

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

MASTER DEED
OF
DUNESIDE VILLAS II
HORIZONTAL PROPERTY REGIME

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

ARTICLE I

NAME

The name of the horizontal property regime hereby established shall be Duneside Villas II Horizontal Property Regime (Regime).

ARTICLE II

THE PROPERTY

A. Property. The term Property means and includes the land described below and all improvements and structures now existing or subsequently placed on the land and all easements, rights, and appurtenances belonging thereto.

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

All that piece, parcel, or tract of land, situate, lying and being at the western terminus of Duneside Road, Kiawah Island, Charleston County, S.C., containing .77 acres and shown on a plat entitled "Plat of Duneside Villas Phase II Located on Kiawah Island, Charleston County, South Carolina, Owned by Kiawah Island Company, Ltd., Kiawah Island, S.C. 29455," by Coastal Surveying Co., Inc. dated June 8, 1979, revised through September 9, 1980, and recorded in Plat Book AR, at Page 5, in the R.M.C. Office for Charleston County, S.C., and more particularly described according to the plat as follows:

Commencing at the western terminus of Duneside Road at the center-line of the Duneside Road right-of-way, which is 270.73 feet southwest of the intersection of the centerlines of the right-of-ways of Duneside Road and Diodia Court, and running S 26° 53' 37" E a distance of 25.00' to a point marked by a concrete monument on the southern right-of-way line of Duneside Road, said point being the Point of Beginning; then running S 26° 53' 58" E a distance of 229.86 feet to a point marked by concrete monument; then cornering and running S 63° 10' 13" W a distance of 146.30 feet to a point marked by a concrete monument; then cornering and running N 26° 53' 58" W a distance of 229.69 feet to a point marked by a concrete monument; and then cornering and running N 63° 06' 23" E a distance of 146.30 feet to a point marked by a concrete monument, being the Point of Beginning, be all the said dimensions a little more or less.

C. Buildings and Improvements. The Land's boundaries, approximately a rectangle, having its long sides on the northeast and southwest and its short sides on the northwest and southeast. The southeastern (beach) boundary runs generally along the top of the line of secondary sand dunes of the Atlantic Ocean beach. Access to the Property is by Duneside Road and the cul-de-sac parking branching off Duneside Road.

There are two buildings containing residential apartments on the Land. The buildings are numbered, for the purposes of the Act and this Master Deed, 8 and 9, building 8 being on the right when viewed from the beach, and building 9 being on the left. Each building is sited with its long axis offset from a perpendicular to and approximately the same distance behind the line of secondary sand dunes.

Building 8 is classified as a Type W building and contains three residential apartments, the configuration of each of which is designated, as Type C. Building 9 is a mirror image or opposite hand (the floor plans of the apartments are reversed) of building 8 and is classified as Type WOH. The residential apartments in building 9 are mirror images or opposite hands of the apartments in building 8, and are thus designated as Type COH. Adjacent apartments in a building are attached corner-to-corner rather than side-to-side. The configuration of the apartments is more fully described in Paragraph D of this Article II.

The locations of the buildings and other improvements are shown on the plot plan, Exhibit A, attached to and hereby incorporated by reference in this Master Deed. Within reasonable construction tolerances, the dimensions, area, and location of the apartments in the buildings and of the Common Elements (defined and enumerated in Paragraphs E, F, and G of this Article) affording access to the apartments are shown on the floor plans, Exhibit B, attached to and hereby incorporated by reference in this Master Deed.

The total ground area covered by both buildings is .164 acres, approximately 3,572 square feet of ground area lying under each building, including its decks, porches, and stairs.

Each building is of wood frame construction on a foundation of treated wood girders on treated pilings having a butt or top diameter of 10 to 13 inches, inclusive, except at some porch, deck, and exterior stair locations where pilings having a butt diameter of 8 to 10 inches, inclusive, are used. Each building's exterior, including trim, stairs and handrails, decks, porch framing, siding, beams, window casements, fascia, and louvers, is of cypress and treated pine. Eave soffits are of pine veneer plywood. Roofs are of cedar shingle. Chimneys (one per apartment) are encased by wood siding and have metal caps. Exteriors are shown, within reasonable construction tolerances, on the elevations, Exhibit C, attached to and hereby incorporated by reference in this Master Deed.

D. Villas. There are six residential apartments known and designated as Villas, and each is designated for the purpose of any conveyance, lease, or other instrument affecting the title by a four-digit number. Beginning with the northernmost Villa. in building 8 and moving to the south, the Villas are numbered 1119, 1120, and 1121. Beginning with the southernmost Villa in building 9 and moving to the north, the Villas are numbered 1122, 1123, and 1124. The number of each Villa is shown on the plot plan, Exhibit A, as well as being listed in Exhibit D, attached to and hereby incorporated by reference in this Master Deed.

