georgetown County, South Carolina, in Plat Book C.C. at Page 11.

Additionally, Belle Isle Gardens Company has heretofore established Belle Isle Horizontal Property Regime Number One containing 3.76 acres surrounded by 8.81 acres collectively referred to as Phase I containing 13.57 acres as shown on the aforesaid plat attached hereto as Exhibit "B".

Belle Isle Gardens Company has also previously established Belle Isle Horizontal Property Regime Number Two containing 4.14 acres and shown as Phase II on the plat attached hereto as Exhibit "B".

Grantor, therefore, further reserves the right, as provided in Article VII of this Master Deed, to incorporate within the Land, and to subject to this Master Deed, either or both of the additional tracts or parcels described as Phase I, and Phase II, above, provided that such incorporation has been approved by all the record co-owners of property within Phase I and/or Phase II, and also approved by all creditors in whose behalf encumbrances upon such property within Phase I and/or Phase II have been recorded, as required by the Act.

3. **BUILDINGS AND DWELLINGS:** Grantor has constructed or proposes to construct as part of the Property, seven buildings containing a total of twenty-eight (28) condominium apartments ("Dwellings"), as shown on the site plan attached hereto as Exhibit "A-2".

Phase I consists of twenty buildings containing a total of seventy-two (72) Dwellings.

Phase II consists of four buildings containing a total of eighteen (18) Dwellings.

The Dwellings constructed or to be constructed on the Property (as comprised by any combination of Phase I, II and III) consist or will consist of five types described as follows:

✓ Type 2A is a two story apartment. The first floor contains a living room, a kitchen, a dining area, a half bath, and a screened porch. The second floor contains two bedrooms, a full bath, and a laundry room. An entrance porch and patio located at the front of the dwelling are limited common elements. Approximate interior area including screened porch is 1,373 square feet.

Type 3A is a two story apartment. The first floor contains a living room, a kitchen, a dining area, a full bath, screened porch, and a bedroom. The second floor contains two bedrooms, a full bath and a laundry room. An entrance porch and patio located at the front of the dwelling are limited common elements. Approximate interior area including screened porch is 1,645 square feet.

Type 4A is a two story apartment. The first floor contains a living room, a kitchen, a dining area, a full bath, a screened porch and a bedroom. The second floor contains three bedrooms, two full baths, and a laundry room. An entrance porch and patio located at the front of the dwelling are limited common elements. Approximate interior area including screened porch is 1,917 square feet.

Type 2B is a two story apartment with an entrance foyer separating the two levels. The lower floor contains two bedrooms, a full bath, a laundry room, and a screened porch. The upper level contains a living room, a kitchen, a dining area, a half bath, and a screened porch. An entrance porch and patio located at the front of the dwelling are limited common elements. Approximate interior area including screened porches is 1,521 square feet.

Type 3B is a two story apartment with an entrance foyer separating the two levels. The lower floor contains three bedrooms, two full baths, a laundry room, and a screened porch. The upper level contains a living room, a kitchen, a dining area, a half bath, and a screened porch. An entrance porch and patio located at the front of the dwelling are limited common elements. Approximate interior area, including screened porch is 1,793 square feet.

Some or all of the various types of dwellings will exist in two configurations, each of which will be the mirror image of the other. The screened porches contained in the aforesaid dwellings may be partially or fully finished or enclosed in accordance with a plan approved by the Architectural Control Committee for the Regime.

The Dwellings constructed or to be constructed upon the Property (as constituted by Phase III) are, or will be grouped together in seven buildings as follows:

Building 25 contains four Dwellings of the following types, listed in order of location: 4A, 2A, 3A, 4A. The building covers a ground area of approximately 4,046 square feet.

Building 26 contains four Dwellings of the following types, listed in order of location: 3B, 2B, 3B, 3B. The building covers a ground area of approximately 4,046 square feet.

Building 27 contains three Dwellings of the following types, listed in order of location: 3B, 2B, 3B. The building covers a ground area of approximately 2,963 square feet.

Building 28 contains four Dwellings of the following types, listed in order of location: 4A, 2A, 2A, 3A. The building covers a ground area of approximately 3,758 square feet.

Building 29 contains four Dwellings of the following types, listed in order of location: 3A, 2A, 3A, 4A. The building covers a ground area of approximately 4,046 square feet.

Building 30 contains four Dwellings of the following types, listed in order of location: 4A, 2A, 3A, 3A. The building covers a ground area of approximately 4,046 square feet.

Building 31 contains five Dwellings of the following types, listed in order of location: 3A, 2A, 3A, 3A, 3A. The building covers a ground area of approximately 5,130 square feet.

Each Dwelling is identified and designated by a three digit number, the first two digits of which correspond to the Building number in which the particular Dwelling is located, and the last digit of which corresponds to the sequence of numbers 1 through 5 as applicable to each Building and consecutively applied to each Dwelling from left to right as appearing from the front of each Building.

The Buildings and Dwellings constructed or being constructed are described as to location, number and type on Exhibit "A-2" attached hereto. The various types of Buildings and Dwellings constructed or being constructed upon the Land are more particularly described on the floor plans (the "Plans") entitled Belle Isle Condominium Plans filed for record in the Office of the Clerk of Court for Georgetown County, South Carolina, simultaneously herewith as Exhibit "C" to this Master Deed for the purpose of describing the Buildings and the Dwellings.

Each Dwelling encompasses and includes or will encompass and include all that portion of a Building designated on the Plat and on the Plans as a Dwelling and consisting of all living and storage space bounded by the upper surface of the sub-flooring, by the unexposed surfaces of the drywall forming interior walls and ceilings, and by the exterior surfaces of all windows, window frames and screens and all exterior door and door frames; and all flooring, floor covering, tile, plaster, wallboard, paint, wall covering, doors, door frames, windows, window frames, cabinets, fixtures, appliances and other building materials within the space so

bounded. Any screen covering the doors or windows of a Dwelling are or shall be part of the Dwelling. Each Dwelling also includes or will include the heating and air conditioning equipment, the electrical wiring, and the water and sewer pipes serving the Dwelling exclusively, regardless of where they may be situated.

4. COMMON ELEMENTS: All portions of the Property not encompassed and included within the various Dwellings are or will be part of the common elements (the "Common Elements") of the Property. The Common Elements will include, without limitation, the Land and all roads and parking areas, walkways, paths, yards, gardens, trees and shrubs located thereon; the foundations, framing, exterior walls, party walls and roofs of the buildings; all devices or installations existing for common use; and all other elements of the Property rationally of common use or necessary to the existence, upkeep or safety of the Property, unless specifically included within a Dwelling.

5. LIMITED COMMON ELEMENTS: Certain portions of the Common Elements are limited Common Elements ("Limited Common Elements") which are reserved for the use of a certain Dwelling or Dwellings to the exclusion of the other Dwellings and are as follows:

A. Any enclosed patio and storage facilities contained therein which is immediately adjacent to and accesible from a Dwelling is reserved for the exclusive use of such Dwelling.

B. The stairways and entrance porches giving access to a Dwelling are reserved for the exclusive use of such Dwellings to which they give access.

C. The attic immediately overhead and accessible from a Dwelling is reserved for the exclusive use of such Dwelling.

D. Outside lighting fixtures attached to a Dwelling are Limited Common Elements of the Dwelling to which they are attached.

Maintenance of Limited Common Elements shall be the responsibility and an obligation of the Owner of the Dwelling to which such Limited Common Elements are attached or reserved.

The Board of Directors for the Regime may from time to time, pursuant to reasonable regulations applied fairly to owners of all Dwellings, designate a particular parking space or mail receptable as a Limited Common Element reserved for the use of a particular Dwelling.

6. VALUES: The value of each Dwelling per square foot of interior area is one and no/100ths (\$1.00) Dollars. The total value of each type Dwelling on the basis of such value per square foot and the interior area of each type of Dwelling as hereinabove set forth is as follows:

Type 2A	\$1,373
Type 3A	\$1,645
Type 4A	\$1,917
Type 2B	\$1,521
Type 3B	\$1,793

The value of the Property is or will be the sum of the values of the Dwellings constituting a part thereof which is, according to the foregoing Dwelling values, Forty-Six Thousand Eight and No/100 (\$46,008.00) Dollars

The actual values of Phase I, Phase II and Phase III, and the maximum values of subsequent stages of development which may be subject to this Master Deed as herein provided are as follows:

PHASE		VALUE
I	Actual	\$114,920
II	Actual	\$ 29,882
III	Actual	\$ 46,280
IV	No Greater Than	51,200
V	No Greater Than	16,000
VI	No Greater Than	64,000
VII	No Greater Than	51,200
VIII	No Greater Than	35,000
IX	No Greater Than	99,500
X	No Greater Than	27,500

Such values are set forth only for the purpose of complying with the Act and do not necessarily reflect the market value of the Dwellings or of the Property and shall not prevent the fixing of a different circumstantial value to any Dwelling in any type of action, policy, or contract.

Within the parameters set forth above, the actual value of each additional phase incorporated within the Land and subjected to this Master Deed, together with the actual total value of the Property which shall be the sum of such phase values, shall be set forth in an amendment to this Master Deed at such time as the Dwellings in such additional phase are constructed or being constructed.

7. **COMMON OWNERSHIP:** There shall be appurtenant to such Dwelling an undivided interest in the Common Elements. Any conveyance of an individual Dwelling shall be deemed also to convey the undivided interest in the Common Elements appurtenant to such Dwelling without specifically or particularly referring to the same. The percentage of such undivided interest in the Common Elements shall be determined in all cases by dividing the value of each Dwelling as hereinabove set forth and provided for, by the total value of the Property as hereinabove set forth and provided for.

The percentage of undivided interest in the Common Elements appurtenant to each type of Dwelling as of the date hereof is as follows:

UNIT TYPE	% INTEREST
2A	2.9667
3A	3.5545
4A	4.1422
2B	3.2865
3B	3.8742

If Grantor incorporates additional phases into the property, as set forth and provided for herein, the percentage of interest in the Common Elements appurtenant to each type of Dwelling shall be adjusted and determined by dividing the value of each type of Dwelling by the combined values of the phases which have been and are thereby being incorporated into the Property in accordance with Article II hereof.

The actual value of the Property as composed of any combination of Phase I, Phase II, and Phase III, and the resulting percentage of interest in the Common Elements appurtenant to each type of Dwelling now existing within the Regime is exemplified in the following chart.

Additionally, the maximum value of the Property at each stage of development, as may be composed by annexing additional property to combinations of the aforesaid existing phases, and the resulting minimum percentage of interest in the Common Elements appurtenant to each type of Dwelling now existing within the Regime is also exemplified in the following chart.

Property Composition by Phases	PROPERTY VALUE		Percentage Interest for Unit Type*				
			2A	3A	4A	2B	3B
III	ACTUAL	\$ 46,280	2.9667	3.5545	4.1422	3.2865	3.8741
III + I	ACTUAL	161,200	.8517	1.0205	1.1892	.9435	1.1123
III + II	ACTUAL	76,162	1.8027	2.1599	2.5170	1.9971	2.3542
III + I + II	ACTUAL	191,082	.7185	.8609	1.0032	.7960	.9383
I thru IV	MAXIMUM	242,282	.5667	.6790	.7912	.6278	.7400
I thru V	MAXIMUM	258,282	.5312	.6369	.7422	.5889	.6942
I thru VI	MAXIMUM	322,282	.4260	.5104	.5948	.4719	.5563
I thru VII	MAXIMUM	373,482	.3676	.4404	.5133	.4072	.4801
I thru VIII	MAXIMUM	405,482	.3386	.4057	.4728	.3751	.4422
I thru IX	MAXIMUM	504,982	.2719	.3258	.3796	.3012	.355
I thru X	MAXIMUM	532,482	.2578	.3089	.3600	.2856	.3367
II thru IV	MAXIMUM	127,362	1.0780	1.2916	1.5052	1.1942	1.40
II thru V	MAXIMUM	143,362	.9577	1.1474	1.3372	1.0610	1.2507
II thru VI	MAXIMUM	207,362	.6621	.7933	.9245	.7335	.8647
II thru VII	MAXIMUM	258,562	.5310	.6362	.7414	.5883	.6933
II thru VIII	MAXIMUM	290,562	.4725	.5661	.6598	.5235	.617
II thru IX	MAXIMUM	390,062	.3520	.4217	.4915	.3899	.4597
II thru X*	MAXIMUM	417,562	.3288	.3940	.4591	.3643	.4291
III + IV	MAXIMUM	97,480	1.4085	1.6875	1.9666	1.5603	1.8394
III thru V	MAXIMUM	113,480	1.2099	1.4496	1.6893	1.3403	1.5800
III thru VI	MAXIMUM	177,480	.7736	.9269	1.0801	.8570	1.0103
III thru VII	MAXIMUM	228,680	.6004	.7193	.8383	.6651	.7841
III thru VIII	MAXIMUM	260,680	.5267	.6310	.7354	.5835	.6873
III thru IX	MAXIMUM	360,180	.3812	.4567	.5322	.4223	.4973
III thru X	MAXIMUM	387,680	.3542	.4243	.4945	.3923	.4623

*The foregoing percentages have been computed only to six significant digits and are not necessarily exact.

Maximum property values result in minimum percentage interest, and such interest shall be proportionately greater if Grantor annexes additional property of less than maximum value as herein provided.

