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STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
RUNNING WITH CERTAIN LANDS OF
GREENBROOKE HOMES COMPANY
AND PROVISIONS FOR MEMBERSHIP IN
WYNDEMERE OWNERS ASSOCIATION

WHEREAS, Declarant holds title in fee simple to the certain lands (hereinafter referred to as the "Property") described in Section 1-1 of the Declaration.

WHEREAS, Declarant finds that private controls over the use of land are an effective means of preserving, maintaining and, in some instances, enhancing the economic or intangible values pertaining to the use and enjoyment of the Property and, to this end, Declarant desires to establish on the Property certain private land use controls, conditions, restrictions, equitable servitudes, encumbrances, affirmative obligations, burdens, benefits, reservations, easements, assessments, charges and liens (hereinafter referred to as these "Covenants" or the "Declaration"); and

WHEREAS, the primary purpose of these Covenants is to facilitate, through appropriate land use controls and through provision of on-going financial support raised through assessments provided for herein for the maintenance of common properties, the creation and maintenance of areas of human habitation and human activities on various parcels of land on the Property, which may include facilities for leisure, cultural, education, sports, support services, dwellings, hotels, lodging, commercial and other recreational facilities; and

WHEREAS, the Declarant deems it desirable to provide a mechanism for the proper administration of these Covenants, including, but not limited to, the ownership, operation and maintenance of common facilities on the Property, the performance of acts of maintenance, administration, central services, assessments, enforcement and other activities set forth in these Covenants and other mandatory and discretionary functions consistent with the purposes of these Covenants which benefit the Property, including those which are traditionally undertaken or provided by non-profit entities such as neighborhood property owners associations; and

WHEREAS, in connection with the need for such a mechanism the Declarant has caused or will cause to be incorporated under the laws of the State of South Carolina, a non-profit corporation,

the Wyndemere Owners Association ("Association"), for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth; and

NOW, THEREFORE, the Declarant hereby declares that the Property hereof is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to these Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and burden, and run with the land and any estates in the land herein referred to as the Property and these Covenants are intended to be covenants burdening and benefitting all persons, real or artificial, now or hereafter deriving a real property estate in the Property, whether by assignment, succession or inheritance.

PART ONE

GENERAL REFERENCES

Article I Property Description

Section 1-1 The Property. The real property (the "Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants is described in Exhibit "A" to these Covenants, which exhibit is incorporated by reference herein.

Section 1-2. Additions to Existing Property. Additional lands may become subject to these Covenants in the following manner:

- (a) The Declarant, its successors and assigns, shall have the right, without consent of the Association, to bring within the plan and operation of these Covenants, additional properties in future stages of the development. The additions authorized under this and the succeeding subsections shall be made by either deeding such additional property subject to these Covenants by specific reference in individual deeds or by filing a Supplementary Declaration of Covenants and Restrictions (hereinafter referred to as "The Supplementary Declaration") with respect to the additional property which shall extend the operation and effect of these Covenants to such additional property.

The Supplementary Declaration may contain such complementary additions and/or modifications of these

Covenants as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character, if any, of the added properties. A Supplementary Declaration which brings within these Covenants a Development Parcel or Undeveloped Land may include a reallocation of votes within the Association and Modification of assessments applicable for said Development Parcel or Undeveloped Land. Modifications may include expansion of Land Use Classifications, and Permitted Land Use, and/or modification of restrictions as they may apply to a particular Land Use Classification. Said Supplementary Declaration may provide for the establishment of a separate neighborhood association within the property subjected to these Covenants to provide unique services for said area.

- (b) Upon approval in writing of the Association pursuant to three-fourths (3/4) of the vote of those present at a duly called meeting of the Association, the owner of any property who desires to add it to the plan of these Covenants and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration with respect to the additional property which shall extend the operation and effect of these Covenants to such additional property.

The Supplementary Declaration may contain such complementary additions and/or modification of these Covenants as may be necessary or convenient, in the sole judgment of the Association, to reflect the different character, if any, of the added properties, but such modification shall have no effect on the Covenants as they apply to the Property.

- (c) Upon merger or consolidation of the Association with another association, as provided for in the by-laws of the Association, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the existing Property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall effect any revocation, change or addition to these Covenants including, without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association.

PART TWO
COVENANTS AND RESTRICTIONS APPLICABLE TO
THE PROPERTY

Article II Land Use Classifications of Permitted Land Uses

Section 2-1 Land Use Classifications. The initial instrument of conveyance of each unit of land or improvements within the Property shall designate one (1) or more of the following Land Use Classes to which the parcel is restricted. With the exception of any property owned by Declarant which is designated for Land Use Class C-2, the initial designation of a Land Use Class by the Declarant in the initial instrument of conveyance shall not thereafter be altered or changed once the instrument has been recorded. The following classifications of permitted land uses shall also be used in all development plats, concept research plans and master plans pertaining to the Property.

A. Open Space.

A-1: Open Space

A-2: Lagoons

B. Residential.

C. Institutional and Limited Commercial Uses.

C-1 Used for churches, libraries, police and security stations (other than entrance gates), fire, emergency medical rescue centers, health, nutrition, dietary, or medical clinics, and similar health, educational and institutional uses.

C-2 Used for sales/reception center.

C-3 Used for Retail or other Commercial Units.

D. Recreational and Club Uses.

D-1 Used for outdoor recreation areas consisting of but not limited to sitting gardens, parks, playgrounds, paddleball, tennis and other racquet sports, and swimming pools.

D-2 Used for Association and recreation clubhouse structures including associated pro shops, dining and refreshment facilities, health clubs, spas, libraries, and bicycle or moped rentals.

E. Cleaning, Maintenance, Resource Protection, Repair, Security and Utility Areas.

E-1 Used for grounds and maintenance centers, transportation facilities and utility service and support installations including but not limited to telephone facilities and communications equipment, cable television facilities, satellite earth stations, cellular radio facilities, microwave and light stations, and similar maintenance, repair, security and utility areas.

E-2 Solid and liquid water disposal and storage areas; sewage spray fields; water towers and pumping stations; resource recycling stations and other similar utility, water control and resource recovery facilities. Nothing contained within these classification section shall be interpreted to restrict or prohibit the use of land under other land use classifications from regular and normal utility easements including, water, sewer, advance treated effluent, storm drainage, telephone, cable television, computer and electricity.

F. Miscellaneous (Reserved for Future Use).

Section 2-2 Recording and Enforcement of Designated Land Uses. No Land Use Class is valid, binding, operative or enforceable under these Covenants until such time as the Land Use Class for a particular parcel is designated in a recorded deed or recorded survey or development plat conforming with Section 2-3. In no event shall a use designated in a Master Plan as defined in Section 16-1.5 be enforceable or be considered a land use restraint, servitude, covenant or restriction, be construed to be a sales commitment of Declarant, or give rise to any obligations, liabilities or commitments to any buyer or Property Owner by the Declarant or the Association.

Section 2-3 Limitation on the Use of Development and Survey Plats. No Development or Survey Plat may establish use classifications or restrictions on any land or improvements within the Property unless such Development or Survey Plat: (a) is prepared and signed by a registered surveyor; (b) is supplemented by a recorded written instrument setting forth such restrictions; and (c) said Development or Survey Plat and said written instrument have been approved by Declarant in writing and said recorded written approval by Declarant supplements the recorded Development Plat or Survey Plat.

Article III General Covenants Applicable to the Declarant, the Association, All Property Owners and all Lands and Improvements within the Property.

Section 3-1 Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures and Landscaping. No temporary or permanent structure may be commenced or erected upon the Property or any application for a building permit for such structure be made, any landscaping be done, or any addition to any existing building or alteration or change to the exterior thereof be made, until the proposed building plans, specifications, materials and exterior finish, plat plan, landscape plan and construction schedule shall have been submitted to and approved by the Declarant or the Association following consideration by the Architectural Review Board as provided in Section 8-13.

Section 3-2 Siting. To assure that the building and other structures will be located so that reasonable view, privacy and breeze will be available to the largest practical number of each building or structures built within the Property and that structures will be located with regard to the topography of each property taking into consideration the location of large trees, structures previously built or approved pursuant to this Article for adjacent parcels of land and other aesthetic and environmental considerations, where the deed of conveyance on individual development or survey plat does not specify building set-back lines from front, rear and side lines, the Declarant or the Association (upon conveyance of the Declarant's rights to the Association), following consideration by the Architectural Review Board, shall have the right to approve (subject to the provisions of the pertinent law) the precise site and location of any structure within the Property. The location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site.

Section 3-3 Tree and Bush Removal. No trees of any kind above eight (8) inches in diameter at a point four (4) feet above the ground level other than trees in the space which approximates the center most twenty (20%) percent of each lot or parcel may be removed by any property owners, their successors and assigns, anywhere within the Property, including trees within Common Properties and Regime Properties without the written approval of the Architectural Review Board. A tree location plan showing all critical trees adjacent and nearby structures may be required by the Architectural Review Board as part of the submission under Sections 3-1, 3-2 and this Section.

Section 3-4 Completion of Construction. The exterior of all buildings and other structures must be completed within twenty-four (24) months after the construction of a particular building or structure shall have commenced, except where such completion is impossible or would result in great hardship to the Property Owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling

structures may not be temporarily or permanently occupied until a Certificate of Occupancy has been issued by the Town of Hilton Head Island or other applicable authority. Substantially all of the landscaping shown in plans submitted to the Architectural Review Board must be completed within one (1) year of the initial occupancy. As a condition of approval of proposed plans for all structures a bond may be required by the Association and Declarant which guarantees payment of the landscape installation at contractor's estimated cost of installation to implement the plan as submitted and approved by the Declarant or the Association upon conveyance to the Association of the Declarant's rights. The builder/developer's letting of a contract for the installation of the full landscaping plan by the end of the first full winter shall be a condition of any occupancy of the structures other than owner-occupied single family residences.

Section 3-5 Minimizing Construction Disturbances. During the continuance of construction, the Property Owner and the contractor shall maintain the site of the building in a clean and uncluttered condition, and construction may not commence before 7:00 a.m. or be continued after 9:00 p.m. Monday through Friday, and is not permitted on Sunday if located within two hundred (200) feet of an occupied residential dwelling; provided, however, interior construction which is not audible outside of the building is not so restricted by this section.

Section 3-6 Service Yards. All service yard contents such as garbage receptacles, electric and gas meters, heat pump and air-conditioning equipment, clotheslines, water pumps, fuel tanks and unsightly objects and equipment on the Property must be placed or stored in fenced or screened-in areas to conceal them from the view on the road and adjacent properties.

Section 3-7 Lights and Signs. No promotional, advertising or commercial lights, signs or ornaments, whether mobile or fixed, other than marketing signs for sales of units by the Declarant or its assigns, may be erected on the Property by anyone except where approved by the Declaration or by the Declarant or by the Association (after transfer of the Declarant's rights hereunder to the Association) following consideration by the Architectural Review Board.

Section 3-8 Other Buildings and Vehicles. No mobile home, trailer, tent, barn or other similar out-building or structure shall be placed on the Property at any time without prior approval from the Declarant or the Association following consideration by the Architectural Review Board, and such approvals shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No

home trailer, residence trailers, boats, boat trailers, campers, trucks, utility trailers, or commercial vehicles of any kind may be permitted on the Property except as approved by the Declarant or the Association.

Section 3-9 Water and Sewage. No structure may be erected on the Property unless suitable provisions have been made for water and the disposal of sewage by each Property Owner and said provisions have been approved by the Declarant or the Association following consideration by the Architectural Review Board. No private water wells may be drilled or maintained on the Property by anyone other than the Declarant. Any construction on the Property by an Owner shall include the installation of an irrigation system for the spraying of waste water treated effluent on all landscaped areas, including buffer zones. Owners shall spray such treated effluent in the maximum amounts permitted by and in accordance with the rules and regulations of the State of South Carolina Department of Health and Environmental Control and as approved by Broad Creek Public Service District. The design, construction and operation of such irrigating system shall be subject to the review and approval of the Declarant and the Architectural Review Board.

Section 3-10 Antennas; Emission and Reception of Electromagnetic and Light Radiation. No television antenna, satellite antenna, satellite dish, radio receiver or other similar device for receipt of microwave or television broadcast signals may be erected on the exterior portion of any structure or land without the approval of the Declarant or the Association after consideration by the Architectural Review Board.

Section 3-11 Building Height. No building shall be constructed on the Property which has a height exceeding above five (5) stories from the flood insurance regulations minimum dwelling floor height as established by the pertinent laws, not including roof-top air-conditioning, heating, solar arrays, and energy conservation equipment; provided, however, that these height limitations shall not apply to church steeples, clock towers, antennas, and other similar structures. The first parking level or deck underneath a building built approximately at, or above grade, shall not be considered a story, and the "first" story for purposes of this restriction shall be the first floor above the established "Hundred Year Flood" level established for purposes of flood damage insurance and pertinent laws affecting flood insurance. In addition, for purposes of calculating permissible building height, a "story" shall not exceed a height of fifteen (15) feet from floor to ceiling. See also Section 5-3 for additional restrictions on building height in residential areas.

Section 3-12 Waterfront Setback Requirements. No Dwelling Unit, Retail Unit or building may be erected within five (5)

feet, not including the deck, of the center point of the line adjacent to a lagoon edge, lake edge or marsh edge on any part of the Property as shown on a recorded Development Plat; provided, however, that structures or improvements in the nature of pools, decks, hot tubs, bike trails, cook-out and entertainment structures, bar and food facilities, recreational support structures, picnic storage areas and restrooms, may be built within such five (5) foot setback line if approved by the Declarant or the Association pursuant to Section 3-1 and Section 8-13. Reasonable variances to these setback requirements may be approved by the Architectural Review Board where, in the sole discretion of the Declarant or the Association, adjacent property would not be harmed by such variances.

(i) Minimum First Floor Elevation. Construction of a residential structure (or commercial structure in the case of a commercial business subdivision) on and lying within a flood hazard "A", "B" or "C" area shall have a minimum first floor elevation the level of the one-hundred-year flood or above as designated on official flood plain maps.

(ii) Construction in Coastal High Hazard Areas. Construction on lots within what is defined and designated as "coastal high hazard velocity areas" shall be elevated and securely anchored to well-anchored piles or columns and have the level of the bottom of the lowest horizontal support member at or above the level of the one-hundred-year flood. Space below the level of the first floor level shall be free of obstruction or covered by breakaway facade material capable of producing free obstruction for the impact of abnormally high tides of wind-driven water.

Section 3-13 Minimum Required Square Footage. No plans will be approved unless the proposed dwelling will have the minimum required square footage of enclosed dwelling area. Unless otherwise approved by the Declarant, Dwelling Units (Residential Classification) shall have a minimum of one thousand (1,000) square feet of enclosed dwelling area for two bedroom dwelling units and seven hundred fifty (750) square feet of enclosed dwelling area for one bedroom dwelling units. For all other classifications of Units of land or improvements, the Declarant reserves the right to establish or revise minimum required square footage of dwelling area. The term "enclosed dwelling area" as used in these minimum size requirements shall mean the total enclosed area within a dwelling; provided, however, that such term does not include garages, boat sheds, terraces, decks, open porches, and the like areas; provided further, that shed-type porches, even though attached to the dwelling, are specifically excluded from the definition of the aforesaid term "enclosed dwelling area".

Section 3-14 Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept or pastured on the Property other than a maximum of three (3) household pets kept in any one Dwelling Unit. In order to preserve the aesthetic qualities of the Property, to maintain sanitary conditions on the Property, to prevent the spread of worms and infectious diseases on the Property, to maintain a proper respect for other Property Owners and users of the Property, and to maximize the overall use and enjoyment of the Property, each person who keeps a pet within a Dwelling Unit shall abide by rules and regulations established by the Declarant or the Association from time to time. The breach of any of these rules and regulations shall be a noxious and offensive activity constituting a nuisance.

Section 3-15 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device, except devices intended for use and used exclusively (and with reasonable regard for neighbors) for safety or security purposes, shall be used upon any part of the Property without the approval of the Declarant or the Association.

Section 3-16 Offensive Activity. No Offensive or Noxious activity shall be carried on upon the Property.

- (a) "Offensive or Noxious" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior which is inconsistent with both the reasonable pleasurable use of the Property area by Property Owners, their Lessees, Subowners and Guests and their reasonable expectations of vacationing, year-round living, studying, working, recreating or enjoying sports free of excessively noisy behavior grossly disregarding the rights of others, flashing or excessively bright lights, racing vehicles (regardless of the number of wheels), offensive displays of public sexuality, significantly loud radio, hi-fi, electronic music distractions, offensive or irresponsible management and control of pets or other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the Dwelling Units, Common Properties, Regime Common Properties, Commercial Property and other areas within the Property by others who are not participating in such offensive or noxious activity. Jogging and bicycle-riding events, concerts, festivals, competitions or shows primarily for the use and enjoyment of the Property by Property Owners and their guests, conducted under permit from the Declarant or the Association shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by the Declarant or the Association or its terms and conditions violated.

- (b) Notwithstanding the provisions of Section 3.16(a), the Declarant, the Association, and any owner or member of the Association hereby acknowledge the prior existence and presence of the Broad Creek Public Service District as an adjoining landowner to the Property encumbered by this Declaration and the presence and existence of a sewage treatment plant on the adjoining lands and do furthermore acknowledge that from time to time there will on occasion exist certain obnoxious odors or smells which may effect the quiet enjoyment of the Property or portions thereof by various owners. By making this Declaration, the Declarant, the Association, and their respective successors and assigns in title to the Property or portions thereof including the subsequent Owners of individual Dwelling Units, Horizontal Property Regimes, and Commercial Properties do hereby covenant not to sue Broad Creek Public Service District from liability or damages resulting from such obnoxious odors or smells incurred by the Declarant, the Association, or their respective successors or assigns in title to the Property, or portions thereof including the owners of Dwelling Units, Horizontal Property Regimes, or Commercial Properties so long as such obnoxious odors or smells are not through the negligence or misconduct of Broad Creek Public Service District, its employees, agents, or officers or directors. Furthermore, Declarant acknowledges that the plant is expandable and in order to provide service to other customers of the District, the District will have to expand the District in the future. Declarant, on behalf of itself, its successors and assigns, the Association and the respective successors and assigns in title to the Property or portions thereof including the subsequent owners of individual dwelling units, horizontal property regimes and commercial properties, do hereby covenant and agree that they will not object to any permit application of the District to expand said plant.

Section 3-17 Laundry Drying. Each Property Owner, his or her family, his or her guests or his or her tenants shall not hang laundry, towels or clothing from any area within or outside a dwelling unit if such laundry is within the public view, nor hang laundry in full public view to dry, such as on balcony and terrace railings.

Section 3-18 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic value and economic value of all individual properties within the Property, each Property Owner, the Declarant, with respect to Improved Property owned by the Declarant, the Association with respect to Common Properties, shall have the affirmative duty to

rebuild, replace, repair, or clear and landscape, within a reasonable period of time any building structure, improvement or significant vegetation is damaged or destroyed by Act of God, fire or other casualty other than war. Variations and waivers of this provision may be made only upon the approval of the Association establishing that the overall purpose of these Covenants will be best effected by allowing such a variation. The allowance of a variance by the Association shall not be deemed to be a waiver of the binding effect of this Section on all other Property Owners.

Section 3-19 Prohibition of Oil and Gas Wells and Subsurface Mining. No well for the production of, or from which there may be produced, oil or gas shall be dug or operated upon the Property, nor shall any machinery, appliance or structure, ever be placed, operated or maintained thereon in connection therewith, nor shall there be any subsurface mining or drilling activity; provided, however, that the prohibition against drilling activity shall not include any drilling or excavation activity associated with the search for or development of water wells, the installation of utilities and communication facilities, and any activity associated with soil testing, construction of building foundations, development of amenities such as golf courses, or master drainage control.

Section 3-20 Prohibition of Industry. Neither the Association nor any Property Owner, nor the Declarant shall erect, or suffer or permit to be erected, on any part of the Property, any forge, foundry, blacksmith shop, furnace or factory of any kind or nature whatsoever for the manufacture and operation of industry; nor shall any Property Owner, the Association, or the Declarant own, erect, carry on, or permit, or cause or suffer to be erected, made, established or carried on in any manner, on the Property, any structure or operation for the manufacture or production of any manufactured goods (other than fine hand-crafted items crafted in a home or craft workshop).

Section 3-21 Subdivision of Property. No Property within any Land Class within the Property shall be subdivided other than by the Declarant except by means of a written and recorded instrument indicating that such subdivision has been approved by the Declarant.

Section 3-22 Willful Destruction of Wildlife. No hunting shall be allowed on the Property, except under controlled conditions approved by the Declarant or the Association and appropriate governmental wildlife authorities for the purpose of protecting Property Owners, the public and other animals against health hazards, disease, over-population of wildlife and significant wildlife predation. Any violation of this provision shall be deemed a trespass. Since this Property is to be

developed and maintained for the purpose of accommodating human uses and that the Property is not intended to be nor is to be maintained as a wildlife sanctuary and, consequently, depletion of wildlife stock which results from the process of planned development shall not be deemed to be a violation of this Section.

Section 3-23 Duty to Keep Property Attractive and in Good Repair. It shall be the affirmative duty of each Property Owner and the co-owners within a Horizontal Property Regime to: prevent and remove the accumulation of litter, trash, packing crates or rubbish, or the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property either before, during or after construction; to remove accumulations which tend to substantially decrease the neat and attractive appearance of the Property Owners' individual property or the Property as a whole; and, to keep their buildings, structures and improvements in good repair.

Section 3-24 Drainage. The Declarant or the Association may establish reasonable regulations and restrictions pertaining to drainage and siltation, originating on construction sites and parking lots porosity of pavement materials used on roadways and parking lots, and similar provisions relating to hydrological factors on the Property. The Properties subject to this Declaration shall at all times be responsible and liable for its proportionate part, based upon an acreage basis, for all maintenance costs of the storm drainage and lagoon drainage system. Included in this storm drainage maintenance obligation shall be a one hundred (100%) percent responsibility for drainage systems within a certain property, a lot with any improvements thereon, a horizontal property regime, or any phase thereof, serving only such property and swales within such property and a proportionate part, based upon the acreage of such property divided by the total acreage in the entire Yacht Cove commercial and residential development of approximately seventy (70) acres for maintenance of the common storm drainage and lagoon system carrying the water from the property to Broad Creek. Declarant reserves the right to burden and benefit the Property pursuant to a storm drainage easement to cover the storm drainage system of the Yacht Cove development pursuant to a specific easement to be granted jointly by Declarant and Calhoun Thomas, Jr. and Deborah S. Thomas in the future.

Section 3-25 Smells and Odors.

- (a) The owner of any realty within the Property shall have the affirmative duty to prevent the release of obnoxious smells and odors which might tend to adversely affect the reasonable use and enjoyment of the lands and other interests in realty owned by adjacent and nearby Property Owners.

- (b) Notwithstanding the foregoing, the owner of any realty within the Property shall by taking title to said Property subject to this Declaration shall be bound by the covenant not to sue provisions in favor of Broad Creek Public Service District as set forth in Section 3.16(b) hereinabove.

Article IV Open Space

Section 4-1 Designation of Open Space and Types of Open Space. In order to help preserve, protect and enhance natural, scenic, aesthetic, historic and recreational resources, soils, wetlands, vegetation, and wildlife in evidence on the Property, the Declarant may designate portions of its Property as Open Space for periods of twenty-five (25), fifty (50), ninety-nine (99) years or perpetuity as such durations may be specifically adopted and recorded as to specific parcels by the Declarant; provided, however, that no such designation shall extend beyond the duration of these Covenants. To further this purpose, the Declarant covenants that no Open Space shall be subject to any Annual Assessments, Supplemental Assessments or Special Assessments.

No property, including Regime Common Property, shall be Open Space unless it is described as "Open Space" in a recorded declaration signed and formally executed by the title owner, and the declaration is accompanied by a plat prepared by a registered surveyor, which plat recites metes and bounds and the number of square feet or acreage of Open Space within such described area that is designated as Open Space, and the declaration is supplemented by an instrument indicating in writing that the designation of Open Space is either approved by Declarant or, if this approval right is assigned by Declarant to the Association, approved by the Association.