Each Villa is of a configuration designated as Type C or, if a mirror image or opposite hand, Type COH. Each contains approximately 2,539 square feet of heated and cooled interior floor space and has four bedrooms, three levels or floors, and a small, unheated, uncooled, and unfinished attic over part of the third level. The interior stairs connecting the three levels are contained in a tower, which rises above the roofline.

The first (lowest) level has a foyer, a hall with a linen closet and with a lockable storage closet under the stairs, a large bedroom and bathroom, and two smaller bedrooms, each with a bathroom. The large bedroom has two small closets and one large closet which contains air handling equipment, and the adjoining bathroom consists of two small rooms - one with a commode and a tub with a showerhead and the other with two basins. The other bedrooms have cue walk-in closet each, and the bathroom adjacent to each bedroom consists of one room containing a commode, a tub with a showerhead, and one basin. The finish floor

elevations shown on the plot plan, Exhibit A, are the heights above mean sea level of the top of the subfloor on the first level of the Villa. Nominal ceiling heights are as indicated on sheet 1 of Exhibit B.

The second level, the top of the subfloor of which is 8' 10 3/4" above the top of the subfloor on the first level, has a hall with a coat closet and a wet bar, a powder room having a basin and a commode, a living room open along part of one wall to the third level bedroom and along another wall to the stair tower, and having a prefabricated metal fireplace on a 5" ceramic tile hearth raised approximately 11 4" above the top of the subfloor; a dining room with an opening in the wall to allow items to be passed to and from the kitchen; a kitchen containing a refrigerator/freezer with ice maker, dishwasher, garbage disposal, and an oven/range with range hood; a breakfast room with a pantry; a utility room accessible from the breakfast room containing a clothes washer and clothes dryer; and a storage room accessible from the utility room containing the water heater. Nominal ceiling heights are indicated on sheet 1 of Exhibit B.

The third (highest) level, the top of the subfloor of which is 8' 10 3/4" above the top of the subfloor on the second level, has a hall; a bedroom open along part of one wall to the living room and having a small storage closet and a walk-in closet; and a bathroom adjacent to the bedroom containing a basin, a commode, and a tub with a showerhead. An unheated, uncooled, and unfinished attic above the walk-in closet and bathroom (and accessible from the former) contains air handling equipment and storage space. Nominal ceiling heights are indicated on sheet 1 of Exhibit B.

All bathrooms contain a medicine cabinet, and all bathrooms and the powder room contain a large plate-glass mirror. The dimensions, with reasonable construction tolerances, and area of a Villa and of the Common Elements affording access are shown on Exhibit B.

Each Villa is accessible by exterior stairs on both the beach and entrance (landward) sides.

A Villa encompasses and includes the space of that portion of the building which is designated on Exhibit A by a four-digit number and is bounded as follows:

1. by the upper surface of the subfloor; and
2. by the interior surfaces of all wall studs; the unfinished

inside surface or door and window frames; the unfinished, exterior surface of doors leading to and from the Villa; and the exterior surface of windows and glass doors; and

3. by the lower surface of all ceiling joists and, in the case of attic space, by the lower surface of roof rafters.

A Villa consequently and further includes the following:

1. all window and door glass,
2. all exterior doors except for their finished, exterior surface,
3. all window, door, and porch screens,
4. the fireplace and flue terminating at and excluding the chimney cap, and the ceramic tile on the hearth,
5. all interior doors,
6. all gypsum board,
7. all interior paint and finishes, whether applied to floors, walls, ceilings, handrails, cabinets, or other woodwork and trim,
8. all carpet and underlay, sheet vinyl and underlay, and quarry tile,
9. all ceramic tile,
10. all built-in cabinets, window seats, shelves, and interior handrails,
11. all interior lighting fixtures and the bulbs used in exterior lighting fixtures,
12. all re-circulating fans including the fan/light fixture in each bathroom, and their vent and outlet cap,
13. the heating, ventilation, and air conditioning system (including the condensing units located on wood platforms outside the apartment) serving the Villa exclusively,
14. the flexible dryer vent and outlet cap,
15. all electric, telephone, and other wiring, and all receptacles, switches, and breaker boxes contained in the floors, walls, and ceilings bounding the Villa,
16. all water, drain, sewer, and vent pipes and all conduits for wiring serving the Villa exclusively,
17. the following appliances: oven/range with range hood, refrigerator/freezer with ice-maker, dishwasher, garbage disposal, clothes washer, and clothes dryer,
18. water heater and plumbing fixtures,
19. smoke detectors, and
20. that part of the attic over and including the plywood flooring (a) where the air handling equipment is located, and (b) which can be used as a storage area.