The percentage interest in the Common Elements appurtenant to each type of Dwelling now existing within the Regime may thus range as follows during the period of development

Unit Type	% Interest	
	Minimum	Maximum
2A	.2578	2.9667
3A	.3089	3.5545
4A	.3600	4.1422
2B	.2856	3.2865
3B	.3367	3.8742

During the option period specified under Article II, Section 2, of this Master Deed, Grantor reserves the right to develop and annex to the Property, phases of Additional Property, as described and provided for herein, in any order, so long as the maximum value established herein for each phase of additional property is not exceeded, and so long as the percentage of interest in the Common Elements appurtenant to each type of Dwelling then existing within the Regime falls within the range set forth above.

The actual value of the Property and resulting percentage interest appurtenant to each type of Dwelling following an expansion of the Regime, shall be determined in the manner stated above, and will be set forth in an Amendment to this Master Deed as provided by Article VIII, Section 2 hereof, and duly recorded pursuant to Article VII, Section 3.

8. CLUB PROPERTIES: In addition to the property referred to hereinabove which is subject to this Master Deed, Grantor has established certain areas of land, easements, roadways, and recreational amenities ("Club Properties") as defined in the Declaration of Covenants, Conditions, and Restrictions of Membership in Belle Isle Yacht Club, dated September 25, 1979, and of record with the Clerk of Court for Georgetown County, South Carolina, in Deed Book 172 at Page 915 (the "Declaration").

Such Club Properties, and any additions thereto made in accordance with the provisions of the Declaration, have been created for the benefit and use by:

A. All Owners of a Dwelling within any horizontal property regime or subdivision established or hereafter established by Grantor within that certain tract of land shown as Phases I through X on the Plat attached hereto as Exhibit "B"; and

B. Any "Non-Owner Members," as that term is defined in the Declaration, which are admitted to membership in The Belle Isle Club, Inc. (the "Club") by the Board of Stewards of the Club or a membership committee to which it has delegated such responsibility.

**ARTICLE II
EXPANSION OF REGIME BY AMENDMENT**

The right and option to expand this Condominium pursuant to Section 27-31100, subparagraph "G" of the Act, is herein expressly reserved by Belle Isle Gardens Company, its successors and assigns, subject to the provisions therefor set forth in this Master Deed.

1. Optional: The consent of the Co-Owners of Belle Isle Horizontal Property Regime shall not be required for such expansion or annexation, and Grantor may proceed with such expansion or annexation at its sole option.

2. Option Period: The option to annex any phase of additional property and expand the Condominium Property shall expire ten (10) years after the date of recording of this Master Deed if not sooner exercised. Grantor may, however, at any time during the aforesaid ten year term, terminate its option with respect to any tracts of land not then incorporated into the Property by recording with the Georgetown County Clerk of Court a properly executed document giving notice of such termination.

3. Description of Additional Property: The property and portions thereof which may be added to this Condominium is described as Phase I, Phase II, Phase IV, Phase V, Phase VI, Phase VII, Phase III, Phase IX and Phase X under Article I, Section 2 of this Master Deed, and shown on the Plat attached hereto as Exhibit "B".

4. Addition by Phases: Any one or more of the Phases of Additional Property hereinabove referred to may be added to this Condominium by Grantor at different times; however, such phases, and the acreage and maximum values thereof shall be as set forth herein.

The maximum number of Dwellings which may be contained within each phase of the additional property is as follows:

<u>Phase</u>	<u>Status</u>	<u>Maximum No. of Dwellings</u>
I	Existing	72
II	Existing	18
IV	Proposed	32
V	Proposed	10
VI	Proposed	40
VII	Proposed	32
VIII	Proposed	20
IX	Proposed	70
X	Proposed	25

Nothing contained herein shall prevent Grantor from constructing less than the maximum number of Dwellings allowed for each proposed phase of additional property which may be annexed to the Regime.

5. Additional Amenities: Grantor may, at its sole option, construct additional service or recreational amenities upon the additional property for the purpose of serving the Condominium, provided, however, that such additional Common Elements shall not substantially increase the proportionate amount of the Common Expenses payable by existing Co-Owners unless approved by a majority of such Co-Owners at a duly called meeting thereof.

6. Comparable Improvements: The improvements placed upon additional property subjected to this Master Deed shall be of similar quality as that which is evidenced by existing structures within Phase I and Phase II and that which is constructed or being constructed within the Land herein dedicated to Belle Isle Horizontal Property Regime; however, such improvements hereafter placed upon additional property may vary as to architectural style, size, density, and mix in order to achieve the best development plan and most marketable product in the opinion of Grantor.

7. Common Elements: A chart showing the minimum percentage interest in the Common Elements, common expenses, and voting of each original owner at each stage of expansion is set forth in Article I, Section 7, hereinabove. Grantor reserves the right to create limited common elements within portions of such Additional Property as may be submitted to this Master Deed.

8. Amendments: Any such expansion or annexation shall be accomplished by the recordation with the Clerk of Court for Georgetown County, South Carolina of an amendment to this Master Deed and to the Condominium plat and site plan attached hereto as Exhibits "A-1" and "A-2" as required by the provisions of the South Carolina Horizontal Property Act.

Such amendment shall, in accordance with the Act, sufficiently describe the buildings and improvements constructed or being constructed, and set forth the actual value of the Property as then comprised along with the resulting percentage interest in the Common Elements appurtenant to each individual Dwelling within the Property.

9. Power of Attorney: There is hereby reserved unto Belle Isle Gardens Company, the Grantor, its successors and assigns, an irrevocable power of attorney, coupled with an interest, for the purpose of reallocating the percentage interest and voting rights appurtenant to each Dwelling in the Condominium in accordance with the provisions of this Master Deed, and to execute, acknowledge, and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article. Each Co-Owner and each mortgagee of a dwelling within Belle Isle Horizontal Property Regime shall be deemed to have acquiesced in amendments to this Master Deed and the Condominium plat attached hereto for the purpose of expanding the condominium as set forth herein, and shall be deemed to have granted unto the said Belle Isle Gardens Company, its successors and assigns, and irrevocable power of attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments or such further instruments, if any, as may be required to accomplish such expansion.

10. Easements: Grantor herein reserves all easements necessary to carry forth and accomplish such expansion and annexation of additional property as provided for by this article.

ARTICLE III
THE COUNCIL OF CO-OWNERS

1. FORMATION: Every owner, as hereinafter defined, shall be a member of and constitute the Council of Co-Owners of Belle Isle Horizontal Property Regime (the "Council") which shall be incorporated in accordance with the Act, for the purpose, among others, of maintaining, preserving, and administering the Common Elements, and providing for the collection and disbursement of assessments levied in connection therewith.

2. OWNER: The term "Owner" as used herein means an individual, corporation, partnership, association, trust, or other legal entity, or any combination thereof, who or which owns a Dwelling.

3. BY-LAWS: The Council and the administration of the Property shall be governed by the By-Laws (the "By-Laws") annexed hereto which may be modified or amended only in the manner set forth in Article VII of this Master Deed.

4. VOTING: On all matters relating to the Council, or to the Property, upon which a vote of the Owners is conducted, the Owners shall vote in proportion to their respective interest in the Common Elements. All action taken by a vote of the Owners shall be by affirmative vote of a Majority of the Owners, as hereinafter defined, unless a different majority is specified in this Master Deed or in the By-Laws.

5. MAJORITY: Wherever used in this Master Deed, "Majority of the Owners" means the Owners of fifty-one (51%) percent or more of the basic value of the Property as a whole, in accordance with their respective interest in the Common Elements.

6. BINDING EFFECT: All agreements, decisions and determinations lawfully made by the Council in accordance with the voting percentages established in the Act, this Master Deed, or the By-Laws shall be deemed to be binding on all Owners.

ARTICLE IV
COMMON EXPENSES

1. EXPENSES: The Owners shall bear in proportion to their respective interest in the Common Elements the following expenses ("Common Expenses"):

A. Expenses of maintenance, repair, replacement and administration of the Common Elements;

B. Expenses of fire and extended insurance coverage of the Dwellings and Common Elements;

C. Expenses declared to be Common Expenses by the Act, this Master Deed, or by By-Laws; and

D. Expenses agreed upon as Common Expenses, and lawfully assessed against the Owners as a group by the Council in accordance with the Act, this Master Deed, or the By-Laws. Such Common Expenses may include, but are not necessarily limited to, such items as security service, trash collection, water and sewer service, exterior lighting, pest control, and a reserve for replacement of Common Elements.

2. INCOME: All assessments, rents, and other revenues received by the Council shall be applied and expended in the following order:

A. To the payment of expenses incurred in generating or collecting such assessments, rents, and revenues;

B. To the payment of Common Expenses; and

C. To distributions to the Owners in proportion to their respective interest in the Common Elements.

3. LIABILITY OF OWNER: No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Dwelling belonging to him, or by any other reason whatsoever.

4. SALE OF DWELLING: Upon the sale or conveyance of a Dwelling, all unpaid assessments against an Owner for his pro rata share of the Common Expenses shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except the following:

A. Assessments, liens, and charges for taxes past due and unpaid the Dwelling; and

B. Payments due under first mortgage instruments or encumbrances duly recorded, which are made, given or created in accordance with the Act and the provisions of this Master Deed.

The purchaser of a Dwelling (other than a purchaser at a foreclosure sale) shall be jointly and severally liable with the seller for the amounts owing by the latter for Common Expenses, up to the time of conveyance, without prejudice to the purchaser's right to recover from the other party the amounts paid by him as such joint debtor.

The Council shall issue to any purchaser, upon his request, a statement of such amounts due by the seller and the purchaser's liability under this section shall be limited to the amount as set forth in the statement.

5. LIEN FOR UNPAID ASSESSMENTS: All sums assessed by the Council, but unpaid, for the share of Common Expenses chargeable to any Dwelling, including interest, penalties, and collection cost, shall constitute a lien on such Dwelling prior and superior to all other liens except:

A. Tax liens on the Dwelling in favor of any assessing unit.

B. First mortgage and other liens duly recorded, which are made, given or created in accordance with the Act and the provisions of this Master Deed.

Such lien may be foreclosed by suit by the Council, its board of directors, or designated manager, in like manner as a mortgage of real property. In any such foreclosure, the Owner shall be required to pay a reasonable rental for the Dwelling after the commencement of the foreclosure action and the plaintiff in such foreclosure shall be entitled to the appointment

of a receiver to collect such rents. The Board of Directors, or the manager, acting on behalf of the Council, shall have the power to bid in the Dwelling at foreclosure sale, and to acquire, hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid Common Expenses shall be maintained without instituting foreclosure proceedings or waiving the lien securing same.

6. **FORECLOSURE PURCHASER:** Where the mortgagee of record or other purchaser of a Dwelling obtains title at the foreclosure sale of such a mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or assessments by the Co-Owners chargeable to such Dwelling accruing after the date of recording such mortgage but prior to the acquisition of title to such Dwelling by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Owners, including such acquirer, his successors and assigns.

ARTICLE V
EASEMENTS, COVENANTS AND RESTRICTIONS

1. **USE OF PROPERTY:** Each Owner shall be entitled to the exclusive ownership and possession of his Dwelling and may use the Common Elements in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of other Owners.

2. **ENCROACHMENTS:** If any portion of the Common Elements now encroaches upon any Dwelling, or if any Dwelling now encroaches upon any other Dwelling or upon any portion of the Common Elements, or if any such encroachment shall hereafter occur as a result of (i) settling of a Dwelling, (ii) repair, alteration or reconstruction of the Common Elements by or with the consent of the Council; (iii) repair or reconstruction of a Dwelling following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, then a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

3. **EASEMENT TO THE BELLE ISLE CLUB:** An easement in favor of the Belle Isle Yacht Club, is hereby created and established over, across, and upon the Common Elements of the Land submitted to this Regime, for the purposes of ingress and egress to "Club Properties" referred to hereinabove.

4. **UTILITY EASEMENTS:** There shall be appurtenant to each Dwelling a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues, and ducts serving such Dwelling and situated in any other Dwelling, and each Dwelling shall be subject to an easement in favor of other Dwellings for use of such utility systems and devices situated in such Dwelling and serving such other Dwellings. The Board of Directors may hereafter grant easements for the benefit of the Property, and each Co-Owner by acceptance of the deed to a Condominium Dwelling, does hereby grant to the Board of Directors an irrevocable power of attorney to execute, deliver, and record for and in the name of each Co-Owner, such instruments as may be necessary and proper to the granting of such easements.

5. **EASEMENT TO GRANTOR:** The Property shall be subject to a non-exclusive easement in favor of Grantor for the construction of the Dwellings and other improvements on the Property, and for the exhibition and sale of the Dwellings owned by Grantor. Any property submitted to this Master Deed shall also be subject to a perpetual, non-exclusive easement in favor of subsequent Phases of additional property which may be incorporated

and subjected to this Master Deed, for construction, use and maintenance of all water and sewer pipes and all electrical, telephone and television wires reasonably necessary or appropriate to any use of such additional property permitted by applicable laws and ordinances.

6. RIGHT OF ACCESS: The Council shall have the irrevocable right, to be exercised by the Board of Directors or its designated manager to have access to each Dwelling from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Dwelling.

7.. PROHIBITED WORK: No Owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easement or hereditament without in every such case unanimous consent of all other Owners affected being first obtained.