Section 4-2 Transfer of Open Space by the Declarant. The Declarant may assign, transfer and otherwise convey to the Association such Open Space land, and upon such assignment, transfer or designation, the Association will assume the obligation to maintain and protect such Open Space in a manner consistent with the restrictions and obligations set forth in the instrument of conveyance and this Declaration. Nothing within this Section or this Declaration places on the Declarant an affirmative obligation to designate any areas as Open Spaces and nothing within this Section or these Covenants places on the Declarant an affirmative obligation to transfer the title to any areas of Open Space to the Association.

Section 4-3 Members' Easement of Enjoyment of Open Space. Subject to the provisions of these Covenants, the rules and regulations of the Declarant or Association, and any fees or

charges established by the Declarant or Association, every Class "A", "B" and "C" Member and every Lessee and reasonably limited number of guests of such Class "A", "B" and "C" Member shall have a right and easement of use and enjoyment in and to the lands designated in a supplemental Declaration as Open Space whether title to such Open Space is held by the Declarant or the Association, and such easement shall be appurtenant to and shall pass with the title of every Development Parcel, Commercial Property, or Dwelling Unit within the Property, but such easement shall only exist as to any parcel of Open Space as long as the Open Space designation of any parcel remains operative as provided in Section 4-1.

Section 4-4 Festivals in Open Space. Subject to appropriate safety and noise control regulations established by the Declarant or the Association and applicable governmental ordinances and laws, the Declarant or the Association may designate one or more areas of Open Space for use as sites for festivals where the primary emphasis is on art, music, performing arts, dance and like events primarily for the direct or indirect benefit of the Property Owners.

Article V Special Covenants Applicable to Property Classified for Residential Use

Section 5-1 Intended Use for Single Private Household and Residential Purposes.

- (a) All Dwelling Units within the Residential Land Use Classification as described in Section 2-1 shall be used for Residential Purposes as defined in (b) and (c) below.
- (b) "Single Private Household" shall mean and refer to a family or household unit blended into a single group for usual domestic purposes, including a traditional family of parent and those to whom the parties have legal duty to support, and extended families related by blood or marriage, but also including three (3) or fewer companions and friends, nurses and domestic servants and their spouses, and also including household members not related within the degrees of consanguinity, but in no event shall a "household" include more than four (4) persons who are unrelated by blood, marriage, consanguinity or adoption; provided, however, that the Declarant or the Association may grant conditional variances to this provision for purposes of eliminating hardship. In no event shall a Dwelling Unit restricted to Single Private Household be used as a "rooming" house to provide accommodations amounting to less than the entire Dwelling Unit to transients, boarders,

roomers or tenants who are not members of the resident "household" as defined above.

(c) "Residential" (used in contradistinction from "business", "commerce" or "mercantile") shall mean and refer to a use and occupancy of a building as a long-term abode, dwelling or residence or use for seasonal vacations, or transient lodging. The restriction to use for "Residential" purposes is subject to the following qualifications:

- (1) The use of a portion of a Dwelling Unit as an office or art or craft studio of members of the Single Private Households shall be considered as a Residential use only if such use does not create a significant increase in customer or client traffic to and from the Dwelling Unit, provided that no sign, symbol, logo or nameplate identifying a business or professional office is affixed to or about the grounds or the entrance to the Dwelling Unit, if the Dwelling Unit is only incidentally used for business or professional purposes, and provided that the Declarant or Association, after responding to one or more reasonable complaints by a neighboring Property Owner, has not expressly requested that the subject Dwelling Unit not be used in whole or in part as an office or studio because of auto congestion or other nuisances.
- (2) A Dwelling Unit may be used by Declarant or its agents as a model home, real estate sales office or site for an "Open House" and may be deemed a use for Residential purposes. Use of a Dwelling Unit as a model or real estate office by any party other than the Declarant must be approved by the Declarant and if approved, said use shall be limited to a twelve (12) month period after the building is substantially completed.
- (3) No Dwelling Unit located in Residential Classification, may be used for "garage sales", "open houses" or other commercial gatherings designed to promote the resale of dwellings at any location, or any product sales unless a temporary permit for such use has been approved by the Declarant or the Association.
- (4) The use of a Dwelling Unit as a situs for work and home occupations are permitted only as an incidental use of any Dwelling Unit and all home occupations shall be subject to the following

limitations: (i) no display of products shall be visible from the street; (ii) no mechanical equipment shall be installed or used except equipment that is normally used for domestic, craft and professional purposes and which does not cause noises heard upon neighboring property or does not cause interference of radio, television, microwave and light signals; (iii) no outside storage shall be used in connection with the home occupation; and (iv) traffic generation shall not be significantly increased, as for example, where the increased traffic volume exceeds more than thirty (30%) percent of the traffic volume generated by typical nearby Dwelling Units.

- (5) No Dwelling Lot or Dwelling Unit restricted to Residential uses may be used as a means of service to business establishments on adjacent lots, including but not limited to supplementary facilities or an intentional passageway or entrance into a business house.

Section 5-2 Building Height. No building shall be constructed which has a height which exceeds five (5) "stories" as set forth in Section 3-11.

Article VI Rights Reserved by the Declarant, its Successors and Assigns

Section 6-1 Other Rights and Reservations. The omission of any right or reservation in this Article shall not limit any other right of or reservation by the Declarant which is expressly stated in or implied from any other provision in these Covenants.

Section 6-2 No Affirmative Obligation Unless Stated. Any reservation or right of the Declarant which is stated in or reasonably implied from these Covenants shall not give rise to any affirmative obligation or duty on the part of the Declarant unless expressly stated in these Covenants.

Section 6-3 Modification and Revision of the Master Plans. The Declarant reserves the right to modify the Master Plan with respect to any parcel, lot or area within the Property which has not by recorded declaration been dedicated as Common Properties or already been conveyed to a Property Owner. No implied equitable or legal covenants, servitudes or easements shall arise with respect to lands retained by the Declarant by virtue of any Master Plan.

Section 6-4 Certain Easements. The Declarant reserves exclusively unto itself, its successors and assigns a perpetual,

alienable and releasable easement and right in, on, over and under the Property to erect, maintain, operate and use poles, wires, cables; switches; computers; receptacles; conduits; swales; drainage ways; storm water drainage systems; lagoons; sewers; wells; advanced treatment wastewater irrigation systems; antennas; towers; garbage collection facilities; pumping stations; tanks; water mains and other suitable equipment for the conveyance, transmission or use of video, voice, facsimile and data communications, electricity, gas, sewer, water, storm water, advanced treatment wastewater irrigation drainage or other public conveniences, utilities and communication facilities on, in or over those portions of such property as may be reasonably required for utility line purposes; provided, however, that:

- (a) no utility easement shall run across any portion of the Property which is covered by an existing building or other improvement other than roads, or across any land for which written approvals to construct an improvement thereon have been obtained within the past year from the Declarant;
- (b) such easement or installation of utilities therein or thereon shall be maintained in as attractive a state of appearance as is reasonably feasible;
- (c) the Declarant, without obligation, reserves the right to transfer such utilities and easements, in whole or in part, to the Association, at which time the Association shall be responsible for and shall have the obligations to operate and maintain such utility easements or corridors;
- (d) the Declarant, without obligation, reserves the right to transfer such utilities and utility easements and easements of access to such utilities and utility easements, in whole or in part, to another entity, whether public or private, which shall undertake to provide such utility service, including Broad Creek Public Service District for water and sanitary sewer systems.

In addition, the Declarant reserves exclusively unto itself, its successors and assigns including the Association, a perpetual, alienable and releasable easement and right over the Property for the purpose of maintaining any lagoons, creeks, lakes or other bodies of water located within the Property.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action reasonably necessary to provide economical and safe utility installation to monitor water levels

and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Property Owner or Common Properties caused by such utility installation or maintenance activities shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by the Declarant or the Association or prompt and reasonable remuneration for such repair shall be made to such Property Owner by the Declarant.

Section 6-5 Bridges and Walkways. The Declarant retains, without obligation, a twelve (12) foot easement along, but not necessarily bordering, the road edge, parking lot edge or lagoon edge within the Property for the purpose of constructing bikeways, jogging paths, bridges, riding trails, such passageways to interconnect with major recreational, residential and lodging facilities on the Property. The Declarant also retains the right, without obligation to do so, to transfer any bikeways, jogging paths, bridges, docks, or other passageways, or easements for same to the Association, at which time the Association shall have the obligation to maintain an easement of access to said bikeways, jogging paths, bridges, docks, or passageways for the purpose of maintaining the same for access thereto as Open Space. Nothing in this Section shall be construed as placing an affirmative obligation on the Declarant to provide or construct any such improvement.

Section 6-6 Easements in Open Space and Common Properties. In addition, the Declarant reserves the right to make access trails or paths or boardwalks through Open Space and Common Properties for the purpose of permitting recreation; health and fitness exercise; observation and study of wildlife; hiking and riding; to erect small signs through the Open Space designating points of particular interest and attraction; and to take such other steps as are reasonable, necessary and proper to further the community use and enjoyment of the Open Spaces; provided, however, there is no affirmative obligation on the Declarant to perform such functions or to provide any Open Space as defined herein.

Section 6-7 Enforcement. The Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to complete compliance to the terms of this Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse the Declarant in full for all its direct and indirect costs, including, but not limited to, legal fees incurred by the Declarant in maintaining compliance with this Declaration, and such obligation shall constitute a lien upon the Property in accordance with Sections 13-1 and 13-4.

The Declarant and the Association also retain an easement and license to enter upon any part of the Property, after reasonable

notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall constitute a lien upon the Site and shall be a personal obligation of the Property Owner in accordance with Sections 13-1 and 13-4.

Section 6-8 Common Properties and Rights Transferred to The Association. Whether or not expressed at any time, any property transferred by the Declarant to the Association shall be consistent with Section 10-3, shall be deemed accepted by the Association, and shall at all times remain subject to existing easements which have been expressly reserved by the Declarant pursuant to this Declaration.

No property transferred by the Declarant to the Association shall be used or operated by the Association or by any other person or entity for business purposes, profit or gain without the prior written consent of the Declarant and no charges in excess of those required for operation, maintenance, refurbishment insurance, taxes and moderate capital improvements and protection of the property furnished by the Declarant shall be imposed by the Association for use of any property furnished by the Declarant without the prior written consent of the Declarant.

The Declarant may convey any right reserved to it in these Covenants to the Association and the Association shall accept the right upon conveyance.

Section 6-9 - Limited Right to Amend Covenants. The Declarant specifically reserves to itself, its successors and assigns, the right to amend this Declaration on its own motion from the date hereof until December 31, 2005, solely for the purpose of making technical changes to eliminate or clarify conflicting provisions, or adding or deleting any provisions as provided by the mechanism found in Section 9-4 below. In addition, until December 31, 2005, Declarant reserves the limited right to make changes in these Covenants required by lending agencies or title insurance companies in order that clearer title can be conveyed to Property Owners and to remove any restraints on alienation adversely affecting the issuance of, or cost of, title insurance. Moreover, Declarant further reserves for said period the right to amend the Covenants as necessary in order to comply with the requirements and guidelines of such agencies as The Federal National Mortgage Association and similar federal or quasi-federal agencies involved in mortgage financing programs; or adding new Land Use Class categories and assessment provisions therefor, so long as the amount of assessments of such existing Members is not raised or changed in any manner that would adversely affect such Members.

Section 6-10 Use of Trademark. Each Property Owner or Lessee, by acceptance of a deed to any lands, tenements, or hereditaments within the Property hereby acknowledges that "Wynndemere" and "Greenbrooke Homes" are service marks and trademarks of the Declarant. Each Property Owner or Lessee agrees to refrain from misappropriating or infringing these service marks or trademarks.

Section 6-11 Subdivision and Replatting of Property. Notwithstanding the provisions of Section 3-21, the Declarant expressly reserves unto itself, its successors or assigns the right to replat any parcel of land into one (1), two (2) or more parcels and the Declarant may take such other steps as are reasonably necessary to make such replatted parcel suitable and fit for use for a structure or structures permitted under its Land Use Classification as it originally platted as one parcel, such steps including but not limited to the relocation of easements, walkways, bike tracks and rights-of-way to conform to the new boundaries of said replatted parcels.

Section 6-12 Right to Approve Horizontal Property Regime. No Horizontal Property Regime established on the Property shall be effective unless it is approved by the Declarant.

Section 6-13 Ingress and Egress; Roadways. The Property Owner, in accepting title to property conveyed subject to these Covenants, waives all rights of uncontrolled and unlimited egress and ingress to such property (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Property Owner and successors in title) and agrees that such ingress and egress to its property shall be limited to roads built by the Declarant.

The Declarant reserves the right for itself, its successors and assigns, but not the obligation, to (a) maintain guarded gates controlling access to such roads; (b) require payment of toll charges for use of such roads by members of the general public including business invitees, except that (1) no such toll shall be applicable to any Property Owners or Lessees or Property Owners, nor shall the toll be applicable to any person who gives reasonable evidence satisfactory to the Declarant that their entry into the premises of the Property Owner is with the specific permission of the Property Owner, or his duly authorized agent; provided, however, that this exception shall not apply to commercial or construction vehicles of any kind; (2) no such toll charge shall be applicable to guests of the Declarant; (3) no such toll charge shall be applicable to guests of a hotel, if any; (c) determine in its sole discretion the types of vehicles that will be permitted access to the Property and use of such roads; (d) provided, however, that the Declarant reserves the right to limit access to the Property to the Declarant, Property Owners,

Lessees, and their Guests and Invitees. If and when the roadways and streets are conveyed to the Association, the aforesaid rights may be assigned to the Association by the Declarant.

The Property described herein and the non-exclusive rights of all Owners within the Property for easements or access, ingress and egress are specifically subject to that certain Easement Agreement dated January 27, 1987, by and between Declarant, Calhoun Thomas and Deborah Thomas recorded in Deed Book 409 at Page 2009 in the R.M.C. Office for Beaufort County, South Carolina.

Section 6-14 Rights of Association. All rights granted or reserved to the Association hereunder shall be exercised exclusively by the Declarant until such time as an instrument is recorded by the Declarant relinquishing said rights to the Association.

Article VII Townhouse Dwelling Units

Section 7-1 Common Wall Rules. If a Dwelling Unit constructed on a Dwelling Lot has a common party wall with a Dwelling Unit on a contiguous lot, the following restrictions shall apply:

- (a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the lots and placed on the dividing line between the lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls shall apply thereto.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the property owners who make use of the wall.
- (c) Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any property owner who has used the wall may restore it, and if the other property owners thereafter make use of the wall, they shall contribute equally to the cost of restoration without prejudice, however, to the right of any such property owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- (d) Weatherproofing. Notwithstanding any other provision of this paragraph, a property owner who by accident,

negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

- (e) Right to Contribution Runs with Land. The right of any property owner to contribution from any other property owner under this Article shall be appurtenant to the land and shall be an obligation running with the land and shall pass to said property owner's successors in title.

Section 7-2 Arbitration. In the event of any dispute arising between two adjoining property owners concerning a party wall or a privacy fence or wall, or similar dispute relating solely to the respective rights and obligations of adjoining property owners, the dispute shall be resolved by the governing board of the Association or its designated agent, with any owner involved in such dispute who is a member of such board not being allowed to vote on the issue. If the board (or agent) is unable to reach a decision or is unwilling to resolve the dispute, then each party shall at its own cost choose one arbitrator, which arbitrator may be the same for all parties. If only two parties exist, and they choose different arbitrators who cannot reach a mutually acceptable decision, the two arbitrators shall choose a third arbitrator, the cost of which shall be shared equally by the parties. The decision of the majority of all the arbitrators shall be final and conclusive of the question involved. This paragraph shall not apply to disputes involving the Declarant unless the Declarant agrees to submit such disputes to arbitration as provided hereunder.

PART THREE

WYNDEMERE OWNERS ASSOCIATION

Article VIII Creation and Functions of Wyndemere Owners Association

Section 8-1 Creation of Wyndemere Owners Association. Within one (1) year of the date that this Declaration is recorded in the R.M.C. for Beaufort County, South Carolina, the Declarant shall cause to be incorporated, under the laws of South Carolina, a non-profit corporation called Wyndemere Owners Association (or such other names as Declarant may decide and as permitted by the South Carolina Secretary of State).

The Association, its successors and assigns, shall be considered: (1) assignees of the Declarant; (2) the authorized and ratified agent of the Property Owners and their successors

and assigns with respect to the functions specified herein; (3) as a third-party beneficiary under these Covenants; and (4) as an owner of property subject to these Covenants. The Association and its successors and assigns shall have standing and authority at law or in equity, to carry out and enforce these Covenants or any Supplemental Declaration made pursuant to these Covenants.

Section 8-2 Limitations on Duties and Obligations. The Association shall aggressively strive to carry out and put into effect the functions and services specified or reasonably implied in this Declaration; however, the Functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association with due consideration given to the quantum of reserves and revenues available to the Association, and the relative demands upon the resources which the Association can utilize to maintain Common Properties and to increase the use and enjoyment of the Property as a whole. The Association shall not be obligated to incur debt or deficits or expenditures over revenues in order to carry out its monetary functions.

THE ASSOCIATION AND ITS DIRECTORS AND OFFICERS SHALL NOT BE LIABLE TO ANY PROPERTY OWNER, THEIR LESSEES AND GUESTS FOR ANY DAMAGE OR INJURY WHICH RESULTS FROM ANY RULE OR REGULATION PROMULGATED PURSUANT TO THESE COVENANTS IN GOOD FAITH AND REASONABLE CARE. SEE ALSO SECTION 15-6.

Section 8-3 Powers and functions of the Association. The Association shall have and may exercise any right or privilege given to it expressly in these Covenants or, except to the extent limited by the terms and provisions of these Covenants, given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under these Covenants, including, but not limited to, the right to engage necessary labor and acquire use of or purchase necessary property, equipment or facilities; employ personnel necessary to manage affairs of the Association; obtain and pay for legal, accounting and other professional services as may be necessary or desirable to merge with other property owners associations or horizontal property regimes; to collect assessments; to take any and all necessary actions which are reasonably required to provide maintenance and upkeep to the Common Properties, including open spaces, and to purchase, maintain, and operate any signage placed at entranceways to the Property or at the entrance to Yacht Cove Drive from U. S. Highway 278 also known as William Hilton Parkway, which may or may not be located on Common Properties; and to perform any function by, through or under contractual arrangements, licenses or other arrangements with any governmental or private entity as may be necessary or desirable.

Section 8-4 Ownership of Common Properties. The

Association shall be authorized to own Common Properties, including Open Space and equipment, furnishings and improvements consisting of or devoted to the following uses as well as any property necessary to carry out its functions pursuant to these Covenants:

- (a) for roads and bikeways along said roads throughout the Property;
- (b) walkways, fountains, boardwalks, docks, bridges, skating paths, sidewalks, walking paths or jogging trails, and bicycle paths throughout the Property;
- (c) for police and fire protection;
- (d) for providing any of the services or functions which the Association is authorized to offer under this Declaration;
- (e) for lakes, lagoons, playing fields, tennis and other racquet facilities, swimming pools, clubhouses, festivals and public gatherings, wildlife areas, fishing facilities and other recreational facilities of any nature serving the Property;
- (f) for electricity, water, sewage, effluent disposal and communications (voice, video, facsimile or data) facilities and any other utilities.

Section 8-5 Acceptance of Certain Common Properties. The Association shall be obligated to accept and assume responsibility for maintaining those lands and facilities described in Section 8-4 if and when these properties are conveyed by Declarant to the Association or when the Association purchases said facilities.

Section 8-6 Ownership or Lease of Land or Facilities Not on the Property. The Association may acquire and own any land or facilities not located on the Property so long as such land or facilities are necessary to carry out the authorized functions of the Association which is likely to enhance the use and enjoyment of the Property.

Section 8-7 Power to Mortgage and Pledge. The board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge designated percentages of the revenues of the Association as security for loans made to the Association in performing its authorized functions; but any property so mortgaged or pledged shall remain subject to these Covenants.

Section 8-8 Enforcement of Covenants Function.

- (a) If any Property Owner fails to maintain any undeveloped land, Development Parcel, Regime Common Property, Dwelling Unit, or Commercial Property, or fails to perform any acts or maintenance or repair required under these Covenants, the Declarant or the Association, upon reasonable notice given to the Property Owner and after providing a reasonable time for the Property Owner to remedy the violation, may provide grounds and space exterior structure maintenance and repair upon such site and improvements thereon. In addition, the Declarant or the Association may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such emergency exterior maintenance and repair shall be assessed against the Property Owner and shall be a lien on the subject property and an obligation of the Property Owner and shall become due and payable as set forth in Articles 11 and 13. For the purpose of performing the exterior maintenance authorized by this Section, the Declarant or the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to any Property Owner, to enter upon the respective property during reasonable hours on any day except Saturday or Sunday. The Declarant or the Association reserves a license or easement over all the Property to inspect in order to determine whether any repair is necessary under this Section.
- (b) Neither the Declarant, the Association, nor any of their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any land or improvements or portion thereof or to repair or maintain the same. Declarant, the Association or any other person, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or property damage or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any site, improvements or portion thereof.
- (c) Whenever the Association or the Declarant undertakes, pursuant to these Covenants, to correct, repair, clean, preserve, clear out or perform any action on the Property or on easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass, and a license or easement to enter

is hereby granted by any Property Owner who takes any such action subject to these Covenants.

- (d) The Association or the Declarant may respond to complaints received as to violations of the Covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, legal counsel may be engaged to bring an appropriate injunctive action or suit for declaratory judgment, including any appeals, to enforce these Covenants. After adjudication by the appropriate court of jurisdiction or by arbitration as permitted hereunder, violators shall be obligated to reimburse the Association or the Declarant in full for all its direct and indirect costs including but not limited to legal fees incurred by the Association or the Declarant in maintaining compliance with these Covenants.
- (e) The Association or the Declarant may limit or deny Property Owners the use and enjoyment of Common Properties as provided in Section 10-2.

Section 8-9 Central Identification Function. The Declarant or the Association may make available to Property Owners, Lessees and Guests within the Property a central identification card or vehicle sticker, which may provide for the issuance of an identification card to overnight guests, employees who service the Property, Property Owners and Lessees.

Section 8-10 Insurance Function. In order to protect the financial integrity of the Association so that it may carry out its Functions, the Association shall in its name keep in full force and effect at all times at least the following insurance coverage:

- (a) Casualty insurance with respect to all Common Properties including all improvements thereon, insuring such facilities for the full replacement value thereof, including coverage for fire and extended coverage, vandalism, malicious mischief and Acts of God; and
- (b) Broad form comprehensive liability coverage, covering both public liability and automobile liability, with limits of not less than \$200,000 for each person injured and not less than \$1,000,000 for each occurrence, and with property damage limits of not less than \$100,000 for each accident. The Board in its discretion may provide higher coverage limits in all categories.

All insurance may contain such deductible provisions as good business practice may dictate. The proceeds of all casualty

insurance shall be applied to the repair or replacement of the damaged or destroyed land, improvements or vegetation. The proceeds of all liability insurance shall be applied to satisfy the liability. All insurance shall name the Declarant as an additional insured and shall, to the extent reasonably possible, cover each Property Owner and Lessee with respect to Common Properties without each Property Owner being specifically named. The Association shall provide the Declarant, upon request, with certificates evidencing such insurance and copies of the insurance policies.

Section 8-11 Reconstruction Function. In the event that any facilities or structures maintained on Common Properties are damaged or destroyed by fire, Act of God or other casualty other than war, the Association shall have the affirmative duty to repair or rebuild such structure or improvement or to clear such structure or facility from the land and to landscape the property so as to render it attractive in a reasonable time and subject to availability of funds.

Section 8-12 Resource Protection Functions. The Resource Protection Functions of the Association may include drainage control, environmental protection, insect, reptile and woods fire prevention, wildlife management, solid and/or hazardous waste management and such other activities reasonably related to natural resource protection. In connection with this function, the Association or its agents shall have the right to enter upon any unimproved property (e.g. property on which no building or structure has been constructed, and upon which no landscaping plan has been implemented) for the purposes related to this function.

