

WITNESSES:

WINDSWEPT VILLAS III COUNCIL
OF CO-OWNERS

Mauglin Summs
Juli J. Maxwille

BY: James K. Dickison
Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named WINDSWEPT VILLAS III COUNCIL OF CO-OWNERS, by James K. Dickison, its President sign, seal and as its act and deed, deliver the within in written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 29th
day of December, 1997

Mauglin Summs

Juli J. Maxwille
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 12-17-06

Exhibit "D"
To Master Deed of
Windswept Villas III Horizontal Property Regime

Table of Percentage Values

<u>Villa #</u>	<u>Floor #</u>	<u>Value</u>	<u>Assigned Villa Configuration</u>	<u>Votes & Percentage Value of Ownership of Common Elements</u>
5101	1st	\$500,000	3A	2.4%
5102	1st	450,000	2	2.2
5103	1st	450,000	2	2.2
5104	1st	450,000	2	2.2
5105	1st	500,000	3D	2.5 ✓
5106	1st	450,000	2	2.2
5107	1st	450,000	2	2.2
5108	1st	500,000	3A	2.4
5109	2nd	500,000	3A	2.4
5110	2nd	450,000	2	2.2
5111	2nd	450,000	2	2.2
5112	2nd	450,000	2	2.2
5113	2nd	500,000	3D	2.5
5114	2nd	450,000	2	2.2
5115	2nd	450,000	2	2.2
5116	2nd	500,000	3A	2.4
✓ 5117	3rd	500,000	3A	2.5
5118	3rd	450,000	2	2.2
5119	3rd	450,000	2	2.2
5120	3rd	450,000	2	2.2
5121	3rd	500,000	3D	2.5
5122	3rd	450,000	2	2.2 ✓
5123	3rd	450,000	2	2.2 ✓
5124	3rd	500,000	3A	2.4
5125	4th	450,000	2	2.2
5126	4th	450,000	2	2.2
5127	4th	450,000	2	2.2
5128	4th	450,000	2	2.2
5129	4th	500,000	3D	2.5 ✓
5130	4th	450,000	2	2.2
5131	4th	450,000	2	2.2
5132	4th	500,000	3A	2.5
5133	5th	450,000	2	2.2
5134	5th	450,000	2	2.2
5135	5th	450,000	2	2.2
5136	5th	450,000	2	2.2
5137	5th	500,000	3D	2.5
5138	5th	450,000	2	2.2
5139	5th	450,000	2	2.2

<u>Villa #</u>	<u>Floor #</u>	<u>Value</u>	<u>Assigned Villa Configuration</u>	<u>Votes & Percentage Value of Ownership of Common Elements</u>
5140	6th	\$450,000	2	2.2
5141	6th	450,000	2	2.2
5142	6th	450,000	2	2.2
5143	6th	450,000	2	2.2
5144	6th	450,000	2	2.2
Utility/ Storage Unit	Ground	1,000	-	0.1
TOTAL		\$20,401,000		100.0%

The above figures are adjusted by rounding. Actual ownership interest represents the value of the individual Villa or Utility/Storage Unit with relation to the value of the whole Property.

H211/c

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED of WINDSWEPT VILLAS III
HORIZONTAL PROPERTY REGIME

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

ARTICLE I
NAME

Section 1.01 Name. The name of the horizontal property regime hereby established shall be Windswept Villas III Horizontal Property Regime (Regime).

ARTICLE II
THE PROPERTY

Section 2.01 Property. The term Property means and includes the Land described in Section 2.02 below and all improvements and structures now existing or subsequently placed on the Land and all easements, rights, and appurtenances belonging thereto.

Section 2.02 Land. The term Land means and includes the land owned in fee simple absolute by Grantor and hereby submitted to a horizontal property regime and is the property described as follows:

All that certain piece, parcel, or tract of land situate, lying and being on Kiawah Island, Charleston County, South Carolina, shown and designated as "Windswept Villas III" on that certain plot plan entitled "Plot Plan Of Windswept Villas III" made by Keith K. Ruddy, R.L.S., dated June 15, 1987, and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, as Exhibit "A" attached hereto and incorporated herein by reference, said property having such size, shape, metes, bounds, buttings, and dimensions as will by reference to said plat more fully appear, and being more particularly described as follows:

Commencing at a point on the southern right-of-way line of Sea Forest Drive 1083.98 feet east of the intersection of said southern right-of-way line of Sea Forest Drive with the easternmost right-of-way line of Mariner's Watch Drive measured along the southern right-of-way line of Sea Forest Drive, said point having state plane coordinates of N280,156.309, E2,277,842.936, being marked by a concrete monument, said point being the POINT OF BEGINNING; thence running along the southern right-of-way line of Sea Forest Drive 159.30 feet along the arc of a curved line having a radius of 319.71 feet and a chord bearing of

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N83°25'11"E to a point marked by a concrete monument; thence continuing running along said right-of-way line S82°18'23"E 122.93 feet to a point marked by a concrete monument; thence continuing running along said right-of-way line 37.67 feet along the arc of a curved line having a radius of 407.50 and a chord bearing of S84°57'16"E to a point marked by a concrete monument; thence turning and running S20°52'35"E 346.82 feet to a point marked by a concrete monument; thence turning and running S69°06'21"W 294.66 feet to a point marked by a concrete monument; thence turning and running N20°52'06"W 461.09 feet to a point marked by a concrete monument, said point being the POINT OF BEGINNING, all measurements being a little more or less.

This is the identical property shown on that certain plat entitled "A Plat Of Windswept Villas, Tract D", made by Gifford, Nielson, Williams, Surveyors, dated May 7, 1985, and recorded in the R.M.C. Office for Charleston County, S.C., in plat book BE, page 57.

This is a portion of the property conveyed to the Grantor herein (formerly Coastal Shores, Inc.) by deed of conveyance of Ronald D. Royal, et.al. dated and recorded February 15, 1974, in Book U103, at page 265, in the R.M.C. Office for Charleston County, South Carolina; said Coastal Shores, Inc. having become Kiawah Island Company, Inc. by a change of name as shown on instrument dated November 3, 1975, and recorded the 13th day of November, 1975, in Book B108 at page 349, in the R.M.C. Office for Charleston County, S.C.; said Kiawah Island Company, Inc. having merged with the Grantor herein under Articles of Merger dated November 30, 1976, and recorded the 14th day of December, 1976, in Book C111, page 213, in the R.M.C. Office for Charleston County, S.C.

ARTICLE III
ELECTION NOT TO PROCEED AS A PHASE OF
WINDSWEPT VILLAS II HORIZONTAL PROPERTY REGIME

Section 3.01 Not a Phase of Windswept Villas II. The Grantor had previously reserved the right to include the property hereby established as Windswept Villas III Horizontal Property Regime as a second phase of Windswept Villas II Horizontal Property Regime. The Grantor has previously declared or hereby does declare its irrevocable decision not to develop the Property, or any part thereof, as an additional phase of Windswept Villas II Horizontal Property Regime, and hereby establishes the Property as Windswept Villas III Horizontal Property Regime.

ARTICLE IV
VILLAS AND COMMON ELEMENTS

Section 4.01 Buildings and Improvements. Access to the Property is from Sea Forest Drive.

Villa configurations vary according to the location of the Villas within the building. Each assigned Villa Configuration is described in Exhibit "F" attached hereto and made a part hereof by reference.

Each Villa is designated according to its assigned Villa Configuration on Exhibit "D", attached hereto and by reference incorporated herein.

The total ground area covered by the building, including its decks and balconies, and the ground area covered by asphalt paving and the balance of the Land including sidewalks, landscaping and other improvements thereon is shown on the Plot Plan attached as Exhibit "A".

The dimensions (within reasonable construction tolerances) of the building and the location of the three exterior stairways and the two elevators providing access to the building and the apartments therein are shown on the plans attached to this Master Deed as Exhibit "B".

The building is of steel frame construction on a foundation of concrete piles. Roofs are of standing seam metal and Derbigum modified bitumen, and the exterior is of Insul/Crete (associated with Dow Chemical Corporation) with treated wood trim and lattice.

Section 4.02 Utility/Storage Unit. The utility/storage unit ("Utility/Storage Unit") is designated for the purpose of any conveyance, lease, or other instrument affecting the title thereof as the Utility/Storage Unit.

The Utility/Storage Unit encompasses and includes the space of that portion of the Building bounded as follows:

- a) by the upper surface of the subfloor;
- b) by the interior surfaces of all wall studs; the unfinished inside surface of the door frame; the unfinished, exterior surface of the door leading to and from the Utility/Storage Unit; and
- c) by the lower surface of all ceiling joists.

The Utility/Storage Unit consequently and further includes the following:

- a) the exterior door except for its finished, exterior surface;
- b) all interior paint and finishes, including all floor coverings, and all shelves, cabinets, or other woodwork and trim;
- c) all interior lighting fixtures; and
- d) all electric, and other wiring, and all receptacles, conduits, switches, and breaker boxes serving the Utility/Storage Unit exclusively.

The Utility/Storage Unit may be used for the storage of linens and other janitorial supplies and for purposes of storage of ladders and such other equipment and supplies as may be desired, but shall not be used for residential purposes.

Section 4.03 Villas. There are forty four (44) residential apartments known and designated as Villas, and each Villa is designated for the purpose of any conveyance, lease, or other instrument affecting the title thereof by a four-digit number. The location within the buildings and

the number of each Villa is shown on the architectural plans, Exhibit "B", pages 1 through 19 (consisting of sheets labeled A3 through A9, A11 through A15, and A17 through A23), attached hereto and by reference incorporated herein. The graphic description and area of each Villa is shown on the Exhibit "B" architectural plans attached hereto and by reference incorporated herein.