8. USE RESTRICTIONS:

a. No clotheslines or other drying devices shall be allowed outside of any Building on the Property. No articles of apparel or other fabric articles shall be hung, displayed or dried outside of any Building, nor out of any window of a Dwelling, nor on the Common Elements, nor shall any cleaning devices, tools, fishing gear or other unsightly materials be placed upon the Property where they may be viewed by a Co-Owner other than the Owner of such materials.

b. No loud noises, offensive or noxious odors or other conduct which would unreasonably disturb or create a nuisance to other Owners shall be allowed.

c. No pets shall be allowed on the Property except animals which are essentially house pets which do not constitute a nuisance and for which a conditional license has been issued by the Board of Directors. The Owner of any pet allowed on the property shall be responsible for any damages caused by the pet and shall be responsible to take prompt affirmative action to remove any excrement caused by their pet on The Property. If at any time, by majority vote of the Board of Directors, a pet is determined to be a nuisance, the Board of Directors may revoke the license therefor issued upon which the Owner shall have the affirmative duty to promptly remove the pet from The Property.

d. No trailer, camper, recreational vehicle or boat shall be kept or parked on the Property, nor shall any fence be erected thereon.

e. No tractor-trailer, truck, bus or other commercial vehicle shall be maintained or parked on The Property except when necessary on a temporary basis to load or unload personal household items of an Owner or tenant.

f. Automobiles, motorcycles, motorbikes, and other self-propelled vehicles shall be parked only in designated parking spaces.

g. No vehicle or conveyance of any description shall be abandoned on the Property and no vehicle which is required to be registered or insured under the laws of the State of South Carolina, as amended from time to time, shall be parked or kept on the Property for a period of longer than (1) month while unregistered or uninsured, as the requirement may be.

h. No recreational vehicle, camper, tent, boat, or conveyance of any description shall be used as a place of abode, either temporarily or permanently, upon the Property.

i. All trash, garbage and other refuse shall be deposited in individually owned trash or garbage cans or pails shielded from view of Owners of other Dwellings.

j. No television or other antennas shall be allowed on the exterior of any Building located upon the Property, unless approved by the Architectural Control Committee of the Council.

k. No tree or shrub located on the Property shall be cut or removed without the express written approval of the Council.

l. No signs shall be erected on the exterior of any Building located upon the Properties, nor in any window of any such Building so as to be visible from outside such Building; provided, however, that a sign identifying the Owner of a Dwelling may be permitted according to the specifications issued by the Council; and further provided that Grantor may install directional and identifying signs for a model Dwelling and/or sales office.

m. No use shall be made of any Dwelling or of any right or privilege appurtenant thereto, other than for the private residential purposes of a single family, provided, however, that Grantor may use any Dwelling which it owns, as a "model unit" and/or sales office for sales promotion and demonstration purposes. Further provided that any Owner may rent or lease his Dwelling for the private residential use of the tenant, so long as such tenant abides by (i) the terms and provisions of this Master Deed, as they relate to the occupancy of a Dwelling, and by (ii) the rules and regulations of The Belle Isle Yacht Club as may be promulgated from time to time by its Board of Stewards.

9. PARTITION: The Common Elements shall remain undivided, and no Owner or any other person shall bring action for partition or division of any part thereof, unless the Property has been removed from the provisions of the Act in the matter therein provided.

10. ADDITIONAL COVENANTS, RESTRICTIONS AND OBLIGATIONS: A Declaration of Covenants, Conditions and Restrictions of Membership in Belle Isle Yacht Club (the "Declaration") as made by Grantor on September 25, 1979, and of record with the Clerk of Court for Georgetown County, South Carolina, in Deed Book 172 at Page 915, has been impressed upon the Dwellings within the Regime and thereby made binding upon every Co-Owner therewithin.

The aforesaid Declaration, and all of the terms and provisions thereof to the extent applicable and to the extent which they do not conflict with this Master Deed, are incorporated herein by reference.

ARTICLE VI
PROPERTY INSURANCE AND DAMAGE

1. INSURANCE OF PROPERTY: The Council shall insure the Property against risk, without prejudice to the right of each Owner to insure his Dwelling on his own account and for his own benefit.

2. RECONSTRUCTION: In case of fire or any other disaster, the indemnity from any insurance obtained by the Council shall, except as otherwise provided in this section, be applied to reconstruct the Building or Buildings. Reconstruction shall not be compulsory where it comprises the whole or more than two thirds of the Property. In such case, and unless otherwise unanimously agreed upon by the Owners, the indemnity

shall be delivered pro rata to the Owners entitled to it in accordance with provisions made in the By-Laws. Should it be proper to proceed with the reconstruction, the provisions for such eventually made in the By-Laws shall be observed.

3. SHARED EXPENSE: Where the Property is not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction, the rebuilding cost shall be paid by all Owners directly affected by the damage, in proportion to the value of their respective Dwellings; 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 Owners benefitted thereby, upon proper resolution setting forth the circumstances of the case and the cost of the works, with the intervention of the Council. The provisions of this section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

4. PERSONAL PROPERTY: Each Owner shall be responsible for (i) his own insurance on the contents of his own Dwelling, and any additions and improvements thereto, including any decorating, furnishings, and personal property therein, and any personal property stored or located elsewhere on the Property, and (ii) his personal liability insurance to the extent not covered by a liability insurance policy which may be obtained for all of the Owners as part of the Common Expenses as herein provided.

ARTICLE VII
AMENDMENTS

1. BY OWNERS: This Master Deed and the By-Laws annexed hereto may be amended from time to time by resolution adopted by affirmative vote of the Owners of two-thirds (2/3rds) of the percentage interest in the Common Elements at a duly called meeting of the Council held in accordance with the By-Laws, except as otherwise prohibited by the particular provisions of this Master Deed, the By-Laws incorporated herein, or the South Carolina Horizontal Property Act, and subject to the following conditions:

(A) Notice of the subject matter of the proposed amendment shall be included in the Notice of any meeting at which a proposed amendment is considered. A resolution to adopt a proposed amendment may be proposed by either the Board of Directors, or by three members of the Council acting through the Board of Directors.

(b) No amendment by the Owners shall alter the dimensions of a Dwelling or the percentage interest in the Common Elements appurtenant thereto without the verified consent of the owners of such Dwelling, and the verified consent of all lienors of record holding a security interest thereon.

(c) No amendment shall discriminate against any Dwelling owner, or against any class or group of Dwelling Owners unless all the Dwelling Owners so affected shall consent.

(d) No amendment by the Owners shall deprive the Grantor of rights granted or reserved herein, or impose additional duties or responsibilities upon the Grantor without Grantor's written consent.

(e) Any amendment to this Master Deed or By-Laws by the Owners which has been duly adopted shall be so certified by the President and Secretary of the Council.

2. **BY GRANTOR:** Grantor reserves to itself, its successors and assigns, the right to amend this Master Deed, the By-Laws, Plat, and Plans incorporated herein, without the consent of any other Dwelling Owners, for the following purposes:

(A) To describe by number, type, location, dimensions, etc., the buildings, Dwellings or other improvements hereafter constructed or to be constructed as part of the Property;

(B) To provide for additional types of buildings to be constructed within additional property subjected to this Master Deed;

(C) To state the actual value of any Phase of additional land to be incorporated within the Property, and the actual value of the Property as a whole based upon the values and parameters hereinabove set forth.

(D) To reallocate the percentage interest in the Common Elements appurtenant to each type of Dwelling following determination of the actual values of additional property incorporated herein as provided for above.

(E) To incorporate into the Property, additional Phases as described and provided for above, together with the buildings, Dwellings, and other improvements constructed or to be constructed thereon.

(F) To correct any typographical errors or omissions provided such correction does not adversely affect the interest of any Dwelling Owner.

3. **RECORDING:** No amendment to this Master Deed or By-Laws shall be effective unless and until recorded with the Clerk of Court for Georgetown County, South Carolina, in accordance with the Act.

ARTICLE VIII
TERMINATION AND MERGER

1. **TERMINATION:** All the Owners of the Property may waive the Regime and regroup or merge the records of the individual Dwellings with the Common Elements, provided that the individual Dwellings are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the Property owned by the debtors. Such termination shall in no way bar the subsequent constitution of the Property into another horizontal property regime whenever so desired and upon the observance of the provisions of the Act.

2. **MERGER:** Upon the termination and merger, as provided above, the Property, may be merged or consolidated with another horizontal property regime upon the written consent of all Property Owners affected thereby. Concurrent with such merger or consolidation, the Property and all rights, privileges, and obligations appurtenant thereto may, by operation of law, be transferred to another surviving or consolidated horizontal property regime within the Subdivision, or alternatively, the Property, rights, privileges, and obligations of another horizontal property regime within the Subdivision may, by operation of law, be added to these of the Regime as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Master Deed and the Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Master Deed except as provided herein.

ARTICLE IX
MISCELLANEOUS

1. APPLICATION: All Owners, tenants of Owners, employees of 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, and to this Master Deed and the By-Laws and Declaration incorporated herein.
2. CAPTIONS: The captions used herein are for convenience and reference purposes only, and in no way define, limit or describe the scope of this Master Deed or the intent of any provision hereof.
3. COMPLIANCE: Each Owner shall comply strictly with the covenants, conditions and restrictions set forth in this Master Deed, and with the By-Laws and Declaration and any administrative rules and regulations adopted pursuant thereto, as may be lawfully amended from time to time. Failure to comply with any of the same shall be ground for an action to recover sums due, or damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Council, or in a proper case, by an aggrieved Owner.
4. CONFLICTS: This Master Deed is executed to comply with the requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall prevail. In the event of a conflict between this Master Deed and the By-Laws or any rules or regulations promulgated pursuant thereto, the Master Deed shall prevail.
5. GENDER AND NUMBER: All pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular and the plural wherever the context requires or permits.
6. SEVERABILITY: The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.
7. WAIVER: No provisions hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violation or breaches which may have occurred.

ARTICLE X
GRANTOR

1. RIGHTS AS OWNER: Grantor, as the initial owner of each Dwelling which is constructed or to be constructed upon the Property, shall be entitled to exercise all rights appurtenant thereto until such time as Grantor has conveyed title to the Dwelling to another. For purposes of Grantor exercising such rights, Belle Isle Horizontal Property Regime shall be deemed to include the number of Dwellings shown on the site plan attached hereto as Exhibit "A-2" as may be amended from time to time to expand the condominium as provided for in Article II, regardless in each case of whether construction of the Dwelling has been completed.
2. RIGHTS FOLLOWING DESTRUCTION OF PROPERTY: In the event that the Property is more than two-thirds destroyed by fire or other disaster and the owners determine in the manner hereinabove provided in Article VI not to reconstruct the Property, then, the provisions in Article VI to the contrary notwithstanding, the share of the proceeds of any sale of the Property as a whole which are distributed to Grantor, including any portion of such proceeds which are applied to payment of liens against

the interest of Grantor in the Property, shall not exceed the sum of (i) insurance proceeds, if any, received by the Manager or the Board of Directors as trustee for the Owners on account of damage to or destruction of any Dwelling owned by Grantor and (ii) the value after the fire or other disaster of any Dwelling owned by Grantor, including the value of the interest in the Land and other Common Elements appurtenant to such Dwelling. Grantor shall be deemed to have waived the right to receive any amount in excess of the sum determined as hereinabove provided, and any such excess amount shall be distributed among the other Owners in proportion to their respective interests in the Property.

3. **POWERS OF GRANTOR:** Until December 31, 1980, or until Grantor has conveyed all of the Dwellings situate on the Property, or until Phase I and Phase II have become incorporated into the Property, whichever shall first occur, Grantor shall be entitled to exercise all powers granted to the Owners or to the Board of Directors by the Act, this Master Deed, or the By-Laws, and any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved by Grantor.

4. **ASSESSMENT LIMITATION:** Grantor hereby limits itself in its liability for the payment of assessments for Common Expenses to only those Dwellings which have been completed (exclusive of painting, carpeting, wallpaper and similar interior finish items) and are owned by Grantor, and only then to the payment of its proportionate share of the cost of fire and extended coverage insurance and such other cost as it may determine are actually incurred by goods and services furnished to and utilized by such completed Dwellings.

5. **SUCCESSORS:** The term "Grantor" as used in this Master Deed and in the By-Laws shall be deemed to include any person who succeeds to the title of Grantor to any portion of the Property by sale or assignment of all of the interest of Grantor in the Property, or by exercise of a right of foreclosure or power of sale granted in or conveyed by any mortgage given by Grantor and duly recorded with the office of the Clerk of Court for Georgetown County, South Carolina.

6. **CONCURRENT POWERS:** During the existence of any lien against the Property in favor of a lending institution which has advanced funds for the purchase of developing improvements thereon, powers concurrent with those of Grantor, as set forth above, shall also be vested with such institution.

7. **LIMITED WARRANTY:** The Grantor acknowledges that all contractual warranties in its favor set forth in the Building construction contracts are limited warranties for material and equipment in the Dwellings and shall accrue to the benefit of the Co-Owner of each Dwelling along with all limited warranties, if any, provided by the manufacturer or supplier of appliances, air conditioning, heating and utility systems in the Dwellings. THE CLOSING OF TITLE OR OCCUPANCY OF A DWELLING SHALL CONSTITUTE ACKNOWLEDGEMENT BY THE DWELLING OWNER THAT THE GRANTOR MAKES NO OTHER IMPLIED OR EXPRESSED WARRANTIES RELATING TO THE DWELLING AND/OR THE COMMON AREAS AND FACILITIES EXCEPT FOR SUCH LIMITED WARRANTY AS MAY BE SET FORTH BY SEPARATE INSTRUMENT DELIVERED TO OWNER AT CLOSING.

IN WITNESS WHEREOF, Grantor has executed this Master Deed on this the 25th day of September, 1979.