Section 8-13 Architectural, Siting, Vegetation and Building Control Function. The Association shall have the ultimate authority for approvals, decisions and actions made pursuant to Article III of these Covenants. In order to carry out this Function, the Board of Directors of the Association shall appoint for annual terms an Architectural Review Board, which shall function as an agent of the Association for the purpose of establishing and enforcing architectural, siting, landscaping, vegetation and building controls in conformity with these Covenants and pertinent law. Notwithstanding the above, the first Architectural Review Board shall be appointed by the Declarant. The business of the Association shall be conducted as follows:

- (a) Compensation and Consultants. The Association may compensate the members of the Architectural Review Board in a manner and to the extent that is deemed prudent, desirable and reasonable in the judgment and discretion of the Board of Directors of the Association, and the

Architectural Review Board may engage or contract with such consultant or professional services as may be necessary to carry out this function.

- (b) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans. Two (2) copies of all plans and related data shall be furnished the Architectural Review Board. One (1) copy shall be retained in the records of the Architectural Review Board. The other copy shall be returned to the Property Owner, and both copies shall be marked "approved" or "disapproved" with the signature of the Chairman or Executive Director of the Architectural Review Board. The Architectural Review Board or the Association may require payment of a reasonable cash fee, which fee is expected to partially compensate for the expense of reviewing plans and related data at the time they are submitted for review, for site inspections, or related matters.

Approvals shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within sixty (60) days following receipt by the Architectural Review Board of written request for approval, the applicant may send a demand for action by certified mail, and if the application is neither granted nor denied within ten (10) days of receipt of such demand, said application shall be deemed to be approved by the Association.

Refusal of approval of plans, locations or specifications may be based by the Architectural Review Board or the Association upon any reasonable ground which is consistent with the objectives of these Covenants including purely aesthetic reasons so long as the grounds are not arbitrary and capricious.

- (c) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship. No approval of plans, location or specifications, and no publication or architectural standards, bulletins of the Architectural Review Board or the Association shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed building or that such standards comply with pertinent law. Such approvals and standards shall in no event be construed as representing or guaranteeing that any building will be built in a good

workmanlike manner. NO IMPLIED WARRANTIES OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR PURPOSE OR MERCHANTABILITY SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS OR APPROVALS MADE BY THE DECLARANT, THE ASSOCIATION OR THE ARCHITECTURAL REVIEW BOARD, THEIR SUCCESSORS OR ASSIGNS.

such consultant or professional services as may be necessary to carry out this function.

- (b) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans. Two (2) copies of all plans and related data shall be furnished the Architectural Review Board. One (1) copy shall be retained in the records of the Architectural Review Board. The other copy shall be returned to the Property Owner, and both copies shall be marked "approved" or "disapproved" with the signature of the Chairman or Executive Director of the Architectural Review Board. The Architectural Review Board or the Association may require payment of a reasonable cash fee, which fee is expected to partially compensate for the expense of reviewing plans and related data at the time they are submitted for review, for site inspections, or related matters.

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as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed building or that such standards comply with pertinent law. Such approvals and standards shall in no event be construed as representing or guaranteeing that any building will be built in a good workmanlike manner. NO IMPLIED WARRANTIES OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR PURPOSE OR MERCHANTABILITY SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS OR APPROVALS MADE BY THE DECLARANT, THE ASSOCIATION OR THE ARCHITECTURAL REVIEW BOARD, THEIR SUCCESSORS OR ASSIGNS.

- (d) Liabilities for Approvals Granted by the Declarant, Architectural Review Board or the Association. Neither the Declarant, the Architectural Review Board nor the Association shall be liable to a Property Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against a Property Owner or such other person arising out of or in any way relating to the subject matter of any review, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Declarant, the Architectural Review Board or the Association whether given, granted or denied.
- (e) Notwithstanding the foregoing, it is hereby acknowledged that the plans and specifications to Phase 1, 2, and 3 of the Wyndemere Horizontal Property Regime have received all the necessary approvals from the Declarant, Association and Architectural Review Board.

Section 8-14 Other Utilities Functions. Subject to pertinent law and the rights reserved by the Declarant, the Association may regulate the installation of any utilities, including but not limited to water, sewage, advanced tertiary treated wastewater irrigation, power lines, cable television, satellite communications and microwave transmission facilities on the Property.

Section 8-15 Assessment Function. The Association shall be authorized to collect assessments and fees as prescribed in Article XI of these Covenants.

Section 8-16 Tax Payment Functions. The Association shall pay all ad valorem real estate taxes, special improvement and other assessments, ad valorem personal property taxes and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority, which shall be imposed, assessed or levied upon, or arise in connection with any Common Properties or personalty owned by the Association.

Section 8-17 Right to Dispose of Common Properties and Personalty. Subject to the provisions of this Declaration requiring the consent of the Declarant with respect to Common Properties furnished by the Declarant, the Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any Common Properties and personalty owned by the Association.

Section 8-18 Governmental Successor. Any Common Properties and any function may be delegated or transferred to a governmental entity which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate with the consent of the Property Owners by the affirmative vote of a majority of the Members in the Association; provided that the Association shall never relinquish its ultimate authority to perform any delegated function.

Section 8-19 Indemnification Function. The Association shall be obligated to and shall indemnify Declarant and hold it and its officers, partners, and employees harmless from all liability, loss, cost, damage and expense, including attorneys' fees, arising with respect to any operations of the Association or any Common Properties or functions which are performed by Declarant.

Section 8-20 Limitation on Use of Common Properties. The Declarant reserves the right to restrict any Common Property for use by Property Owners. Said restriction shall be included in a deed of the Common Property to the Association.

Section 8-21 Limited Regulation Function. The Association shall be authorized to and shall have the power to adopt, amend and enforce reasonable rules and regulations applicable within the Property with respect to any Common Property or function, and to implement the provisions of these Covenants, the Association's Articles of Incorporation or its By-Laws.

Section 8-22 Charges for Use of Facilities. The Association may establish charges for use of Common Properties to assist the Association in offsetting the costs and expenses of the Association attributable to the Common Property. All charges established shall be reasonable and shall be uniformly applied, except such charges may differentiate among Owners, Lessees or Guests. Each Owner, Lessee and Guest shall be obligated to and shall pay any such reasonable charges for their use of Common Properties.

Section 8-23 Charges for Service Functions. The Association may establish reasonable charges for providing any service as required or permitted by these Covenants to be provided to a Property Owner, Lessee, or Guest to assist the

Association in offsetting the costs and expenses of the Association attributable to providing the service to the user.

Section 8-24 Notice Function. Notice of all rules or regulations established by the Association shall be made available to Property Owners upon written request. The Association may establish a charge for reproducing the rules or regulations. Copies of the rules and regulations shall be available for review at the Association offices or the Association clubhouse if said facilities exist. In addition, the Association may publish such rules and regulations in a local newspaper or mail the rules and regulations to Property Owners as provided in Sections 9-7, 9-8, 9-9 and 9-10.

Section 8-25 Reservation of Authority by Declarant. Until such time as the Common Properties and Facilities referred to in Section 10-3 are conveyed to the Association, the Declarant reserves the authority to perform all functions described in this Article except those expressly delegated to the Association by recorded Assignment.

Article IX Membership, Notice, Voting Rights and Certain
Obligations of Members of the Association

Section 9-1 Automatic Memberships. Every Property Owner and the Declarant shall be a Member of the Association. The Class "A", "B" and "C", Members as defined in Section 9-2 below are sometimes hereinafter collectively referred to as the "Members."

Section 9-2 Voting Rights. The Association shall have three (3) types of regular voting membership. Members are divided into classes for the sole purpose of computing voting rights and shall in no event vote as a class.

Class "A" - Class "A" Members shall be all those owners of property in Land Use Classification "Residential." A Class "A" Member shall be entitled to one (1) vote for each Dwelling Unit.

Class "B" - Class "B" Members are those Property Owners (including the Declarant in its capacity as owner of undeveloped or improved property) other than Class "A" and Class "C" Members, including owners of Retail Units, Commercial Property and Development Parcels.

Each Class "B" Member is entitled to one (1) vote plus one (1) vote for each \$500 of assessments over and above the first \$500 in assessments paid in the prior assessment year to the Association. In computing the number of votes of a Class B Member, the amount of assessments shall be rounded

off to the nearest \$500. For example, a Class "B" Member who pays \$749 in annual assessment will have one (1) vote; a Class "B" Member who pays \$751 in annual assessments will have two (2) votes.

Class "C" - The Class "C" Member is the Declarant. The Class "C" Member shall be entitled to one (1) vote, plus one (1) vote for each vote exercised by a Class "A" and Class "B" Member, thereby always having one (1) vote over fifty (50%) percent of the votes exercised.

When any property entitling any owner to membership as a Class "A", "B" or "C" Member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and the instrument or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effect: (a) if only one (1) votes in person or by proxy, his act binds all; (b) if more than one (1) votes in person or by proxy, the act of majority so voting binds all; (c) if more than one (1) vote in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled its proportionate share of the vote or votes; (d) if the instrument or order so filed shows that any such tenancy is held in unequal interest, a majority or even split for purposes of this paragraph shall be a majority or even split in interest; (e) the principles of this paragraph shall apply, insofar as possible, to execution of proxies, mail referenda, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Property Owner may be revocably assigned to his Horizontal Property Regime President or his Lessee who has entered into a lease with a term of one (1) year or more; provided, however, that the Property Owner may not assign to such Lessee any vote or votes not attributable to the property actually leased by the Lessee; provided, further, that such assignment of voting rights or revocation thereof is in writing and a copy of such assignment or revocation is filed with the Association. Voting rights may not be assigned to a Subowner other than a Lessee.

Section 9-3 Board of Directors. The Association shall be governed by a Board of Directors consisting of three (3), five (5), or seven (7) members. Initially, the Board shall consist of three (3) members with the number in subsequent years to be determined by the members of the Board of Directors as provided

for by the Declarant in the By-Laws of the Association. When voting to elect Directors, each Member shall be entitled to as many votes as equal the number of votes he is ordinarily entitled to, based on his ownership of one (1) or more of the various classifications of property multiplied by the number of Directors to be elected. Each Member may engage in "cumulative voting" and may cast all of such votes for any one (1) candidate for director or may distribute them among the number to be voted for, or any two (2) or more of them. All votes must be based in whole numbers and not fractions.

Section 9-4 Members' Right to Approve Certain Actions by Mail Referendum: Special Assessments; Amendments of Covenants; Merger of Another Property Owners Association; Matters Specified in By-Laws of Association. The Board of Directors of the Association may, by resolution adopted by a sixty (60%) percent favorable vote of the Board, initiate a Mail Referendum in which Members of the Association shall collectively have the power to approve or reject: (a) any Special Assessment recommended by the Directors as provided in Section 11-7; (b) any merger of the Association with another property owner's association serving an adjoining tract; (c) amendments to any provision of these Covenants except that no amendment may impair any right reserved by Declarant, may create or increase any liability of Declarant or the Association, alter the Land Use Class of any property retained by Declarant or any Property conveyed by Declarant prior to the Mail Referendum, increase the proportion of total assessments which are payable by Property Owners in any designated Land Use Class, increase in any one (1) Referendum the Maximum Annual Assessment burden of any Property Owner by more than fifteen (15%) percent, apply retroactively or absolve any Property Owner for past or future responsibility for assessments under these Covenants; (d) other fundamental and material actions designated in the Association's By-Laws as actions for which Mail Referendum must be held; and (e) the sale of any Common Property consisting of realty or Open Space.

Wherever a Mail Referendum is conducted, such Referendum shall be deemed to be "Approved" and shall be deemed to be authorized by the Members in the event that fifty-one (51%) percent or more of the total vote of the membership of the Association entitled to vote shall be in favor of such action.

In order to be counted, any Mail Referendum ballots must be returned to the Association within thirty (30) days of the date the ballot was postmarked as mailed by the Association.

No Mail Referendum shall be effective unless a statement of the results thereof is signed by the president and secretary of the Association in their representative capacities, the statement is mailed to Property Owners in the manner provided in Sections

9-8 through 9-10, and if pertaining to an Amendment of this Declaration, said statement is recorded in the name of Wyndemere Owners Association as an assign of Declarant. Said statement shall include the effective date of the action, the date at which a mailing of the Mail Referendum was made, the total number of votes needed to adopt the action and the total votes cast for and against the action.

Section 9-5 Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The first time a meeting of the Members of the Association is called to vote on a particular action (other than a Mail Referendum matter) proposed to be taken by the Association, the presence at the meeting of Members or proxies entitled to cast sixty (60%) percent of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice, and the required quorum at such meeting shall be the presence of Members or proxies entitled to cast twenty-five (25%) percent of the total vote of the membership of the Association. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice, and there shall be no quorum requirement for such third meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this Section and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association.

Section 9-6 Proxies. All Members may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Mail Referendum, in which case the votes of all Members polled shall be made by ballots provided by the Association and mailed to Members by the Association.

Section 9-7 Duty of Property Owners to Inform Association of Current Address. Each Property Owner shall have the affirmative duty and obligation to inform the Association in writing of any change of ownership of the Property, the Property Owner's current address and any failure of the Property Owner to receive any information from the Association. No Property Owner may be excused from his obligation to pay assessments nor challenge a Mail Referendum if the Association mailed an assessment bill, statement, Referendum ballot or notice of Referendum to the last address of said Property Owner which is recorded on the books of the Association and for which the Association has not received the Property Owner's current address or notice of change of ownership from the Property Owner.

Section 9-8 Notice or Referendum Ballot by Mail. Any notice or Referendum ballot required to be sent to any Member or Property Owner under the provisions of this Declaration shall be sufficient if mailed with the proper postage affixed, to the last known address of the person or entity who appears as owner in the Association's records as established pursuant to Section 9-7 or in the public records of Beaufort County, South Carolina, on the first day of the calendar year in which said notice is mailed.

Section 9-9 Notice and Referendum Ballots to Predecessor in Title. Any person who becomes a Property Owner and Member following the first day in the calendar month in which notice or Referendum ballots are mailed is not entitled to additional notice or a Referendum ballot if notice or Referendum ballot was given or mailed to his predecessor in title.

Section 9-10 Notice or Mail Ballot to Co-Owners. Notice or Referendum ballot to one (1) of two (2) or more co-owners of any unit of property within the Property shall constitute sending of proper notice or Referendum ballot to all co-owners of said unit. Similarly, the sending of notice or a ballot to a life tenant shall constitute proper notice or Referendum ballot to all remainder men and holders of other future interests.

Article X Common Properties

Section 10-1 General. Common Properties are defined in Section 16-1.4. Upon conveyance by the Declarant title to all Common Properties shall be held by the Association. All Common Properties are to be devoted to and intended for the common use and enjoyment of the Property Owners, their Lessees, and Guests at uniform fees, charges and assessments and subject to reasonable rules and regulations established from time to time by the Association. The designation of land or improvements as Common Properties shall not mean or imply that the public at large acquire an easement or license of use and enjoyment therein. At the time of designation of land or improvements as Common Properties, the Declarant reserves the right to restrict use of certain Common Properties to Owners of properties in Land Use Classification Residential.

Section 10-2 Extent of Members' Easements in Common Properties. Except as otherwise restricted in accordance with Section 10-1 above, every Class "A", "B" and "C" Member shall have an easement of access and right of use and enjoyment in all Common Property and such easement shall be appurtenant to and shall pass with the title of every tract of land, Dwelling Unit, Retail Unit, Commercial Property, or other ownership of realty within the Property; provided, however, that the rights and benefits created hereby shall be subject to the following limitations and restrictions:

- (a) The right of the Association, in accordance with its By-Laws, to borrow money from any lender for the purpose of improving and/or maintaining Common Properties, including Open Space owned by the Association and for the purpose of providing services authorized by the Covenants, and the rights of the Association pursuant to fulfilling these purposes, and to mortgage said properties as security for any such borrowing;
- (b) The right of the Association to assume and pay any liabilities or encumbrances against Common Property at the time of conveyance to the Association;
- (c) The right of the Association, to take such steps as are reasonably necessary to protect the above described properties against foreclosures;
- (d) The right of the Declarant or the Association, to suspend the rights and easements of enjoyment in Common Properties of any Member, or Lessee or Guest of any Member for any period during which the payment of any assessment against property owned by such Member remains delinquent, and for any period not to exceed sixty (60) days next following the cessation of any violation for any infraction of its published rules and regulations, it being understood that any suspension for either nonpayment of any assessment or breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment, and provided that the Association shall not suspend the right to use the roads belonging to the Association subject to the rules, regulations and fees, if any, established by the Association for such use;
- (e) The right of the Association to charge reasonable admission and other fees and charges for the use of the Common Properties by the Members, including Open Space owned by the Association and any facilities included therein; provided, however, that such rights of the Association shall not be construed to impair or qualify the rights of any Member or their Lessees or Guests to ingress and egress to his property, or to impair or qualify the present rights of Declarant, its successors and assigns to ingress, egress and use of all Open Space and Common Properties;
- (f) The Board of Directors of the Association shall have full discretion to determine the amount of any fee or toll for use of roadways belonging to the Association, or of which the Association has a maintenance responsibility; provided, however, that such fee or

toll shall be limited to an amount which generates sufficient sums to the Association to cover the cost of the operation of every road entry control security station, and to repair, rehabilitate, resurface and otherwise maintain said roadways, and to provide otherwise for security reasonably related to use of roads and security risks arising from illegal acts of roadway users on or off the roadways, and provided further that the right to establish such fee or toll shall be subject to any rights reserved to the Declarant and further, if applicable, be subject to that certain Easement Agreement by and between the Declarant, Calhoun Thomas, and Deborah Thomas dated January 27, 1987, and recorded January 29, 1987 in Deed Book 469 at Page 2009 in the R.M.C. Office for Beaufort County, South Carolina.

- (g) Subject to the rights of ingress and egress and the reserved rights of the Declarant expressed in paragraph (e) above and the aforesaid Easement Agreement and only upon conveyance of the roads to the Association by the Declarant, the Board of Directors of the Association shall have the power to protect the use and enjoyment of the Property by placing reasonable restrictions upon the use of the roadways owned by the Association, including but not limited to restrictions on the types, sizes and weights of vehicles permitted to use roads, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. Restrictions on the use of the roads may be more restrictive than the laws of any state or local government having jurisdiction over the Property.

the rights of any Member or their Lessees or Guests to ingress and egress to his property, or to impair or qualify the present rights of Declarant, its successors and assigns to ingress, egress and use of all Open Space and Common Properties;

- (f) The Board of Directors of the Association shall have full discretion to determine the amount of any fee or toll for use of roadways belonging to the Association, or of which the Association has a maintenance responsibility; provided, however, that such fee or toll shall be limited to an amount which generates sufficient sums to the Association to cover the cost of the operation of every road entry control security station, and to repair, rehabilitate, resurface and otherwise maintain said roadways, and to provide otherwise for security reasonably related to use of

roads and security risks arising from illegal acts of roadway users on or off the roadways, and provided further that the right to establish such fee or toll shall be subject to any rights reserved to the Declarant and further, if applicable, be subject to that certain Easement Agreement by and between the Declarant, Calhoun Thomas, and Deborah Thomas dated January 27, 1987, and recorded January 29, 1987 in Deed Book 469 at Page 2009 in the R.M.C. Office for Beaufort County, South Carolina.

- (g) Subject to the rights of ingress and egress and the reserved rights of the Declarant expressed in paragraph (e) above and the aforesaid Easement Agreement and only upon conveyance of the roads to the Association by the Declarant, the Board of Directors of the Association shall have the power to protect the use and enjoyment of the Property by placing reasonable restrictions upon the use of the roadways owned by the Association, including but not limited to restrictions on the types, sizes and weights of vehicles permitted to use roads, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. Restrictions on the use of the roads may be more restrictive than the laws of any state or local government having jurisdiction over the Property.
- (h) The right of the Declarant, its successors and assigns, or, where applicable, the Association by its Board of Directors, to dedicate or transfer to any public or private utility, the utility easements on any part of the Open Space and Common Properties.
- (i) The rights of the Association to give or sell all or any part of any Open Space owned by the Association, including lease-hold interests, to any public agency, authority, public service district, utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members. No such gift or sale or determination as to the purposes or as to the conditions of the transfer shall be effective unless such dedication, transfers and determinations as to purposes and conditions is authorized by Mail Referendum as set forth in Section 9-4. Unless specifically reserved in the deed of conveyance, the transfer of any Common Properties by the Association to third parties will extinguish all licenses and easements of Property Owners in Common Properties.
- (j) The rights of reversion of the lessor of any Open Space leased by the Association upon expiration of the lease.

Section 10-3 Declarant's Right to Convey Certain Properties to the Association; Properties Furnished by The Declarant. The Declarant, its successors and assigns, may at its option and without obligation to do so, convey irrevocably to the Association, at nominal or no cost of acquisition to the Association, by deed or ninety-nine (99) year lease, or other appropriate instrument any lands or improvements thereon, and any easements retained by the Declarant, which are owned by the Declarant, and which are to be used for any of the following uses or purposes.

- (a) Roads, walkways, jogging paths, nature trails, bikeways, boardwalks, docks, transit corridors and facilities, bridges and crossovers;
- (b) Utilities and communications facilities, amphitheaters, parking areas; meeting rooms or offices for the Association;
- (c) Maintenance facilities; security facilities; fire prevention and control facilities; central reservations facilities; sewage, water, advanced treated wastewater irrigation and waste facilities;
- (d) Open Space, gardens, ponds and lagoons;

Unless otherwise agreed upon by a majority of a quorum of Members the Association as set forth in Section 9-5, all transfers made pursuant to this Section shall be "subject to" any debts or mortgages outstanding at the time the land or property is transferred, and accordingly, the land shall be a surety and shall be secondarily liable, and the Association as grantee shall not be personally liable for any outstanding indebtedness on the transferred property.

Upon the transfer of such properties, the properties shall become Common Properties, and the Association shall have the obligation to maintain the transferred properties in a manner and to the degree consistent with a safe, high quality, aesthetically attractive and functionally convenient resort community, and in a manner and degree consistent with the restrictions and obligations set forth in the instrument of conveyance and this Declaration.

The properties transferred by the Declarant pursuant to this Section shall be "Properties Furnished by the Declarant" and are subject to the provisions of Section 14-1 upon dissolution or termination of the Association. Until transferred to the Association, all powers and functions relating to the aforesaid Properties shall be reserved to the Declarant.

Article XI Assessments and Other Charges

Section 11-1 Collection and Use of Assessments. The assessments, fees, charges and expenses described in these Covenants shall be collected by the Association and used exclusively for carrying out the Functions described in Article VIII of these Covenants.

Section 11-2 Types of Assessments; Limits on Total Assessments; Other Charges and Fees. There shall be two (2) categories of Assessments applicable to all realty, within the Property, owned by Property Owners and the Declarant: (a) Annual Assessments including Minimum Annual Assessments, Supplemental Annual Assessments and Maximum Annual Assessments (Section 11-4); and (b) Special Assessments for Major Repairs, Improvements and Additions (Section 11-7).

Except in the case of properties which may be subject to these assessments under these Covenants but not taxed by Beaufort County, South Carolina, in no event shall the total of the Minimum Annual Assessment, the Supplemental Assessment and the Special Assessment in any given year be greater than one and one-half (1-1/2) times the Beaufort County property tax assessment on the subject property for the previous Beaufort County property tax year. It is possible that the assessment in any given year will be less than the Minimum Assessment (Section 11-5).

The assessments described in this Article XI of these Covenants shall not be in lieu of, nor shall they displace, any other charges or fees for services and use of Common Properties which may be required by the Declarant or the Board of Directors of the Association pursuant to other provisions of these Covenants. Nor shall the assessments described in this Article XI of these Covenants be in lieu of, or displace, any charges, fees or assessments owed by any Property Owner to a Horizontal Property Regime or any other Property Owners Association or club in which the Property Owner is also a member.

Section 11-3 Assessment Duties of the Board of Directors. The Board of Directors of the Association shall annually fix the amount of the Assessment against each Property Owner and the Declarant within the minimum and maximum Assessment range as provided in Section 11-4, and shall at that time direct the preparation of an index of the properties and assessments applicable thereto which shall be kept in the office of the Association and which shall be open to inspection by any Property Owner, whether kept in computer or paper record form. Written notice of assessment shall thereupon be sent to every Property Owner subject thereto.

The Board of Directors shall not have authority to set or establish a Special Assessment above the maximum regular Assessment unless such Special Assessment is approved by a Referendum relative thereto as provided in Section 9-4.