Each Villa is specifically described in Exhibit "F" attached hereto and by reference incorporated herein, and each Villa is generally described hereinbelow.

A Villa encompasses and includes the space of that portion of the building which is designated on Exhibit "B" hereof and is bounded as follows:

- a) by the upper surface of the subfloor; and
- b) by the interior surfaces of all wall studs; the unfinished inside surface of door and window frames; the unfinished, exterior surface of doors leading to and from the Villa and the interior surface of window and door glass; and
- c) by the lower surface of all ceiling joists.

A Villa consequently and further includes the following:

- a) all exterior doors except for their finished, exterior surface,
- b) all interior doors, and all gypsum board,
- c) all window and door screens,
- d) all interior paint and finishes, whether applied to floors, walls, ceilings, cabinets, or other woodwork and trim,
- e) all carpet and underlay, quarry tile, and other floor coverings,
- f) all ceramic tile,
- g) all built-in cabinets and shelves,
- h) all interior lighting fixtures and the bulbs used in exterior lighting fixtures controlled by a switch within the Villa,
- i) all recirculating fans including the fan/light fixture in each bathroom, and their vent and outlet cap,
- j) the heating, ventilation, and air conditioning system (including the condensing units) serving the Villa exclusively,
- k) all electric, telephone, and other wiring, and all receptacles, switches, and breaker boxes contained in the floors, walls, and ceilings bounding the Villa which serve the Villa exclusively,
- l) all water, drain, sewer, and vent pipes and all conduits for wiring serving the Villa exclusively,
- m) the following appliances: oven/range with a microwave oven/range hood above, refrigerator/freezer with icemaker, dishwasher, garbage disposal, clothes washer, and clothes dryer,
- n) water heater and plumbing fixtures, and
- o) smoke detectors.

Section 4.04 Common Elements. All portions of the Property not encompassed and included within the Villas and Utility/Storage Unit are common elements (Common Elements).

Section 4.05 Limited Common Elements. The Limited Common Elements are those Common Elements which are appurtenant to and reserved for the use of a single Villa or group of Villas to the exclusion of other Villas as follows:

- a) the surface area and railings of decks are reserved for use with the Villa from which they are solely directly accessible by normal means,
- b) exterior light fixtures are reserved for use with the Villa having a switch to control them,
- c) door and window glass of each Villa, and
- d) one storage area located beneath the building is assigned to each Villa as shown on the building plans attached as Exhibit "B" and incorporated herein by reference.

Section 4.06 General Common Elements. General Common Elements include the following:

- a) the Land,
- b) pilings, girders, braces, fastenings, framing, concrete floors, exterior walls, sheathing, insulation, siding, trim, platforms upon which air conditioning equipment is located, and roofs,
- c) all access balconies, elevators, stairs, roads, driveways and parking areas, sidewalks and walkways, landscaping, landscape lighting, load-bearing and non-load bearing walls, attics, and common mailbox facilities, and
- d) all other portions or parts of the property not described in this Article IV as being included in a Villa or the Utility/Storage Unit, and not described as a Limited Common Element.

Section 4.07 Plot Plan, Floor Plans and Elevation Plans. The Plot Plan showing the location of the building and other improvements is attached hereto as Exhibit "A", and incorporated herein by reference. The floor plans showing the dimensions, area and location of each Villa and the Utility/Storage Unit and the elevation and section plans showing the dimensions, area and locations of Common Elements affording access to each Villa are attached hereto as pages 1 through 19 of Exhibit "B" (consisting of sheets labeled A3 through A9, A11 through A15, and A17 through A23), and incorporated herein by reference.

Section 4.08 Percentage of Ownership. The assigned value of the Property is \$20,401,000 and the value of each Villa and the Utility/Storage Unit is as set out in Exhibit "D" attached hereto and incorporated herein by reference. These values are fixed for the sole purpose of complying with the Act to establish percentage of ownership for purposes of ownership of the Common Elements and liability for Common Expense assessments and voting rights and shall not prevent each Co-owner (as defined in Article V, Section 5.01 hereof) from fixing a different circumstantial value to his Villa or the Utility/Storage Unit in all sorts of acts and contracts.

Section 4.09 Ownership of Common Elements. An undivided ownership interest in the Common Elements is expressed as a percentage based upon the

relation of the value of the Villa or the Utility/Storage Unit to the value of the Property in Exhibit "D" attached hereto and by reference incorporated herein, which percentage is appurtenant to each Villa and the Utility/Storage Unit. This undivided interest in the Common Elements shall not be separated from the Villa or the Utility/Storage Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Villa or the Utility/Storage Unit even though the interest is not expressly mentioned or described in the deed or other instrument. Such percentage shall not be altered without the acquiescence of all the Co-owners.

ARTICLE V SYSTEM OF ADMINISTRATION OF THE REGIME

Section 5.01 Co-owner. The term Co-owner means an individual, firm, corporation, partnership, association, trust, other legal entity, or any combination thereof which owns a Villa or the Utility/Storage Unit.

Section 5.02 Voting. On all matters relating to the Regime upon which a vote of the Co-owners is conducted, each Co-owner shall be entitled to cast the number of votes set out in Exhibit "D". The affirmative vote of the Co-owners owning fifty-one per cent or more of the value of the Property shall be required to adopt decisions unless this Master Deed or Bylaws require a different percentage for a particular act or decision.

Section 5.03 Council, Board of Directors, and Manager. Each Co-owner shall be a member of and constitute the Council of Co-owners (Council), an association which shall act by and through a board of directors (Board of Directors) elected by and from the Co-owners. The Council shall employ a management agent (Manager) for the Regime.

The Co-owners (at any time upon the affirmative vote of a majority of the Co-owners) may incorporate the Council in accordance with the Act, and in such event the name of the corporation shall be Windswept Villas III Council of Co-owners unless such name is not available for use by a corporation.

Section 5.04 Bylaws and Regulations. The Council and the administration of the Regime shall be governed by (1) the bylaws (Bylaws), Exhibit "E", attached to this Master Deed and hereby incorporated by reference, and (2) any regulations (Regulations) adopted pursuant to the Bylaws. The Bylaws may be modified or amended in the manner set forth in Article XI of this Master Deed.

ARTICLE VI COMMON EXPENSES

Section 6.01 Liability of Co-owners. The Co-owners of the Villas and the Utility/Storage Unit are bound to contribute in proportion to their respective interests in the Common Elements set out in Exhibit "D" toward the following expenses (Common Expenses):

- a) those expenses of maintaining, repairing, or replacing the Common

- Elements as qualified by Article VI, Section 6.04 of the Bylaws;
- b) insurance premiums paid by the Council in accordance with the provisions of this Master Deed and the Bylaws;
 - c) indemnification of Board of Directors, members, and Council officers as provided in Article XI, Section 11.04 of the Bylaws; and
 - d) any other expense (including master metered utilities and contributions to reserve funds) lawfully agreed upon by the Council as necessary to the operation, administration, and preservation of the Regime.

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

Section 6.02 Liability of Purchaser. The purchaser of a Villa or the Utility/Storage Unit (other than a purchaser at a foreclosure sale as described in Section 6.04 of this Article) shall be jointly and severally liable with the seller for the latter's pro-rata share of Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser as such joint debtor. The Council shall issue to any purchaser upon request a statement of any amounts due by the seller of any Villa or the Utility/Storage Unit, and the purchaser's liability under this paragraph shall be limited to the amount as set forth in the statement.

Section 6.03 Lien on Villa or the Utility/Storage Unit for Unpaid Assessments. All sums assessed but unpaid for the share of the Common Expenses chargeable to any Villa or the Utility/Storage Unit shall constitute a lien on the Villa or the Utility/Storage Unit and, upon the sale of a Villa or the Utility/Storage Unit, shall first be paid out of the sales price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

- a) tax liens in favor of any assessing unit for taxes which are past due and unpaid, and
- b) the lien of any first mortgage duly recorded.

This lien may be foreclosed by suit by the Manager or the Board of Directors, acting on behalf of the Council, in like manner as a mortgage of real property. In any such foreclosure the Co-owner shall be required to pay a reasonable rent for the Villa or the Utility/Storage Unit after the commencement of the foreclosure action, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the rent. The Manager or the Board of Directors, acting on behalf of the Council, shall have power to bid in at any foreclosure sale and to acquire, hold, lease, mortgage, encumber, and convey a Villa or the Utility/Storage Unit.

Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving this lien.

Section 6.04 Foreclosure. Where the mortgagee or other purchaser of a Villa or the Utility/Storage Unit obtains title as a result of the foreclosure of a mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Co-owners chargeable to such Villa or the Utility/Storage Unit accruing after the date of recording such mortgage but prior to the acquisition of title by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Co-owners, including such acquirer and his successors and assigns.

Section 6.05 Records. The Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Property and its operation, administration, and preservation, and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. Both the book and the vouchers accrediting the entries made thereupon shall be available for examination by all the Co-owners at convenient hours on working days.

ARTICLE VII EASEMENTS, COVENANTS, AND RESTRICTIONS

Section 7.01 Use of Property. Each Co-owner shall be entitled to the exclusive ownership and possession of his Villa or the Utility/Storage Unit and may use the Common Elements in accordance with the purposes for which they were intended without hindering or infringing upon the lawful rights of other Co-owners. The Board of Directors shall resolve any question regarding the intended use of the Common Elements.

Section 7.02 Future Easements. The Board of Directors may grant easements for the benefit of the Property, and each Co-owner, by the acceptance of the deed to his Villa or the Utility/Storage Unit, grants to the Board of Directors an irrevocable power of attorney to execute, deliver, and record for and in the name of each Co-owner, such instruments as may be necessary and proper to the granting of such easements.