BELLE ISLE GARDENS COMPANY
BY: MCCRORY CONSTRUCTION COMPANY, INC.
Its General Partner

BY Marvin L. McCrory L.S.
Marvin L. McCrory, President

WITNESSES:

James W. Mitchell
James W. Mitchell

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)

PROBATE

PERSONALLY appeared before me Kenneth L. Mitchum
and upon oath stated that he saw Belle Isle Gardens Company by McCrory
Construction Company, Inc., its General Partner by Marvin L. McCrory,
its President, execute the foregoing Master Deed, and that he with
Kenneth W. Thornton, Jr. witnessed the execution and
delivery thereof.

Kenneth L. Mitchum

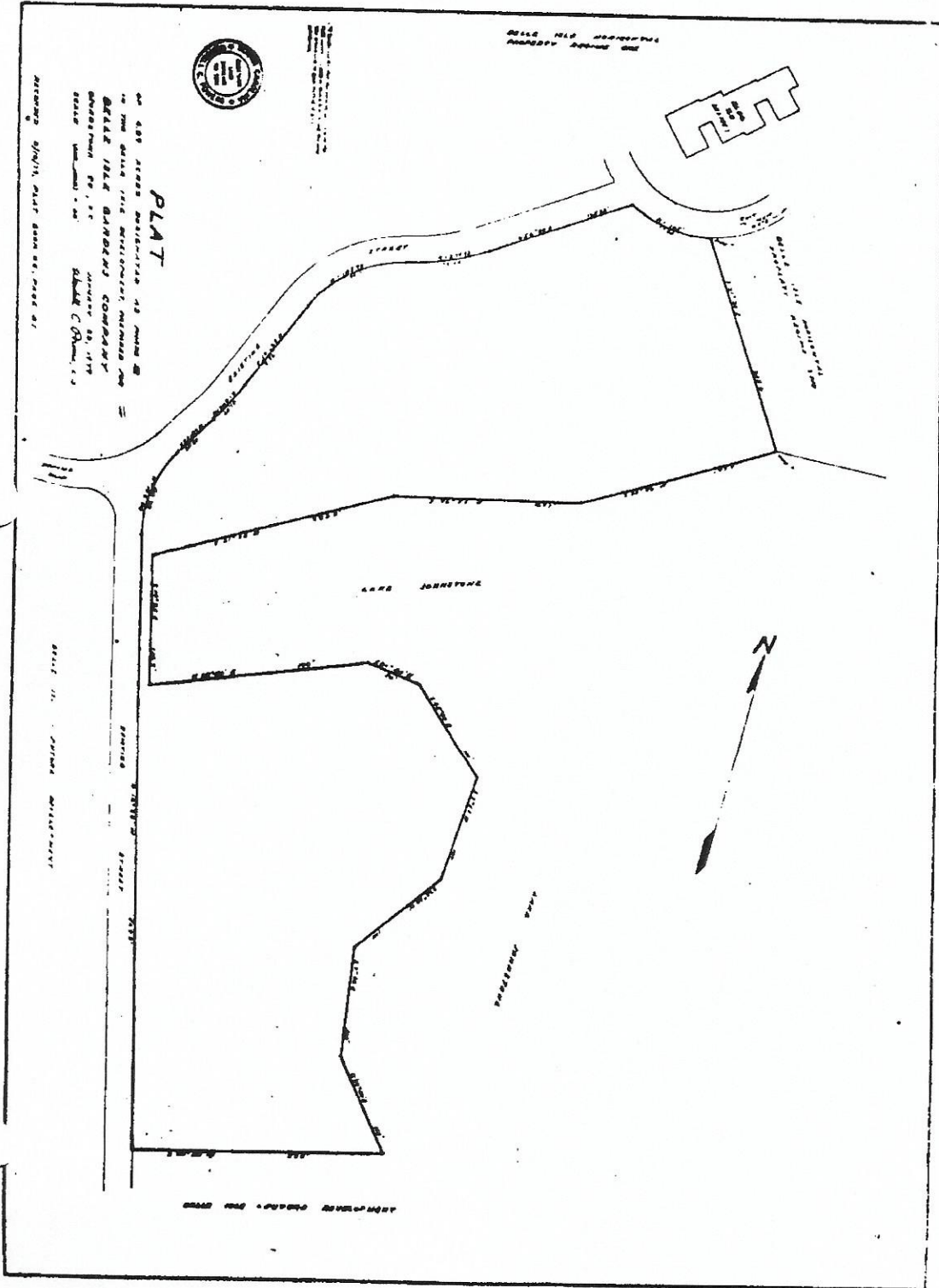
SWORN to and subscribed before me
this 25th day of September, 1979.

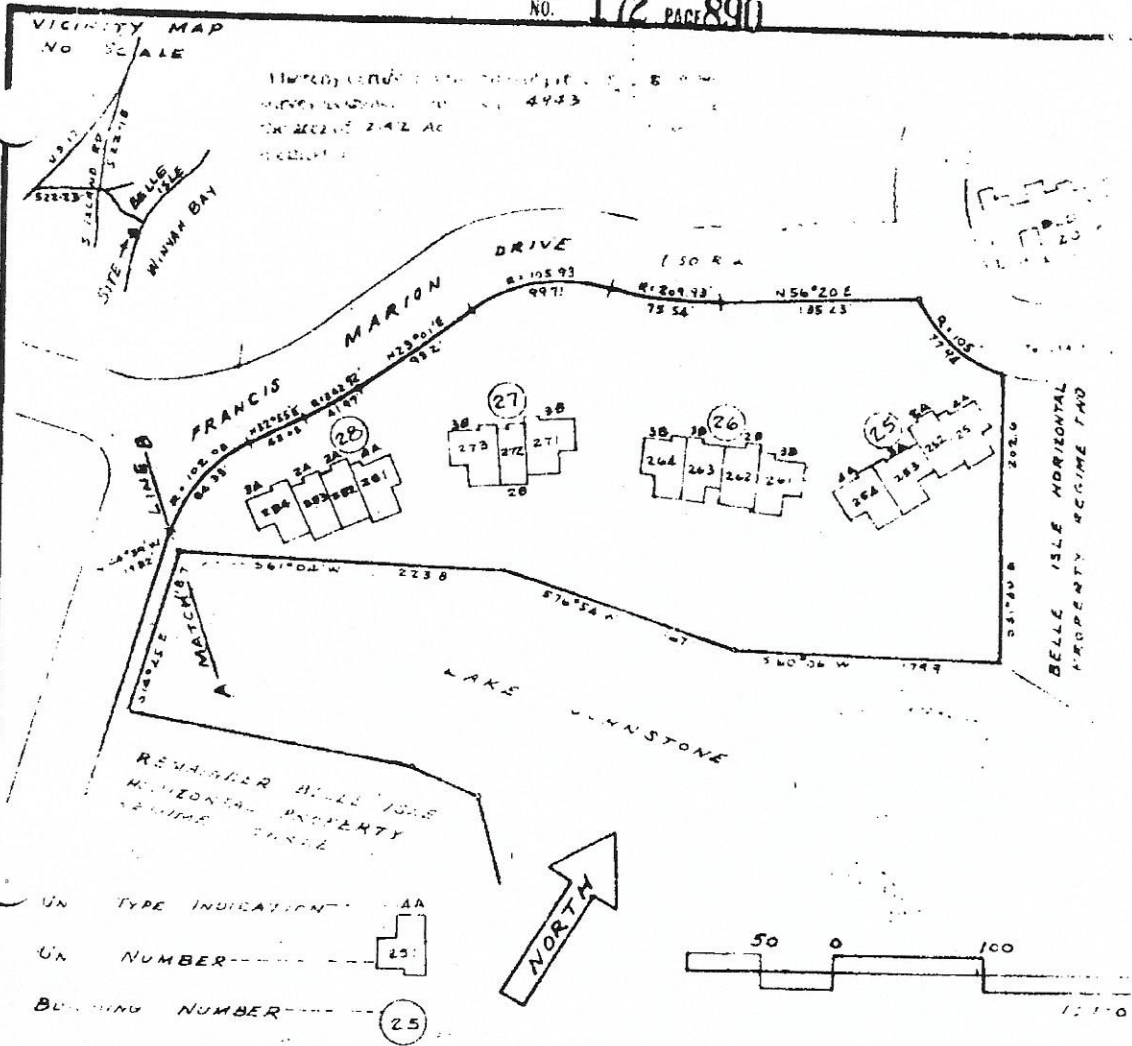
Kenneth W. Thornton, Jr.
Notary Public for South Carolina

My Commission Expires: 9-16-80

EXHIBIT A -1

"PLAT"





UNIT TYPE	STORYS	BEDROOMS	BATHS	TOTAL UNITS
2A	2	2	1.5	
3A	2	3	2	
4A	2	4	3	
2B	2	2	1.5	
3B	2	3	2.5	

EXHIBIT A-2 PLAT

OF 2.42 ACRES AT BELLE ISLE, A PORTION OF
BELLE ISLE HORIZONTAL PROPERTY REGIME THREE

PREPARED FOR

BELLE ISLE GARDENS COMPANY

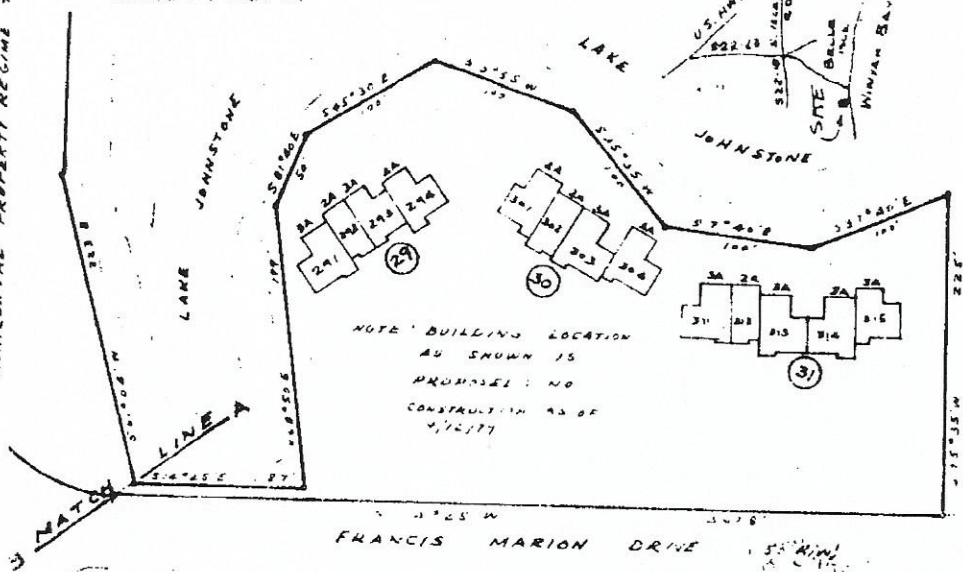
GEORGETOWN, CO., S.C. SEPTEMBER 12, 1979

Discussed ?

VICINITY MAP
NO SCALE

PROPERTY OF BELLE ISLE GARDENS COMPANY
 BELLE ISLE HORIZONTAL PROPERTY REGIME THREE
 ON REDEVELOPMENT OF 2.47 ACRES AT BELLE ISLE, S.C.
 VICTORIA ROAD, 1979

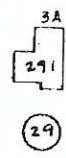
REMAINDER BELLE ISLE
 HORIZONTAL PROPERTY REGIME THREE