Section 11-4 "Minimum", "Maximum" and Supplemental Assessments. The Minimum Annual Assessment, as set forth below, shall be levied by the Association unless the Board of Directors of the Association, by two-thirds (2/3) vote determines that the important and essential functions of the Association may be properly funded only by a Supplemental Assessment above the minimum but not more than the applicable Maximum Annual Assessment, as set forth in the schedule hereinbelow. If the Board of Directors shall levy the applicable Minimum Assessment for any assessment year and thereafter, during such assessment year, determine that the important and essential functions of the Association cannot be funded by the Minimum Assessment, the Board of Directors may, by two-thirds (2/3) affirmative vote, levy a Supplemental Assessment, but in no event shall the sum of the Minimum Annual and Supplemental Assessments for that year exceed the applicable Maximum Annual Assessment.

The term "Supplemental Assessment" shall mean any assessment in excess of the amount reflected in the schedule below as the applicable "Minimum Assessment" for such type of property (other than exempt property as set forth in this Declaration) which may raise the annual assessment up to the amount reflected as the "Maximum Annual Assessment" for such type of property.

The "Minimum" Annual Assessments for each class of property and the Maximum Annual Assessment for all property except those properties exempt therefrom will be as follows:

- (a) Dwelling Units. The Minimum Annual Assessment for each Dwelling Unit shall be the greater of \$350 or one-third (1/3) the amount of the Beaufort County, South Carolina, annual property tax assessment on each Dwelling Unit. The Maximum Annual Assessment shall be two-thirds (2/3) the property tax levied on the Dwelling Unit by the Beaufort County, South Carolina, during the previous property tax assessment year.
- (b) Undeveloped Lands and Development Parcels. Development Parcels and Undeveloped Land, whether or not subdivided, shall have a Minimum Assessment equal to the one-half (1/2) the annual property tax assessment of Beaufort County, South Carolina, and should have a Maximum Assessment equal to the annual property tax assessment of Beaufort County, South Carolina.

- (c) Retail Units Commercial Properties. The Minimum Annual Assessment for any Retail Unit shall be the greater of one-half (1/2) of the annual property tax levied by Beaufort County, South Carolina, during the previous property tax assessment year or \$25 for every two hundred (200) square feet of floor area in each Retail Unit or Commercial Property. The Maximum Annual Assessment for each Retail Unit shall be the greater of two-thirds (2/3) the annual property tax levied on the Retail Unit (not including inventory) by Beaufort County, South Carolina, during the previous property tax assessment year or \$35 for every two hundred (200) of floor space in each Retail Unit or Commercial Property.
- (d) Open Space. No Assessments of any kind shall be made upon any property which, by Declaration filed with the Beaufort County, South Carolina, R.M.C. Office, pursuant to Article IV of these Covenants, has been dedicated to Open Space even though ownership of which has been retained by a Property Owner other than the Association. No Property Owner shall be liable for Assessments based upon Beaufort County, South Carolina, property tax assessments to the extent that Beaufort County, South Carolina, may tax the Open Space.
- (e) Land Owned by the Declarant. The Declarant shall not be liable for Assessments on any real property owned by it which is located within the Property.
- (f) Non-Assessable Land and Water and Public Interest Facilities. No Assessments may be made upon any Non-Assessable Land and Water. In addition, in its discretion, the Board of Directors of the Association may exempt from Assessments, any private medical clinics, convalescent homes, facilities of non-profit associations and charitable institutions, or lands subject to conservation and scenic easements duly recorded and held by appropriate public interest agencies.
- (g) Submerged Lands. No assessment of any kind shall be made upon a Property Owner whose property has become submerged by natural forces.
- (h) Undefined Units. In order that these Covenants shall reflect changing times and accommodate evolving residential resort and commercial entities not at the present time contemplated, all other categories of realty not described in subsections (a) through (g) above shall be "undefined" and shall be classed by the

Board of Directors of the Association in the assessment categories (a) through (g) above which most closely approximates the undefined entity and the minimum and maximum annual Assessment shall be that of the category which most closely approximates such use; provided, however, that in the event that the Board of Directors shall determine that the undefined unit does not closely approximate any category of assessment unit listed in (a) through (i) above, then the Minimum Assessment shall be one-third ($1/3$) of the property tax levied by Beaufort County, South Carolina, during the previous property tax assessment year, and the Maximum Assessment for said undefined property shall be two-thirds ($2/3$) of the property tax levied by Beaufort County, South Carolina, during the previous property tax assessment year.

Section 11-5 Less-Than-Minimum Assessments. The Board of Directors of the Association may, by two-thirds ($2/3$) affirmative vote, after consideration of current costs and future needs of the Association, fix the Annual Assessment, but such action shall not constitute a waiver by the Association of its right to revert to the full regular Assessment in subsequent years. If the Board of Directors, however, fixes such Annual Assessment at an amount less than the Minimum Annual Assessment and it subsequently is determined by the Board that the amount assessed will not be sufficient to meet the Association's current obligations, the Board shall have the power to make a Supplemental Assessment, but in no event shall the sum of the initial Annual Assessment and the Supplemental Assessment in any one (1) year exceed the applicable Maximum Annual Assessment. Any increase or decrease in the fixed amount of the Maximum or Minimum Assessment shall be made in such a manner that the proportionate increase or decrease in such maximum or minimum assessment is the same for all Property Owners.

Section 11-6 Assessment Reserves. The Association may establish Reserve Funds equal to but not greater than ten (10%) percent (or such percentage which from time to time is established by the Internal Revenue Code or regulations issued pursuant thereto as that amount of income for property owners association which may be accumulated without tax consequences) of the receipts from its regular annual Assessments to be held in an interest drawing account or in prudent investments as a reserve for major rehabilitation or major repairs, and for emergency and other repairs required as a result of depreciation, erosion, storm, flood, fire, natural disaster or other casualty loss.

Section 11-7 Special Assessments for Major Repairs. In addition to the Annual Minimum and Supplemental Assessments (not exceeding the combination for the maximum assessment) authorized

by Section 11.4 hereof, the Association may levy Special Assessments, for the purpose of reconstruction, repair or replacement of capital improvements upon the Open Space and Common Properties including the necessary fixtures and personal property related thereto, or for additions to Open Space or to property for the necessary facilities and equipment to offer the services authorized herein, to repay any loan made to the Association, or to enable it to perform the duties and functions authorized herein, provided that such assessment shall have received the approval by Members in a Mail Referendum conducted pursuant to Section 9.4.

This provision shall be interpreted to mean that the Association may make, in any one (1) year, an annual Assessment up to the maximum set forth in Section 11.4 of this Article, plus an additional Special Assessment (if such Special Assessment is approved in the required Referendum), which additional Special Assessment may not exceed one-half ($1/2$) the amount set for the minimum annual Assessment on any particular class or type of property. The fact that the Association has made an annual Assessment for an amount up to the permitted maximum exclusive of the permitted Special Assessment amounts shall not affect its right to make a Special Assessment for improvements and additions during the year, if approved in the required Mail Referendum.

The Special Assessment shall be paid by the owners of the various classifications of assessable property in proportion to the annual assessment paid or to be paid by Property Owners in the same assessment year.

Section 11-8 Time and Method of Payment of Annual Assessments; Supporting Data. The annual assessments provided for in Article XI of these Covenants shall be assessed according to the character of the property as of January 1 of the assessment year, and the annual assessments provided for herein shall commence no earlier than January 1, 1987.

Any assessment year shall run from January 1 to December 31 and all property shall be assessed according to its character as of January 1 of the assessment year. Assessments due for ownership for less than a full assessment year shall be prorated accordingly. For any assessment year, each Property Owner shall pay in advance either annually or periodically, as billed by the Association, all Annual Assessments.

Section 11-9 Effect of Non-Payment of Assessments and Other Charges. The following actions may be taken by the Association in the event a Property Owner fails to make payment of assessments or other charges when due:

- (a) Interest on Late Payment. An interest charge at an ANNUAL PERCENTAGE RATE EQUAL TO THE PRIME INTEREST RATE

PLUS TWO (2%) PERCENT CHARGED BY THE SOUTH CAROLINA NATIONAL BANK or its successor will be charged on all late payments of assessments.

- (b) Personal Liability. If the assessment or charge is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Property Owner personally, and there shall be added to the amount of such assessment the cost of preparing and filing the legal documents in such action, and in the event a judgment order against the Property Owner is obtained, such judgment shall include interest on the assessment as provided in (a) above and reasonable attorney's fees to be fixed by the court, together with the costs of the action.
- (c) Execution on Lien. The Association shall have a lien for all unpaid assessments and obligations pursuant to these Covenants. Subject to Section 12-3 relating to protection of mortgagees, the Association may execute its lien upon the subject property according to procedures prescribed by pertinent law. In the event the property is sold to a third party prior to such judicial action, the purchaser shall take subject to the Association's lien for unpaid assessments and other charges.
- (d) Other Rights. In addition to the above, the Association shall reserve the rights it may have under and according to applicable law to attach and execute against any realty or personal assets of a Property Owner in order to receive assessments due.

Section 11-10 Rounding of Assessment Figures. All assessments charged by the Association shall be rounded off to the nearest dollar.

Section 11-11 Change of Classification on Completion of Principal Buildings. For purposes of these assessments and voting rights hereunder, property under construction will be classed and assessed as a Lot or Undeveloped Land until the roof and windows have been installed in the principal buildings approved for construction thereon, and assessment at the improved property rate shall begin on the next January following the installation of the roof or windows.

Section 11-12 Payment of Assessments to Declarant. Notwithstanding any provision hereinafter contained, until such time as the Declarant has conveyed substantially all of the Properties described at Section 10-3, the assessments described in this Declaration shall be due and payable to the Declarant and

all rights and functions hereby established on behalf of the Association including the lien remedies, shall accrue to the benefit of the Declarant.

PART FOUR

GENERAL PROVISIONS

Article XII Duration, Obligation and Appurtenancy of Rights and Obligations Created Herein

Section 12-1 Duration. These Covenants do touch and concern the Property, and shall run with and bind the land, and shall inure to the benefit of and be enforceable by and against the Declarant, the Association, any Property Owner, their respective legal representatives, heirs, successors and assigns for a period of twenty (20) years from the date this Declaration is recorded. Upon the expiration of said twenty (20) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of the Declaration if, during the last year of the initial twenty (20) year period, or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of the votes of Class A and Class B Members cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Association votes, at the end of such specific periods, to terminate this Declaration, the president and secretary of the Association shall execute and record a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a Quorum.

Section 12-2 Savings Clauses: The Rules Against Perpetuities, Remote Vesting and Restraints on Alienation.

Unless earlier terminated by a vote of the members pursuant to Section 12-1, any provision in this Declaration which involves the vesting of interests in the future or which is otherwise subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule against prohibiting unreasonable

restraints on alienation, shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Ronald Regan, President of the United States or Charles A. Scarminach of Hilton Head Island, South Carolina; and their respective children, grandchildren and great grandchildren living or in the womb of their mother at the time this Declaration is filed and no interest created by these Covenants shall vest at a point in time at or later than the termination of the aforesaid twenty-one (21) year period. Any interest not vesting by the expiration of the above period is void but shall remain a contingent interest subject to vesting until the expiration of said period.

Section 12-3 Protection of Mortgagees-Encumbrancers. The lien for unpaid assessments and other obligations established pursuant to these Covenants (see Section 11-9) shall be subordinate to the lien of any first mortgage. Sale or transfer of any property shall not affect the lien. However, the sale or transfer of any property pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall not extinguish the lien of the debt or obligation to pay unpaid assessments by the defaulting property owner as to assessments and obligations which became due prior to such sale or transfer. No sale or transfer shall relieve the subject property or any Property Owner from liability for any assessments or obligations thereafter becoming due or be relieved from the lien of such assessments or obligations. Any Property purchased upon foreclosure shall thereafter be subject to all provisions of these Covenants.

Section 12-4 Owner's Rights and Obligations Appurtenant. All rights, easements and obligations of a Property Owner under this Declaration and all rights of a Property Owner with respect to memberships in the Association under this Declaration are hereby declared to be and shall be appurtenant to the title held by the Property Owner and may not, except as provided in Section 12-5 below, be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from the title held by the Property Owner. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of the title held by a Property Owner shall constitute a conveyance, grant, devise, bequest, encumbrance, transfer or disposition of such rights and obligations.

Section 12-5 Assignment of Rights or Obligations to a Subowner. A Property Owner may assign or delegate to a Subowner all, but not less than all, of his rights under this Declaration as a Property Owner or as a Member of the Association and may enter into an agreement with such Subowner under which the Subowner shall agree to assume all of such Property Owner's obligations hereunder as a Property Owner or as a Member of the Association. The Association shall recognize any such assignment

or delegation of rights or arrangement for assumption of obligations so long as such is fully honored by the Subowner, provided that, to be effective with respect to the Association, the Declarant or any other Property Owner, the assignment or delegation of rights or arrangements for assumption of obligations shall be in writing, shall be in terms deemed satisfactorily specific by the Association, and a copy thereof shall be filed with and approved by the Association. Notwithstanding the foregoing, no Property Owner shall be permitted to relieve himself of the ultimate responsibility of all obligations hereunder as a Property Owner during the period he is a Property Owner.

Section 12-6 Subowner's Rights and Obligations
Appurtenant. All rights, easements and obligations of a Subowner are appurtenant to the interest held by the Subowner and such rights, easements and obligations shall not be severed from nor transferred apart from the interest held by the Subowner.

A Lessee, upon assigning a lease or subleasing his entire leased premises, shall automatically transfer to the new Lessee or the sublessee all rights and obligations of the assignor lessee as a lessee or as a Member of the Association during the term of such sublease. If a Lessee subleases only a portion of his leased premises, the Lessee shall automatically be deemed to have transferred to the sublessee all rights and obligations as a Lessee, as to such subleased portion.

Article XIII Effect of Covenants and Enforcement.

Section 13-1 - Effect of Provisions of These Covenants.
 Each Property Owner, Subowner, Lessee, their successors, heirs and assigns, the Association, and all others who take an interest in land or realty within the Property do promise to comply with each provision of these Covenants, which provisions;

- (a) shall be incorporated in each deed or other instrument by which any right, title or interest in any real property within the Property is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;
- (b) shall, by virtue of acceptance of any right, title or interest in any real property within the Property be accepted, ratified, adopted and declared as a personal covenant and as a personal covenant shall be binding as a personal covenant and shall be deemed a personal covenant to, with and for the benefit of the Declarant and to, with and for the benefit of the Association, and with the exception of assessments and other obligations owed by any Property Owner to the Association, to, with

and for the benefit of any other Property Owner, and if a personal covenant of the Association, shall be deemed a personal covenant to, with and for the benefit of the Declarant, and to, with and for the benefit of each Property Owner within the Property;

Section 12-6 Subowner's Rights and Obligations
Appurtenant. All rights, easements and obligations of a Subowner are appurtenant to the interest held by the Subowner and such rights, easements and obligations shall not be severed from nor transferred apart from the interest held by the Subowner.

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Article XIII Effect of Covenants and Enforcement.

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- (a) shall be incorporated in each deed or other instrument by which any right, title or interest in any real property within the Property is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;
- (b) shall, by virtue of acceptance of any right, title or interest in any real property within the Property be accepted, ratified, adopted and declared as a personal covenant and as a personal covenant shall be binding as a personal covenant and shall be deemed a personal covenant to, with and for the benefit of the Declarant and to, with and for the benefit of the Association, and with the exception of assessments and other obligations owed by any Property Owner to the Association, to, with and for the benefit of any other Property Owner, and if a personal covenant of the Association, shall be deemed a personal covenant to, with and for the benefit of the Declarant, and to, with and for the benefit of each Property Owner within the Property;
- (c) shall be a real covenant by the Declarant for itself; its successors and assigns and also an equitable servitude,

running in each case, as both burdens and benefits with and upon the title to each parcel of real property within the Property.

- (d) shall, as a real covenant and also as an equitable servitude, be a covenant and servitude for the benefit of any real property now or hereafter owned by the Declarant within the Property and for the benefit of any and all other real property within the Property; and
- (e) shall be a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to each parcel of real property within the Property which lien, with respect to any respective unit of real property within the Property, shall be deemed a lien in favor of the Association.

Section 13-2 Who May Enforce. The benefits and burdens of these Covenants run with the land at law and in equity and Declarant, its successors and assigns, the Association, its successors and assigns, or any Property Owner and his heirs, successors, representatives, administrators and assigns, shall have the right to proceed pursuant to Section 13-4 against a party specified in Section 13-3 to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

Section 13-3 Against Whom May the Covenants be Enforced. The obligation and benefits prescribed by this Declaration shall run with the Property and shall be enforceable against the realty itself, the Declarant, its successors and assigns, the Association, its successors and assigns and against any Property Owner, his heirs, successors, representatives, administrators and assigns, or other person whose activities bear a relation to the Property, including Lessees, Subowners and their Guests when the aforesaid persons or entities engage in activities (including omissions and failures to act) which constitute violations or attempts to violate, contravene or circumvent these Covenants.

Section 13-4 Enforcement Remedies. In addition to the enforcement rights of the Declarant and to the enforcement rights of the Association previously described herein, in the event that any structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any structure or land use is in violation of these Covenants, the Association, the Declarant or any Property Owner may institute appropriate legal proceedings or actions, at law or in equity: (a) to prevent such unlawful erection, construction, reconstructions, alteration, repair, conversion, maintenance or use; (b) to restrain, correct or abate such violation, or breach of these Covenants; (c) to prevent the occupancy of said building, structure or land; (d) to prevent any act, conduct, business or uses which is in breach of

these Covenants; or (e) to compel any affirmative act which, pursuant to these Covenants "shall" be performed.

Article XIV Termination of These Covenants or Wyndemere Owners Association

Section 14-1 Reversion of Common Properties Within Twenty (20) Years. In the event that this Declaration be declared to be void, invalid, illegal or unenforceable in its entirety or in such significant manner that the Association is not able to function substantially as contemplated by the terms hereof for any reason by the adjudication of any court of other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within twenty (20) years of the date of recording this Declaration, all Common Properties belonging to the Association at the time of such adjudication shall revert to the Declarant as provided in Section 14-2.

Section 14-2 The Declarant as Trustee for Property Owners. When, as and if the Open Space, Common Properties and Purchased Common Properties revert to the Declarant upon termination of the Association, the Declarant shall own and operate said Common Properties as Trustee for use and benefit of owners of all Property Owners subject to the conditions and easements set forth herein and as set forth below.

Section 14-3 Transfer of Common Properties to Trustee. If said adjudication shall occur on a date more than twenty (20) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Section 12-1, all Common Properties owned by the Association at such time shall be transferred to a Trustee appointed by the South Carolina court of appropriate jurisdiction, which Trustee shall own and operate said land for the use and benefit of owners within the Property as set forth below:

- (a) Each lot or parcel of land located within the Property shall be subject to an annual assessment which shall be paid by the Property Owner of each such lot or parcel to Declarant or Trustee, whichever becomes the successor in title to the Association. The amount of such annual assessment and its due date shall be determined solely by Declarant or the Trustee, as the case may be, but the amount of such annual assessment on any particular lot or parcel shall not exceed the amount actually assessed against that lot or parcel in the last year assessments levied by the Association, subject to the adjustments set forth in paragraph (b) below.

- (b) The amount of the minimum and maximum annual assessment which may be charged by the Declarant or Trustee hereunder on any particular lot or parcel shall not exceed one and one-half (1-1/2) times the annual property tax assessment on each file by Beaufort County, South Carolina.
- (c) Any past due annual assessment, together with interest thereon at an ANNUAL PERCENTAGE RATE EQUAL TO THE PRIME RATE PLUS TWO (2%) PERCENT THEN BEING CHARGED BY THE SOUTH CAROLINA NATIONAL BANK from the due date and all costs of collection including reasonable attorney's fees, shall be a personal obligation of the Property Owner at the time the annual assessment became past due. It shall also constitute and become a charge and continuing lien on the lot or parcel of land and all improvements thereon against which the assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.
- (d) The Declarant or the Trustee, as the case may be, shall be required to use the funds collected as annual assessments for the operation, maintenance, repair and upkeep of the Common Properties and Purchased Common Properties. Neither the Declarant nor the Trustee shall have the obligation to provide for the operation, maintenance, repair and upkeep of the Common Properties once the funds provided by the annual assessment have been exhausted.
- (e) The Declarant shall have the right to convey title to the Common Properties and to assign its rights and duties hereunder; provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby in a recorded instrument.
- (f) The Trustee shall have the power to dispose of the Common Properties free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51) percent of the Property Owners or, in the alternative, shall be found to be in the best interest of the Property Owners by the appropriate court of Beaufort County, South Carolina. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Properties or Purchased Common Properties, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such

properties, then for the payment of any obligations, and the balance distributed among the owners of property within the Property, exclusive of the Trustee, in a proportion equal to the portion that the maximum annual assessment of property owned by a particular owner bears to the total maximum annual assessments for all property located within the Property.

Article XV Interpretation and Construction

Section 15-1 Severability. Should any Covenant or restriction herein contained, or any Part, Article, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of the highest court or other tribunal which decides such matter and has jurisdiction which decides such matter, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 15-2 Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or reasonable construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property and which will carry out the intent of the Declarant as expressed in the recitals of these Covenants. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 15-3 Gender, Tense and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 15-4 No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 15-5 Captions and Whereas Clauses. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration. The "Whereas Clauses" are for general explanation only, and shall not be considered in determining the nature, scope or extent of any land use restriction or restraint imposed on any land within the Property pursuant to this Declaration.

Section 15-6 No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE ASSOCIATION PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE OR CAUSE THE ASSOCIATION, ITS DIRECTORS AND OFFICERS ANY DUTY OF CARE TO ANY

PROPERTY OWNER, SUBOWNER, LESSEE, THEIR SUCCESSORS, HEIRS AND ASSIGNS, OR THEIR GUESTS, OR RESULT IN ANY LIABILITY TO THE ASSOCIATION AND ITS DIRECTORS AND OFFICERS.

Article XVI Definitions

Section 16-1 Definitions. Except where elsewhere defined, the words and terms when used with initial capitals (unless expressly applicable to uncapitalized forms) in this Declaration or any supplemental declaration making reference hereto (unless the context shall clearly indicate otherwise) shall have the following meanings and where applicable shall be considered as restrictions on use of land where required to give meaning to the land use restrictions of the various Sections and Articles of these Covenants:

16-1.1 "Approved by the Association" shall mean and refer to any approval required under these Covenants to be made by the Association and which shall be sought in writing and received or denied in writing.

16-1.2 "Approved by the Declarant" shall mean and refer to either a written approval issued by the Declarant signed by its general partner or shall mean and refer to a written approval by such officers entitled to issue approvals for the Declarant as may be designated by the Declarant in supplemental Declarations to these Covenants.

16-1.3 "Association" shall mean and refer to the Wyndemere Owners Association, a non-profit corporation organized under the laws of the State of South Carolina, which has a membership as provided in Article IX of these Covenants, and which serves the Functions pertaining to the Property as provided in Article VIII of these Covenants.

16-1.4 "Common Properties" shall mean and refer to those areas of land or estates in land with any improvements and fixtures thereon which are purchased by the Association, deeded or leased to the Association by the Declarant, or deeded or leased to the Association by any other grantor. Common Properties shall not include Regime Common Properties.

16-1.5 "Concept Research Plans" and "Master Plans" shall mean and refer to master plans, general land use maps, advertising brochures, designs and drawings commissioned by the Declarant prepared by landscape architects, planners, designers, engineers, graphic illustrators and artists, and similar professionals displaying possible future uses of the Property, prepared as an aid in orderly development of the Property or as part of its communications with the public and property purchasers or as part of its research programs undertaken by the

Declarant to determine economically optimal/environmentally sensitive programs for future development of the Property described in Section 1-1 and for development of partially improved or undeveloped land which may at some subsequent date come within these Covenants pursuant to Section 1-2 of these Covenants.

16-1.6 "R.M.C. Office" shall mean and refer to the Office of Register of Mesne Conveyances for Beaufort County, South Carolina, and the successors and assigns of that office, and shall mean and refer to the appropriate office in Beaufort County, South Carolina, for the formal filing and recording of deeds, covenants, mortgages, plats and other evidences of real property interests.