Section 7.03 Encroachments. If any portion of the Common Elements now encroaches upon any Villa or the Utility/Storage Unit, or if any Villa or the Utility/Storage Unit now encroaches upon any other Villa or the Utility/Storage Unit or upon any portion of the Common Elements, or if any such encroachment shall occur as a result of (a) the settling or shifting of the land or any improvements, (b) the repair, alteration, construction, or reconstruction of the Common Elements made by or with the consent of the Council, (c) the repair or construction of a Villa or the Utility/Storage Unit following damage by fire or other casualty, or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for its maintenance.

Section 7.04 Right of Access. The Council shall have the irrevocable

right, to be exercised by the Manager or the Board of Directors, to have access to each Villa or the Utility/Storage Unit from time to time during reasonable hours as may be necessary to permit the inspection, maintenance, repair, or replacement of any of the Common Elements or for making emergency repairs necessary to prevent damage to the Property.

Section 7.05 Maintenance of Common Elements. The maintenance, repair, and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed, and the Bylaws.

Section 7.06 Prohibited Work. A Co-owner shall not make any additions or improvements to, or do any work upon the Common Elements or make any structural alteration of his Villa or the Utility/Storage Unit without first (a) having the plans and specifications of such addition, improvement, work, or alteration approved by the Board of Directors, and (b) depositing with the Board funds deemed sufficient (in the sole discretion of the Board) to defray all costs, including attorney's fees, of modifying this Master Deed, and recording such modification if the Board of Directors determines such to be necessary. The Board of Directors shall not approve any addition or improvement which in the Board's judgment would jeopardize the soundness or safety of the Property or reduce the value of the Property. No change in the exterior appearance of any part of a building shall be allowed unless pursuant to an overall plan adopted by the Board.

Section 7.07 Structural Alterations. Upon two-thirds vote of the Co-owners at a duly called meeting of the Council after submission to the Board of detailed plans and specifications and a fixed price contract for the proposed work, the board may be authorized to make, or have structural alterations made, in the General Common Elements and/or Limited Common Elements; provided, however, that any structural alteration of all or part of the Limited Common Elements shall be uniform.

Section 7.08 Partition. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership. Any covenant to the contrary shall be void.

Section 7.09 Covenants. The Property, except as hereinafter noted, is and shall be subject to the following easements, covenants, restrictions, and encumbrances in addition to those shown on the Plot Plan:

- a) Declaration of Covenants and Restrictions of The Kiawah Island Community Association, Inc. dated December 21, 1977, recorded in Deed Book M-114 at Page 407 in the Office of the R.M.C. of Charleston County, South Carolina, as amended;
- b) Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property in Kiawah Island, dated December 21, 1977, recorded in Deed Book M-114 at Page 406 in the Office of the R.M.C. of Charleston County, South Carolina, as amended;
- c) Class "B" Covenants for Multi-Family Residential Areas in Kiawah Island dated February 19, 1976, recorded in Deed Book T-108 at

Page 340 in the R.M.C. Office of Charleston County, South Carolina (except that these Covenants shall not apply to the Utility/Storage Unit);

- d) an easement in favor of Grantor, its agents, independent contractors, invitees, and assigns for entry into and upon and passage over Regime Property for the purpose of facilitating construction and sale of Villas; and
- e) a non-exclusive easement is reserved in favor of the Kiawah Island Community Association, Inc., its successors and assigns, over that area designated on the Plot Plan as "Drainage, Utility, Leisure Trail, and/or Pedestrian Access Easement" for purposes of use and maintenance of a pedestrian and bicycle leisure trail and utility service and maintenance vehicle passage.

ARTICLE VIII LIENS

Section 8.01 Attachment. No lien arising subsequent to the recording of this Master Deed while the Property remains subject to the Act shall be effective against the Property. During such period liens or encumbrances shall arise or be created only against each Villa or the Utility/Storage Unit and its appurtenant undivided interest in the Common Elements in the same manner and under the same conditions and in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership; provided, that no labor performed or materials furnished with the consent or at the request of a Co-owner, his agent, contractor, or subcontractor shall be the basis for the filing of a mechanic's or materialman's lien against the Villa or the Utility/Storage Unit or any other property of any other Co-owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by each and every Co-owner should the need for emergency repairs arise. Labor performed or materials furnished for the Common Elements, if duly authorized by the Council, the Manager, or the Board of Directors in accordance with the Act, this Master Deed, or the Bylaws, shall be deemed to be performed or furnished with the express consent of each Co-owner, and shall be the basis for the filing of a mechanic's or materialman's lien against each of the Villas and may be discharged as provided in Section 8.02 of this Article.

Section 8.02 Discharge. In the event a lien against two or more Villas becomes effective, the respective Co-owners may remove their Villa or the Utility/Storage Unit from the lien by payment of a percentage of the secured debt or charge equal to their percentage undivided interest in the Common Elements. Upon payment, discharge, or other satisfaction, the Villa or the Utility/Storage Unit and its undivided interest in the Common Element shall be free and clear of the lien. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce his rights against any Villa or the Utility/Storage Unit and its appurtenant undivided interest in the Common Elements not so paid, satisfied, or discharged.

Section 8.03 Taxes. Taxes, assessments, and other charges of this

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

ARTICLE IX INSURANCE

The Council shall insure the Property against flood, fire, liability, windstorm and all other risks as are customarily insured against with respect to buildings and improvements similar to the buildings and improvements on the Land.

The contribution of Co-owners toward the expense of the premium for such insurance may be collected as an assessment, in addition to other assessments, in such installments as the Board of Directors may elect but not less frequent than yearly. The Council shall insure the Property against risks, without prejudice to the right of each Co-owner to insure his Villa or Utility/Storage Unit on his own account for his own benefit.

ARTICLE X RECONSTRUCTION

Section 10.01 When Required. In case of fire or any other disaster, the indemnity from any insurance obtained by the Council shall, except as hereinafter provided, be applied to reconstruct the Property, but reconstruction shall not be compulsory where two-thirds or more of the Property is in need of reconstruction. In the latter situation, the Board of Directors shall promptly call a special meeting of the Council to determine whether the Property shall be reconstructed, and reconstruction shall take place only upon the unanimous vote of the Co-owners. In the event that the Co-owners determine not to reconstruct the Property, (a) the Secretary shall execute and record, in the same manner as this Master Deed, a certificate evidencing such decision, and (b) the indemnity shall be delivered pro-rata to the Co-owners entitled to it in accordance with the provisions made in the Bylaws in a check jointly payable to each Co-owner and any applicable mortgagee of the Villa. Any reconstruction shall be carried out as provided in the Bylaws.

Section 10.02 Costs. When the Property is not insured or when the insurance indemnity is insufficient to cover the cost of reconstruction, the rebuilding costs shall be paid as provided in the Bylaws unless decided otherwise by unanimous resolution adopted subsequent to the date on which the fire or other disaster occurred.

ARTICLE XI AMENDMENTS

Section 11.01 Master Deed. This Master Deed may be amended only by written agreement of the Co-owners owning two-thirds of the value of the Property. In no event may the Master Deed be amended so as to deprive the Grantor of any rights granted herein. The foregoing provisions of this paragraph shall not be construed as a limitation on the Grantor's rights to file supplemental declarations for purposes of exercising the right hereby reserved by the Grantor to make corrective amendments to the Master Deed without the vote or consent of Co-owners or their mortgagees.

Section 11.02 Bylaws. The Bylaws may be amended by the affirmative vote of the Co-owners owning two-thirds of the value of the Property. The Grantor reserves the right to make corrective amendments thereto without the vote or consent of co-owners or their mortgagees.

Section 11.03 Recording. No amendment to this Master Deed or the Bylaws shall be effective unless and until recorded in the Office of the Register of Mesne Conveyance for Charleston County, South Carolina, as required by the Act.

ARTICLE XII MISCELLANEOUS

Section 12.01 Application. All Co-owners, tenants of Co-owners, employees of Co-owners and tenants, or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act, this Master Deed, the Bylaws, and the Regulations. The easements, covenants, restrictions, and conditions in this Master Deed run with the Property and bind and inure to the benefit of any person having an interest in the Property.

Section 12.02 Compliance. Each Co-owner shall comply strictly with the Bylaws, with the Regulations, and with the covenants, conditions, and restrictions set forth or referred to in this Master Deed or in the deed to his Villa or the Utility/Storage Unit. Failure to comply shall be grounds for a civil action to recover sums due for damages or injunctive relief or both, maintainable by the Manager or the Board of Directors on behalf of the Council or, in a proper case, by an aggrieved Co-owner.

Section 12.03 Waiver. No provision of this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce it, regardless of the number of violations or breaches which may have occurred.

Section 12.04 Conflicts. In the event that any of the provisions of this Master Deed conflict with the provisions of the Act, the Act shall control.

Section 12.05 Regulatory Documents. The Regime shall be administered in accordance with the Master Deed, Bylaws of the Council and such other regulations as may from time to time be promulgated by the Council and/or Board.

Section 12.06 Actual Location Controls. In interpreting any and all provisions of this instrument, the exhibits attached hereto, and subsequent deeds and mortgages to individual Villas and the Utility/Storage Units, the actual location of the Villa or the Utility/Storage Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally or vertically, from the proposed locations as indicated on exhibits attached hereto. To the extent that such minor variations in location of the Villa or the Utility/Storage Unit shall exist, a valid easement therefor, and for the maintenance thereof, does and shall exist.

Section 12.07 Severability. The provisions of this Master Deed are severable, and the invalidity of one or more shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder.

Section 12.08 Captions. Captions are inserted in this Master Deed only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Master Deed or any provision of it.