NOTE: BUILDING LOCATION
 AS SHOWN IS
 PROPOSED: NO
 CONSTRUCTION AS OF
 4/12/77

FRANCIS MARION DRIVE

UNIT TYPE INDICATION
 UNIT NUMBER
 BUILDING NUMBER



UNIT TYPE	STORYS	BEDROOMS	BATHS	TOTAL UNIT
2A	2	2	1.5	
3A	2	3	2	
4A	2	4	3	
2B	2	2	1.5	
3B	2	3	2.5	

EXHIBIT A-2 PLAT

OF 2.47 ACRES AT BELLE ISLE, A PORTION OF
 BELLE ISLE HORIZONTAL PROPERTY REGIME THREE
 PREPARED FOR

BELLE ISLE GARDENS COMPANY

GEORGETOWN CO., S.C. SEPTEMBER 12, 1979

Wendell C. Ruppel

EXHIBIT C

2A UNIT PLANS

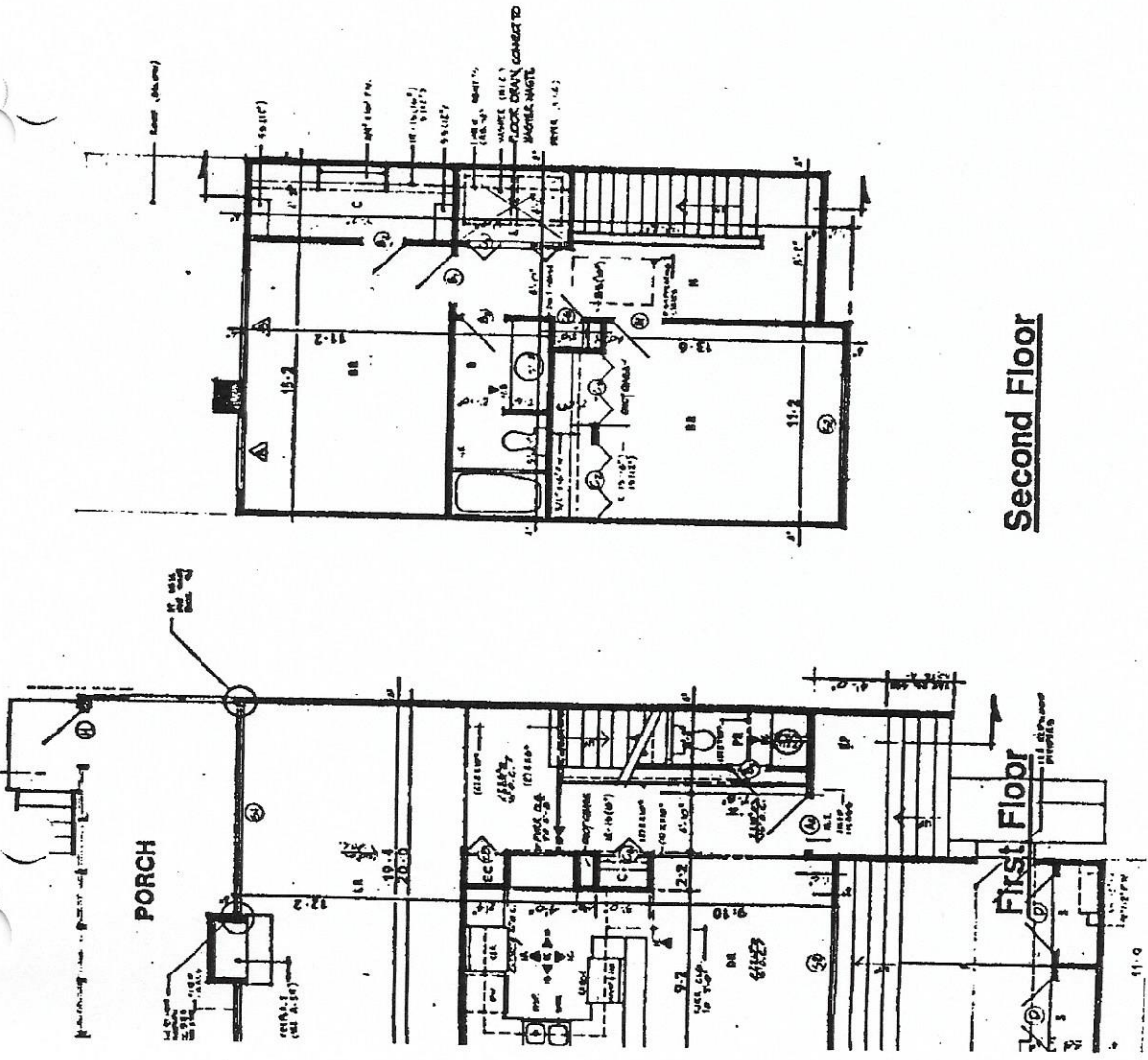
Belle Isle
Horizontal Property
Regime

Net area Square feet

first floor	612.5
second floor	612.5
porch	148.0
Total	1373.0

I certify that this floor plan accurately represents a Type 2A dwelling designed for Belle Isle horizontal property regime; showing the dimensions, area and location of common elements affording access to such dwelling.

PAGE 893



Second Floor

EXHIBIT C

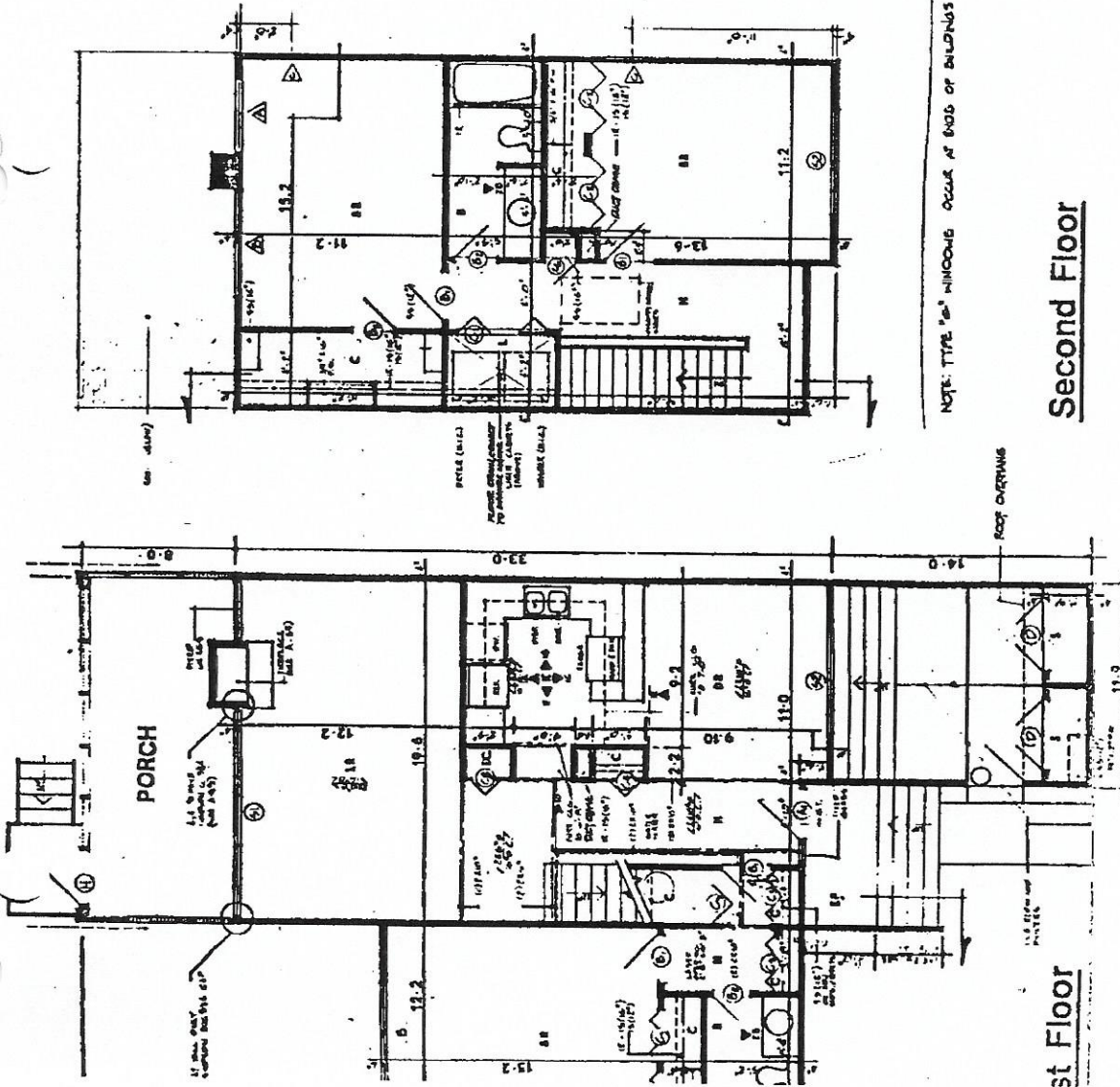
3A UNIT PLANS

Belle Isle
Horizontal Property
Regime

Net area Square feet

first floor	884.5
second floor	612.5
porch	148.0
Total	1645.0

I certify that this floor plan accurately represents a Type 3A dwelling designed for Belle Isle horizontal property regime; showing the dimensions, area and location of common elements affording access to such dwelling.



NOTE: TYPE 3A DWELLING OCCURS AT 805 OF BUILDINGS ONLY

1st Floor

Second Floor

EXHIBIT C

4A UNIT PLANS

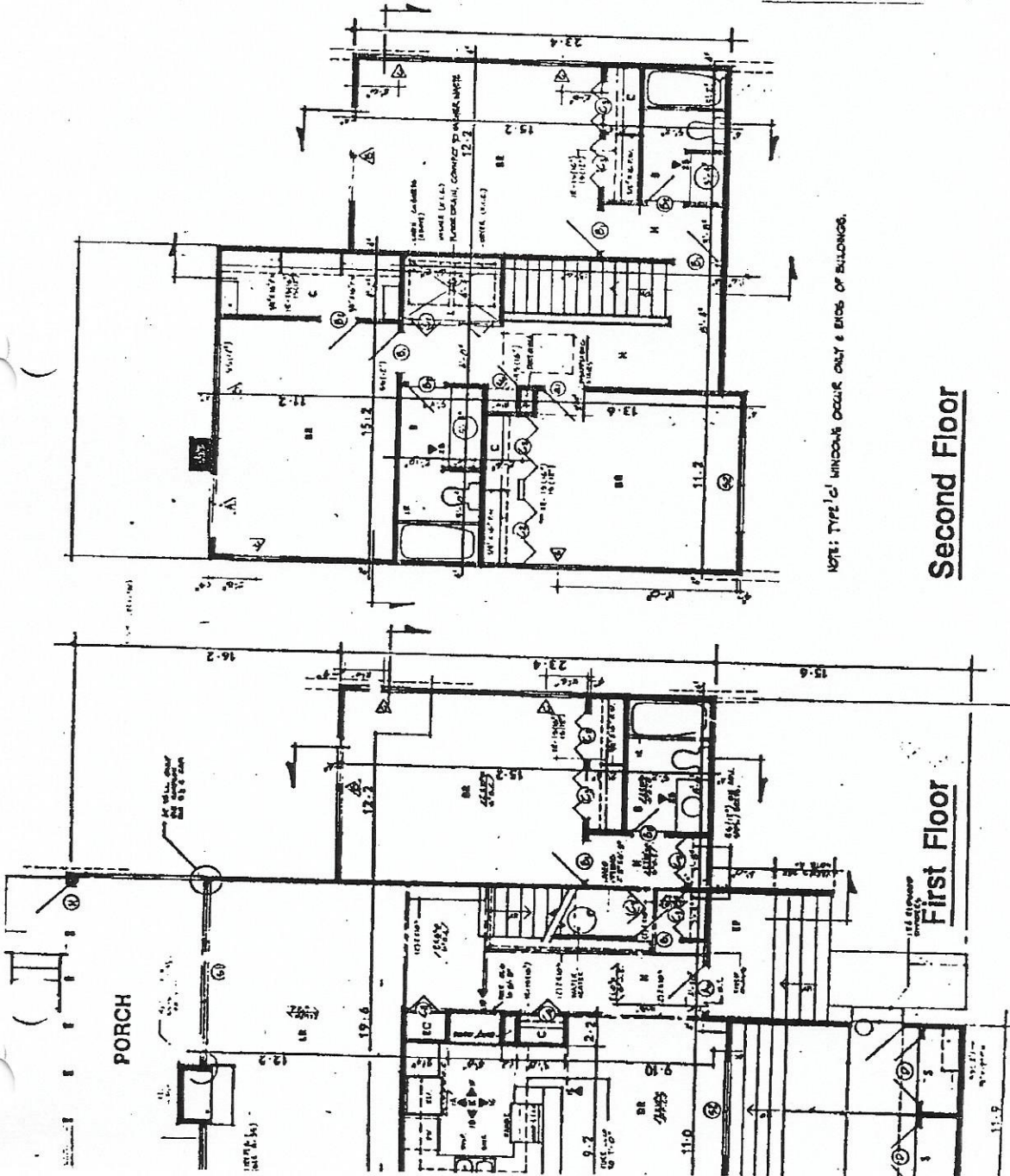
Belle Isle
Horizontal Property
Regime

Net area Square feet

first floor	884.5
second floor	884.5
porch	148.0
Total	1917.0

I certify that this floor plan accurately represents a Type 4A dwelling designed for Belle Isle horizontal property regime; showing the dimensions, area and location of common elements affording access to such dwelling;