16-1.7 "Covenants" or "Declaration" shall mean and refer to this document and covenants, conditions and restrictions contained herein adopted by the Declarant as Declarant for the Property and incorporator of the Association including all covenants, conditions, equitable servitudes, easements, reservations, restrictions and obligations set forth in this Declaration, and these "Covenants" shall also refer to any supplemental declaration which is made pursuant to this declaration.

16-1.8 "Declarant" shall mean and refer to Greenbrooke Homes Company an Ohio Limited Partnership, its successors and assigns. Any right, reservation or reversion to or by Declarant shall also include Declarant's successors and assigns and their heirs, successors and assigns.

16-1.9 "Development Parcels" shall mean and refer to parcels of land so designated in a recorded deed, lease or plat conveyed by the Declarant to third parties under these Covenants, such Development Parcels being distinctive in that subject to Approval by the Declarant they may be subdivided by the owner thereof into smaller land units (or subportions of a building in a horizontal property regime) for uses recited in the instrument of conveyance of the Declarant making reference to permitted property use classifications as defined and described in these Covenants.

16-1.10 "Development and Survey Plats" (as distinguished from "Concept Research Plans" and "Master Plans") shall mean and refer to the cumulative collection of Recorded Plats of property prepared and signed by a registered surveyor and approved by the Declarant describing by metes and bounds sections or portions of the Property for purposes, as specified, of describing either conveyances or leases to third parties. See Section 2-3

16-1.11 "Dwelling Unit" shall mean and refer to any improved property which is a dwelling or a lot intended to be used for a

dwelling, whether occupied or unoccupied, whether used as a year-round home or seasonally occupied, including any single family dwelling, condominium unit (with or without a lock-out unit or apartment), townhouse unit, cooperative apartment unit or apartment unit which is used for Residential purposes and which is located within Land Use Residential Classification within the Property.

16-1.12 "Function" shall mean and refer to those rights, duties and obligations set out in these Covenants which shall or may be performed by the Association.

16-1.13 "Guest" shall mean and refer to any customer, agent, guest, employee or invitee of the Declarant, the Association or any Property Owner, Lessee or Subowner.

16-1.14 "Horizontal Property Regime" shall mean and refer to the legal association established under the laws of South Carolina in which owners of a single dwelling, lodging or commercial unit in a multi-unit building own directly such unit and hold a co-ownership with other unit holders of the Regime Common Property areas and facilities held in common by the Regime for all owners of the multi-unit complex.

16-1.15 "Improved Property" shall mean land which has been improved by construction of buildings, sports facilities, and other structures to make the property suitable for human residence, commerce and recreation as permitted pursuant to this Declaration.

16-1.16 "Land Use Class" shall mean and refer to the particular Intended Use for any lands or improvements within the Property which is in conformity with a use classification established in Section 2-1 of these Covenants.

16-1.17 "Lessee" shall mean and refer to the person or persons, entity or entities who are the lessees or sublessees of a lessee under any ground lease or any lease of any part or all of a Dwelling Unit, Dwelling Lot, Development Parcel or any other property owned by a Property Owner under these Covenants. A Lessee shall not be deemed to be a "Subowner."

16-1.18 "Member" shall mean and refer to the Declarant and all those Property Owners who are members of the Association as provided in Article IX hereof.

16-1.19 "Non-Assessable Land and Water" shall mean and refer to the following types of land: marsh conservancies; submerged lands; lakes, waterways and lagoons; and all land designated as Open Space. "Non-Assessable Land and Water" shall also include lands within the Property which are primarily used

for the following governmental, charitable or non-profit uses, the presence of which benefits the Property as a whole: churches; non-profit clubhouses and nonprofit recreational facilities; any buildings and lands which are owned by local, state and federal governments and which are used for governmental as opposed to proprietary functions; police stations, and fire stations.

16-1.20 "Open Space" shall mean and refer to those parcels of land which are dedicated pursuant to Section 4-1 of these Covenants by Recorded declaration as land for such purposes, which, pursuant to these Covenants, cannot be developed or improved or altered except as provided in Article IV and any other relevant Sections of these Covenants. Open Space shall be designated in such declarations, making reference to Recorded plats. Use of the term "Open Space" shall not mean or imply that the general public at large has access to or use and enjoyment of the land which is so designated.

16-1.21 "Pertinent Laws" shall mean and refer to the statutes, ordinances, regulations and other laws pertinent to the ownership, lease, sale, use, improvement and development of the Property, as are codified or promulgated by the State of South Carolina, the County of Beaufort, South Carolina, the Government of the United States of America and other public authorities having jurisdiction over the Property.

16-1.22 "Property" shall mean and refer to the lands described in Section 1-1 hereof and Exhibit A together with any lands described in Section 1-2 which are brought within these Covenants by supplemental declaration.

16-1.23 "Property Owner" or "Owner" shall mean and refer to the owner, except the Declarant, of any real estate within the Property as shown by the real estate records of the R.M.C. Office for Beaufort County, South Carolina. "Property Owner" or "Owner" shall in all cases also include the successors, heirs, assigns, personal representatives, receivers, and trustees of the Property Owner with respect to real estate within the Property. "Property Owners" or "Owner" may be used to describe one or more persons, firms, proprietorships, associations, corporations or other legal entities owning fee simple title to any Dwelling Lot, Dwelling Unit, Development Parcel, Retail Unit, Commercial Property, or other Unsubdivided Land situated upon the Property but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgage holder or holder of a security deed has acquired both legal and equitable title pursuant to a foreclosure proceeding or deed in lieu of foreclosure; nor shall the term "Property Owner" or "Owner" mean or refer to any Subowner, Lessee or tenant of a Property Owner.

In the event that there is a Recorded long-term contract of sale, nominal option to purchase, or any similar recorded device for ultimate conveyance of legal interest, in any lot, unit in a horizontal property regime, building, or parcel of land within the Property, the Property Owner of such property shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive legal title to the property until such payments are made although the purchaser is given the use of said property.

16-1.24 "Recorded" shall mean and refer to a filing of a legal instrument approved by the Declarant with the R.M.C. Office. A recording shall be deemed proper if it can be shown and so judged by a court of law that such document was left in the custody of the R.M.C. Office for Beaufort County, South Carolina or other appropriate official and no recording shall be invalid by virtue of an error of the R.M.C. Office for Beaufort County, South Carolina, its agents or employee, which causes such document or plat to fall without the appropriate chain of title.

16-1.25 "Referendum" shall mean and refer to the power of the Members to vote in person or by mailed ballots or proxies on certain actions by the Board of Directors of the Association more particularly set forth in Article 9-4 and other relevant Sections of these Covenants.

16-1.26 "Regime Common Property" shall mean and refer to the structures, facilities, land and common areas which belong to any Horizontal Property Regime which may be established on the Property.

16-1.27 "Residential Purposes" shall mean and refer to those purposes which are defined in Section 5-1(c) of these Covenants.

16-1.28 "Shall", whether or not capitalized, indicates a mandatory requirement, condition or obligation; in contrast, the term "may" indicates a right to take permitted action without obligation or duty to take such action.

16-1.29 "Structure" shall mean and refer to any construction, object, projection or piece of work artificially built up or composed of parts joined together in some definite manner, which is erected or shaped on the property, including but not limited to buildings, fences, tennis courts, pavilions, tents, gazebos, garage facilities, garbage receptacles, signs, abutments, ornamental projections, exterior fixtures, berms, shaped earth, masonry structures, together with any other lights

or any device which might obstruct or interfere with the quality of a view from the windows of any improvements which have been made to the property.

16-1.30 "Subowner" shall mean and refer to any party or parties who shall have any right, title or interest in a Site, including a mortgagee or beneficiary, as the case may be, under a mortgage or deed of trust encumbering a Site, or who occupy or use a Site or portion thereof pursuant to a real license, lease, commission agreement or other arrangement with the owner of the Site.

16-1.31 "Undeveloped Land" shall be land owned by the Declarant which is not improved and which has not been designated as Open Space or Common Properties, whether subdivided or unsubdivided.

16-1.32 "Unsubdivided Land" shall mean and refer to all land within the Property which has not been subdivided through metes and bounds subdivision plats filed for record with the R.M.C. Office for Beaufort County, South Carolina. For the purposes of this Declaration, Non-Assessable Land and Water shall not be deemed "Unsubdivided Land" and shall be expressly excepted from the definition thereof.

The undersigned have set their hands and seals as of the 23rd day of April, 1987.

WITNESSES:

DECLARANT:

GREENBROOKE HOMES COMPANY

[Signature]
Rebecca H. Hale

By: [Signature]
 Its: general partner

STATE OF SOUTH CAROLINA)
 COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Karen Anderson, who, on oath, says that (s)he saw the within named Greenbrooke Homes Company, an Ohio limited partnership by John J. Carney, its general partner, sign the within document and that (s)he with Rebecca H. Hale witnessed the execution thereof.

SWORN to before me this 23rd day of April, 1987

[Signature]
 (witness)

Rebecca H. Hale
 Notary Public for South Carolina
 My Commission expires: 1/27/96

EXHIBIT A

ALL those certain pieces, parcels or tracts of land, situate, lying and being in the "Wyndemere" area of the Town of Hilton Head Island, Beaufort County, South Carolina, and being shown as Wyndemere Phases I, II, III, and IV, totalling 5.72 acres as shown on a plat entitled "A Revised Plat of Yacht Cove Development & Adjoining Properties located on Hilton Head Island, Beaufort County, South Carolina", dated February 12, 1986, last revised May 6, 1987, and prepared by Coastal Surveying & Engineering Company, Inc., by Jerry L. Richardson, S.C.R.L.S, No. 4784. For a more detailed description as to location, course, metes, bounds, distances and directions, reference may be had to the within referred to plat of record. The within referred to plat was recorded May 8, 1987, in the R.M.C. Office of Beaufort County, South Carolina, in Plat Book 34 at Page 162.

9172
3:30
MAY 8 1987
885
S/ Fred Dalton

N&S/HLN

MASTER DEED
FOR
WYNDEMERE HORIZONTAL PROPERTY REGIME
HILTON HEAD ISLAND, SOUTH CAROLINA

Prepared By:

Novit & Scarminach, P.A.
The Jade Building
Suite 400
52 New Orleans Road
Post Office Drawer 14
Hilton Head Island
South Carolina 29938

NOVIT & SCARMINACH, P.A.
ATTORNEYS AT LAW
P O DRAWER 14
HILTON HEAD ISLAND
SOUTH CAROLINA
29938

~~SAFORD COUNTY TAX MAP REFERENCE~~

Dist	Map	Submap	Parcel	Block
520	11		142	

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3287/WYN/4/30/87

STATE OF SOUTH CAROLINA)
)
 COUNTY OF BEAUFORT)

MASTER DEED
 ESTABLISHING
WYNDEMERE HORIZONTAL PROPERTY REGIME

Wyndemere Corporation, Declarant

KNOW ALL MEN BY THESE PRESENTS, that this Master Deed, made on the date hereinafter set forth by WYNDEMERE CORPORATION, an Ohio corporation (hereinafter called the "Declarant");

W I T N E S S E T H, That:

WHEREAS, Declarant is the fee simple owner of all that tract or parcel of land containing 12.40 acres, more or less, and being located on Hilton Head Island, in Beaufort County, South Carolina, being more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, together with all improvements situated thereon, and

WHEREAS, Declarant desires at this time to submit that portion of said land as is described on Exhibit A-I hereto and referred to as Phase I and improvements thereon to the provisions of Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended (hereinafter sometimes called the "Act"), thereby establishing a Horizontal Property Regime to be known as Wyndemere Horizontal Property Regime, and further desires to reserve the right to itself; its successors and assigns, to submit additional portions of the said Exhibit A property in up to nine (9) additional phases, for a total of ten (10) phases, as hereinafter provided, to Wyndemere Horizontal Property Regime; and

WHEREAS, said Exhibit A-I or Phase I land and improvements are shown on that certain Plat of Wyndemere Horizontal Property Regime, Phase I, attached hereto as Exhibit B, prepared by Coastal Surveying & Engineering Company, Inc., Hilton Head Island, South Carolina, and certified by Jerry L. Richardson, S.C.R.L.S. #4784 dated April 8, 1987 (hereinafter called the "Plat"), to be recorded simultaneously with the recording of this Master Deed, in the Office of the Clerk of Court of Beaufort County, South Carolina; and

WHEREAS, the individual condominium units within said improvements are shown on those certain Plans of Wyndemere Horizontal Property Regime, attached hereto as Exhibit C, prepared and certified by Doug Corkern Architects of Hilton Head Island, South Carolina dated August 11, 1986, (hereinafter called the "Plans"), to be recorded, simultaneously with the recording of this Master Deed, in the Office of the Clerk of Court of Beaufort County, South Carolina; and

WHEREAS, as hereinafter provided in this Master Deed, Declarant has reserved and retained the right, privilege, and option to submit to the provisions of this Master Deed and to the Act at a later time and from time-to-time, as part of Wyndemere Horizontal Property Regime, all or any portion of the "Additional Phases" as defined in Article II, Section 11, hereof; and

WHEREAS, the Declarant hereby further reserves the right not only to change boundary lines of depicted but not dedicated future Phases but also to establish at dedication thereof the boundary lines for Phases II through X;

NOW, THEREFORE, Declarant does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the land described in Exhibit A-I ("Phase I") and the improvements thereon to the provisions of the Act, to any further amendments of the Act, and to all provisions herein contained (said land and improvements together with such portion or portions of the Additional Phases as may be added to Wyndemere Horizontal Property Regime as hereinafter provided, sometimes referred to herein as the "Regime").

ARTICLE I REFERENCES AND DEFINITIONS

Section 1. General Description. The terms used in this Master Deed, unless otherwise specified or unless the context otherwise requires, or unless otherwise specified in the Act, shall have the meanings set forth hereinafter. Statutory references shall be construed as meaning the referenced Section of the Act, or portion thereof, as the same may exist from time-to-time.

(1) "Assessment" means a share of the funds required for the payment of common expenses which, from time-to-time, are assessed against the Unit Owners.

(2) "Association" means Wyndemere Condominium Owner's Association, Inc., a South Carolina non-profit corporation, which entity is responsible for the operation of the Regime.

(3) "Association Properties" means such property as is owned by the Association from time-to-time in accordance with the terms of this Master Deed.

(4) "Board of Administration" or "Board of Directors" or "Board" means the representative body responsible for administration of the Association.

(5) "By-Laws" means the By-Laws of Wyndemere Horizontal Property Regime, and Wyndemere Condominium Owner's Association, Inc., as shown in Exhibit D and as it may be from time-to-time amended.

(6) "Common Elements" means the portions of the Property not included in the Units. Common Elements shall include the tangible personal property required for maintenance and operation of the Regime, even though owned by the Association.

(a) General Common Elements. The General Common Elements will be as follows:

(i) The Property, excluding the Units and the Limited Common Elements, and including, but not limited to, the land on which the Units are constructed, the foundations, roofs, stairways, exterior portions of perimeter walls, floors separating units, load-bearing interior walls and partitions, slabs, concrete floors, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above.

(ii) Building corridors and stairwells, elevator(s) and elevator equipment room(s), electrical room(s), trash and compactor room(s), pump room(s), equipment room(s), telephone distribution room(s), storage room(s), and atrium area(s) and planter(s).

(iii) Parking facilities located on the Property with integral curb.

(iv) All roads, walkways, paths, trees, shrubs, yards, gardens and any irrigation system.

(v) All installations outside of the Units for services such as power, light, natural gas, telephone, television, water and other similar utilities.

(vi) All sewer, drainage and irrigation pipes, excluding those which may be designated in this Master

Deed as part of the Units, and excluding those which are the property of the utility district or company.

(vii) All areas not designated as Limited Common Elements and not described as lying within the boundaries of a Unit, and all other elements of the Property constructed or to be constructed on the Property constituting the Regime rationally of common use or necessary to the existence, upkeep and safety of the Property and in general all other devices or installations existing for common use.

(viii) Recreational amenities as may be constructed and annexed into the Regime subject to the provisions of Article II, Section 12(b) of this Master Deed.

(ix) A non-exclusive easement and right-of-way for access, egress and ingress to and from the Regime and each Unit and improvements contained therein across that certain private road known as Yacht Cove Drive to and from William Hilton Parkway (U.S. Highway 278) and any other public or private streets and roads adjoining or abutting Yacht Cove Drive subject to the provisions of that certain Easement Agreement referenced in Article II, Section 12(d) of this Master Deed.

(b) Limited Common Elements. means and includes those Common Elements, if any, which are reserved for the use of a certain Unit or Units to the exclusion of all other apartments, including, without limitation, the storage areas, garages or covered parking areas, patios, decks and/or balconies located adjacent to or beneath and serving a particular Unit(s).

(7) "Common Expenses" means the expenses for which the Unit Owners are liable to the Association.

(8) "Condominium Documents" means this Master Deed, the By-Laws and all exhibits annexed hereto, as the same may be amended from time-to-time.

(9) "Declarant" means Wyndemere Corporation, an Ohio corporation, its successors and assigns.

(10) "Horizontal Property Act" or the "Act" means and refers to the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (as amended) and all references to the "Horizontal Property Act" adopted and enacted from time to time.

(11) "Institutional Mortgagee" means a Bank, Savings and Loan Association, Insurance Company or Union Pension Fund authorized to do business in the United States of America, an Agency of the United States Government, a real estate or mortgage investment trust, a lender generally recognized in the community as an institutional type lender or the Declarant, its successors and assigns, when it takes a purchase money mortgage.

(12) "Master Deed" means this instrument, as it may from time-to-time be amended.

(13) "Phase I" means that portion of the Property consisting of 1.70 acres, more or less, as described and shown on Exhibit A-I which Phase I is being dedicated to the Regime upon the filing of the within Master Deed.

(14) "Additional Phases" means that remaining portion of the Property consisting of 10.70 acres more or less as described and shown on Exhibit A-II together with such units as may be constructed thereon from time to time as described in Exhibits F-II through F-X in accordance with and subject to the provisions of Article II, Section II of this Master Deed.

(15) "The Property" means the land and the easements granted hereby and described in Exhibit A-I; the buildings (improvements) constructed, or to be constructed upon the land; the proposed Units which are or may be enclosed within such buildings as described hereinafter in this Master Deed and which are portrayed graphically on the Plans contained in Exhibit C; and all other improvements and property, real, personal and mixed, situated upon or appurtenant to the land, which are or which may be made part of Wyndemere Horizontal Property Regime.

(16) "Occupant" means the person or persons, other than the Unit Owner, in possession of a Unit.

(17) "Regime" means the Association, subject project, the Units and the Common and Limited Common Elements as the context of use requires.

(18) "Unit" refers to each of the separate and identified units delineated in the Plans attached to the Master Deed as Exhibit C and when the context permits, includes the Common Elements appurtenant thereto.

(19) "Unit Owner" means the owner of a Unit in fee simple.

(20) Unless the context otherwise requires, all other terms in this Master Deed shall be assumed to have the meaning.

attributed to the said term by The Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as amended, as of the date of this Master Deed.

ARTICLE II THE REGIME; UNIT DESCRIPTIONS

Section 1. General Description. The name of the Regime located on the real property on Hilton Head Island, Beaufort County, South Carolina, and more particularly described in Exhibit A hereto is "Wyndemere Horizontal Property Regime". The Regime presently consists of the property described in Exhibit A-I, constituting the first phase of the Regime, together with the improvements situated thereon. The improvements in Phase I include, but are not limited to, two (2) structures containing three (3) stories each and a total of eighteen (18) residential condominium units, as said units are shown and labeled on the Plans (each such condominium unit, including each unit hereafter created in the Additional Phases and added to the Regime as hereinafter provided, is referred to herein as a "Unit" or collectively as the "Units"). The Regime also includes paved parking areas, drives, roads, utility systems, and other improvements serving the Units and shown on the Plat and in the Plans.

Section 2. Plans and Certification. Each Unit is depicted on the Plans and is constructed substantially in accordance with the Plans as evidenced by the certification attached hereto as Exhibit C-I, said certification being that which is required by the Act.

Section 3. Description and Identification of Units. Identifying numbers of the Units are set forth in Exhibits B, C and E, and descriptions of the Units are set forth in Exhibit E, attached hereto and incorporated herein by this reference.

Section 4. Boundaries.

(a) The horizontal (upper and lower) boundaries of each Unit are the interior unfinished surfaces of the floors and ceilings of each Unit. The vertical or perimetric boundaries of each Unit, extended to an intersection with the upper and lower boundaries are as follows:

(1) As to all Unit exterior walls which physically divide the Unit from Common Elements of the building, it shall be the vertical plane of the interior surface of

the exterior sheathing subject to such encroachments as now exist or may be caused or created by the construction, settlement or movement of the building or by permissible repairs, construction or alterations. All insulated glass windows and all doors directly accessing the Unit are part of the Unit.

(2) As to all Unit exterior walls, which physically divide one Unit from another Unit, it shall be the vertical plane of the centerline of said partition walls.

(3) All vertical planes of each Unit shall extend to intersections with each other.

(b) All wallboard, tiles, paint, finished flooring, carpet and any other materials constituting any part of the finished surfaces of the walls, floors and ceilings which are the boundaries of a Unit, together with all speakers, telephones, and other communication equipment and all built-in light fixtures, wires, service outlets, vent outlets, heating and cooling units and duct work, electrical switches, thermostats, toilet and other bathroom fixtures and any and all other similar mechanical or physical fixtures which are within the perimetric walls or ceilings and serving a single Unit or within the space above the ceiling and below the slab forming the floor of the Unit above or, in the case of the floor, the roof above, are a part of the Unit.

(c) Any conduit, sleeve bearing column and all other similar mechanical or physical fixtures except those designated in paragraph (b) above, whether or not it lies partially within and partially outside the designated boundaries of a Unit, is a Common Element.

(d) Subject to the provisions of paragraph (c), all spaces, interior non-bearing partitions, and other fixtures and improvements within the boundaries of a Unit installed within the perimetric walls or ceilings whether, as a part of the original construction or as a part of subsequent construction, are a part of the Unit.

(e) The heating and air-conditioning condenser servicing the Unit and located outside of the perimetric boundaries of the Unit, and all pipes, ducts, wires and conduits connecting such equipment to the Unit, as well as electric service lines originating at the individual meter measuring the consumption of electricity for the Unit, and lateral water and sewer lines exclusively serving the Unit, are part of the Unit.

(f) Notwithstanding any of the foregoing, no pipes, wires, conduits, or other public utility lines or installations constituting a part of the overall system designated for the service of any particular unit or building, nor any property of any kind, including fixtures and appliances within any unit, which are not removable without jeopardizing the soundness, safety, and usefulness of the remainder of the building shall be deemed to be a part of any unit.

Section 5. Subdivision of Units. There shall be no subdivision of any of the Units.

Section 6. Description of Common Elements. The Common Elements, as defined in Article I, consist of all portions of the Regime other than the Units.

Section 7. Allocation of Undivided Interests in Common Elements. Pursuant to the provisions of the Act, the undivided interest in the Common Elements hereby allocated to each Unit hereby dedicated to the Regime as part of Phase I is set forth in Exhibit F-I, attached hereto and incorporated herein by this reference. The undivided interest in the Common Elements hereby allocated shall not be altered without the acquiescence of the Owners of all Units expressed in an amendment to this Master Deed duly recorded, except pursuant to Section 11(e) hereof upon the dedication of the hereinafter described Additional Phases to the Regime.

Section 8. Assignment of Common Elements as Limited Common Elements. The garages or covered parking areas, storage areas, patios, decks, and/or balconies located adjacent to or beneath and serving each Unit as shown on the Plans are hereby assigned as Limited Common Elements to the Unit to which they are adjacent and from which there is direct access, or, in the case of storage areas and garages or covered parking areas, to which they are designated on the Plans.

In addition to the foregoing, certain handicap parking spaces to be later assigned by the Declarant may be reserved and specifically assigned as a Limited Common Element to Units to be assigned by the Declarant.

Section 9. Upkeep of Units by Unit Owners.