Section 12.09 Gender and Number. All pronouns shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

Section 12.10 Termination. All the Co-owners or the sole Co-owner of the Property may waive the Regime and regroup or merge the records of the Villas with the Common Elements, provided that the Villas are unencumbered or, if encumbered, that the creditors on whose behalf the encumbrances are recorded agree to accept as security the debtors' undivided ownership interest in the Property.

Section 12.11 Acceptance of Deed to a Villa or the Utility/Storage Unit. The acceptance of a deed of conveyance, the entering into of a lease, or any other occupancy or use of a Villa or the Utility/Storage Unit shall constitute (a) an acceptance and ratification of the provisions of the Master Deed by such Co-owner, tenant, or occupant, and (b) an acknowledgement by the Co-owner, tenant, or occupant that the Grantor makes no implied or express warranties relating to the Villa or the the Utility/Storage Unit or to Common Elements except for such warranties as are contained in the deed conveying the same.

Section 12.12 Assignment of Warranties. All contractual warranties running in favor of the Grantor in connection with the construction of the building and the installation of material, equipment, and appliances therein, shall accrue to the benefit of and are hereby assigned to the respective Co-owners or the Council as appropriate.

Section 12.13 Rights of Grantor. Grantor shall have no legal rights and obligations vis-a-vis the Regime except (a) in its capacity as Manager of the Regime so long as the Grantor is the Manager of the Regime, (b) in its capacity as Co-owner of a Villa or the Utility/Storage Unit, and (c) the rights and obligations set out in the prior covenants listed in Article VII,

Section 7.09 of this Master Deed.


Section 12.14 Controlling Law. This Master Deed and the Bylaws attached hereto shall be construed under and controlled by the laws of the State of South Carolina.

IN WITNESS WHEREOF, KIAWAH ISLAND COMPANY LIMITED has caused these presents to be executed in its name by its duly authorized officer(s) and has caused its corporate seal to be hereto affixed this seventeenth day of June, 1987.

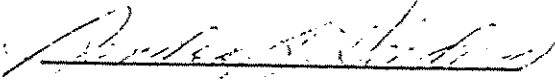
SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

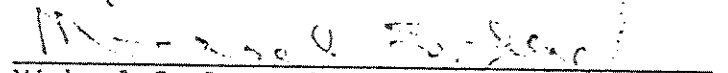
KIAWAH ISLAND COMPANY LIMITED





Charles F. Daoust, Senior Vice President





Michael S. Lane, Vice President Finance

H211/a

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY APPEARED before me Hugh M. Hadden, who, on oath, says that (s)he saw the corporate seal of KIAWAH ISLAND COMPANY LIMITED affixed to the foregoing Master Deed of Windswept Villas III Horizontal Property Regime and that (s)he saw the within named KIAWAH ISLAND COMPANY LIMITED by Charles F. Daoust, Senior Vice President, and Michael S. Lane, Vice President Finance, sign and attest the same, and that (s)he with Sandra S. Heiden witnessed the execution and delivery thereof, as the act and deed of the said Corporation.

Hugh M. Hadden

SWORN to before me this

seventeenth day of June, 1987.

Susan S. Notinger (L.S.)
Notary Public for South Carolina
My Commission Expires: 9/23/90

H211/a

RETURN TO
JMAS G. BUIST
P. O. BOX 516
CHARLESTON, SC. 29402

1102L

FILED, INDEXED & RECORDED

BKE 166 Pg. 116

1987 JUN 19 PM 3:33

ROBERT N. KING
REGISTER MESNE CONVEYANCE
CHARLESTON COUNTY, S.C.

Chat 1.00

35.00

Exhibit 20.00

56.00

TMS VERIFIED
BAC 74
DTD 6-22-87
209-06-00-34584 389

f A-1

Recorded this 19th day of June 1987
On Property Record Card

Pauline S. Roper

Auditor Charleston County

EXHIBIT "C"
TO MASTER DEED OF
WINDSWEPT VILLAS III HORIZONTAL PROPERTY REGIME

See plat(s) on record in the Charleston County R.M.C. Office attached hereto as Exhibit "A" and made a part hereof by reference.

The undersigned, Keith K. Ruddy, a registered land surveyor licensed in the State of South Carolina, hereby certifies that the map or plot plan showing Windswept Villas III Horizontal Property Regime, identified above, fully and accurately, within reasonable construction tolerances, shows the horizontal and vertical location of the buildings and other improvements within the property boundary, within reasonable construction tolerances, depicts the location of the buildings and other improvements within the property boundary.

WITNESSES:

Elizabeth E. Mair
Alan Nguyen

Keith K. Ruddy
Keith K. Ruddy, R.L.S. Surveyor
S. C. Reg. No. 9479

XX

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) PROBATE

PERSONALLY appeared before me the undersigned witness, who, on oath says that (s)he saw the within named Keith K. Ruddy, sign and seal the within written instrument, and as his/her act and deed deliver the same, and that (s)he with the other witness above witnessed the execution thereof.

Elizabeth E. Mair
(Signature of first witness)

SWORN to before me this 17th
day of June, 1987.

Oliver F. Hanel (SEAL)
Notary Public for South Carolina
My Commission Expires: October 29, 1992

EXHIBIT "F"
TO MASTER DEED OF
WINDSWEPT VILLAS III HORIZONTAL PROPERTY REGIME

Description of Typical Two Bedroom Villa
Villa Type "2"

The entry door of the Villa enters into the foyer; accessible from the foyer is the kitchen, the dining/living area, a utility room, a clothes closet, a bath, and the Villa's second bedroom.

The kitchen contains a double sink with a garbage disposal, dishwasher, refrigerator, and a range with a range hood/microwave oven above. The kitchen has a pass through counter to the dining/living area.

The bedroom accessible from the foyer has an adjoining closet and has direct access to the bath that is also accessible from the foyer. The bath contains a tub with a shower head, a vanity with a basin, and a toilet.

The utility room contains a clothes washer and a clothes dryer, a water heater, and an air handler unit for the Villa.

The dining/living area has a wet bar and a fireplace, and has access to a deck.

The master bedroom is accessible from the living/dining area and has an adjoining walk-in closet and bath. The bath contains a vanity area with two basins, and has an adjoining room containing a toilet and a tub with a shower head.

Nominal ceiling height is 8'0", except as otherwise indicated on the Exhibit "B" building plans.

Villa Type "2" contains the approximate area of heated and cooled interior floor space as is shown on the floor plans attached hereto as Exhibit "B" and made a part hereof by reference, which area varies depending upon the location of the Villa within the building. All measurements are approximate and are subject to reasonable construction tolerances.

Decks and access balconies are Common Elements.

H211/h

EXHIBIT "F"
TO MASTER DEED OF
WINDSWEPT VILLAS III HORIZONTAL PROPERTY REGIME

Description of Typical Three Bedroom Villa
Villa Type "3A"

The entry door of the Villa provides access to the foyer. Accessible from the foyer are the kitchen, the living/dining area, the master bedroom and a second bedroom (which has a closet and an adjoining bath containing a tub with a shower head, a vanity with a basin and a toilet), a clothes closet, a utility closet containing the air handler for the Villa, a bath (containing a vanity with a sink, a toilet, and an adjoining room containing a tub with a shower head), a utility closet containing a clothes washer and a clothes dryer, and a utility closet containing a water heater.

The kitchen contains a double sink with a garbage disposal, dishwasher, refrigerator, and a range with a range hood/microwave oven above. The kitchen as a pass through counter to the dining/living area.

The master bedroom has an adjoining vanity area with a vanity containing two basins and a tub. The vanity area provides access to a walk-in closet, a shower, and a room containing a toilet. In some units, a deck is accessible from the master bedroom.

The living/dining area has a fireplace, a wet bar, and direct access to a deck. Accessible from the living/dining area is a third bedroom which has a closet, and in some units accesses a deck.

Nominal ceiling height is 8'0", except as otherwise indicated on the Exhibit "B" building plans.

Villa Type "3A" contains the approximate area of heated and cooled interior floor space as is shown on the building plans attached hereto as Exhibit "B" and made a part hereof by reference. All measurements are approximate and are subject to reasonable construction tolerances.

Decks and access balconies are Common Elements.

H211/h

EXHIBIT "F"
TO MASTER DEED OF
WINDSWEPT VILLAS III HORIZONTAL PROPERTY REGIME

Description of Typical Three Bedroom Villa
Villa Type "3D"

The entry door of the Villa provides access to the foyer. Accessible from the foyer are the kitchen, the living area, a hall leading to the master bedroom, a second bedroom (which has a closet and access to a deck and an adjoining bath containing a tub with a shower head, a vanity with a basin and a toilet), a clothes closet, a utility room (containing the air handler for the Villa and a water heater, and a clothes washer and a clothes dryer), and a bath (containing a vanity with a basin, a toilet, and an adjoining room containing a tub with a shower head and a linen closet).

The kitchen contains a double sink with a garbage disposal, dishwasher, refrigerator, and a range with a range hood/microwave oven above. The kitchen as a pass through counter to the dining area.

The master bedroom located at the end of the hall located off the foyer has an adjoining walk-in closet and has access to a deck. There is also an adjoining bath with a vanity with two basins, a tub, a shower, and an adjoining room containing a toilet.

The living/dining area has a fireplace, a wet bar, and direct access to two decks. Accessible from the living/dining area is a third bedroom which has a closet and access to a deck. The third bedroom also has direct access to the bath located off the foyer.

Nominal ceiling height is 8'0", except as otherwise indicated on the Exhibit "B" building plans.

Villa Type "3D" contains the approximate area of heated and cooled interior floor space as is shown on the floor plans attached hereto as Exhibit "B" and made a part hereof by reference. All measurements are approximate and are subject to reasonable construction tolerances.