172 PAGE 89



Second Floor

First Floor

EXHIBIT C

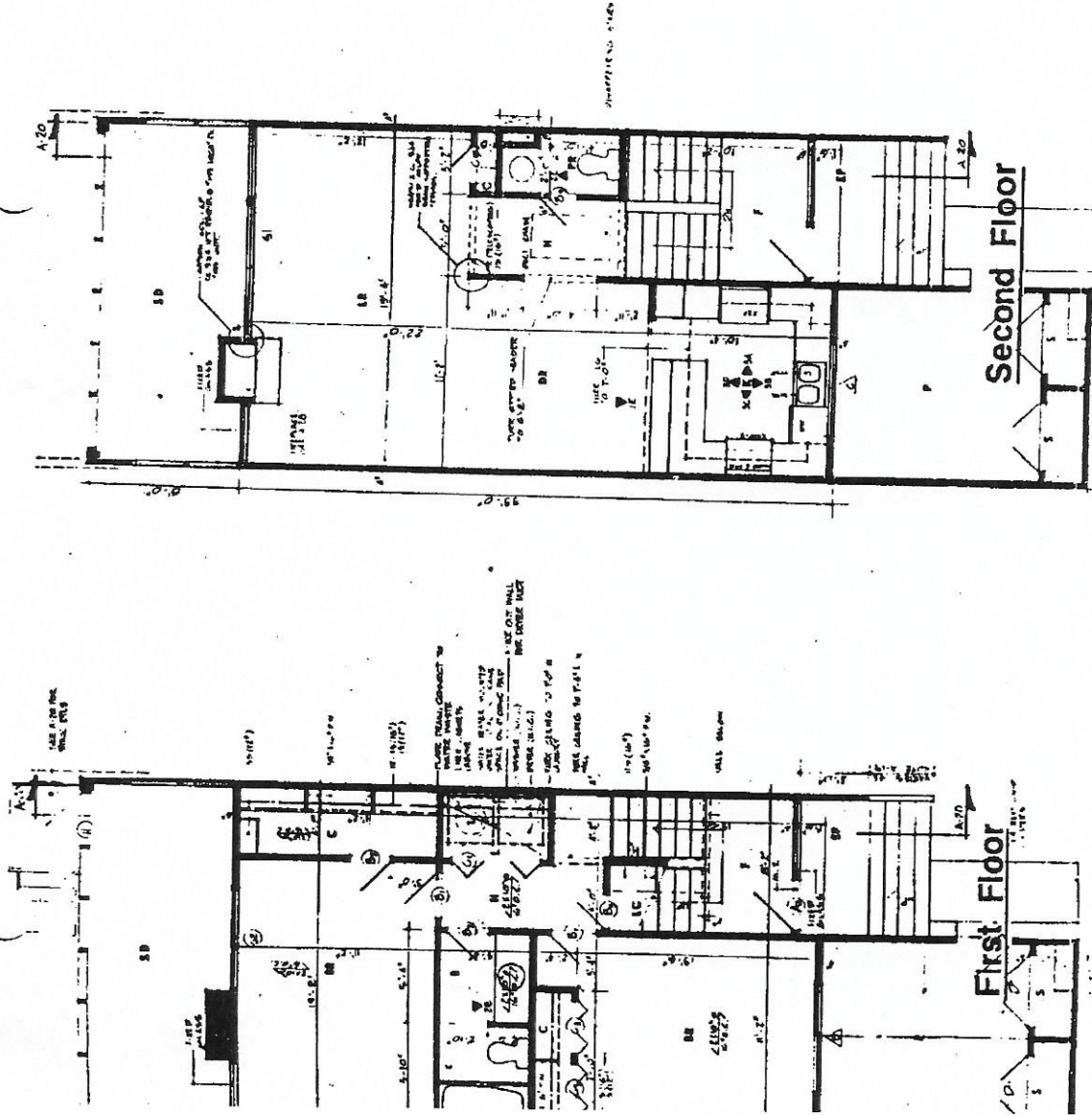
2B UNIT PLANS

Belle Isle
Horizontal Property
Regime

Net area Square feet

first floor	612.5
second floor	612.5
porches	296.0
Total	1521.0

I certify that this floor plan accurately represents a Type 2B dwelling designed for Belle Isle horizontal property regime; showing the dimensions, area and location of common elements affording access to such dwelling



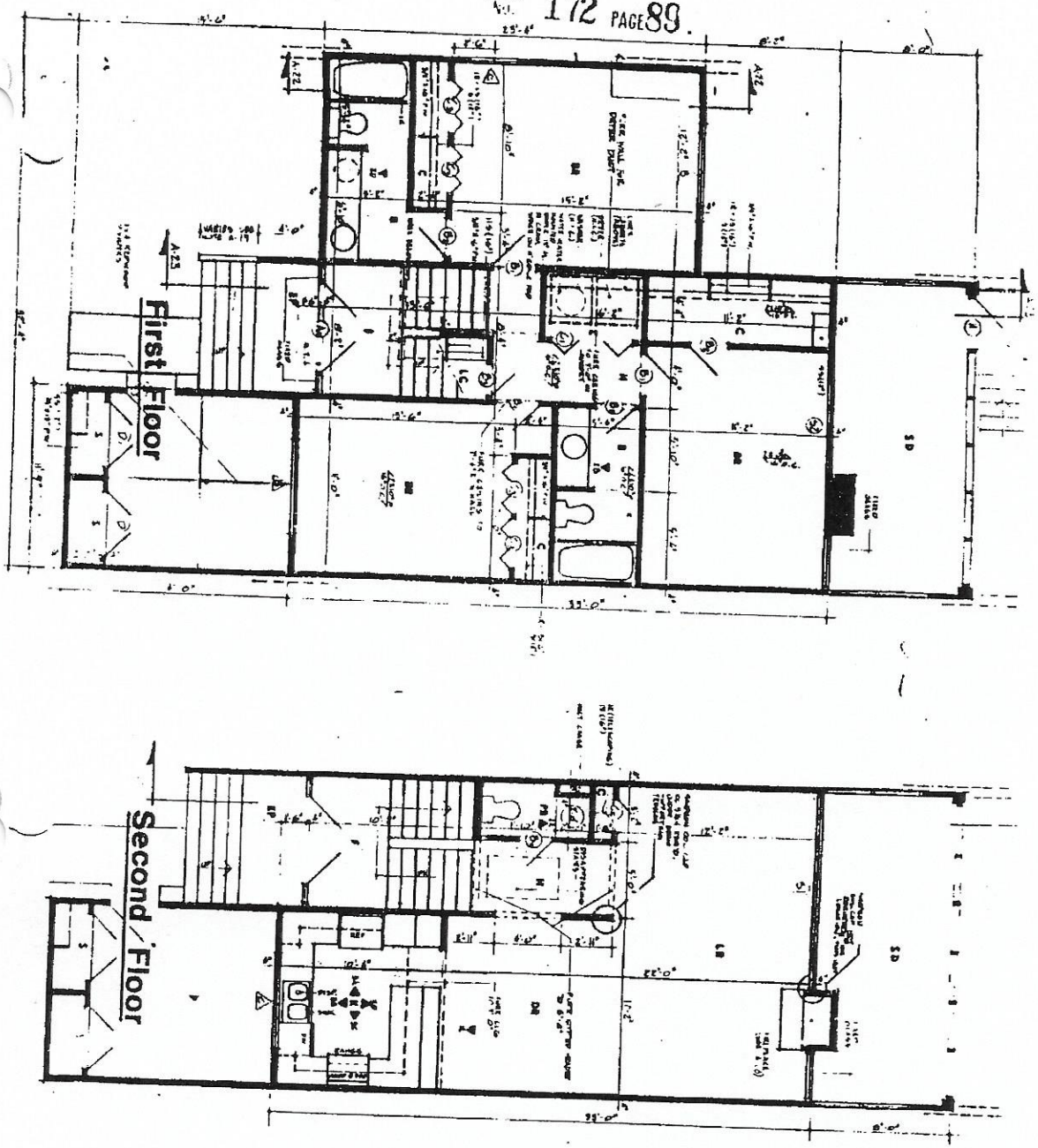


EXHIBIT C
3B
UNIT PLAN

Belle Isle
 Horizontal Property
 Regime

Net area	Square
first floor	884.5
second floor	612.5
porches	296.0
Total	1793.0

I certify that this Floor p.
 accurately represents a Type
 dwelling designed for Belle
 horizontal property regime;
 showing the dimensions, area
 and location of common eleme
 affording access to such dwe

William D. [Signature]

BY-LAWS
OF
BELLE ISLE
HORIZONTAL PROPERTY REGIME

FILED
RITTY L. WILLIAMS
CLERK
SEP 26 2 57 PM '79
BOOK _____ PAGE _____

THESE BY-LAWS OF BELLE ISLE HORIZONTAL PROPERTY REGIME are promulgated pursuant to the Horizontal Property Act of South Carolina (the "Act") for the purpose of governing The Council of Co-Owners of Belle Isle Horizontal Property Regime (the "Council") and administering the Property which has been dedicated to Belle Isle Horizontal Property Regime (the "Regime") by Master Deed dated September 25, 1979, of record with the Office of the Clerk of Court for Georgetown County, South Carolina. The terms herein are defined in said Master Deed by which the Property is so constituted, and these By-Laws incorporate and are subject to the provisions of said Master Deed.

ARTICLE I
Council of Co-Owners

1. **MEMBERSHIP:** Every Owner shall be a member of the Council. The holding of title to a Dwelling merely as security for payment of a debt shall not entitle such holder to exercise the rights of an Owner unless such holder has been conferred such rights by proxy.
2. **VOTING:** At meetings of the Co-Owners convened in accordance with these By-Laws, every Owner of every Dwelling shall be entitled to cast one vote on all matters for which a vote is taken except as otherwise prohibited within this section. Each such vote shall be assigned a percentage weight which corresponds to the Owner's percentage interest in the Common Elements of the Regime as set forth in Article I, Section 7 of the Master Deed. Any Co-Owner who is more than one month in arrears in the payment of the assessment for Common Expenses shall be temporarily deprived from executing the right to vote at the meetings of the Council until such debt is fully paid. At each meeting of the Association, the Treasurer shall have available a list of all Co-Owners who are thus in arrears, and said list shall be presumed to be correct unless proven in error.
3. **PROXIES:** Any Owner may delegate the votes to which he is entitled to an agent so designated by written proxy delivered to the Secretary of the Council. Unless otherwise stated therein, a proxy shall be deemed to confer the authority to execute consents and waivers and to examine the books and records of the Council. All proxies shall be deemed revocable at will unless otherwise specified therein.
4. **OWNER'S REPRESENTATIVE:** 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 by any associate thereof; a trust by any trustee thereof; an estate by its executor; and any other legal entity shall act by any duly constituted managing agent thereof. When an Owner consist of two or more persons or entities, any one of such shall be deemed authorized to act for all in taking any action on behalf of such Owner unless another of such objects, in which case such persons or entities shall act individually in proportion to their respective interest in their Dwelling.
5. **CONSENTS:** Any action which may be taken by a vote of the Owners may also be taken by written consent to such action signed by all Owners.
6. **MAJORITY RULE:** All action taken by a vote of the Owners shall be by the affirmative vote of the Owners of fifty one (51%) percent or more of the basic value of the Property as a whole, as determined by their interest in the Common Elements.

ARTICLE II
Meetings of Membership

1. ORGANIZATIONAL MEETING: The organizational meeting shall be held at such time as Grantor deems appropriate but no later than thirty (30) days following that on which Grantor ceases to own any Dwelling within the Property. The primary purpose of such meeting shall be to elect a Board of Directors as provided in Article III of these By-Laws. In the event the Property as described in the Master Deed on the date of its recordation, is expanded to include Phase I as described and provided for within the Master Deed, there shall be no organizational meeting, and in lieu thereof, an annual meeting of the Co-Owners of all Dwellings within the Property as then expanded shall be held in accordance with these By-Laws.
2. ANNUAL MEETINGS: An annual meeting of the Owners shall be held on the third Saturday of the first month of each fiscal year of the Council, or at such other time as the Board of Directors may determine. At each Annual meeting, the Co-Owners voting in person or by proxy shall elect directors to fill the positions then expiring, shall review the current budget adopted for the Council by its Board of Directors, and transact such other business as may properly be brought before the meeting, not inconsistent with the powers vested in the Council as limited by law, the Master Deed or these By-Laws.
3. SPECIAL MEETINGS: Special meetings of the Owners 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 written request of a Majority of the Owners owning fifty one (51%) percent of the basic value of the property. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Owners waive notice of additional business or thereafter provide written consent of such transaction.
4. NOTICE OF MEETINGS: Written notice of every annual or special meeting, and of the organizational meeting shall be given to every Owner not less than ten (10) nor more than thirty (30) days in advance of such meeting. Such notice shall state the time, date and place of the meeting and, in the case of a special meeting, the business proposed to be transacted thereat.
5. WAIVER OF NOTICE: Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may in writing waive notice of any meeting either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by Proxy, shall be deemed waiver of notice by such Owner unless lack of proper notice is specifically objected to by such Owners at the time the meeting is called to order, or in the case of a special meeting, before the business of which proper notice was not given is put to vote.
6. QUORUM: A majority of the Owners, that being the Owners of fifty one (51%) percent or more of the basic value of the Property as determined by their interest in the Common Elements, shall constitute a quorum. When a quorum is not represented at a meeting of the membership, then a majority of such members as are represented at that meeting may adjourn the meeting from time to time until a quorum is present, and any proxies given with respect thereto shall continue to be valid unless specifically revoked.
7. PLACE OF MEETING: All meetings of the Owners shall be held upon the Property, or upon the Property of Belle Isle Yacht Club, or at such other place within Georgetown County as the Board of Directors may determine.

8. MEMBERSHIP LIST: The Secretary of the Council shall prepare, at least ten (10) days prior to every Council meeting, a complete list of Co-Owners entitled to vote at the meeting, arranged in alphabetical order and showing the Dwelling owned and percentage vote of each Co-Owner. Such list shall be available for examination by any Co-Owner during ordinary business hours during the ten days prior to the scheduled meeting and shall also be kept at such meeting and may be inspected by any Co-Owner who is present. The record date for determining Co-Owners entitled to notice of or to vote at any meeting of the Council shall be 5:00 o'clock P.M. on the day preceeding the day on which notice is mailed, or if notice is waive, at 5:00 o'clock P.M. on the day preceeding that on which the meeting is held.

9. ORDER OF BUSINESS: The order of business at all annual meetings of the Council shall be as follows:

- A. Roll Call
- B. Proof of Proper Notice or Waiver of Notice
- C. Approval of minutes of proceeding meeting
- D. Report of the Board of Directors
- E. Report of Officers
- F. Report of Committees
- G. Nomination of Directors (when required)
- H. Election of inspectors of election (when required)
- I. Election of Directors (when required)
- J. Unfinished business
- K. New business

10. MINUTES: The Secretary of the Council shall be responsible for preparing and keeping accurate minutes of every Council meeting. Such minutes shall be made available for examination and copying by an Owner at any reasonable time.

ARTICLE III
Board of Directors

1. FORM OF ADMINISTRATION: The administration of the Council and the Property shall be vested in a Board of Directors consisting of Seven (7) Owners elected from and by the membership.

2. QUALIFICATION: Only the record Owner of a Dwelling within the Property, or such Owner's spouse, may be elected or continue to serve as a Director of the Council.