(a) Each Unit Owner shall be responsible for maintenance and repair of the following, whether it shall be defined as within a Unit or not:

(1) the doorways, windows, vents, and other structural elements in the walls, floors and ceilings of the Unit which are regarded as enclosures of space;

(2) the doors opening into the Unit and into any mechanical area integral to the Unit, including the frames, casings, hinges, handles, and other fixtures which are part of the doors;

(3) the window glasses, screens, frames, wells, and casings which are part of the windows opening from the Unit;

(4) the metal flue and the plumbing and mechanical vents which exclusively serve the Unit;

(5) the appliances, air conditioning and heating units and condensers, hot water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, flooring, trim, ceilings, walls, framing, floor joists, trusses, beams, insulation, structural slab and fill, and other fixtures, furnishings, and building materials which are part of the Unit when delivered to the initial Unit Owner;

(6) the screens, awnings, partitions, railings, balustrades, bounding or enclosing any deck, walkways, balcony, patio, storage area or service area that is integral and exclusive to the Unit, the treated wood decking or concrete surface within any such area, and the garage or covered parking area designated for each Unit on the Plans.

(7) all pipes, wires, conduits, ducts and other plumbing, mechanical and electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit, and including water pipes serving the Unit extending to the meter, sewer pipes serving the Unit, and the underground drainage system beneath the Unit, if applicable; and

* (8) any damage to a contiguous Unit or a Unit beneath Unit Owner directly caused by a negligent action or inaction within the Unit Owner's Unit, which directly or indirectly causes damage to the downstairs or contiguous Unit.

* (b) In the event that the Association determines that any Unit Owner has failed or refused to discharge properly

his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under this Master Deed, then, in that event, the Association, except in the event of an emergency situation, shall give such Unit Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement at such Unit Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Unit Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner. In the event of emergency situations or the failure of any Unit Owner to comply with the provisions hereof after such notice, the Association may provide any such maintenance, cleaning, repair, or replacement at such Unit Owner's sole cost and expense, and said cost shall be added to and become a part of the assessment to which such Unit Owner and his Unit are subject and shall become a lien against such Unit as provided herein.

Section 10. Utilities. There shall be a general easement in favor of the Association upon, across, above, and under all of the property and improvements submitted herein, and expressly including the Units, for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, gas, water, sewers, telephone, and electricity, or other community service if and when installed, such as, but not limited to, a master television antenna, cable television system, or security system should the Association determine to have such a system or systems installed. By virtue of this easement, the Association shall be expressly permitted to erect and maintain the necessary poles and other necessary equipment on the Common Elements of the Regime, and to affix and maintain wires, conduits, cables, and the like on, above, across, under and through the roofs and exterior walls of the improvements in the Regime, including the Units. Should any person furnishing any service covered by this Section request a specific easement by separate recordable documents, the Association shall have the right to grant such easement under the terms hereof.

Section 11. Additional Phases.

(a) Declarant hereby expressly reserves the right, privilege and option, to be exercised in its sole discretion, to expand the Regime as set forth herein.

(b) Declarant shall have the option to expand the Regime by dedicating additional property thereto in up to nine (9) additional phases for a total of ten (10) phases in accordance with this Section 11 at any time until the expiration of eight (8) years after the date of recordation of this Master Deed, and said option shall not expire prior to that time unless Declarant files an agreement in the Office of the Clerk of Court for Beaufort County, South Carolina, waiving said option.

(c) The property that Declarant may add to the Regime is described in Exhibit A-II attached hereto and incorporated herein by this reference (referred to herein as the "Additional Phases"). The aforesaid Exhibit A-II describes the properties intended by the Declarant, as of the date of the filing of this Master Deed, to be dedicated by separate sequential phases to the Regime. The Declarant reserves the right, however, to amend, substitute, alternate, eliminate or add other lands to the properties dedicated with each additional phase and further reserves the right not to dedicate any such properties or phases to the Regime, and to dedicate such phases, or any of them, or any portions of them, in any order or configuration. There shall be no limitations as to the location or configuration of any Units or Common Elements, or any other improvements that Declarant will construct on the Additional Phases, except that the maximum number of Units that may be constructed on the Additional Phases is one hundred twenty-nine (129) which with the eighteen (18) initial, herein dedicated Phase I Units total one hundred forty-seven (147) Units for all phases.

(d) All Units created in the Additional Phases and added to the Regime shall be restricted exclusively to residential use and any structures erected on the Additional Phases added to the Regime will be compatible with structures now located in the Regime in terms of quality of construction, the principal materials to be used, and architectural style. If the Additional Phases or any portion thereof are added to the Regime, Declarant has the right, but not the obligation, to construct thereon such recreational facilities and other improvements as Declarant, in its sole discretion, shall deem desirable, provided that no assurances are made by Declarant that any such improvements shall be constructed. All Units created on any portion of the

Additional Phases added to the Regime will be substantially identical to the Units on the property presently dedicated by this Master Deed.

(e) No limitations are placed on the right of Declarant to create Limited Common Elements within any portion of the Additional Phases added to the Regime or to designate Common Elements therein which may subsequently be assigned as Limited Common Elements. The undivided interest in the Common Elements and the liability for common expenses in the Regime will be reallocated among all Units in the Regime, after the addition of the Additional Phases, or any portion thereof. Exhibits F-II, F-III, F-IV, F-V, F-VI, F-VII, F-VIII, F-IX, and F-X establish the percentage or fraction of such undivided interests and liabilities upon the dedication to the Regime of each Additional Phase of the maximum number of Units contemplated by the Declarant upon execution and recording hereof. The building and unit numbers, quantity and configuration thereof, and interest percentages or fractions set forth on said Exhibits F-II, F-III, F-IV, F-V, F-VI, F-VII, F-VIII, F-IX, and F-X are subject to reallocation and change in accordance with such Additional Phases as are actually dedicated to the Regime by the Declarant pursuant to this Section II. Each Unit created in the Additional Phases and added to the Regime will be allocated voting rights in proportion to its percentage interest in the Common Elements and the voting rights in the Association of Owners of Units of the Exhibit A-I property and the voting rights and percentage interest pertaining to any other property previously dedicated to the Regime at the time of the dedication of each such Additional Phase submitted hereby shall thereupon be adjusted.

(f) In the event that the option to add the Additional Phases or any portion thereof expires or is terminated, as aforesaid, Declarant shall not be obligated to impose on the Additional Phases, or any portion thereof, any covenants, conditions, or restrictions of any kind whatsoever. Furthermore, the option reserved by Declarant to cause all or any portion of the Additional Phases to become part of the Regime shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Phases to the Regime or to construct thereon any improvements of any nature whatsoever.

(g) The option reserved under this Section 11 may be exercised by Declarant only by the execution and recordation by the Declarant of an appropriate amendment to this Master Deed. Upon such amendment to this Master Deed and the

recordation of any required plats and plans in accordance with the Act, the provisions of this Master Deed shall then be understood as and construed as embracing the parcels described in Exhibit A-I together with the Additional Phases, or such portion thereof which is actually thereby submitted to the terms hereof and to the Act, together with all improvements located thereon.

Section 12. Easements.

(a) Easements Reserved by Declarant. Declarant hereby reserves for the benefit of Declarant, and its successors and assigns in title to the Additional Phases, for the benefit of and as an appurtenance to the Additional Phases and as a burden upon the property encumbered hereby, a perpetual, non-exclusive right and easement for: (1) pedestrian and vehicular access, ingress, and egress over and across all roads and driveways from time-to-time located within the Regime, including the right for vehicular parking in parking areas not designated hereunder for the exclusive use of any Unit Owner; (2) the installation, maintenance, repair and use of utility facilities and distribution lines, including, without limitation, storm sewers and electrical, gas, telephone, water and sanitary sewer lines, effluent disposal and irrigation system lines; (3) drainage and discharge of surface water, provided that such drainage and discharge shall not materially damage or affect the property submitted by this Master Deed or any improvements located thereon; (4) Access, ingress and egress over, upon and across the Common Elements, and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to construction, development and sales of other property in the Additional Phases submitted to and annexed to the Regime, and to have and to hold unto Declarant, its successors and assigns, all of the aforesaid easements forever. In addition, Declarant and its duly authorized agents, assigns, representatives, and employees shall have, for so long as Declarant owns any Unit primarily for the purpose of sale or has the unexpired option to add the Additional Phases or any portion thereof to the Regime, an easement for the installation and maintenance of signs and for the installation and operation of a sales office, a construction office, a business office, and model Units in the Regime, including the Common Elements contained therein, together with such other facilities as in Declarant's sole discretion may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Units in the Additional Phases.

(b) Recreational Amenities. Declarant hereby reserves for itself and its successors and assigns, and Greenbrooke Homes Company, the right but not the obligation to develop and construct recreational amenities including, but not limited to, swimming pool(s) and tennis courts within portions of the property described in Exhibit A to this Master Deed (the "Recreation Areas"). In the event Declarant constructs any recreational amenities within said property, Declarant may submit and subject such recreational amenities to the Horizontal Property Regime established by this Master Deed as common area, or the Declarant may subject such recreational amenities to another horizontal property regime, or the Declarant may establish such recreational amenities as common area as contemplated provided and defined in the Declaration of Covenants, Conditions and Restrictions running with certain lands of Greenbrooke Homes Company and Provisions for Membership in Wyndemere Owners Association dated April 23, 1987 in the R.M.C. Office for Beaufort County, South Carolina. Declarant in its discretion may permit the use of such recreational amenities by owners of units within Wyndemere Horizontal Property Regime (members of Wyndemere Condominium Owners Association, Inc.) as well as other owners and members of the Wyndemere Owners Association who are not owners of Units in the Wyndemere Horizontal Property Regime. In the event such recreational amenities are constructed and made available for use by owners of Units in this Regime, then the owners of Units in this Regime shall pay as an additional common expense and assessment a pro rata portion of the expenses necessary to operate, maintain, repair, and insure said recreational amenities. The Declarant is hereby authorized to execute and record such documents and plans including, but not limited to, an amendment to this Master Deed as Declarant may deem necessary to effectuate its intentions regarding the development and use of such recreational amenities as the same pertains to this Regime without the further consent or approval of the owners of Units or the Board of Directors of the Wyndemere Condominium Owners Association.

(c) Easement for Lagoon and Storm Drainage System Maintenance by Greenbrooke Homes Company. Declarant has granted and reserved and does hereby grant and reserve to Greenbrooke Homes Company a perpetual non-exclusive easement and right for pedestrian and vehicular access, ingress and egress, over and across certain portions of the property encumbered hereby for the purpose of general maintenance and landscaping of the lagoon and storm drainage system located thereon and more specifically described at Exhibit B to have and to hold unto Greenbrooke Homes Company, its successors

and assigns forever. The provisions of this Master Deed shall be subject to a certain Storm Drainage Easement Agreement by and among Greenbrooke Homes Company and Calhoun Thomas, Jr. and Deborah S. Thomas to be filed in the R.M.C. Office for Beaufort County, South Carolina, for the use and maintenance of the common storm drainage and lagoon system for the entire Yacht Cove development of about seventy (70) acres.

(d) Easement Agreement for Yacht Cove Drive. The provisions of this Master Deed are subject to that certain Easement Agreement by and between Greenbrooke Homes Company and Calhoun Thomas, Jr. and Deborah S. Thomas dated January 27, 1987 and recorded January 29, 1987 in Book 469 at Page 2009 in the R.M.C. Office for Beaufort County, South Carolina.

Section 13. Rights of Unit Owners; Transfer of Units. As provided for above, a Horizontal Property Regime is hereby constituted under and subject to the provisions of the Horizontal Property Act of the State of South Carolina (the "Act"), so that Units may be conveyed and recorded as individual properties capable of independent use and each having its own exit to the Common Elements of the Regime, and each Unit Owner having an exclusive and particular right over his respective Unit and in addition the specified undivided interest in the Common Elements of the Regime.

On the transfer of a Unit, a deed effecting that transfer is hereby deemed to convey all the seller's interests in that Unit to the purchaser, including the seller's proportional interest in the real and personal property of the Association, any reserve accounts applicable to that Unit, and in any cause of action or chose in action either of the Association or arising out of his ownership of that Unit, whether or not those interests are expressly described in the deed.

The Owner of any Units dedicated to the Regime by Declarant as provided herein shall have the full legal rights and be obligated as allowed or required by South Carolina law. The Unit Owners, by purchasing and accepting a Unit of the Regime, hereby acknowledge that further phase construction and dedication by Declarant shall diminish the percentage of ownership in the common property as described and provided in Exhibit F hereto and in other applicable portions of this Master Deed.

Each present and future Unit Owner, tenant, future tenant, or any other person who might use the facilities of the Regime in any manner, including those who may lease from the

Declarant, shall comply with the provisions of this Master Deed and authorized amendments thereto; the By-Laws, decisions, and resolutions of the Wyndemere Condominium Owners Association, Inc. as amended from time-to-time; that certain Declaration of Covenants, Conditions and Restrictions Running With Certain Lands of Greenbrooke Homes Company and Provisions for Membership in Wyndemere Owners Association, dated April 23, 1987, and recorded in the R.M.C. Office for Beaufort County, South Carolina as the same may be amended from time-to-time; the By-Laws, decisions and resolutions of the Wyndemere Owners Association, Inc., Board of Directors or other representatives, as lawfully enacted from time-to-time, together with any lawfully adopted amendments thereto and that the mere acquisition or rental of any of the Units shall signify that the provisions of the foregoing and any authorized amendment thereto are accepted and ratified.

The failure to comply with such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of Wyndemere Corporation or Greenbrooke Homes Company and their respective successors or assigns, as set forth in the aforesaid Declaration. The Units shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

ARTICLE III THE ASSOCIATION

Section 1. General. The affairs of the Regime shall be managed in accordance with the By-Laws attached hereto as Exhibit D and incorporated herein by and through an association of Unit Owners, the "Wyndemere Condominium Owner's Association, Inc.", which has been or shall be incorporated as a South Carolina non-profit corporation. The Unit Owners shall have voting rights in the Association in the percentages set forth as interest percentages in Exhibit F. Said voting rights shall be exercised in accordance with such rules and procedures as may be prescribed in the By-Laws, as amended from time-to-time, or by law.

Section 2. Rights of Declarant to Representation on Board of Directors of Association. So long as the Declarant is the co-owner of five (5) or more Units in the Regime, the said Declarant shall have the right to designate and select all of the persons who shall serve as members of each Board of Directors of the Association; and so long as the Declarant is the co-owner of at least one (1) but not more than four (4) Units, the Declarant shall have the right to designate and select a majority of the persons who shall serve as a member of each Board of

Directors of the Association. Whenever the Declarant shall be entitled to designate any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated by the Declarant shall be as provided in the Charter, and/or By-Laws of the Association, and the Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed. Any director designated and selected by the Declarant need not be a resident in the Regime. Anything to the contrary notwithstanding, the power in the Declarant to designate directors shall terminate nine (9) years from the date of recordation of this Master Deed unless expressly waived earlier in writing by Declarant.

Any representative of the Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any management contract or other matter between Declarant and Association where the Declarant may have a pecuniary or other interest. Similarly, Declarant as a member of Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between the Declarant and the Association where the Declarant may have pecuniary or other interest.

Section 3. Allocation of Votes in the Association. Each Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit Owner. Membership shall be appurtenant to and may not be separated from the ownership of each Unit and ownership of each Unit shall be the sole qualification for such membership. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect a Unit Owner's membership. Each Unit Owner, by acceptance of a deed to a Unit, consents to the dilution of his voting interest in the Association by virtue of the creation from time-to-time of Units in the Additional Phases or any portion thereof as provided herein.

Section 4. Rights of Action. In the event of any violation of the provisions of the Act, this Master Deed, the By-Laws, or any rules and regulations promulgated by the Association, the Association and any aggrieved Unit Owner shall have all of the rights and remedies which may be provided for in the Act, this Master Deed, the By-Laws, or said rules and regulations, or which may be provided or permitted in law or in equity.

ARTICLE IV
ASSESSMENT OF COMMON EXPENSES

Section 1. General. Each Unit Owner shall pay to the Association assessments regarding Common Expenses of the Regime, such assessments to be fixed, established, and collected from time-to-time as hereinafter provided. The assessments shall constitute a lien on the Unit or Units against which each such assessment is made, and no Unit Owner may exempt himself from liability for such assessments for non-use of the Common Elements or of his Unit.

Section 2. Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage covering a Unit, such acquirer of title, his successors or assigns or grantees, shall not be liable for assessments by the Regime which became due prior to the acquisition of title by such acquirer, it being understood, however, that the above shall not be construed to prevent the Regime from filing and claiming liens for such assessments and enforcing same as provided by law, and that such assessment shall be subordinate to such mortgage.

ARTICLE V
USE RESTRICTIONS

Section 1. Permitted Improvements and Alterations. Subject to the terms of Section 4 of Article VI and Section 4 of this Article V, no improvements or alterations of any nature whatsoever other than routine maintenance, repair and replacement of existing improvements as provided herein shall be permitted to the Common Elements or the Limited Common Elements assigned to any Unit without the written prior approval of the Board of Directors of the Association.

Section 2. Residential Purposes. Subject to the right of Declarant to make use of one or more Units as a sales office, or any other use expressly reserved herein by Declarant, or as otherwise specifically provided in this Master Deed, all Units shall be restricted exclusively to residential use by their respective owners, tenants of owners, and invited guests. The foregoing restrictions as to residential use shall mean and refer to a use and occupancy of a unit(s) as a long-term abode, dwelling or residence, or use for seasonal vacations, or transient lodging. The restriction to use for "Residential" purposes is subject to the following qualifications:

(a) The use of a portion of a Unit as an office or art or craft studio of members of the Single Private Households shall be considered as a Residential use only if such use does not create a significant increase in customer or client traffic to and from the Unit, provided that no sign, symbol, logo or nameplate identifying a business or professional office is affixed to or about the grounds or the entrance to the Unit, if the Unit is only incidentally used for business or professional purposes, and provided that the Declarant or Association, after responding to one or more reasonable complaints by a neighboring Property Owner, has not expressly requested that the subject Unit not be used in whole or in part as an office or studio because of auto congestion or other nuisances.

(b) A Unit may be used by Declarant or its agents as a model home, real estate sales office or site for an "Open House" and shall be deemed a use for Residential purposes. Use of a Unit as a model or real estate office by any party other than the Declarant must be approved by the Declarant and if approved, said use shall be limited to a twelve (12) month period after the expiration of the right of Declarant to add Additional Phases to the Regime pursuant to Article II, Section 11 of this Master Deed.

(c) No Unit located in Residential Classification, may be used for "garage sales", "open houses" or other commercial gatherings designed to promote the resale of dwellings at any location or any product sales unless a temporary permit for such use has been approved in writing by the Declarant or the Association.

(d) The use of a Unit as a situs for work and home occupations are permitted only as an incidental use of any Unit and all home occupations shall be subject to the following limitations: (i) no display of products shall be visible from the street; (ii) no mechanical equipment shall be installed or used except equipment that is normally used for domestic, craft and professional purposes and which does not cause noises heard upon neighboring property or Units or does not cause interference of radio, television, microwave and light signals; (iii) no outside storage shall be used in connection with the home occupation; and (iv) traffic generation shall not be significantly increased, as for example, where the traffic volume exceeds more than thirty (30%) percent of the traffic volume generated by typical nearby Units.

(e) No Unit restricted to Residential uses may be used as a means of service to business establishments including,

but not limited to, supplementary facilities or an intentional passageway or entrance into a business house.

Section 3. Peaceful Possession. No Unit Owner shall do, suffer, or permit to be done, anything in his Unit which would impair the soundness or safety of the Regime, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other Units, or which would require any alteration of or addition to any of the Common Elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

Section 4. Use of Common Elements. All occupants of Units and their guests shall have a non-exclusive right to use and enjoy the Common Elements for the purposes for which they are intended (including, without limitation, the right of vehicular and pedestrian access, ingress, and egress to and from his Unit over those portions of the Common Elements from time-to-time designated for such purposes) subject, however, to the following provisions: (a) no such use shall enter or encroach upon the lawful rights of any other persons; (b) the right of the Association to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto as set forth in Article III, Section 4 hereof, and the By-Laws in general and Article VII, Section 12 of the By-Laws specifically including the right to charge reasonable admission and other fees for any recreational facility located thereon and to impose reasonable limitations on the number of guests who may use such facilities subject to the provisions of Article II, Section 12(b); (c) the right, hereby reserved by the Association, to suspend a Unit Owner's rights to use the Common Elements during the period that an assessment of the Association remains unpaid or for any other infraction of this Master Deed, or of the Articles of Incorporation, By-Laws, and rules and regulations of the Association; (d) the rights of Declarant as set forth in Article II, Sections 11 and 12, and (e) the easement reserved for the Association in Article VI, Section 7.

Section 5. Right of Entry. In case of any emergency originating in or threatening any Unit, regardless of whether the Owner or his tenant, if any, is present at the time of such emergency, the Association's Board of Directors and all managerial personnel shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit under the control of the Association a key to such Unit.

Section 6. Leasing Restrictions. Subject to the provisions of this Section 6, leasing of the Units is expressly authorized. No Unit Owner shall lease less than the entire Unit. All leases or rental agreements shall be in writing and shall be specifically made subject by the terms of such leases to this Master Deed and shall be in compliance with rules and regulations as may be promulgated and published by the Board of Directors.

Section 7. Interval Use. No Owner(s) of a Unit or group of Units shall be permitted to utilize or subject any Units within the Wyndemere Horizontal Property Regime to time-sharing or interval ownership as expressed or defined in Chapter 32, Code of Laws of South Carolina, 1976, as amended, without the express written consent of the Association. Notwithstanding the foregoing to the contrary, the Declarant for itself and its successors and assigns expressly reserves the right to utilize, subject and encumber any Unit or Units developed and owned by Declarant to time-sharing or interval ownership as permitted, provided and in accordance with Chapter 32, Code of Laws of South Carolina, 1976, for so long as the Declarant retains the right to submit additional phases to the Regime.

Section 8. Use Restrictions Run with Land. Declarant hereby declares and affirms that the use restrictions described herein shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Unit and upon the Declarant and upon all future Unit Owners.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Amendment of Master Deed and Regime Plans.

(a) Procedure. Except as otherwise provided in this Master Deed, the By-Laws or the Act, this Master Deed and the Regime Plans may be amended in the following manner:

(i) Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the notice of any meeting of the Unit Owners held in accordance with the provisions of this Master Deed and/or the By-Laws at which a proposed amendment is to be considered.

(ii) A resolution adopting a proposed amendment may be proposed by either the Association or by a Majority of the Unit Owners at a meeting called for that purpose. Such amendment must be approved by not less than sixty-six (66%) percent of the Unit Owners voting in

accordance with the procedures established by the By-Laws and by the holders of first mortgages covering the Units of such Unit Owners. An eligible mortgage holder who is sent notice of the proposed Amendment and who does not respond thereto in writing prior to the meeting of the Unit Owners to endorse the Amendment, shall be deemed to have approved the proposed Amendment.

(iii) All amendments made as hereinabove provided shall be evidenced by a written instrument executed and acknowledged by the President and Secretary of the Association, which shall contain a certification that the amendments were approved in accordance with this Section. Such instrument shall be recorded and shall become effective on the date of recording. Copies of such instrument shall be sent to each Unit Owner in the manner provided in the By-Laws for the giving of notices to Unit Owners, but the same shall not constitute a condition precedent to the effectiveness of such amendment.

(b) No Change System of Administration. This Master Deed shall not be amended to change the form or system of administration, the method of election, replacement or dismissal of the Directors (except as otherwise provided in this Master Deed or the By-Laws), or to affect any rights expressly reserved by Declarant, without Declarant's written approval. Also, this Master Deed may not be amended so as to impose on Declarant any additional duties, financial or otherwise, without Declarant's written approval.

(c) No Change in Common Interests. Subject to the provisions of Article II, Section 11 of this Master Deed, any amendment shall not change a Unit's proportionate share of the Common Interests, nor the voting rights appurtenant to any Unit, unless all of the record owners thereof and all holders of mortgages thereon shall join in the execution of the amendment, and no amendment shall be passed which impairs or prejudices the rights and priorities of any mortgages or changes the provisions of this Master Deed with respect to the rights of holders of mortgages without the written approval of all holders of mortgages of record.

(d) Declarant's Reservation of Right to Amend. Declarant reserves the right to make the following amendments to the Documents without the consent of the Unit Owners or the Association:

(i) Declarant reserves the right to amend the Master Deed to effect a combination of Units in

accordance with the provisions of Article II, Section 11, above.

(ii) Declarant, as long as it owns one (1) Unit in the Property, reserves the right at any time to amend the Master Deed, as may be required by any lending institution or public or quasi-public body, or in such manner as Declarant may determine to be necessary to carry out the purposes sought to be accomplished by this Master Deed. Any such amendment need only be executed and acknowledged by Declarant.