Decks and access balconies are Common Elements.

H211/h

BYLAWS

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

ARTICLE I
COUNCIL OF CO-OWNERS

Section 1.01 Membership. Each Co-owner shall be a member of the Council. A person who holds title to a Villa or the Utility/Storage Unit merely as security for payment of a debt shall not be a member entitled to exercise the rights of a Co-owner unless such person holds a proxy conferring such rights.

Section 1.02 Quorum. The presence of Co-owners owning fifty-one per cent of the value of the Property shall constitute a quorum for the transaction of business at meetings of the Council, and any absent Co-owner who does not execute and return the proxy form sent to him in the registered mailing referred to in Section 1.04 of this Article shall be deemed to be present for the purposes of determining the presence of a quorum. From the time of the recording of the first deed in any additional phase, all the Co-owners in the additional phase shall be included when determining a quorum.

Section 1.03 Voting. On all matters relating to the Regime upon which a vote of the Co-owners is conducted, each Co-owner shall be entitled to cast the number of votes set out in Exhibit "D" attached hereto and incorporated herein by reference. The affirmative vote of the Co-owners owning fifty-one percent (51%) or more of the value of the Property shall be required to adopt decisions unless the Master Deed or these Bylaws require a different percentage for a particular act or decision. Votes can be cast only at meetings of the Council convened in accordance with the Bylaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof, and any other legal entity shall act by any managing agent thereof. The failure of an absent Co-owner to execute and return the proxy form sent to him in the registered mailing referred to in Section 1.04 of this Article shall constitute a proxy to and for the majority present and voting. When a Co-owner consists of two or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Co-owner unless another of such persons objects, in which case the vote which such Co-owner would otherwise be entitled to cast may not be cast. All votes appurtenant to a single Villa or the Utility/Storage Unit must be cast together and may not be split.

Section 1.04 Proxies. Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Council. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall be honored until delivered to the Secretary of the Council. If at least twenty days prior to a duly called meeting a Co-owner is informed by registered mail of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then available relative to issues on which there will be a vote, and a proxy form

is included in such mailing, and the Co-owner neither attends the meeting nor returns his executed proxy, then such Co-owner shall be deemed to have given his proxy to and for the majority present and voting.

Section 1.05 Consents. Any action which may be taken by a vote of the Co-owners may also be taken by written consent to such action signed by all Co-owners.

Section 1.06 Initial Meeting. The initial meeting of the Council shall be held upon call by the Grantor as soon as the Grantor deems practicable and convenient, but in no event later than conveyance of sixty percent (60%) of the Villas to persons other than the Grantor. The following matters, and such other business as the Manager may deem appropriate, shall be taken up at the initial meeting:

- a) adoption of a fiscal year, if other than as set forth in Section 5.01 hereof;
- b) approval of a budget for the fiscal year;
- c) determination of the General Assessment and the date upon which it is due and payable;
- d) determination of the date of the first and subsequent annual meetings; and
- e) the election of the initial, three-person Board of Directors in accordance with Article II of these Bylaws.

Section 1.07 Annual Meetings. The annual meeting of the Council shall be held on a date determined by the Council. Any business which is appropriate for action of the Co-owners may be transacted at an annual meeting.

Section 1.08 Special Meetings. Special meetings of the Council may be called at any time by the President of the Council or by a majority of the Board of Directors and shall be called upon the written request of Co-owners owning a majority of the value of the Property. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Co-owners waive notice of any additional business.

Section 1.09 Notice of Meetings. Written notice of every annual or special meeting of the Council stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted, shall be given to every Co-owner not fewer than ten nor more than thirty days in advance of the meeting; provided, however, that notice may also be given as described in Section 1.04 of this Article. Failure to give proper notice of a meeting of the Co-owners shall not invalidate any action taken in such meeting unless (a) a Co-owner who was present but was not given proper notice objects at such meeting, in which case the matter to which such Co-owner objects shall not be taken up, or (b) a Co-owner who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty days following such meeting, in which case the action to which such Co-owner objects shall be void.

Section 1.10 Waiver of Notice. Waiver of notice of a meeting of the Council shall be deemed the equivalent of proper notice. Any Co-owner may in writing waive notice of any meeting either before or after such meeting. Attendance at a meeting by a Co-owner, whether in person or by proxy, shall be deemed waiver by such Co-owner of notice of the time, date, and place of the meeting unless such Co-owner specifically objects to lack of proper notice at the time the meeting is called to

order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 1.11 Place of Meeting. All meetings of the Council shall be held at such convenient place on Kiawah Island as the Board of Directors may direct.

Section 1.12 Adjournment. Any meeting of the Council may be adjourned from time to time for periods not exceeding forty-eight hours by vote of Co-owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business which could properly be transacted at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.

Section 1.13 Order of Business. The order of business at all meetings of the Co-owners shall be as follows:

- a) Roll call;
- b) Proof of proper notice of the meeting or waiver of notice;
- c) Reading of minutes of preceding meeting;
- d) Report of the Board of Directors;
- e) Reports of officers;
- f) Reports of committees;
- g) Report of Manager;
- h) Election of Directors;
- i) Unfinished business; and
- j) New business.

Section 1.14 Minutes of Meeting. The Secretary of the Council shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Council. Such minutes shall be made available for examination and copying by any Co-owner at any reasonable time.

ARTICLE II BOARD OF DIRECTORS OF THE COUNCIL.

Section 2.01 Form of Administration. The Council shall act by and through its Board of Directors.

Section 2.02 Authorities and Duties. On behalf of and as directed by the Council, and as required by the Act, the Master Deed, and these Bylaws, the Board of Directors shall provide for the following:

- a) the contracting with a management agent to provide for the surveillance of the Property, the maintenance, repair, and replacement of the Common Elements, and the designation and dismissal of personnel necessary to accomplish the same;
- b) the collection of assessments from the Co-owners;
- c) the procuring and keeping in force of insurance on the Property;
- d) the enactment of reasonable regulations governing the operation and use of the Common Elements;
- e) the enforcement of the terms of the Master Deed, these Bylaws, and any Regulations promulgated pursuant to the Bylaws; and

f) the administration of the Council and the Regime on behalf of and for the benefit of all Co-owners.

Section 2.03 Qualification. Only an individual who is a Co-owner, or who together with another person or other persons is a Co-owner, or who is an officer of a corporation, a general partner of a partnership, an associate of an association, a trustee of a trust, or a managing agent of any other legal entity which is a Co-owner, or which together with another person or other persons is a Co-owner, may be elected and serve or continue to serve as a Director of the Council. The number of Directors provided at any one time by a Co-owner which is an organization or which consists of more than one individual shall not exceed the number of apartments owned by such Co-owner.

Section 2.04 Election and Term. The initial Board of Directors shall consist of three people who shall be elected at the initial meeting of the Council and shall serve until the first annual meeting of the Council. At the first annual meeting the Co-owners shall elect five Directors, three for a term of two years (to be elected in one election) and two for a term of one year (to be elected in a second election). At each subsequent annual meeting, Directors shall be elected for two-year terms to succeed the Directors whose terms expire at the meeting. A plurality of the votes cast shall be sufficient to elect a Director in any election. A Director may be elected to succeed himself, and a Director shall be deemed to continue in office until his successor has been elected and has assumed office.

Section 2.05 Removal. A Director may be removed from office with or without cause by the vote of the Co-owners.

Section 2.06 Vacancies. Any vacancy on the Board of Directors shall be filled by appointment by the majority of the remaining Directors, and the new Director shall serve for the unexpired term of his predecessor.

Section 2.07 Voting. Each Director shall have one vote on all matters acted upon by the Board of Directors. The affirmative vote of three Directors shall be sufficient for any action unless otherwise specified in the Master Deed or these Bylaws.

Section 2.08 Quorum. Three Directors shall constitute a quorum for the transaction of business.

Section 2.09 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.

Section 2.10 Referendum. Any decision voted by the Council shall be binding upon the Board of Directors and shall supersede any previous inconsistent action or make invalid any subsequent inconsistent action taken by the Board of Directors, but no such action by the Co-owners shall impair the enforceability of any contract duly authorized or entered into by the Board of Directors pursuant to authority granted in the Act, the Master Deed, or these Bylaws.

Section 2.11 Annual Meetings. An annual meeting of the Board of Directors shall be held each fiscal year within sixty days preceding the annual meeting of the Council. Any business which is appropriate for action of the Board of Directors may be transacted at an annual meeting.

Section 2.12 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, dates, and places as the Board of Directors may

determine from time to time. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting.

Section 2.13 Special Meetings. Special meetings of the Board of Directors may be called from time to time by the President of the Council and shall be called upon the written request of two of the Directors. Only such business as is stated in the notice of the meeting shall be transacted at a special meeting unless all Directors waive notice of any additional business.

Section 2.14 Notice of Meetings. Written notice of every regular or special meeting of the Board of Directors stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be given to every Director not fewer than three nor more than ten days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless (a) a Director who was present but was not given proper notice objects at such meeting, in which case the matter to which such Director objects shall not be taken up, or (b) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty days following such meeting, in which case the action to which such Director objects shall be void.

Section 2.15 Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may in writing waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be deemed waiver by such Director of notice of the time, date, and place of the meeting unless such Director specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 2.16 Place of Meeting. All meetings of the Board of Directors shall be held at such convenient place as the Board may select. Meetings may be conducted by telephone if all Directors consent.

Section 2.17 Minutes of Meetings. The Secretary of the Council shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors and meetings of the Council. A copy of such minutes shall be made available for examination and copying by any Co-owner at any reasonable time.

Section 2.18 Compensation. The Directors may receive such compensation and reimbursement for expenses incurred in the conduct of their duties as the Council may determine.