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

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

1. porches, decks (including the walled, service court part of the entry deck), stairs, and exterior railings are reserved for use with the Villas to which they give access or from which they are directly accessible, and
2. exterior light fixtures are reserved for use with the Villas having switches to control them.

G. General Common Elements. General Common Elements include the following:

1. the Land,
2. pilings, girders, fastenings, framing, sub-floors, exterior walls, sheathing, siding, trim, all the flue enclosure and chimney cap assembly, and roofs, and
3. all other portions or parts of the property not described in Paragraph D of this Article as being included in a Villa and not described in Paragraph F of this Article as a Limited Common Element.

H. Values. The value of the Property is \$1,680,000.00 and the value of each Villa is as set out in Exhibit D. These values are fixed for the sole purpose of complying with the Act and shall not prevent each Co-owner (as defined in Article III, Paragraph A) from fixing a different circumstantial value to his Villa in all sorts of acts and contracts.

I. Ownership of Common Elements. An undivided ownership interest in the Common Elements, expressed in Exhibit D as a percentage based upon the relation of the value of the Villa to the value of the Property, is appurtenant to each Villa. This undivided interest in the Common Elements shall not be separated from the Villa to which it appertains and shall be deemed to be conveyed or encumbered with the Villa 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 III

SYSTEM OF ADMINISTRATION OF THE REGIME

A. 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.

B. 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

the Bylaws require a different percentage for a particular act or decision.

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

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

(a) each Co-owner shall be a shareholder of the corporation, and his percentage of stock ownership in the corporation shall be equal to his percentage of ownership in the Common Elements,

(b) the Bylaws referred to in Paragraph D of this Article III shall be adopted as the bylaws of the corporation,

(c) the Articles of Incorporation shall not contain provisions inconsistent with this Master Deed, and

(d) the name of the corporation shall be Duneside Villas II Council of Co-owners unless such name is not available for use by a corporation.

D. 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 in it, and (2) any regulations (Regulations) adopted pursuant to the Bylaws. The Bylaws may be modified or amended only in the manner set forth in Article IX of this Master Deed.

ARTICLE IV

COMMON EXPENSES

A. Liability of Co-owners. The Co-owners of the Villas 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):

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

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

B. Liability of Purchaser. The purchaser of a Villa (other than a purchaser at a foreclosure sale as described in Paragraph D 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, and the purchaser's liability under this paragraph shall be limited to the amount as set forth in the statement.

C. Lien on Villa. All sums assessed but unpaid for the share of the Common Expenses chargeable to any Villa shall constitute a lien on the Villa and, upon the sale of a Villa, 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:

1. tax liens in favor of any assessing unit for taxes which are past due and unpaid, and
2. payments due under mortgage instruments 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 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.

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

D. Foreclosure Purchaser. Where the mortgagee or other purchaser

of a Villa 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 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.

E. Records. The Manager or the Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Property and its 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 V

EASEMENTS, COVENANTS, AND RESTRICTIONS

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

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

C. Encroachments. If any portion of the Common Elements now encroaches upon any Villa, or if any Villa now encroaches upon any other Villa or upon any portion of the Common Elements, or if any such encroachment shall occur as a result of (1) the settling or shifting of the land or any improvements, (2) the repair, alteration, construction, or reconstruction of the Common Elements made by or with the consent of the Council, (3) the repair or construction of a Villa following damage by

fire or other casualty, or (4) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for its maintenance.

D. Right of Access. The Council shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Villa from time to time during reasonable hours as may be necessary to permit the inspection, maintenance, repair, or replacement of any of the Common Elements or for making emergency repairs necessary to prevent damage to the Property.

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

F. Prohibited Work. A Co-owner shall not make any additions or improvements to or do any work upon the Common Elements or make any structural alteration of his Villa without first (1) having the plans and specifications of such addition, improvement, work, or alteration approved by the Board of Directors, and (2) depositing with the Board funds sufficient (in the sole discretion of the Board) to defray all costs, including attorney's fees, of modifying this Master Deed and recording such modification. 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.

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

H. Covenants. The Property, except as hereinafter noted, is and shall be subject to the following easements, covenants, restrictions, and encumbrances in addition to those shown on a recorded plat or the plot plan:

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

2. Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property in Kiawah Island, dated December 21, 1977, recorded in Deed Book M-114 at Page 406 in the Office of the R.M.C. of Charleston County, South Carolina;

3. Class "B" Covenants for Multi-Family Residential Areas in Kiawah Island dated February 19, 1976, recorded in Deed Book T-108 at Page 340 in the R.M.C. Office of Charleston County, South Carolina; and

4. 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.