(iii) Declarant reserves the right to make other changes in the Master Deed, whether to correct typographical or scrivener's errors, provided that any such corrections do not adversely affect the interest of any Unit Owner, by recording an appropriate document in the R.M.C. Office for Beaufort County, South Carolina.

Section 2. Covenants Running with the Land. The provisions, covenants and conditions of this Master Deed and all covenants, restrictions, etc. to which the Property of the Units are made applicable shall run with the land and bind title to the property constituting the Regime, and shall be binding upon and inure to the benefit of all Unit Owners and mortgagees and their respective heirs, executors, legal representatives, successors and assigns.

Section 3. Insurance. The Board of Directors of Wyndemere Condominium Owner's Association, Inc., shall be required to obtain and maintain those types and forms of insurance as are required by Article VIII of the By-Laws as set forth in Exhibit D attached hereto and made a part hereof.

Section 4. Reconstruction and Repair. In the event of casualty loss or damage to the Property of the Regime, the provisions of Article IX of the By-Laws shall govern all matters pertaining to reconstruction and repair.

Section 5. Condemnation. In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no re-allocation of interests in the common areas resulting from such partial condemnation may be effected without the prior approval of the Unit Owners and the eligible holders holding mortgages on all remaining Units, whether existing in whole or in part, and which have at least seventy-five (75%) percent of the votes of such remaining Units subject to eligible mortgage holders. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and

agreements with the condemning authority for acquisition of the common areas, or part thereof. Each Unit Owner appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or the Insurance Trustee, for the use and benefit of the Unit Owners and their mortgagees as their interests may appear.

Section 6. Easement for Encroachment. If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (a) settling of the building; (b) alteration or repair to the Common Elements made by or with consent of the Board of Directors; (c) as a result of repair or restoration of the building or any Unit damaged by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.

Section 7. Other Regime Easements. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving such other Units and located in such Unit. The Association shall have the right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair, or replace Common Elements contained therein or elsewhere in the building or buildings.

Section 8. Interpretation. In all cases, the provisions set forth or provided for in this Master Deed shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors of the Association, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted within the confines of the Act and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Master Deed shall be the date of its filing for record in the R.M.C. Office for Beaufort County, South Carolina. The captions of each Article and Section are inserted only for convenience and are to be in no way construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which

they refer. This Master Deed shall be construed under and in accordance with the laws of the State of South Carolina.

This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control.

Section 9. Gender and Grammar. The singular wherever used herein shall be construed to mean plural when applicable and vice versa, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 10. Rights of Third Parties. This Master Deed shall be recorded for the benefit of Declarant, the Unit Owners, and their mortgagees, as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title, or interest whatsoever in the Regime, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, except as specifically provided herein and subject to the rights of Declarant and mortgagees as herein provided, the Unit Owners shall have the right to extend, modify, amend or otherwise change the provisions of this Master Deed without the consent, permission, or approval of any adjoining owner or third party.

Section 11. Non-Waiver. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 12. Notice of Sale or Lease. In the event a Unit Owner sells, leases or otherwise disposes of any Unit and/or improvements thereon, such Unit Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, or transferee.

Section 13. Severability. Invalidation of any one of the covenants or restrictions contained in this Master Deed shall in no wise affect any other provisions which shall remain in full force and effect and shall be enforced to the extent permitted by applicable law.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal this 25th day of April, 1987.

WITNESSES:

Samir M. M. [Signature]
Wanda Callis

DECLARANT:
WYNDEMERE CORPORATION

By: [Signature]
Its: President
Attest: [Signature]
Its: Secretary
6/25/87

(CORPORATE SEAL)

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me WANDA CALLIS,
who, on oath, says that (s)he saw the within named WYNDEMERE CORPORATION by JOHN J. CARNEY, its PRESIDENT,
sign the within document, and HEATH L. NORRIS, its ASST SECRETARY, attest the same, and that (s)he with
Samuel J. Morris, II witnessed the execution thereof.

SWORN to before me this
26th day of April, 1987.

Wanda Callis
(witness)

[Signature]
Notary Public for South Carolina
My Commission Expires 4/29/93

EXHIBIT A

ALL that certain piece, parcel, and tracts of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina and known as the "Wyndemere" property consisting of a total of 12.41 acres as shown and described as Phase I consisting of 1.70 acres, Phase II consisting of 1.84 acres, Phase III consisting of 1.19 acres, Phase IV consisting of 0.99 acres, and "future development" consisting of 6.69 acres. Said property located generally southeast of property now or formerly of Calhoun Thomas, Jr., generally southwest of property now or formerly of Greenbrooke Homes Company, and generally northwest of of a one hundred (100') foot power line easement all adjacent to or near U.S. Highway 278 on Hilton Head Island and located generally between the Shelter Cove Development and Long Cove Club Development. Said property shown and described on a Plat entitled "An As Built Survey of Wyndemere at Yacht Cove, a portion of Yacht Cove Development, Hilton Head Island, South Carolina" dated April 8, 1987, last revised May 6, 1987, and prepared by Coastal Surveying & Engineering Company, Inc., Jerry L. Richardson S.C.R.L.S. #4784 and recorded May 8, 1987 in Plat Book 341 at Page 162 in the R.M.C. Office for Beaufort County, South Carolina. For a more detailed description as to location, metes, bounds, distances, etc. reference may be had to the above referred to plat of record.

EXHIBIT A-I

ALL that certain piece, parcel, or tract of land, with improvements thereon, situate, lying and being in Wyndemere at Yacht Cove, a portion of Yacht Cove development, Town of Hilton Head Island, Beaufort County, State of South Carolina and being known as Phase I consisting of 1.70 acres as shown and described on an As Built Survey thereof prepared by Coastal Surveying & Engineering Company, Inc. dated April 8, 1987, last revised May 6, 1987, as certified by Jerry L. Richardson, SC RLS #4784, and recorded May 8, 1987 in the R.M.C. Office of Beaufort County, South Carolina in Plat Book 34 at Page 162. For a more detailed description as to location, metes, bounds, distances, directions, reference may be had to the within referred to plat of record.

EXHIBIT A-II

ALL that certain piece, parcel, or tracts of land, situate, lying in the "Wyndemere" area of the Town of Hilton Head Island, Beaufort County, South Carolina, and being known as Phase II, Phase III, Phase IV, and future development phase totalling 10.70 acres as shown on a plat entitled "An As Built Survey of Wyndemere at Yacht Cove, a portion of Yacht Cove Development" dated April 8, 1987, last revised May 6, 1987, and prepared by Coastal Surveying & Engineering Company, Inc., as certified by Jerry L. Richardson, SC RLS #4784. For a more detailed description as to location, course, metes, bounds, distances and directions reference may be had to the within referred to plat of record. The within referred to plat is recorded May 8, 1987 in the R.M.C. Office of Beaufort County, South Carolina in Plat Book 34 at Page 162.

EXHIBIT B

That certain As Built Survey or plat entitled "An As Built Survey of Wyndemere at Yacht Cove, a portion of Yacht Cove Development, Hilton Head Island, South Carolina," dated April 8, 1987, last revised May 6, 1987, and prepared by Coastal Surveying & Engineering Company, Inc., Hilton Head Island, South Carolina, by Jerry L. Richardson S.C.R.L.S. #4784, being identified as Job #15436 and recorded in the R.M.C. Office of Beaufort County, South Carolina in Plat Book 34 at Page 162 on May 8, 1987.

EXHIBIT C

Those certain plans of Wyndemere Horizontal Property Regime entitled "Wyndemere A Provate Community" prepared by Doug Corkern, Architects, S.C. Registered Architect No. 797 dated August 11, 1986, Project #8544 and recorded May 8, 1987 in the R.M.C. Office for Beaufort County, South Carolina in Plat Book 34 at Page 162.

EXHIBIT C-1

The undersigned, Doug Corkern, Architects, authorized and licensed in the State of South Carolina, hereby certifies that the Plans of "Wyndemere Horizontal Property Regime, Hilton Head Island, South Carolina," attached hereto as Exhibit C, fully and accurately, within reasonable construction tolerances, depict the layout and dimensions of Wyndemere Horizontal Property Regime and its common elements, limited common elements, and apartments shown therein.

DOUG CORKERN ARCHITECTS

By:

S. C. Registered Architect No. 797

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Tom Z. CREWS
and made oath that s/he saw the within named DOUG CORKERN
ARCHITECTS, by Doug CORKERN, sign, seal and as
its act and deed, deliver the foregoing certificate and that s/he
with Samuel J. Morris, III witnessed the execution of
same.

SWORN to before me this
30th day of April, 1987

Notary Public For South Carolina
My Commission expires 11/29/93

Tamara Z. Kears
(witness)

WYN13/3287

EXHIBIT D

BY-LAWS
OF
WYNDEMERE HORIZONTAL PROPERTY REGIME
AND
WYNDEMERE CONDOMINIUM OWNER'S ASSOCIATION, INC.

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. Such Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located in Yacht Cove, Hilton Head Island, Beaufort County, South Carolina, known as WYNDEMERE HORIZONTAL PROPERTY REGIME as has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, shall henceforth be known as WYNDEMERE HORIZONTAL PROPERTY REGIME (hereinafter referred to as the "Regime").

Section 2. ASSOCIATION. In conjunction with the creation of the above described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as Wyndemere Condominium Owner's Association, (hereinafter referred to as the "Association") which shall, pursuant to the provisions of the aforementioned Master Deed, constitute the incorporated Wyndemere Condominium Owner's Association, Inc.

Section 3. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 4. PERSONAL APPLICATION. All present or future Unit Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Regime in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the Units (hereinafter usually referred to as "Units") as defined in the Master Deed or the mere act of occupancy of any of said Units will signify that these By-Laws, the provisions of the Master Deed and any authorized recorded amendments to the foregoing Master Deed are accepted and ratified, and will be complied with.

Section 5. DEFINITIONS. All terms and its provisions hereof shall be defined and the meaning as such terms may be defined herein, or in the alternative, as defined in the Master Deed to which these By-Laws are affixed, all subject to the provisions of Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as amended (the "Act") which Act shall be controlling in all instances.

ARTICLE II VOTING, MAJORITY OF UNIT OWNERS, QUOROM, PROXIES

Section 1. ELIGIBILITY. Any person who acquires title to a Unit in the Regime shall be a member of the Association. There shall be one membership for each Unit owned. Transfer of Unit ownership, either voluntarily or by operation of law, shall terminate the transferor's membership in the Association, and said membership is to become vested in the transferee. If Unit ownership is vested in more than one (1) person, then all of the persons so owning such Unit shall agree upon the designation of one (1) of the Unit Owners of such Unit to act as a member of the Association. If Unit ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation to act as a member of the Association.

Section 2. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the Unit Owner is entitled is the percentage assigned to the Unit or Units in the Master Deed.

Section 3. MAJORITY OF UNIT OWNERS. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners holding fifty-one (51%) percent or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed, and any authorized amendments thereto, except where the Declarant is given rights of voting power in the Master Deed or these By-Laws.

Section 4. QUORUM. Except as otherwise provided in Section 6 of this Article II and elsewhere in these By-Laws, the presence in person or by proxy of a majority of Unit Owners as defined in Section 3 of this Article shall constitute a quorum.

Section 5. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 6. MAJORITY VOTE. The vote of a majority of the Unit Owners as defined in Section 3 of this Article II present at

a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III WYNDEMERE CONDOMINIUM OWNER'S ASSOCIATION

Section 1. ASSOCIATION RESPONSIBILITIES. The Unit Owners of the Units will constitute the Association of Unit Owners (hereinafter usually referred to as "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of Unit Owners.

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

Section 3. ANNUAL MEETINGS. The annual meetings of the Association shall be held at the call of the President once a year during the month of May or at such other time as a majority of the Unit Owners may agree upon. At such meetings there shall be elected by ballot of the Unit Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Unit Owners may also transact such other business of the Association as may properly come before them.

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

Section 5. FIRST MEETING. The first meeting of the Association shall be held within one hundred twenty (120) days from the date that seventy-five (75%) percent of the Units in the Regime, or the first Phase thereof as defined in the Master Deed, have been conveyed by Declarant to individual Unit Owners.

Section 6. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Unit Owner of record, at least fifteen (15) days, but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. ADJOURNED MEETING. If any meeting of the Association cannot be organized because a quorum has not attended, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if Unit Owners holding at least twenty-five (25%) percent of the total value of the Property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 8. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

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

ARTICLE IV BOARD OF DIRECTORS

Section 1. (a) The first Board of Directors of the Association and succeeding Boards of Directors, shall consist of five (5) persons. Subject to the rights of the Declarant as set forth herein and the Master Deed, at least a majority of the Board of Directors shall be members of the Association, or shall be authorized representatives, officers, or employees of a corporate member of the Association. The first Board of Directors of the Association shall be comprised of the five (5)

persons designated to act and serve as directors in the Charter, which said persons shall serve until their successors are elected at the first meeting of the members of the Association called after Phase I of the property identified herein have been submitted to the plan of condominium ownership and the Master Deed has been recorded in the public records of Beaufort County, South Carolina. Should any member of said first Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a director for the unexpired term of said director who is unable to serve. So long as Wyndemere Corporation, hereinafter referred to as the "Declarant", is the co-owner of five (5) or more Apartments in the Regime, the Declarant shall have the right to designate and select all of the persons who shall serve as members of each Board of Directors of the Association; and so long as the Declarant is the co-owner of at least one, but not more than four (4) Apartments, the Declarant shall have the right to designate and select a majority of the persons who shall serve as a member of each Board of Directors of the Association. The power of the Declarant to designate directors as above referred to shall terminate nine (9) years from the date of recordation of the Master Deed for Wyndemere Horizontal Property Regime unless expressly waived earlier by the Declarant. The Declarant has heretofore (in the Charter of the Association) designated the initial Board of Directors and Officers of the Association.

(b) Election of directors shall be conducted in the following manner:

(i) The Declarant, as Sponsor of the Regime, shall at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors which it should be entitled to designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection by the Declarant by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by the Declarant shall be deemed and considered for all purposes directors of the Association, and shall thenceforth perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

(ii) All members of the Board of Directors whom the Declarant shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom the Declarant shall be entitled to designate and select.

(iii) Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person designated and selected by the Declarant, such vacancy shall be filled by Declarant designating and selecting, by written instrument delivered to any officer of the Association, the successor director to fill the vacated directorship for the unexpired term thereof.

(iv) At the first annual meeting of the members held after Phase I of the property identified herein has been submitted to the plan of condominium ownership and the Master Deed has been recorded in the public records of Beaufort County, South Carolina, the term of office of the three (3) directors receiving the highest plurality of votes shall be established at two (2) years, and the term of office of the other two (2) directors shall be established at one (1) year. Thereafter, as many directors of the Association shall be elected at the annual meeting as there are regular terms of office of directors expiring at such time, and the term of the directors so elected at the annual meeting of the members each year shall be for two (2) years expiring at the second annual meeting following their election, and thereafter until their successors are duly elected and qualified or until removed in the manner elsewhere provided or as may be provided by law for the removal of directors of South Carolina corporations for profit. If at the time of the first annual meeting, the Declarant is the co-owner of at least one (1), but not more than four (4) Apartments, then the Declarant shall have the right to designate and select two (2) directors whose term of office shall be established at two (2) years, and one director whose term of office shall be established at one (1) year.

(v) In the election of directors, there shall be appurtenant to each Unit as many votes for directors as there are directors to be elected (regardless of the percentage interest in common elements appurtenant to such Unit; provided, however, that no member or co-owner of any Unit may cast more than one vote for any person nominated as director, it being the intent hereof that voting for directors shall be non-cumulative).

(vi) In the event that the Declarant, in accordance with the privilege granted unto it selects any person or persons to serve on any Board of Directors of the Association, the Declarant shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons designated by the Declarant to serve on any Board of Directors of the Association shall be made by written

instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the person or persons so removed from said Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Declarant to any officer of the Association.

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

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

(a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.

(b) Care, upkeep, and surveillance of the Property and the Common Elements.

(c) Collection, at the time of the closing of the initial sale of each Unit, a working capital fund for the Association which is equal to at least two (2) months' estimated common expenses assessments. These funds shall be maintained in a segregated account for the use and benefit of the Association by the Association if the Association has been organized or by the Declarant if the Association has not been organized upon collection. The contribution to the working capital fund for each unsold Unit shall be paid to the Association within one hundred twenty (120) days after the date of the conveyance of the first Unit in each Phase of the Regime.

(d) Establishment of the annual budget. The budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the Unit Owners present at such meeting, in person or by proxy.

(e) As a part of the annual budget described in (d) above, establishment and maintenance, on behalf of the Association, of an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Elements.

(f) Employment, dismissal, and control of the personnel necessary for the maintenance and operation of the Common Elements.

(g) Collection of all assessments and fees from the Unit Owners.

(h) Performing repairs caused by any natural disaster or man-made damage from the reserve account and any special assessment, or causing the same to be done.

(i) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed, or causing the same to be done as set forth in ARTICLE VIII hereof.

(j) Granting or relocation of easements, which are not inconsistent with the owners' full use and enjoyment of the common properties.

(k) Making of repairs, additions and improvements to or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws.

(l) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Unit Owners, the holders, insurers or guarantors of any first mortgage on any Unit, current copies of the Master Deed, By-Laws, other Rules and Regulations pertaining to the Association, and the books, records and financial statements of the Association.

Section 4. MANAGEMENT AGENT. The initial management agent shall be selected by the Declarant. The Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any such Management Contracts shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said Contracts. Since an independent professional management company is being employed from the outset, and if, at any time during the management of the

Property by this or some other professional management entity, any holders, insurers or guarantors of mortgages on Units within the Regime shall require that professional management of Regime/Association matters be maintained, and the Association is so advised in writing, any decision thereafter by the Association to establish self-management by the Association shall require the prior consent of Unit Owners holding sixty-seven (67%) percent of the votes in the Association and the approval of holders holding mortgages on Units within the Regime which have at least fifty-one (51%) percent of the votes of all Units in the Regime subject to holder mortgages.

Section 5. VACANCIES. Subject to the provisions of Article IV, Section 1, Vacancies in the Board of Directors caused by reason other than the removal of a member of the Board by a vote of the Association shall be filled by vote of the majority of the remaining members, even though they constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Association. Declarant shall appoint replacements to fill vacancies of directors for which it is entitled to fill by giving written notice to the Chairman or any officer of the Association.

Section 6. REMOVAL OF MEMBERS OF THE BOARD. Subject to the provisions of Article IV, Section 1, at any annual or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be a Unit Owner (except as provided in Section 5 regarding Declarant's appointee).

Section 7. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 8. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time-to-time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or

by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 9. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary/Treasurer in like manner and on like notice on the written request of at least two (2) Board members.

Section 10. WAIVER OF NOTICE. Before or at any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place, and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. BOARD QUORUM. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time-to-time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. FIDELITY BONDS. The Board shall require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 13. COMPENSATION. No member of the Board shall receive any compensation from the Regime for acting as such.

Section 14. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions

of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Directors, who are members of or employed by Declarant to contract with Declarant and affiliated entities without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors, shall be limited to such proportions as the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE V OFFICERS

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

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

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Unit Owner.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all

meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. SECRETARY/TREASURER. The Secretary/Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

ARTICLE VI NOTICES

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

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

ARTICLE VII
OBLIGATIONS OF THE UNIT OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All Unit Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association common expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards including but not limited to flood, if necessary. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Unit Owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Declarant will be liable for the amount of any assessment against completed Units within the Association which have not been sold and Declarant shall have all voting rights attendant to the ownership of said Unit until said Units are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Unit within the Association shall carry with it the proportionate equity of that Unit's ownership in the Association escrow or reserve account, if any, set aside to provide a contingency fund for the maintenance and repair of the Association Property.

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

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

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying to the Board the common charges as determined by the Board, such Unit Owner shall be obligated to pay a late charge of one and one-half (1-1/2%) percent of the delinquent amount per month on such unpaid common charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling.

Section 5. STATEMENT OF COMMON CHARGES. The Board shall, for a reasonable fee not to exceed Ten and No/100 (\$10.00) Dollars, promptly provide any purchaser, Unit Owner, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that Unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid common charges payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance. Any encumbrancer holding mortgages on more than five (5) Units within the Association shall be entitled, upon request, to receive a statement of account on the Units securing all of said Mortgages once each calendar year without any fee or charge.

Section 6. MAINTENANCE AND REPAIR.

(a) Each Unit Owner must perform work within his own Unit in its entirety being expressly responsible for the

damages and liabilities that his failure to do so may endanger Common Elements or other Units.

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

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

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

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

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

(a) All Units shall be utilized only for residential purposes as defined in the Master Deed. This shall expressly include the right of the Owner to rent such Units to others for residential purposes. Moreover, so long as any Units remain unsold by Declarant, Declarant or its agent shall be authorized to maintain sales models within the Association for purposes of promoting the sale of Units.

(b) A Unit Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously notifying in writing the Association through the Management Agent, if any, and through the President. The Association shall have the obligation to

answer within thirty (30) days from the actual receipt of such notice and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) A Unit Owner shall make no changes or additions whatsoever to the exterior of the Unit, any stairs, decks, patio or balconies appurtenant thereto, or to any of the Limited Common Elements without prior written approval of the Board. If any changes as described herein are approved by the Board, the Unit Owner requesting such change shall bear total financial responsibility for the cost of such change and the incurred costs, if applicable, of the maintenance and repair of such change. The Board, through its agent, may include his additional maintenance cost in the periodic assessment for the Unit in question.

Section 10. USE OF COMMON ELEMENTS. Except as authorized by Section 9(c) a Unit Owner shall not place or cause to be placed in the passages, parking areas, roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Unit Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 11. RIGHT OF ENTRY.

(a) A Unit Owner shall grant the right of entry to the management agent or to any person authorized by the Board in case of an emergency originating in or threatening his Unit, whether the Unit Owner is present at the time or not.

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

Section 12. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Units and Common Elements of the Association, the Unit Owners may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present or represented by proxy whose aggregate interest in the Common Elements constitutes two-thirds (2/3) of the total interest, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of person on said property of the

Association as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each owner by posting same with postage prepaid addressed to the owner at the last registered address of the owner and shall be binding upon all Unit Owners and the occupants of Units in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

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

(b) No Unit Owner of the Property shall:

(1) Post any advertisements or posters of any kind in or on the Property except as authorized by the Association;

(2) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the Property;

(3) Clean dust mops, rugs or similar objects from the windows or balconies by beating on the exterior part of the Property;

(4) Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;

(5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Units in the Property;

(6) Maintain any pets which cause distress to Unit Owners through barking, biting, scratching or damaging of property.

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

Section 13. ABATEMENT AND ENJOYMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the

Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorney's fees, and until such expense is recovered it shall be a lien upon the Unit.

ARTICLE VIII INSURANCE

The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed and which are also satisfactory to any mortgagee holding mortgage on five or more units the following insurance, without prejudice of the right of the Unit Owner to obtain additional individual insurance at his own expense:

Section 1. HAZARD INSURANCE. The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by a periodic appraisal of the Property for finance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every other year, or in the amount reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual Units.

(a) All hazard insurance policies obtained by the Board of Directors shall designate the Board of Directors as the named insured as Insurance Trustee for the benefit of all the Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid jointly to the Board of Directors as Insurance Trustee under the provisions of the Master Deed and to any mortgagee holding mortgages on a majority of the Units dedicated to Wyndemere Horizontal

Property Regime at the time of any such loss, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of the Master Deed.

(b) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

(c) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents or employees, and against the individual Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owner upon the contents and furnishings of their Units.

(d) Each mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a copy of each appraisal as called for in paragraph 1 above. If any such mortgagee disagrees with the values assigned to the units by such appraisal and presents an appraisal prepared at such mortgagee's expense showing higher values which has been performed by a qualified appraiser, then the Board shall cause a re-appraisal to be made by a qualified appraiser approved by each of the appraisers who conducted the prior appraisals and the findings of the third appraiser shall be conclusive to determine such value for insurance purposes.

(e) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Units within the Regime which are covered by the Master Policy. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice.

Section 2. PUBLIC LIABILITY INSURANCE. The Board of Directors shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to

liabilities of the Association, to an individual Unit Owner, and to liabilities of one Unit Owner to another Unit Owner.