ARTICLE III OFFICERS OF THE COUNCIL

Section 3.01 Designation. The Council shall have a President, a Vice President, and a Secretary-Treasurer. The officers shall have the authority, powers, duties, and responsibilities provided by these Bylaws, or, to the extent not so provided, by the Board of Directors.

Section 3.02 Qualifications. Only Directors may be elected and serve as officers.

Section 3.03 Election and Term. Officers of the Council shall be elected at each annual meeting of the Board of Directors and at such other times as may be

required to fill vacancies in any office. All officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An officer may be re-elected to any number of terms.

Section 3.04 Removal. Any officer may be removed from office at any time with or without cause by the Board of Directors.

Section 3.05 President. The President shall be the chief executive officer of the Council. He shall preside at all meetings of the Council and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in a corporate president, including but not limited to the power to appoint committees from among the Co-owners from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Council.

Section 3.06 Vice President. The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 3.07 Secretary-Treasurer. The Secretary-Treasurer shall prepare and keep, or cause to be prepared and kept, the minutes of all meetings of the Co-owners and of the Board of Directors, and shall have charge of such books and papers as the Board of Directors may direct. The Secretary-Treasurer shall have custody of and responsibility for Council funds and securities and shall keep the financial records and books of account belonging to the Council. Custody of Council funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the Manager if the Board of Directors so determines, but in such case the Secretary-Treasurer shall verify the amount 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.

Section 3.08 Compensation. The officers may receive such compensation and reimbursement for expenses incurred in the conduct of their duties as the Council may determine.

ARTICLE IV MANAGER

Section 4.01 Employment. Kiawah Island Company Limited or its designee shall be employed by the Council as the Manager of the Regime until sixty-one percent (61%) of the Villas have been conveyed to persons other than the Grantor; provided, however, that the Kiawah Island Company Limited or its designee may elect to serve for a shorter time. The Kiawah Island Company Limited or its designee shall be compensated for this service at the rate of \$25 per month per unit. After such period of time, the Council shall employ such management agent(s) as it may desire and entirely of its own choosing.

Section 4.02 Qualification. The Manager(s) may be natural persons or corporations or other legal entity. No individual who is a Director or an officer of the Council or who resides in the home of a Director or an officer of the Council shall be a Manager.

Section 4.03 Authority and Duties. The Manager(s) shall provide the services and perform the duties as authorized and directed from time to time by the Board of Directors. The Manager(s) shall confer fully and freely with the Board of Directors and shall attend meetings of the Board and of the Council when requested to do so by

the Board. Until such time as the first Board of Directors is elected at the initial meeting of the Regime, the Manager shall provide the services and perform the duties set out in Article II, Section 2.02 subsections a, b, c, e and f.

ARTICLE V FINANCES

Section 5.01 Fiscal Year. The fiscal year of the Regime shall be January 1 through December 31 unless otherwise determined by the Council.

Section 5.02 Budget. The Board of Directors shall prepare and submit, or cause to be prepared and submitted, to the Co-owners at their annual meeting a proposed budget for the Regime for the fiscal year. The proposed budget shall set forth with particularity the anticipated Common Expenses for the fiscal year and the amount of money needed to establish reasonable reserves for the payment of Common Expenses and contingencies.

Section 5.03 Approval of Budget. The proposed budget, as it may be amended upon motion of any Co-owner, shall be submitted to a vote of the Co-owners and when approved shall become the budget (Budget) of the Regime for the fiscal year. The terms of the Budget shall be binding upon the Board of Directors unless and until such terms are amended by action of the Co-owners. Should for any reason a budget not be acted upon or approved by the Regime for any fiscal year, the Board of Directors shall establish the Budget for the Regime for the then current fiscal year; provided however, that such Budget established by the Board of Directors shall not exceed the budget of the preceeding year by more than ten (10%) percent.

Section 5.04 General Assessments. The funds required by the Budget shall be collected from the Co-owners in assessments (General Assessments) in proportion to their respective interests in the Common Elements as set out in Exhibit "D" attached hereto and incorporated by reference, and the General Assessments shall be payable as and when determined by the Board of Directors, but in no event shall General Assessments be collected in installments more frequent than monthly. The contribution of Co-owners toward the expense of the premium for insurance policies as herein provided for may be collected as part of the General Assessments or may be collected in installments not less frequent than yearly assessments as the Board of Directors shall elect, in addition to other assessments, in which event the assessments shall be treated as part of the General Assessments.

Section 5.05 Special Assessments. The funds required from time to time to pay any Common Expenses which are not covered by the Budget but which are approved by the Co-owners shall be collected from all the Co-owners by the Board of Directors in such installments (Special Assessments) as the Co-owners shall determine.

Section 5.06 Individual Assessments. Any payments to the Council which one or more, but fewer than all, of the Co-owners shall be obligated to make pursuant to the terms of the Act, the Master Deed, or these Bylaws shall be due upon demand and shall be collected by the Board of Directors as individual assessments (Individual Assessments).

Section 5.07 Collection. Co-owners shall be personally liable for and promptly pay all assessments when due. If the assessments are not paid on the date when due (being the date specified by the Board), then such assessments shall become delinquent and shall (together with the cost of collection as hereinafter provided) become a charge and continuous lien on the property against which such assessment is made. The Board of Directors shall take prompt and appropriate action to collect by suit, foreclosure, or other lawful method any overdue assessment. If any overdue

assessment is collected by an attorney or by action at law, the Co-owner owing the same shall be required to pay all reasonable costs of collection, including attorney's fees.

Section 5.08 Penalty. An assessment not paid within fifteen days following the date when due shall be charged a Delinquent Payment Penalty of one and one-half percent (1½%) of the unpaid balance of the assessment per month and each month thereafter on the unpaid balance until the assessment is paid in full. The Delinquent Payment Penalty shall be added to and collected in the same manner as the assessment. The Board of Directors may in its discretion waive all or any portion of the Delinquent Payment Penalty pursuant to this Section if it affirmatively appears that the failure to pay the assessment when due was caused by circumstances beyond the control of the Co-owner.

Section 5.09 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. Funds of the Council may also be invested in any instrument, obligation or security (or fund comprised solely of said instruments or securities) which is insured by the United States Government, or guaranteed by the full faith and credit of the United States Government, a state government, or any local governmental entity. If a Manager is employed, said accounts may be maintained in the name of the Manager as agent of the Council. All funds of the Council shall be promptly deposited in one of said accounts, except that the Board of Directors may maintain a petty cash fund of not more than two hundred fifty dollars for payment of minor current expenses of the Council. The books and records relating to any account of the Council shall be made available for examination and copying by any Co-owner at any reasonable time.

Section 5.10 Payments. The Board of Directors shall provide for payment of all debts of the Council from the funds collected from the Co-owners. Expenditures specifically approved in the budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of two hundred fifty dollars shall be reviewed and approved by the President or the Board of Directors before payment is made. All checks and requests for withdrawals drawn upon any account of the Council shall be signed by the President and the Treasurer or by any two officers of the Council designated by the Board of Directors. The Board of Directors may authorize the Manager to draw checks upon the account of the Council. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

Section 5.11 Bonding. The Board of Directors shall secure a fidelity bond in an amount of not less than ten thousand dollars covering every individual authorized to withdraw funds from any checking or savings account maintained by the Council. The cost of the bond shall be a Common Expense.

Section 5.12 Special Rules for Assessments for Development Period. The provisions of this Section 5.12 shall exclusively govern and be applicable to the development period ("Development Period") which shall terminate at the initial meeting of the Regime.

General Assessments (excluding assessments for insurance premiums on the Regime insurance policy) during the Development Period shall be based upon a total annual budgetary requirement of \$115,000. Assessments shall commence as to all Villas and the Utility/Storage Unit at the discretion of the Grantor; provided that prior to

such date the Grantor shall be responsible for payment of all actual operating expenses of the Regime except insurance premiums which shall be assessed against all Co-owners.

At the time title is conveyed to a Co-owner by the Grantor, such Co-owner shall pay to the Regime an assessment for insurance premiums on Regime policies in proportion to his respective interest in the Common Elements as set out in Exhibit "D" according to the number of days then remaining in the policy period. If initial Regime insurance premiums are paid in total by the Grantor, the sums collected from the purchaser at each closing shall be reimbursed to the Grantor.

ARTICLE VI MAINTENANCE AND IMPROVEMENTS

Section 6.01 Maintenance by Regime. The Regime shall provide for the maintenance, repair, and replacement of the Common Elements. The Regime may contractually delegate any or all of these responsibilities to the Manager.

Section 6.02 Maintenance by Co-owners. The Villas and the Utility/Storage Units shall be maintained in good condition and repair by their respective owners.

Section 6.03 Default by Co-owner. In the event that any Co-owner fails to perform the maintenance required of him by these Bylaws or by any lawful Regulation, and such failure creates or permits a condition which is hazardous to life, health, or property, which unreasonably interferes with the rights of another Co-owner, or which substantially detracts from the value or appearance of the Property, the Board of Directors shall, after giving such Co-owner reasonable notice and opportunity to perform such maintenance, cause such maintenance to be performed and charge all reasonable expenses of doing so to such Co-owner by an Individual Assessment.

Section 6.04 Expenses. The expenses of all maintenance, repair, and replacement of the Common Elements provided by the Manager shall be Common Expenses, except that when such expenses are necessitated by (a) the failure of a Co-owner to perform the maintenance required by these Bylaws or by any lawful Regulation, (b) the willful act, neglect, or abuse of a Co-owner, or (c) an uninsured loss which is to be borne by a Co-owner in accordance with Article VII of these Bylaws, they shall be charged to such Co-owner by an Individual Assessment. Water and sewer services to the Villas is master metered and shall be treated as a Common Expense. Water service to the showers located on the beach access from the Property to the beach is provided by the Regime and shall be treated as a Common Expense.