ARTICLE VI

LIENS

A. 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 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 any other property of any other Co-owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by each and every Co-owner should the need for emergency repairs arise. Labor performed or materials furnished for the Common Elements, if duly authorized by the Council, the Manager, or the Board of Directors in accordance with the Act, this Master Deed, or the Bylaws, shall be deemed to be performed or furnished with the express consent of each Co-owner, and shall be the basis for the filing of a mechanic's or materialman's lien against each of the Villas and may be discharged as provided in Paragraph B of this Article.

B. Discharge. In the event a lien against two or more Villas becomes effective, the respective Co-owners may remove their Villa from the lien by payment of 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 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 and its appurtenant undivided interest in the Common Elements not so paid, satisfied, or discharged.

C. Taxes. Taxes, assessments, and other charges of this State, of any political subdivision, of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each Villa, which shall be carried on the tax books as a separate and distinct entity 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 so long as taxes, assessments, and charges on the Villa are currently paid.

ARTICLE VII

INSURANCE

The Council shall insure the Property against risks, without prejudice to the right of each Co-owner to insure his Villa on his own account for his own benefit.

ARTICLE VIII

RECONSTRUCTION

A. 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, (1) the Secretary shall execute and record, in the same manner as this Master Deed, a certificate evidencing such decision, and (2) the indemnity shall be delivered pro-rata to the Co-owners entitled to it in accordance with the provisions made in the Bylaws. Any reconstruction shall be carried out as provided in the Bylaws.

B. Costs. 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 IX

AMENDMENTS

A. 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 as set forth on Exhibit D.

B. Bylaws. The Bylaws may be amended by the affirmative vote of the Co-owners owning two-thirds of the value of the Property as set forth on Exhibit D.

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

ARTICLE X

MISCELLANEOUS

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

B. Compliance. Each Co-owner shall comply strictly with the Bylaws, 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. 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.

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

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

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

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

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

H. Termination. All 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.

I. Acceptance of Deed to a Villa. The acceptance of a deed of conveyance, the entering into of a lease, or any other occupancy or use of a Villa shall constitute (1) an acceptance and ratification of the provisions of the Master Deed by such Co-owner, tenant, or occupant, and (2) an acknowledgement by the Co-owner, tenant, or occupant that the Grantor makes no implied or express warranties relating to the Villa or to Common Elements except for such warranties as are contained in the general warranty deed conveying the same.

J. Assignment of Warranties. All contractual warranties running in favor of the Grantor in connection with the construction of the building and 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.

K. Rights of Grantor. Grantor shall have no legal rights and obligations vis-a-vis the Regime except (1) in its capacity as Manager of the Regime, (2) in its capacity as Co-owner of a Villa, and (3) the rights and obligations set out in the prior covenants listed in Article V, Paragraph H of this Master Deed.

IN WITNESS WHEREOF, KIAWAH ISLAND COMPANY LIMITED has caused those presents to be executed in its name by Justus C. Gilfillan, its Executive

Vice President, and by James D. Frey, its Authorized Agent, and its corporate seal to be hereto affixed this 25th day of November , 1980.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

KIAWAH ISLAND COMPANY LIMITED

Henry L. Ravenel

BY: Justus C. Gilfillan
Justus C. Gilfillan
Executive Vice President

Frances C. Jones

BY: James D. Frey
James D. Frey
Authorized Agent

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

PERSONALLY APPEARED before me Henry L. Ravenel who, on oath, says that she saw the corporate seal of KIAWAH ISLAND COMPANY LIMITED affixed to the foregoing deed of conveyance and that s/he saw the within named Justus C. Gilfillan, Executive Vice President, and James D. Frey, Authorized Agent, sign and attest the same, and that s/he With Frances C. Jones witnessed the execution and delivery thereof, as the act and deed of the said Corporation.

SWORN TO before me this
25th day of November , 1980.

Henry L. Ravenel (L.S.)
Notary Public for South Carolina
My Commission Expires: 1/1/81

Henry L. Ravenel

EXHIBIT D

TO MASTER DEED OF
DUNESIDE VILLAS II
HORIZONTAL PROPERTY REGIME

BUILDING NUMBER	VILLA NUMBER	VILLA TYPE	VALUE	VOTES AND % OF OWNERSHIP OF REGIME COMMON ELEMENTS
8	1119	C	\$279,972	16.665
8	1120	C	\$279,972	16.665
8	1121	C	\$280,056	16.670
8	1122	COH	\$280,056	16.670
9	1123	COH	\$279,972	16.665
9	1124	COH	\$279,972	16.665
TOTAL			\$1,680,000	100.000