Section 3. WORKER'S COMPENSATION INSURANCE. The Board of Directors, as necessary, shall obtain Worker's Compensation Insurance to meet the requirements of law.

Section 4. PREMIUMS. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as Common Expenses to be paid by the Unit Owners through periodic assessment as herein provided.

Section 5. ADJUSTMENT. Each Unit Owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of mortgagees of such Unit Owners.

Section 6. INSURANCE BY UNIT OWNERS. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, wall coverings, decorations, and furnishings within his own Unit and the additions and improvements made by him to the Unit. Each Unit Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-rata because of the master hazard policy.

Section 7. SUBSTITUTION OF INSURANCE TRUSTEE. The Board of Directors, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Beaufort County, South Carolina. Any substitute Insurance Trustee appointed by the Board of Directors shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of the Master Deed.

Section 8. MORTGAGEE APPROVAL OF INSURANCE. The form, coverage, content and amount of all insurance policies provided for herein shall be subject to the approval of any Mortgagee holding a mortgage on the majority of Units dedicated to Wyndemere Horizontal Property Regime.

ARTICLE IX
RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the Board of Directors shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this Article IX. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Property is destroyed or substantially damaged. If two-thirds (2/3) or more of the Property is destroyed or substantially damaged, reconstruction shall not be mandatory and unless reconstruction is unanimously agreed upon by all Unit Owners, the insurance indemnity received by the Board of Directors shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of a suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. If less than two-thirds (2/3) of the Property is destroyed or substantially damaged, then such Property shall be repaired in the following manner:

(a) Any reconstruction or repair must follow substantially the original plans and specifications of the Property unless the Unit Owners holding seventy-five (75%) percent or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

(b) The Board of Directors shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board of Directors deems necessary.

(c) The insurance proceeds received by the Board of Directors and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors and the mortgagees, shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of

reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

ARTICLE X INSURANCE TRUST

In the event of casualty loss to the Property, all insurance proceeds indemnifying the loss or damage shall be paid jointly to the Board of Directors as Insurance Trustee and to any mortgagee holding mortgages on a majority of the Units dedicated to Wyndemere Horizontal Property Regime at the time of any such loss. The Board of Directors, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE X, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following share:

(a) Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Units.

(b) Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the benefit of Unit Owners of the damaged Units and their respective mortgagees in proportion to the costs of repairing each damaged Unit.

(c) Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all Unit Owners, and their respective mortgagees, the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Unit.

(d) In the event a Certificate of Insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds required by the loan documents to be paid jointly to the Unit Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

ARTICLE XI
MORTGAGES

Section 1. NOTICE TO BOARD. A Unit Owner who mortgages his Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Units."

Section 2. NOTICE TO MORTGAGEE. The Board shall give reasonable advance written notice of the following events to all mortgagees of which it has notice or from which it received a written request (the term "mortgagee" to include the holder, insurer or guarantor with respect to any such mortgage).

- (a) Any amendment to the condominium documents;
- (b) Any unpaid assessments due the Association from the Unit Owner(s) (mortgagor(s)) of the Unit;
- (c) Any default by the Unit Owner (mortgagor) of a Unit in the performance of such Co-Owner's obligations under the Master Deed and associated condominium documents when such default is not cured within sixty (60) days.
- (d) Any notice of special or annual meetings of the Association.
- (e) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- (f) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (g) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Master Deed;
- (h) Any proposed change from professional management of the Property to self-management of the Property by the Association.

Section 3. STATEMENTS TO MORTGAGEE. Upon written request to the Association from any mortgagee of which it has notice as herein provided, the Board, Manager, or Management Agent shall

supply such mortgagee with a reasonably current financial statement of the Association within a reasonable time of such request. Moreover, if no audited current financial statements are available, the holders of fifty-one (51%) percent or more of the first mortgages shall be entitled to have such an audited statement prepared at their expense.

ARTICLE XII RESTRICTIONS UPON LEASES OF UNITS

Section 1. LEASES. No Unit Owner may lease his Unit or any interest therein except by complying with the provisions of Section 2 of this Article.

Section 2. PROVISIONS IN LEASE. Any lease of any Unit within the Association shall be for a use consistent with the use provisions of this Master Deed and these By-Laws and shall provide that the terms and conditions of the Master Deed and all exhibits shall be complied with by the tenant and that the Association shall have the power to terminate such lease, and bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of default by the tenant in the performance of said lease, or failure by the tenant to perform an obligation in the Master Deed, By-Laws or Rules and Regulations.

ARTICLE XIII AMENDMENTS

Section 1. REQUIREMENTS FOR AMENDMENTS. Except as provided for otherwise herein, in the Master Deed, or by the Horizontal Property Act, the consent of the owners of Units to which at least sixty-six (66%) percent of the votes in the Association are allocated and the approval of eligible mortgage holders about which the Association has received written notice holding mortgages on Units which have at least fifty-one (51%) percent of the votes of Units subject to eligible mortgage holders, shall be required in order to amend or modify any material provisions of the By-Laws which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;

- (d) Insurance or Fidelity bonds;
- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the several portions of the Property;
- (g) Boundaries of any Unit;
- (h) The interests in the General or Limited Common Elements;
- (i) Convertibility of units into common areas or of common areas into Units;
- (j) Imposition of any additional or further right-of-first-refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (k) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

Notwithstanding the foregoing, so long as Declarant remains the Owner of more than one (1) Unit in this Regime, these By-Laws shall not be amended so as to adversely affect Declarant without the Declarant's consent.

Section 2. MATERIALITY OF AMENDMENTS; MORTGAGE APPROVAL
PROCEDURE. An addition or amendment to the By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within twenty (20) days shall be deemed to have approved such request and proof of mailing such request in affidavit form, together with an affidavit of non-receipt, shall be sufficient evidence of such approval.

ARTICLE XIV MISCELLANEOUS MATTERS

Section 1. GENDER; NUMBER. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

Section 2. DEFINITIONS. The definitions contained in Article I and elsewhere in the Master Deed also apply to these By-Laws.

Section 3. EXECUTION OF DOCUMENTS. The President or Vice President and Secretary or Assistant Secretary are responsible for preparing, executing, filing, and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. NOTICES. All notices required by these By-Laws shall be hand delivered or sent by mail to the Association at the address of the President; to Unit Owners at the address of the Unit or at such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. CAPTIONS. The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way defined, limit or describe the scope of these By-Laws or the intent of any provision of the By-Laws.

Section 6. INVALIDITY. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 7. CONFLICT. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event of any conflict between these By-Laws and the provisions of such Statute or the Master Deed, the provisions of such Statute or the Master Deed, as the case may be, shall control.

Section 8. WAIVER. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason or failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

WYNDEMERE CORPORATION

Sam M. Mouton
Wanda L. Mouton

By: Sam M. Mouton, Pres.
Attest: Wanda L. Mouton
Secy.

EXHIBIT E

DESCRIPTION OF UNIT TYPES

Each A type unit contains a total gross heated area of 1206 SF on one floor, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, two Bedrooms, two Baths, Washer/Dryer closet and Storage Room.

Access to the unit is gained by ascending approximately 11 steps and entering a 30 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances. The 10 SF Washer/Dryer closet contains the washer and dryer and is accessible from the Kitchen. Also accessible from the Kitchen is a 6 SF pantry closet.

Down a hall from the Foyer is a 264 SF Dining/Living Room with a corner fireplace. The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 32 SF mechanical/storage closet containing a water heater and HVAC air handler.

At one end of a hall entered from the Living Room is a 186 SF Master Bedroom with a 58 SF Master Bath and a 23 SF closet. A 6 SF linen closet is accessible from the Master Bath. The Master Bedroom has access to the exterior deck through a sliding glass door.

At the other end of the bedroom hall is a 156 SF Bedroom #2 with a 19 SF closet and a 50 SF Bathroom that has access from both the bedroom hall and Bedroom #2.

DESCRIPTION OF UNIT TYPES

Each B type unit contains a total gross heated area of 1469 SF on one floor, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, three Bedrooms, three Baths, Washer/Dryer closet and Storage Room.

Access to the unit is gained by ascending approximately 11 steps and entering a 30 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances. The 10 SF Washer/Dryer closet contains the washer and dryer and is accessible from the Kitchen. Also accessible from the Kitchen is a 6 SF pantry closet.

Down a hall from the Foyer is a 264 SF Dining/Living Room with a corner fireplace. The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 32 SF mechanical/storage closet containing a water heater and HVAC air handler.

At one end of a hall entered from the Living Room is a 186 SF Master Bedroom with a 58 SF Master Bath and a 23 SF closet. A 6 SF linen closet is accessible from the Master Bath. The Master Bedroom has access to the exterior deck through a sliding glass door.

At the other end of the bedroom hall is a 156 SF Bedroom #2 with a 19 SF closet and a 50 SF Bathroom that has access from both the bedroom hall and Bedroom #2.

A 166 SF Bedroom #3 is accessible from the Living Room with a 48 SF Bathroom and a 20 SF closet. Bedroom #3 has access to the exterior deck through a sliding glass door.

DESCRIPTION OF UNIT TYPES

Each C type unit contains a total gross heated area of 1469 SF on one floor, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, three Bedrooms, three Baths, Washer/Dryer closet and Storage Room.

Access to the unit is gained by ascending approximately 11 steps and entering a 30 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances. The 10 SF Washer/Dryer closet contains the washer and dryer and is accessible from the Kitchen. Also accessible from the Kitchen is a 6 SF pantry closet.

Down a hall from the Foyer is a 264 SF Dining/Living Room with a corner fireplace. The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 32 SF mechanical/storage closet containing a water heater and HVAC air handler.

At one end of a hall entered from the Living Room is a 186 SF Master Bedroom with a 58 SF Master Bath and a 23 SF closet. A 6 SF linen closet is accessible from the Master Bath. The Master Bedroom has access to the exterior deck through a sliding glass door.

At the other end of the bedroom hall is a 156 SF Bedroom #2 with a 19 SF closet and a 50 SF Bathroom that has access from both the bedroom hall and Bedroom #2.

A 166 SF Bedroom #3 is accessible from the Living Room with a 48 SF Bathroom and a 20 SF closet. Bedroom #3 has access to the exterior deck through a sliding glass door.

DESCRIPTION OF UNIT TYPES

Each D type unit contains a total gross heated area of 1190 SF on two floors, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, two Bedrooms, two Baths, one Powder Room (1/2 bath), Washer/Dryer closet and two Storage Rooms.

Access to the unit is gained by ascending approximately 29 steps and entering a 60 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances.

Down a hall from the Foyer is a 254 SF Dining/Living Room with a corner fireplace. Accessible from the Living Rooms is a 20 SF Powder Room (1/2 bath). The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 19 SF storage closet.

Access to the second floor is gained by ascending 15 steps from the Foyer arriving in a hall. A 4.5 SF linen closet is accessible from the hall. An attic stair is accessible from the hall giving access to the HVAC air handler and water heater in the attic.

At one end of a hall is a 142 SF Master Bedroom with a 20 SF closet and a 48 SF Master Bath. An exterior deck is accessible from the Master Bedroom through a sliding glass door. A 10 SF storage closet is accessible from the deck.

At the other end of the bedroom hall is a 128 SF Bedroom #3 with a 43 SF Bath and a 17 SF closet. An 11 SF Washer/Dryer closet with the washer and dryer is accessible from Bedroom #3.

DESCRIPTION OF UNIT TYPES

Each F type unit contains a total gross heated area of 1453 SF on two floors, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, three Bedrooms, three Baths, one Powder Room (1/2 bath), Washer/Dryer closet and two Storage Rooms.

Access to the unit is gained by ascending approximately 29 steps and entering a 60 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances.

Down a hall from the Foyer is a 245 SF Dining/Living Room with a corner fireplace. Accessible from the Living Rooms is a 20 SF Powder Room (1/2 bath). The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 19 SF storage closet.

A 166 SF Bedroom #2 is accessible from the Living Room with a 48 SF Bath and a 20 SF closet. Bedroom #2 has access to an exterior deck through a sliding glass door.

Access to the second floor is gained by ascending 15 steps from the Foyer arriving in a hall. A 4.5 SF linen closet is accessible from the hall. An attic stair is accessible from the hall giving access to the HVAC air handler and water heater in the attic.

At one end of a hall is a 142 SF Master Bedroom with a 20 SF closet and a 48 SF Master Bath. An exterior deck is accessible from the Master Bedroom through a sliding glass door. A 10 SF storage closet is accessible from the deck.

At the other end of the bedroom hall is a 128 SF Bedroom #3 with a 43 SF Bath and a 17 SF closet. An 11 SF Washer/Dryer closet with the washer and dryer is accessible from Bedroom #3.

DESCRIPTION OF UNIT TYPES

Each G type unit contains a total gross heated area of 1453 SF on two floors, consisting of Foyer, Living/Dining, Kitchen, Breakfast Room, three Bedrooms, three Baths, one Powder Room (1/2 bath), Washer/Dryer closet and two Storage Rooms.

Access to the unit is gained by ascending approximately 29 steps and entering a 60 SF Foyer. Off one side of the Foyer is a 91 SF Breakfast Room, which opens into an 86 SF Kitchen. The Kitchen contains all cabinets and appliances.

Down a hall from the Foyer is a 245 SF Dining/Living Room with a corner fireplace. Accessible from the Living Rooms is a 20 SF Powder Room (1/2 bath). The Living Room opens through a sliding glass door onto an exterior deck. Accessible from the deck is a 19 SF storage closet.

A 166 SF Bedroom #2 is accessible from the Living Room with a 48 SF Bath and a 20 SF closet. Bedroom #2 has access to an exterior deck through a sliding glass door.

Access to the second floor is gained by ascending 15 steps from the Foyer arriving in a hall. A 4.5 SF linen closet is accessible from the hall. An attic stair is accessible from the hall giving access to the HVAC air handler and water heater in the attic.

At one end of a hall is a 142 SF Master Bedroom with a 20 SF closet and a 48 SF Master Bath. An exterior deck is accessible from the Master Bedroom through a sliding glass door. A 10 SF storage closet is accessible from the deck.

At the other end of the bedroom hall is a 128 SF Bedroom #3 with a 43 SF Bath and a 17 SF closet. An 11 SF Washer/Dryer closet with the washer and dryer is accessible from Bedroom #3.

EXHIBIT F-1

(AFTER DEDICATION OF PHASE I ONLY)

[illegible]

EXHIBIT F-II

(AFTER DEDICATION OF PHASES I AND II)

Phase & Unit #	Type of Unit	Value for Statutory Purposes	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII	Phase IX	Phase X
310	B	\$108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
311	A	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
312	A	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
313	C	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
314	B	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
315	B	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
320	F	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
321	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
322	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
323	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
324	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
325	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
326	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
327	G	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
328	F	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
329	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
330	D	90,000.00		.02551	.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
331	F	108,000.00		.03061	.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
=====												
TOTAL PHASES												
I & II		\$3,528,000.00		.99996								

EXHIBIT F-III

(AFTER DEDICATION OF PHASES I, II, AND III)

Phase & Unit #	Type	Value for	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase
PHASE III	of Unit	Statutory Purposes	I	II	III	IV	V	VI	VII	VIII	IX	X
210	B	\$108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
211	A	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
212	A	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
213	C	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
214	B	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
215	B	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
220	F	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
221	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
222	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
223	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
224	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
225	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
226	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
227	G	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
228	F	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
229	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
230	D	90,000.00			.017006	.01333	.01101	.00990	.00851	.00788	.006830	.00625
231	F	108,000.00			.020408	.0160	.01322	.01188	.01022	.00946	.008196	.0075
=====												
TOTAL PHASES												
I, II, &												
III		\$5,292,000.00			.999996							

EXHIBIT F-IV

(AFTER DEDICATION OF PHASES I, II, III AND IV)

Phase & Unit #	Type of	Value for Statutory	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII	Phase IX	Phase X
IV	Unit	Purposes										
610	B	\$108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075
611	C	108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075
612	A	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
613	A	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
614	B	108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075
620	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
621	F	108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075
622	G	108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075
623	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
624	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
625	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
626	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
627	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
628	D	90,000.00				.01333	.01101	.00990	.00851	.00788	.00683	.00625
629	F	108,000.00				.0160	.01322	.01188	.01022	.00946	.00819	.0075

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TOTAL PHASES

I, II, III,

& IV \$6,750,000.00

.99987

EXHIBIT F-V

(AFTER DEDICATION OF PHASES I, II, III, IV AND V)

Phase & Unit #	Type	Value for Statutory Purposes	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII	Phase IX	Phase X
710	C	\$108,000.00					.01322	.01188	.01022	.00946	.00819	.0075
711	B	108,000.00					.01322	.01188	.01022	.00946	.00819	.0075
712	A	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
713	A	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
714	A	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
720	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
721	G	108,000.00					.01322	.01188	.01022	.00946	.00819	.0075
722	F	108,000.00					.01322	.01188	.01022	.00946	.00819	.0075
723	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
724	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
725	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
726	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
727	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
728	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
729	D	90,000.00					.01101	.00990	.00851	.00788	.00683	.00625
=====												
TOTAL PHASES												
I, II, III,												
IV & V												
		\$8,172,000.00					.9999					

EXHIBIT F-VI

(AFTER DEDICATION OF PHASES I, II, III, IV, V AND VI)

Phase & Unit #	Type	Value for	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase
PHASE VI	of Unit	Statutory Purposes	I	II	III	IV	V	VI	VII	VIII	IX	X
810	C	\$108,000.00						.01188	.01022	.00946	.00819	.0075
811	B	108,000.00						.01188	.01022	.00946	.00819	.0075
812	B	108,000.00						.01188	.01022	.00946	.00819	.0075
820	D	90,000.00						.00990	.00851	.00788	.00683	.00625
821	G	108,000.00						.01188	.01022	.00946	.00819	.0075
822	F	108,000.00						.01188	.01022	.00946	.00819	.0075
823	D	90,000.00						.00990	.00851	.00788	.00683	.00625
824	D	90,000.00						.00990	.00851	.00788	.00683	.00625
825	F	108,000.00						.01188	.01022	.00946	.00819	.0075
=====												
TOTAL PHASES												
I, II, III, IV												
V & VI		\$9,090,000.00						.9999				

EXHIBIT F-VII

(AFTER DEDICATION OF PHASES I, II, III, IV, V, VI AND VII)

Phase & Unit #	Type of Unit	Value for Statutory Purposes	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII	Phase IX	Phase X
910	B	\$108,000.00							.01022	.00946	.00819	.0075
911	C	108,000.00							.01022	.00946	.00819	.0075
912	A	90,000.00							.00851	.00788	.00683	.00625
913	C	108,000.00							.01022	.00946	.00819	.0075
914	B	108,000.00							.01022	.00946	.00819	.0075
920	F	108,000.00							.01022	.00946	.00819	.0075
921	F	90,000.00							.00851	.00788	.00683	.00625
922	D	90,000.00							.00851	.00788	.00683	.00625
923	D	90,000.00							.00851	.00788	.00683	.00625
924	D	90,000.00							.00851	.00788	.00683	.00625
925	D	90,000.00							.00851	.00788	.00683	.00625
926	D	90,000.00							.00851	.00788	.00683	.00625
927	G	108,000.00							.01022	.00946	.00819	.0075
928	F	108,000.00							.01022	.00946	.00819	.0075
929	D	90,000.00							.00851	.00788	.00683	.00625

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TOTAL PHASES

I, II, III, IV,

V, VI & VII \$10,566,000.00

.9995

EXHIBIT F-IX

(AFTER DEDICATION OF PHASES I, II, III, IV,
V, VI, VII, VIII AND IX)

Phase & Unit #	Type	Value for	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase	Phase
PHASE IX	of Unit	Statutory Purposes	I	II	III	IV	V	VI	VII	VIII	IX	X
1110	B	\$108,000.00									.008196	.0075
1111	A	90,000.00									.006830	.00625
1112	A	90,000.00									.006830	.00625
1113	C	108,000.00									.008196	.0075
1114	B	108,000.00									.008196	.0075
1115	B	108,000.00									.008196	.0075
1120	F	108,000.00									.008196	.0075
1121	D	90,000.00									.006830	.00625
1122	D	90,000.00									.006830	.00625
1123	D	90,000.00									.006830	.00625
1124	D	90,000.00									.006830	.00625
1125	D	90,000.00									.006830	.00625
1126	D	90,000.00									.006830	.00625
1127	G	108,000.00									.008196	.0075
1128	F	108,000.00									.008196	.0075
1129	D	90,000.00									.006830	.00625
1130	D	90,000.00									.006830	.00625
1131	F	108,000.00									.008196	.0075

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TOTAL PHASES

I, II, III,

IV, V, VI,

VII, VIII &

IX \$13,176,000.00

.9999

1026

[illegible]

4387/JOINDER/4/28/87

STATE OF SOUTH CAROLINA)
) WYNDEMERE HORIZONTAL PROPERTY REGIME
COUNTY OF BEAUFORT) MORTGAGEE JOINDER

THIS AGEEMENT made this 25th day of April, 1987, by and between Wyndemere Corporation, an Ohio corporation whose address is 1500 Ohio Savings Plaza, 1801 Ninth Street, Cleveland, Ohio 44114 (hereinafter referred to as "Wyndemere") and Ohio Savings Bank, whose address is 1801 East Ninth Street, Cleveland, Ohio 44114 (hereinafter referred to as "Mortgagee").

WHEREAS, Greenbrooke Homes Company (hereinafter referred to as "Greenbrooke"), Wyndemere and Mortgagee, on the 27th day of January, 1987, entered into a certain South Carolina mortgage on certain property which included the property as more fully described in the Master Deed to which this document is attached (the "Property"); and

WHEREAS, said Mortgage is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Mortgage Book 389 at Page 742; and

WHEREAS, Greenbrooke conveyed to Wyndemere a portion of the Property described in said Master Deed subject to said Mortgage; and

WHEREAS, Wyndemere desires to hereby obtain Mortgagee's consent to the dedication of the Property to the Wyndemere Horizontal Property Regime according to the provisions set forth in said Master Deed and the sale thereof according to the provisions of said Master Deed.

NOW, THEREFORE, for full and valuable consideration, the receipt and adequacy whereof is hereby acknowledged, the parties hereto agree as follows:

1. Mortgagee hereby accepts, approves and consents to the dedication of the Property mortgaged, to the Wyndemere Horizontal Property Regime according to the provisions set forth in the Wyndemere Master Deed to which this document is attached.

2. Mortgagee hereby waives any further declaration of consent to the provisions of said Master Deed as may be required by any provision of said Mortgage or any document entered into between Greenbrooke, Wyndemere and Mortgagee or any of them in respect to the Property.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

WYNDEMERE CORPORATION
AN Ohio Corporation

Laura Koenig
Jill M. Walker

By: James A. Carney (LS)

Attest: James A. Carney (LS)

MORTGAGEE:
OHIO SAVINGS BANK

Patricia A. McInerck

By: John W. Tunt
Its: Senior Vice President

Attest: John W. Tunt
Its: Senior Vice President

STATE OF OHIO)
COUNTY OF CUYAHOGA)

PROBATE

PERSONALLY appeared before me Laura Koenig,
who, on oath, says that (s)he saw the within named Wyndemere
Corporation by John J. Carney, its President,
sign the within document, and James A. Carney, its
Secretary, attest the same, and that (s)he with
Jill M. Walker witnessed the execution thereof.

SWORN to before me this
5th day of May, 1987

Laura Koenig
(witness)

Jill M. Walker
Notary Public for South Carolina
My Commission expires

JILL M. WALKER
State of S.C.
My commission expires 12/31/1991

STATE OF OHIO)

PROBATE

COUNTY OF Cuyahoga)

PERSONALLY appeared before me Steven S. Swartz,
 who, on oath, says that (s)he saw the within named Ohio Savings
 Bank by Frank J. Delogonia, its Senior Vice President, sign the within
 document, and Marie W. Freimuth, its Senior Vice President,
 attest the same, and that (s)he with PATRICIA A. NEINCKE
 witnessed the execution thereof.

SWORN to before me this
4th day of May, 1987

P. A. Swartz
 (witness)

Susan T. Delogonia
 Notary Public for Ohio
 My Commission expires 6-13-88

3:30

476

MAY, 8 1987

948-
S. Floyd/Kalton
 RECORDER OF DEEDS