Section 6.05 Improvements. The Board of Directors shall provide for the making of such improvements to the Common Elements as may be approved from time to time by the Co-owners. The cost of such improvements shall be Common Expenses; provided, however, that no Co-owner shall without his consent be assessed in any one year an amount in excess of one per cent of the value of his Villa or the Utility/Storage Unit (as set out in Exhibit "D") for the making of improvements to the Common Elements.

ARTICLE VII RECONSTRUCTION

Section 7.01 Reconstruction. Unless the Co-owners affirmatively determine in the manner provided in the Master Deed not to reconstruct the Property following damage or destruction thereof, the Board of Directors shall promptly provide for such reconstruction. If the cost of such reconstruction exceeds ten thousand dollars, the Board of Directors shall employ an architect licensed to practice in the jurisdiction

in which the Property is situated to supervise the reconstruction. It shall be the duty of such architect to inspect the progress of the reconstruction at regular intervals and to submit written authorizations to the Council for payment for work performed. When an architect is not required by the terms hereof, the Board of Directors may perform such inspections and submit such authorizations.

Section 7.02 Costs. The Board of Directors shall employ for the purpose of reconstructing the Property the proceeds of any insurance obtained on the Property by the Board of Directors on behalf of the Council. When the Property is not insured or when the insurance proceeds are insufficient to cover the cost of reconstruction, the rebuilding costs shall be borne by all the Co-owners as a Common Expense.

ARTICLE VIII CONDEMNATION

Section 8.01 Rights of Co-Owners. If any portion of the Property is condemned by any authority having the power of eminent domain, each Co-owner shall be entitled to receive notice of such condemnation and to participate in the proceedings unless otherwise prohibited by law. Each Co-owner shall be entitled to an individual award to be determined by the value of his interest in the portion or portions of the Property condemned.

Section 8.02 Duties of Council. In the event that any award is received by the Council on account of condemnation of any portion or portions of the Common Elements, the Board of Directors shall hold such award for disbursement in the same manner as if it were insurance proceeds. The Board of Directors shall promptly call a special meeting of the Council to determine whether any condemned portion of the Common Elements shall be replaced. If the Council determines to replace any condemned portion of the Common Elements, the Board of Directors shall provide for the replacement of such portions in the same manner as if such portions had been destroyed by casualty.

ARTICLE IX INSURANCE

Section 9.01 Insureds. Insurance policies upon the Property, covering the items described below, shall be purchased by the Council for the benefit of the Regime, the Council, and the Co-owners of the Villas and their mortgagees, as their interests may appear. Provision shall be made for the issuance of certificates of insurance, with mortgagee endorsements, to the mortgagees of all Co-owners. Such policies and endorsements shall be deposited with and held by the Secretary/Treasurer.

Section 9.02 Coverage. Insurance shall cover the following when available:

- a) the replacement value of all Villas and Common Elements. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and against such other risks as are customarily covered with respect to buildings and improvements similar to the buildings and improvements on the Land. No insurance of the contents of or improvements to any Villa (other than the fixtures originally installed therein during construction) shall be provided by the Council;
- b) public liability in such amounts and with such coverage as shall be determined by the Board of Directors, including, but not limited to, hired automobile and non-owned automobile coverage;

- DNL 10076144
- c) workmen's compensation (if required); and
 - d) such other insurance as the Board of Directors may from time to time determine to be desirable.

All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Co-owner, members of the Co-owners family and his tenants and agents, guests and invitees, the Regime, its officers, agents and employees, and the Manager(s), as well as a waiver of the "prorata" clause.

Section 9.03 Premiums and Deductibles. Premiums upon insurance policies and that portion of any covered loss not compensated for because of the loss deductible clause of the policy shall be paid by the Council as a Common Expense, and shall be paid by the Co-owners in proportion to their respective interests in the Common Elements. The contribution of Co-owners toward the expense of the premium for such insurance may be collected in monthly or quarterly installments or in one (1) yearly assessment, in addition to other assessments, as the Board of Directors may determine.

Section 9.04 Claims Adjustment. The Board of Directors is hereby irrevocably appointed agent for each Co-owner to adjust all claims arising under insurance policies purchased by the Council, and to execute and deliver releases upon payment of claims.

Section 9.05 Proceeds. The proceeds received by the Council from any indemnity paid under a hazard insurance policy shall be held by the Board of Directors. After deduction of all reasonable expenses of the Board in administering such proceeds, the net proceeds shall be distributed as follows:

- a) if the Property is not reconstructed as provided in Article X of the Master Deed, then each Co-owner shall receive a share of the proceeds proportionate to his interest in the Common Elements as shown in Exhibit "D", in a check made jointly payable to the Co-owner and his mortgagee, if any; or
- b) if reconstruction takes place, then such proceeds shall be used to meet reconstruction costs as provided in Article X of the Master Deed and Article VII of these Bylaws, and any proceeds remaining after all the costs of reconstructing the Property have been paid shall be distributed to the Council for the benefit of all Co-owners.

Section 9.06 Insurance by Co-owners. Each Co-owner shall be responsible for obtaining such amounts of the following types of insurance as he deems necessary or desirable: (a) hazard insurance on his Villa and its contents for his own benefit, and (b) liability insurance covering accidents occurring within his Villa. Any Co-owner who obtains hazard insurance for his own benefit shall within thirty days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance.

ARTICLE X RESTRICTIONS AND REGULATIONS

Section 10.01 Restrictions. The use of the Property shall be subject to the following restrictions:

- a. Villas shall be used only as residences. This restriction shall not be construed so as to prevent a Co-owner from leasing or renting his Villa to

agency to be rented by short term or long term, or listing his Villa with a rental

- b. The Utility/Storage Unit shall be used as set forth in Section 4.02 of the Master Deed.
- c. No Co-owner shall create or permit excessive noise, smoke, or offensive odors or any nuisance to unreasonably interfere with the use and enjoyment of the Property by any other person entitled to the same. No person shall maintain on the Property, and no Co-owner shall permit within his Villa or the Utility/Storage Unit any condition which is unreasonably hazardous to the life, health, or property of any other person.

Section 10.02 Regulations. The Board of Directors may adopt and amend from time to time such reasonable regulations (Regulations) governing the operation and use of the Property as they may deem necessary or desirable. It shall not be necessary to record Regulations newly adopted or the amendment or repeal of existing Regulations, but no Co-owner shall be bound by any newly adopted Regulation or any amendment or repeal of an existing Regulation until a copy of the same has been delivered to him.

Section 10.03 Enforcement. The Board of Directors shall enforce the terms of the Act, the Master Deed, and these Bylaws and the Regulations promulgated pursuant hereto by taking prompt and appropriate action to correct any violations. In addition to any other remedy to which the Council or any Co-owner may be entitled, the Board of Directors may impose against a Co-owner reasonable fines not to exceed a total of ten dollars (\$10.00) per day for any violation of the terms of the Act, the Master Deed, these Bylaws, or the Regulations promulgated pursuant hereto. Such fines shall be collected by Individual Assessment. Each day during which a violation occurs or continues may be deemed a separate offense.

Section 10.04 Responsibility of Co-owners. Each Co-owner shall be deemed responsible for the conduct of members of his household and his tenants, agents, guests and pets, but the responsibility of the Co-owner shall not relieve any member of his household or any of his tenants, agents, or guests from any liability to the Council or to a Co-owner for their own acts.

ARTICLE XI LIABILITY AND INDEMNIFICATION

Section 11.01 Liability of Council. No Co-owner shall be liable for a greater percentage of a debt or liability of the Council than his percentage of ownership of the Common Elements. All correspondence of the Council and all contracts executed by the Council shall incorporate the following recital:

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

Section 11.02 Indemnification Among Co-owners. Each Co-owner shall be entitled to contribution from and indemnification by every other Co-owner to the extent that such Co-owner discharges or is required to discharge any portion of any liability of the Council in excess of such Co-owner's proportionate share thereof, except that no Co-owner shall be required to provide contribution or indemnification on account of a debt which was due and payable prior to the time such Co-owner became a Co-owner.

Section 11.03 Liability of Directors and Officers. No Director or officer of the Council shall be liable to any Co-owner for any decision, action, or omission made or performed by such Director or officer in the course of his duties unless such Director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Act, the Master Deed, or these Bylaws.

Section 11.04 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 Directors or officer is not required to bear such liability by the terms of the Act, the Master Deed, or these Bylaws;
- b) 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
- c) such Director or officer cooperates with the Council in defending against the claim.

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

ARTICLE XII ATTESTATIONS AND CERTIFICATIONS

Section 12.01 Attestation of Documents. The presence of the signature of the Secretary of the Council on any contract, conveyance, or any other document executed on behalf of the Council by another officer of the Council shall attest:

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

Section 12.02 Certification of Documents. When any document relating to the Property or the Council is certified as authentic by the 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.

Section 12.03 Certification of Actions and Facts. When there is executed by the Secretary or an Assistant Secretary a written statement setting forth (a) actions taken by the Council or by the Board of Directors, or (b) facts relating to the Property or the Council as determined by the Board of Directors, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

ARTICLE XIII AMENDMENTS

Section 13.01 By-Laws. These By-Laws may be amended as set forth in Article XI

ARTICLE XIV
MORTGAGES

Section 14.01 Notice to Board. A Co-owner who mortgages his Villa shall notify the Board of Directors of the name and address of his mortgagee. The Regime shall also accept and record such notification when received directly from the mortgagee, and the Regime shall maintain this information in a book entitled "Mortgagees of Villas."