3. ELECTION AND TERM: The initial Board of Directors shall be elected at the organizational meeting of the Council. Two Directors shall be elected to serve until the first annual meeting of the Owners, two Directors shall be elected to serve until the second annual meeting of the Owners and three Directors shall be elected to serve until the third annual meeting of the Owners, with those elected receiving the greatest number of votes serving the longest terms. At each annual meeting of the Owners, a Director or Directors shall be elected to succeed the Director or Directors whose term or terms expire at such meeting. Each Director shall hold office until his successor is elected or until his death, resignation, or removal as provided in these By-Laws. If, before such organizational meeting is required to be held, the Property is expanded to include Phase I as described and provided for within the Master Deed, then those Directors who have previously been elected by Dwelling Owners within Phase I shall continue to serve their respective terms as Directors of this Council, with all Co-Owners of the Property, as then expanded, participating to elect successive Directors as such terms expire.

4. REMOVAL: A Director may be removed from office with or without cause by the affirmative vote of a majority of the Owners at any annual or special meeting and in such event, a successor shall be elected to fill the vacancy thus created.

5. VACANCIES: Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the Owners shall be filled by an Owner elected by affirmative vote of a majority of the remaining Directors.

6. AUTHORITIES AND DUTIES: The authorities and duties of the Board of Directors shall include the following:

- A. To provide for the surveillance and security of the Property
- B. To provide for the maintenance, repair and replacement of the Common Elements.
- C. To prepare an annual budget for Common Expenses to be prorated among all Owners during the ensuing fiscal year on the basis of percentage interest as defined in the Master Deed.
- D. To collect from the Owners their respective shares of Common Expenses.
- E. To account for all income and expenses of the Council.
- F. To insure the Property as hereinafter provided.
- G. To enact reasonable regulations governing the operation and use of the Common Elements.
- H. To enforce the terms of the Act, the Master Deed, and these By-Laws and such regulations as may be established pursuant hereto.
- I. To administer, or cause to be administered through management contract, the affairs of the Council and the operation, maintenance, repair, and replacement of Common Elements on behalf of and for the benefit of all Owners.
- J. To appoint an architectural Control Committee as provided by Article V, Section 5 of these By-Laws.

7. VOTING: Each Director shall have one (1) vote on all matters acted upon by the Board of Directors. The vote of a Director shall be cast only by such Director personally at a meeting of the Board of Directors convened in accordance with these By-Laws. The affirmative vote of a simple majority of the Directors present at the time of a vote, if a quorum is present at such time, shall be sufficient for any action unless otherwise specified in these By-Laws.

8. QUORUM: A majority of the Directors shall constitute a quorum for the transaction of business.

9. 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.

10. REGULAR MEETINGS: Regular meetings of the Board of Directors shall be held on the third Saturday of January and on the same day of every third month thereafter at such time and place as the Board of Directors may determine or at such other interval date, time, and place as the Board of Directors may determine.

11. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the President of the Council, and shall be called upon written request of a majority of Directors subject to the same notice requirement set forth in Article II, Section 4 of these By-Laws.

12. MINUTES OF MEETINGS: The Secretary of the Council shall be responsible for the preparation and keeping of accurate minutes of every meeting of the Board of Directors. All such minutes shall be made available for examination by any Owner at any reasonable time.

13. COMPENSATION: The Directors shall serve without compensation but shall be entitled to reimbursement by the Council for expenses incurred in the conduct of their duties insofar as such reimbursement is approved by the Council and funds are so provided or available.

ARTICLE IV
OFFICERS

1. 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 the Secretary and to the Treasurer and such other officers as may be necessary from time to time. The offices of the Secretary and the Treasurer may be filled by the same individual.
2. QUALIFICATIONS: The President and the Vice President must be Directors, and all other officers must be individuals who are qualified to be Directors.
3. ELECTION AND TERM: Officers of the Council shall be elected at the first regular or special meeting of the Board of Directors following the annual meeting of Owners 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 reelected to any number of terms.
4. REMOVAL: Any officer may be removed from office at any time with or without cause by the Board of Directors or by the Owners. An officer removed by the Board of Directors or by the Owners shall be replaced by same as the case may be.
5. PRESIDENT: The President shall be the chief executive officer of the Council and Chairman of the Board of Directors. He shall preside at all meetings of the Council and of the Board of Directors at which he is present. He shall have all of the general powers and duties which are usually vested in the office of president of a Corporation, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Council.
6. 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. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Director to take the place and perform the duties of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
7. SECRETARY: The Secretary shall keep the minutes of all meetings of the Owners and of the Board of Directors, shall have charge of such books and papers as the Board of Directors may direct, and shall in general perform all the duties incident to the office of secretary of a Corporation.
8. 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. If a Manager is employed as hereinafter provided, 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 if the Board of Directors so determines, 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.
9. COMPENSATION: The officers may receive such compensation as the Owners may determine and shall be entitled to reimbursement by the Council for expenses incurred in the conduct of their duties insofar as such reimbursement is approved by the Council and funds are so provided or available.

ARTICLE V
COMMITTEES

1. Appointment: Except as otherwise provided under Section 5 of this Article, Committees may be appointed by and at the pleasure of the President to promote and assist in fulfilling the purposes for which the Council has been organized. In so doing, the President may appoint a chairman of such committees and allow such chairmen to choose the members of the committee over which he presides.

2. TYPE AND TERM: Committees provided for under this Article shall be of the following types:

(a) Executive Committees comprised of three or more incumbent Directors appointed to transact routine business between Board Meetings and respond to emergencies which may arise during such interim periods.

(b) Standing Committees serving to function through the fiscal year with the following being provided by these By-Laws:

- (1) Architectural Control Committee
- (2) Garden and Grounds Committee
- (3) Nominating and Election Inspection Committee
- (4) Welcome Committee

(c) Special Committees appointed to perform some special tasks, secure information, make investigations, and submit reports or recommendations to the Board of Directors. Special Committees shall serve a temporary term, and shall cease to function following the completion of the task for which it was created.

3. Committee Meetings: The chairman of a committee shall hold such committee meetings as he deems necessary or as called by the President.

4. Committee Reports: Reports of each Committee shall be submitted by its Chairman to the Board of Directors at the meeting of the Board of Directors next following the committee meeting. An annual report for each standing committee shall be presented to the membership at large at annual meetings thereof.

5. Architectural Control: The architectural and aesthetic integrity of the Property shall be maintained and safeguarded for the benefit of all Co-Owners by an architectural Control Committee composed of any three (3) Co-Owners appointed by the Board of Directors. In the event that an Architectural Control Committee is not appointed by the Board of Directors, or fails to function in the capacity set forth herein, then the Board of Directors shall constitute such Committee. Except for the construction of Buildings, Dwellings, and Common Elements by the Grantor, any act or installation performed on or to the Property which would alter the structure, design, or outward appearance thereof, shall be prohibited unless approved in writing by the Architectural Control Committee in each instance, pursuant to reasonable guidelines adopted by such committee to insure the safety and appearance of the Condominium Property.

ARTICLE VI
Manager

1. EMPLOYMENT: The Board of Directors may employ a Manager to assist in or take charge of the administration of the Council and the Property.

2. QUALIFICATION: The Manager may be an individual 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 office of the Council shall be the Manager.

3. AUTHORITY AND DUTIES: The Manager shall have such authority and duties as may be determined by the Board of Directors and shall report to the Board of Directors or to the President, as the Board of Directors may determine.
4. COMPENSATION: The Manager shall receive such compensation as the Board of Directors may determine.

ARTICLE VII
Finances

1. FISCAL YEAR: The fiscal year of the Council shall begin July first and end June thirtieth, unless the Board of Directors shall otherwise determine.
2. BUDGET: Within thirty (30) days prior to the beginning of each fiscal year, the Board of Directors shall cause to be prepared a statement of the estimated cost of maintaining and operating the Regime Council during the ensuing fiscal year, and the amount of monies required to establish reasonable reserves for the payment of future or unforeseen Common Expenses, less any surplus from the operation of prior years, if any; and shall cause to be prepared a schedule of monthly assessments against each unit Owner for his share of such estimated cost of maintaining and operating properties of this Regime for such ensuing year. The Board of Directors shall thereupon call a meeting of the Regime Council for the purpose of reviewing said budget. Unless disapproved by a Resolution of the Regime Council adopted by a affirmative vote of Fifty-One (51%) percent of the votes entitled to be cast at such meeting, such budget shall be deemed adopted and deemed to be the levy of assessment of each Co-Owner of his share of the expenses so approved, which share shall be due based upon the percentage that said amount represents as set forth in relationship to his pro-rata unit value as such value compares to the total value of said units as expressed in the Master Deed. Upon resolution of the Board of Directors, the budget and the assessments levied pursuant to this section may be adjusted as necessary to meet Common Expenses.
3. REGULAR ASSESSMENTS: The funds required by the Budget shall be collected from the Owners by the Board of Directors in equal monthly, quarterly, or annual assessments as the Board of Directors may determine.
4. 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 Owners shall be collected from the Owners by the Board of Directors in such installments as the Board of Directors shall determine.
5. INDIVIDUAL ASSESSMENTS: Any payments to the Council which one or more, but less than all, of the Owners shall be obligated to make pursuant to the terms of the Act, the Master Deed or these By-Laws shall be due upon demand and shall be collected by the Board of Directors.
6. RESERVES: The Board of Directors shall build up, maintain, and periodically review reasonable reserves for working capital, operations, and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against reserves. If the reserves are inadequate for any reason, including non-payment of any Co-Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Co-Owners according to their respective percentage assigned in the Common Elements, and which may be payable in a lump sum or in installments as the Board of Directors determines. The Board of Directors shall serve notice of any such further assessment on all Co-Owners by a statement in writing giving the amount and reason therefor, and such further assessment shall, unless otherwise specified in the

notice, become effective and collectible immediately. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these By-Laws and the Act, including without limitation, the right reserved to the Board of Directors to accelerate payment of assessments and the right to recover attorney's fees and costs.

7. COLLECTION: Owners shall be personally liable for all assessments and shall pay the same to the Council promptly when due without any deduction or setoff whatsoever, and without any escrow or other tactic which would preclude the Council from receipt of such funds to meet the Common Expenses established in the Annual Budget. The Board of Directors shall take prompt and appropriate action to collect by suit, foreclosure or other lawful method any overdue assessment, and if collected by attorney or by action at law, the Owner owing the same shall be required to pay all reasonable costs of collection, including attorney's fees. Upon default of any Owner in the payment of two or more consecutive installments of any assessment for Common Expenses levied for the fiscal year, the entire balance of said annual assessment may be accelerated at the option of the Board of Directors and thereby become immediately due and payable in full.

8. PENALTY: An assessment not paid within ten (10) days following the date when due shall bear a penalty of five dollars (\$5.00) plus one percent (1%) of the assessment per month from the date when due. The penalty shall be added to and collected in the same manner as assessment.

9. 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. 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 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 Owner at any reasonable time.

10. PAYMENTS: The Board of Directors shall provide for payment of all debts of the Council from the funds collected from the 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 Five (5%) percent of the monthly assessment base 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 an officer of the Council. If a Manager is employed, the Board of Directors may authorize the Manager to draw checks upon the account of the Council to pay expenditures specifically approved in the Budget. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

11. BONDING: The Board of Directors may secure from a surety company rated "A+10" or better by Best's Insurance Reports a fidelity bond in an amount of not less than double the monthly assessment base 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.

12. ACCOUNTING AND AUDITS: All books and records of the Council shall be kept in accordance with good and accepted accounting practices, and an outside audit may be made at least once a year, the cost of which shall be a Common Expense.

ARTICLE VIII
Maintenance and Improvements

1. MAINTENANCE BY BOARD OF DIRECTORS: The Board of Directors shall provide for the maintenance, repair and replacement of the Common Elements, including the Limited Common Elements, except outside lights attached to a Dwelling, and shall employ and dismiss the personnel or management agents required for such maintenance, repair and replacement. The Board of Directors shall also provide for the maintenance, repair and replacement of such other portions of the Dwellings as a Majority of the Owners may determine from time to time.
2. MAINTENANCE BY OWNERS: Each Owner shall maintain his Dwelling, except the exterior portions thereof which are maintained by the Board of Directors, in good condition and repair. Each Owner shall also provide for the routine sweeping and cleaning of all Limited Common Elements reserved for the use of his Dwelling exclusively and shall maintain such Limited Common Elements in a clean and orderly condition.
3. DEFAULT BY OWNER: In the event that any Owner fails to perform the maintenance required of such Owner by these By-Laws or by any lawful regulation enacted pursuant hereto and such failure creates or permits a condition which is hazardous to life, health or property or which unreasonably interferes with the rights of another Owner or which substantially detracts from the value or appearance of the Property, the Board of Directors upon (3/4) affirmative vote thereof shall, after giving such Owner reasonable notice and opportunity to perform such maintenance, cause such maintenance to be performed and charge all reasonable expenses of so doing to such Owner by an individual assessment.
4. EXPENSES: Except as hereinafter provided, the expenses of all maintenance, repair and replacement provided by the Board of Directors shall be Common Expenses. The expenses of maintenance, repair or replacement which are necessitated by 1) the failure of an Owner to perform the maintenance required by these By-Laws or by any lawful regulation enacted pursuant hereto, 2) the willful act, neglect or abuse of an Owner, or 3) an uninsured loss which is to borne by an Owner in accordance with Article VIII of these ByLaws shall be charged to such Owner by an individual assessment.
5. 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 Owners, and the cost of such improvements shall be Common Expenses.