Section 14.02 Notice of Unpaid Assessments. The Board shall, at the request of a mortgagee of a Villa, report any unpaid assessments due to the Regime by the Co-owner of such Villa. When requested by terms of the initial correspondence filed pursuant to Section 14.01, the Board shall report to the mortgagee any unpaid assessments due the Regime from such Co-owner as soon as such assessments become delinquent.

ARTICLE XV
MISCELLANEOUS

Section 15.01 Record of Ownership. Any person who acquires title to a Villa (unless merely as security for a debt) shall promptly inform the Board of Directors of his identity and the date upon and the manner in which title was acquired. The Board of Directors shall maintain a record of the names of all Co-owners and of the dates upon which they acquired title to their Villas.

Section 15.02. Notices. Any notices or documents placed in the mail receptacle or affixed to the front door of a Villa by or at the direction of the Board of Directors shall be deemed delivered to the Co-owner of such Villa unless the Co-owner has previously specified to the Board of Directors in writing another address for delivery of such notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a Co-owner shall be deemed delivered to the Board of Directors.

Section 15.03 Waiver. No provision of these Bylaws or 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.

Section 15.04 Conflicts. In the event of any conflict between these Bylaws and the Act or the Master Deed, the Act or the Master Deed shall control, as appropriate. In the event of a conflict between these Bylaws and the Regulations, these Bylaws shall control.

Section 15.05 Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 15.06 Captions. Captions are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

Section 15.07 Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

H211/d

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

CERTIFICATION OF AMENDMENT TO BY-LAWS
OF WINDSWEPT VILLAS III COUNCIL OF
CO-OWNERS

THIS is certification that the By-Laws of Windswept Villas III Council of Co-Owners recorded in the RMC Office for Charleston Count in Book E 166, Page 116. are amended in accordance with and pursuant to the provisions for amending the By-Laws in the following particulars:

1. That Article I shall be amended by the addition of an additional provision which shall be designated as Article I, Section 1.15 and which shall read as follows:

Section 1.15. SUSPENSION OF MEMBERSHIP AND VOTING RIGHTS. The Board of Directors shall have the power and authority to suspend the voting rights and rights to use the common areas and recreational facilities of a co-owner(s) during any period in which such co-owner(s) shall be in default of any payment of any assessment levied by the Council.

IN WITNESS WHEREOF, the undersigned has set his Hand and Seal this 17th day of February, ¹⁹⁹⁴~~1993~~.

WITNESSED:
Mary Oshment
Margaret Rainey

WINDSWEPT VILLAS III COUNCIL OF
CO-OWNERS
BY: James K. Hickin
Its: PRESIDENT

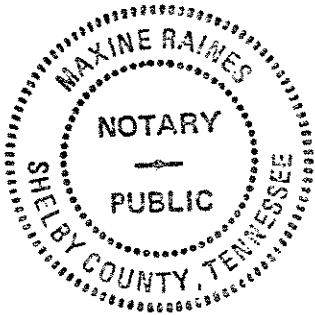
STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named WINDSWEPT VILLAS III COUNCIL OF CO-OWNERS by James K. Dickinson, its President, sign, seal, and as his/her act and deed, deliver the within written instrument, and that she/he with the other witness subscribed above, witnessed the execution thereof.

✓ Mary Oremundt

SWORN TO BEFORE me this 14th day of February, 1997.

✓ Maxine Raines
Notary Public for Shelby County
My Commission Expires: 8-2-94



Krauchuk & Davidson

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ROBERT H. KING
REGISTER
CHARLESTON COUNTY SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

CERTIFICATION OF AMENDMENT TO BY-LAWS
OF WINDSWEPT VILLAS III COUNCIL OF
CO-OWNERS

THIS is certification that the By-Laws of Windswept Villas III Council of Co-Owners recorded in the RMC Office for Charleston County in Book E-166, Page 116, and amended by instrument recorded in Book U-239, Page 147, are further amended in accordance with and pursuant to the provisions for amending the By-Laws in the following particulars:

1. That the By-Laws will be amended to reflect that the Windswept Villas III Council of Co-Owners is an association which has been incorporated as a nonprofit corporation under the laws of the State of South Carolina and shall operate in accordance with applicable state statutes in regard to its corporate status.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this 28th day of December, 1994.

WITNESSES:

Wanglin Summs
Shirley A. Watts

WINDSWEPT VILLAS III COUNCIL OF
CO-OWNERS

BY: Jan K. Ketchum
Its: President

STATE OF SOUTH CAROLINA)

BK 0 252PG465

COUNTY OF CHARLESTON)

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named WINDSWEPT VILLAS III COUNCIL OF CO-OWNERS, by James Dickinson, its President, sign, seal and as its act and deed, deliver the within in written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 28th
day of December, 1994.

Marilyn Summers

Shirley A. Watts
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 12-22-96

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

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CHARLIE C. LYBRAND
REGISTER
CHARLESTON COUNTY SC

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REC'D. PAYMENT 6-13 06
 PER CLERK Sm 2:35
 RMC OFFICE
 CHARLESTON COUNTY, SC

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) AMENDMENT TO MASTER DEED
) FOR WINDSWEEP VILLAS III
) HORIZONTAL PROPERTY REGIME

WHEREAS, by Master Deed dated June 17, 1987, and recorded June 19, 1987 in Book E-166, Page 116 in the Charleston County RMC Office (the "Master Deed"), Windswept Villas III Horizontal Property Regime ("Regime") was created and established on the property described therein. The Master Deed has been amended by instruments recorded in Book U-239, Page 147; Book O-252, Page 464 and Book X-301, Page 689 in the Charleston County RMC Office.

NOW THEREFORE, Exhibit E of the Master Deed, the ByLaws, Article I, Sections 1.02, 1.03 and 1.04 are amended in accordance with Article XI, Section 11.02 of the Master Deed so that after amendment they shall read as follows:

1. Section 1.02 Quorum. The presence of Co-Owners owning fifty-one percent of the value of the Property shall constitute a quorum for the transaction of business at meetings of the Council, and any absent Co-Owner who does not execute and return the proxy form sent to him by First Class Mail or Certified Mail referred to in Section 1.04 of this Article shall be deemed to be present for the purposes of determining the presence of a quorum. From the time of the recording of the first deed in any additional phase, all the Co-Owners in the additional phase shall be included when determining a quorum.

2. Section 1.03 Voting. On all matters relating to the Regime upon which a vote of the Co-owners is conducted, each Co-owner shall be entitled to cast the number of votes set out in Exhibit "D" attached hereto and incorporated herein by reference. The affirmative vote of the Co-owners owning fifty-one percent (51%) or more of the value of the Property shall be required to adopt decisions unless the Master Deed or these ByLaws require a different percentage for a particular act or decision. Votes can be cast only at meetings of the Council convened in accordance with the ByLaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof, and any other legal entity shall act by any managing agent thereof. The failure of any absent Co-owner to execute and return the proxy form sent to him by First Class Mail or Certified Mail referred to in Section 1.04 of this Article shall constitute a proxy to and for the majority present and voting. When a Co-owner consists of two or more persons, any one of such persons shall be deemed authorized to act for all in taking any action on behalf of such Co-owner unless another of such persons objects, in which case the vote which such Co-owner would otherwise be entitled to cast may not be cast. All votes appurtenant to a single Villa or the Utility/Storage Unit must be cast together and may not be split.

3. Section 1.04 Proxies. Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy otherwise states, it shall be deemed to confer the authority

to execute consents and waivers and to exercise the right to examine the books and records of the Council. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall be honored until delivered to the Secretary of the Council. If at least twenty days prior to a duly called meeting a Co-owner is informed by First Class or Certified Mail of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then available relative to issues on which there will be a vote, and a proxy form is included in such mailing, and the Co-owner neither attends the meeting nor returns his proxy, then such Co-owner shall be deemed to have given his proxy to and for the majority present and voting.

- 4. All other terms and provisions of the Master Deed shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have set their hands and seals this 19th day of MAY, 2006.

WINDSWEEP VILLAS III
COUNCIL OF CO-OWNERS

Candy L Smith
Witness # 1

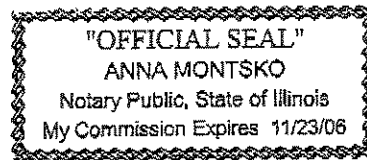
By: John F. Kinney
Its: PRESIDENT

Shirley Bush
Witness # 2

STATE OF ILLINOIS)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 19th day of May, 2006, by Windswept Villas III Council of Co-Owners, by JOHN F. KINNEY, Its President.

Anna Montsko
Notary Public for _____
My Commission Expires: 11/23/06



STATE OF SOUTH CAROLINA)

) CERTIFICATE OF AMENDMENT

COUNTY OF CHARLESTON) TO BY-LAWS

This is certification that the By-Laws of Windswept Villas III Council of Co-Owners of record in the RMC Office for Charleston County, in Book E-166, Page 134 have been amended in accordance with and pursuant to the provisions for amending the By-Laws in the following particulars, to wit:

1. Article IX, Section 9.03 shall be amended so as to read as follows:

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

WITNESS, the hand and seal of the Secretary of Windswept Villas III Council of Co-Owners this 29 day of Dec., 1997.

WITNESSES:

Mauglin Summs.
Julie J. Macoull

WINDSWEPT VILLAS III COUNCIL
OF CO-OWNERS

BY: James K. Dickison
Its: President

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within named WINDSWEPT VILLAS III COUNCIL OF CO-OWNERS, by James K. Dickison, its President sign, seal and as its act and deed, deliver the within in written instrument, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 29th
day of December, 1997

Mauglin Summs.

Julie J. Macoull
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 12-17-06