ARTICLE IX
Repair and Restoration

1. DECISION OF OWNERS: In the event of substantial damage to or destruction of any portion of the Property, the damage or destruction shall promptly be appraised by the Board of Directors. If more than two-thirds (2/3rds) of the Property has been destroyed, the Board of Directors shall promptly call a special meeting of the Owners to determine in the manner provided in the Master Deed whether the Property be reconstructed. In the event that the Owners determine not to reconstruct the Property, the Secretary shall execute a certificate to that effect and cause the same to be recorded in the same manner as these By-Laws.
2. RECONSTRUCTION: Unless the 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. Such reconstruction shall encompass and include repair and replacement of all floor coverings, fixtures, and appliances originally installed in a Dwelling per original plans and specifications when constructed or equivalent replacements thereof installed at a subsequent time. If the cost of such reconstruction exceeds Ten Thousand dollars (\$10,000.00), the Board of Directors shall employ an architect licensed to practice in the jurisdiction or jurisdiction in which the Property is situated to supervise the reconstruction. It shall be the duty of such architect to inspect the reconstruction at regular intervals and submit written authorization to the Insurance Trustee hereinafter defined for the payment for work performed. When an architect is not required, the Board of Directors may perform such inspections and submit such authorizations.

3. **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. If such insurance proceeds do not cover the cost of reconstruction, the deficiency shall be borne by the Owners in proportion to their respective interests in the portion or portions of the Property reconstructed.

ARTICLE X
Condemnation

1. **RIGHTS OF OWNERS:** If any portion of the Property is condemned by any authority having the power to eminent domain, each Owner shall be entitled to receive notice of such condemnation and to participate in the proceedings incident thereto unless otherwise prohibited by law. Each 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.

2. **RIGHTS 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 promptly pay such award to the Insurance Trustee hereinafter identified as trustee for the Owners to be disbursed in the same manner as if it were insurance proceeds. The Board of Directors shall promptly call a special meeting of the Owners to determine whether any condemned portion of the Common Elements shall be replaced. If the Owners determine 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 XI
Insurance

1. **HAZARD INSURANCE:** The Board of Directors shall insure the Property for the full replacement cost thereof against all hazards and risks normally covered by a standard "all-risk" policy, including fire and lightning, the hazards and risks covered by "extended coverage", and vandalism and malicious mischief. The amount of insurance to be obtained shall be determined by an annual appraisal of the replacement cost of the Property without regard to depreciation and the premium therefore shall be a Common Expense. Such insurance shall cover only the Dwellings and the Common Elements. No insurance of the contents of any Dwelling (other than the fixtures originally installed therein by Grantor in accordance with original plans and specifications) or any improvements made to a Dwelling by the Owner shall be provided by the Board of Directors. The hazard insurance obtained by the Board of Directors may provide that an amount not to exceed One Thousand Dollars (\$1,000.00) shall be deductible from any indemnity payable on account of a single loss, and any such

deductible portion shall be borne by the Owners affected by a loss in the same proportion as the cost of repairing the damage suffered by a Dwelling Owner bears to the total cost of repairing all damage so suffered by such Owners

2. **LIABILITY INSURANCE:** The Board of Directors shall also obtain premises liability insurance on the Property providing for a single-limit indemnity of not less than One Million Dollars (\$1,000,000.00) and covering bodily and personal injury and property damage. Such liability insurance shall cover claims of one or more Owners against one or more owners as well as claims of third parties against one or more Owners. The Board of Directors shall not be required, however, to obtain public liability insurance covering accidents occurring within the limits of a Dwelling or off the Property. If available at a reasonable cost, the Board of Directors shall cause premises medical payment coverage to be included within the policy of liability insurance.

3. **GENERAL PROVISIONS:** All insurance obtained on the Property by the Board of Directors shall be written in the name of the Board of Directors as Trustee for the Owners, as herein provided, and the cost of such insurance shall be a Common Expense. All such insurance shall be obtained from a company or companies licensed to do business in the State of South Carolina and rated "A+10" or better by Best's Insurance Reports. No such insurance shall be permitted to expire except upon resolution of a Majority of the Owners to that effect. Certificates of all policies of hazard insurance obtained on the Property by the Board of Directors for the Owners shall be delivered upon request to any Owner or any person holding a security interest in the Dwelling.

4. **HAZARD POLICY PROVISIONS:** All policies of hazard insurance on the Property obtained by the Board of Directors for the Owners shall provide as follows:

- A. The indemnity payable on account of any damage to or destruction of the Property shall be payable to any persons holding security interests in any Dwelling as their interests may appear;
- B. The policy shall not be cancelled without thirty (30) days' prior written notice to the Board of Directors and to every holder of a security interest in any Dwelling who is named in the policy or an endorsement thereto;
- C. No Owner shall be prohibited from insuring his own Dwelling for his own benefit;
- D. The indemnity payable on account of any damage to or destruction of the Property shall not be reduced on account of any insurance obtained by an Owner on his own Dwelling for his own benefit;
- E. No right of subrogation shall exist against any Owner or members of his household or his social guests;
- F. The insurer shall not be entitled to reconstruct in lieu of paying the indemnity in cash if the Owners determine in the manner provided in the Master Deed not to repair or restore the Property; and
- G. The policy shall not be cancelled on account of the actions of one or more, but fewer than a Majority, of the Owners.

If a policy of insurance containing all of the foregoing provisions cannot be obtained at a reasonable cost, one or more of such provisions may be waived by unanimous resolution of the Board of Directors preceded by ten (10) days notice to every Owner or by resolution of a Majority of the Owners.

5. CLAIMS: The Board of Directors shall have exclusive authority to negotiate and settle on behalf of the Owners all claims arising under policies of hazard insurance obtained on the Property by the Board of Directors for the Owners. In the event of damage to or destruction of any portion of the Property, the Board of Directors shall promptly file claim for any indemnity due under any such policies. The Board of Directors shall simultaneously notify the holders of any security interests in the Property who may be entitled to participate in such claim of the filing of the same.

6. INSURANCE PROCEEDS: The net proceeds from any indemnity paid under a policy of hazard insurance obtained on the Property by the Board of Directors for the Owners shall be paid to the Board of Directors as trustee for the Owners as herein provided. The Board of Directors may itself act as Insurance Trustee for the Owners, and thereby disburse such proceeds in accordance with these By-Laws; or the Board of Directors may appoint a state or federally chartered bank having trust powers and capital and surplus of Five Million Dollars (\$5,000,000.00) or more to act as Insurance Trustee and disburse such proceeds. The Insurance Trustee shall hold the insurance proceeds in trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

A. If the Owners determine in the manner provided in the Master Deed not to reconstruct the Property, the Insurance Trustee shall distribute the insurance proceeds among all the Owners in proportion to their respective interests in the portion or portions of the Property damaged or destroyed.

B. If the Board of Directors is required to provide for the reconstruction of the Property, the Insurance Trustee shall disburse the insurance proceeds to the person or persons employed by the Board of Directors to effect such reconstruction in accordance with written authorizations submitted to the Insurance Trustee by the Architect supervising the reconstruction or by the Board of Directors. Any portion of the insurance proceeds remaining after all the costs of reconstructing the Property have been paid shall be disbursed to the Owners in proportion to their interests in the portion or portions of the Property reconstructed.

In making disbursements of the insurance proceeds, the Insurance Trustee shall be entitled to rely without further inquiry upon the written authorization submitted as provided above or upon any written certification of facts submitted to the Insurance Trustee by the Board of Directors as hereinafter provided. The Insurance Trustee shall in no event be responsible for obtaining insurance on the Property, paying the premiums on any such insurance or filing claims for any payments due under any such insurance.

7. INSURANCE BY OWNERS: Each Owner shall be responsible for obtaining such amounts of the following types of insurance as he deems necessary or desirable:

1. Hazard Insurance on his Dwelling for his own benefit;
2. Hazard insurance on the contents of his Dwelling and on improvements made to his Dwelling in addition to, or in excess of the value of, those installed or specified per original plans of Grantor, and
3. Liability insurance covering accidents occurring without the boundaries of his Dwelling.

Any owner who obtains hazard insurance on his Dwelling for his own benefit shall within thirty (30) days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance.

ARTICLE XII Regulations

1. ADOPTION: The Board of Directors shall 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 Owner shall be bound by any newly adopted Regulations or any amendment or repeal of an existing Regulation until a copy of the same has been delivered to such Owner.

2. ENFORCEMENT: The Board of Directors shall enforce the terms of the Act, the Master Deed and these By-Laws and the Regulations promulgated pursuant hereto and shall take prompt and appropriate action to correct any violations of the same. In addition to any other remedy to which the Council or any Owner may be entitled, the Board of Directors may impose against an 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 or these By-Laws or of the Regulations promulgated pursuant thereto. Such fines shall be collected by individual assessment. Each day during which a violation occurs or continues shall be deemed a separate offense.

3. RESPONSIBILITY OF OWNERS: Each Owner shall be deemed responsible for the conduct of members of his household or any of his tenants, agents, or guests for any liability to the Council or to an Owner for their own acts.

ARTICLE XIII
Liabilities and Indemnification

1. LIABILITY OF OWNERS: All contracts executed by the Council shall incorporate the following recital:

The Council or Co-Owners of Belle Isle Horizontal Property Regime is a Non-Profit Corporation established pursuant to the Horizontal Property Act of South Carolina. No member of the Council shall be liable upon a debt of the Council for an amount in excess of such portion of the debt which the member is required to pay pursuant to the terms of the Master Deed and the By-Laws of Belle Isle Horizontal Property Regime.

2. LIABILITY OF DIRECTORS AND OFFICERS: No Director or officer of the Council shall be liable to any 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 By-Laws.

3. 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:

A. Such liability does not arise from the wilfull misconduct of such Director or officer;

B. Such Director or officer is not required to bear such liability by the terms of the Act, the Master Deed or these By-Laws;

C. 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

D. 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 Owners, including such Director or

officer, in proportion to their respective interests in the Common Elements. The Board of Directors may obtain insurance indemnifying any Director or officer of the Council for any liability claimed or imposed against him by reason of his position as a Director or officer of the Council.

ARTICLE XIV
Seal and Signatures

1. SEAL: The Council shall have a seal inscribed with the name of the Corporation and other such information as the Board of Directors may determine. The Secretary of the Council shall have custody of the seal and shall affix and attest the same upon such documents as the Board of Directors may direct.

2. ATTESTATION OF DOCUMENTS: The presence of the Council seal, attested by the Secretary or an assistant secretary of the Council, on any contract, conveyance or any other document executed on behalf of the Council shall attest:

A. That the Council seal affixed to the document is in fact the seal of the Council;

B. That any 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 each officer subscribed to the document is genuine; and

C. That the execution of the document on behalf of the Council has been duly authorized.

3. CERTIFICATION OF DOCUMENTS: When the seal of the Council is affixed to any document relating to the Property or the Council and is attested 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.

4. CERTIFICATION OF ACTIONS AND FACTS: When a written statement setting forth (1) actions taken by the Owners or by the Board of Directors or (2) facts relating to the Property or the Council as determined by the Board of Directors is executed by the Secretary or an assistant secretary of the Council bears the seal of the Council, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

5. ABSENCE OF SEAL: The absence of the seal of the Council from any contract, conveyance or other document executed on behalf of the Council shall not impair the validity of such contract, conveyance or document or of any action taken pursuant thereto or in reliance thereon, but the person relying on the same shall bear the burden of establishing that the execution of the same was duly authorized and accomplished on behalf of the Council.

ARTICLE XV
Amendments

1. PROCEDURE: These By-Laws may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3rds) of the total interest in the Common Elements. No amendment shall be effective unless and until recorded as an amendment to these By-Laws in accordance with the Act.

2. EFFECT: All Owners, tenants of Owners, employees of Owners and tenants, and any other persons that may in any manner use the Property or any part thereof shall be bound to abide by any amendment to these By-Laws duly adopted and recorded as specified herein.

ARTICLE XVI
Miscellaneous

1. RECORD OF OWNERSHIP: Any Owner who acquires title to a Dwelling, except a Director who acquires title to a Dwelling merely as security for a debt, shall promptly inform the Board of Directors of its identity and the date upon and manner in which title to the Dwelling was acquired. The Board of Directors shall maintain a record of the names of all Owners and of the dates upon which they acquired title to their Dwellings.

2. NOTICES: Any notices or documents placed in the mail receptacle or affixed to the front door of a Dwelling by or at the direction of the Board of Directors shall be deemed delivered to the Owner of such Dwelling, unless the Owner of such Dwelling 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 an Owner shall be deemed delivered to the Board of Directors.

3. WAIVER: No provision of these By-Laws 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.

4. CONFLICTS: In the event of any conflict between these By-Laws 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 By-Laws and the Regulations promulgated pursuant hereto, these By-Laws shall control.

5. SEVERABILITY: The provisions of these By-Laws 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.

6. 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 By-Laws or the intent of any provision hereof.

7. GENDER AND NUMBER: All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

ARTICLE XVII
Adoption

IN WITNESS WHEREOF, Belle Isle Gardens Company does hereby adopt these By-Laws as those of the Council of Co-Owners of Belle Isle Horizontal Property Regime which it, as Grantor, has created by Master Deed of Belle Isle Horizontal Property Regime to which these By-Laws are appended.

BELLE ISLE GARDENS COMPANY
BY MCCRORY CONSTRUCTION COMPANY, INC.

BY Marvin L. McCrory
Marvin L. McCrory, President

IN THE PRESENCE OF:

[Signature]