



Spicebush
at Sea Pines

DOCUMENTS

SPICEBUSH AT SEA PINES

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A SPICEBUSH UNIT.

2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.

3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

SUMMARY

THE SPICEBUSH UNIT IS CREATED AND BEING SOLD ON A FEE SIMPLE INTEREST.

THERE IS A CONTRACT FOR THE MANAGEMENT OF THE SPICEBUSH PROPERTY WITH AMERICAN RESORTS CAROLINA CORPORATION (SEE ARTICLE XVI OF THE DECLARATION OF INTERVAL OWNERSHIP RIGHTS, ETC. AND EXHIBIT III TO THIS PROSPECTUS.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN THE FORECLOSURE OF THE LIEN (SEE ARTICLE VII OF THE MASTER DEED AND ARTICLE XIII OF THE DECLARATION OF INTERVAL OWNERSHIP RIGHTS, ETC.)

UNIT WEEKS IN SPICEBUSH AT SEA PINES ARE BEING SOLD UNDER A PLAN OF INTERVAL OWNERSHIP. INTERVAL OWNERSHIP IS A CONCEPT WHEREBY UNIT WEEKS AND THE SHARE OF THE COMMON ELEMENTS ASSIGNED TO THE UNIT ARE CONVEYED FOR PERIOD OF TIME, THE PURCHASER RECEIVING A STATED TIME PERIOD FOR A PERIOD OF YEARS, TOGETHER WITH A REMAINDER OVER IN FEE SIMPLE AS TENANT IN COMMON WITH ALL OTHER PURCHASERS OF UNIT WEEKS IN EACH SUCH SPICEBUSH UNIT IN THE YEAR 2040.

THE MASTER DEED, DECLARATION OF INTERVAL OWNERSHIP RIGHTS, ETC. AND EXHIBITS THERETO FOR SPICEBUSH AT SEA PINES ARE WRITTEN IN SUCH A MANNER AS TO ENABLE THE DEVELOPER TO HAVE THE OPTION OF SELLING UNITS EITHER UNDER INTERVAL OWNERSHIP OR WHOLE OWNERSHIP OR BOTH.

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I

INTRODUCTION

A. Name and Location

The Condominium Units and Unit Weeks offered for sale by this Prospectus are located in the Condominium project more specifically described in the Master Deed, Article II, and Exhibits A, B, and C thereto. The condominium is located on Hilton Head Island, Beaufort County, South Carolina.

B. SPICEBUSH AT SEA PINES ("The Property")

The Project is a multi-phase Condominium Project which, when completed, will have a maximum of twenty-four (24) units. All units will use common facilities, including parking areas and recreational facilities. One (1) Condominium Association will be the Association for all of the phases of the Project. Certain portions of the Project will be designated as "Association Properties", as said term is defined by the Master Deed and Declaration of Interval Ownership, etc., and will be owned by the Condominium Association. The Association properties will be comprised of the parking areas within the Project and the recreational facilities. The Condominium Association will be responsible for the maintenance of all of the common elements, limited common elements and Association properties.

It is anticipated that the Project will consist of twenty four (24) units located in six (6) buildings, with four (4) units to each building. Each of the twenty four (24) units will contain two (2) bedrooms and two (2) full bathrooms. The location of the building containing the Condominium described in I-A above is shown on the Plat attached to the Master Deed and designated as Exhibit B and the Plot Plan, Exhibit C. The estimated time of completion of the building is set forth in paragraph IV of this Introduction.

II

FEE SIMPLE TITLE

The Developer does not contemplate a program of leasing units rather than selling them. Except in unusual circumstances, the Developer intends to sell all units. The Developer will submit the fee simple title to the Condominium property to Condominium ownership. There will be no leases underlying any of the Condominium property.

III

RECREATIONAL FACILITIES

The recreational facilities, which will be located at the Project, are to serve the entire Project consisting of a maximum of twenty four (24) units. The recreational facilities will be conveyed to the Association not later than December 31, 1985, or upon completion and sale of all units or unit weeks in the Project.

The Developer anticipates that the above described recreational facilities shall be available for use not later than December 31, 1980, should Developer decide, at its option, to construct such facilities.

IV

PHASE PROJECT

The Condominium is part of a phase project. The Developer anticipates the following schedule for the development of Spicebush at Sea Pines, but same is subject to change at any time at the Developer's option.

Construction will commence on Phase I consisting of Units A-579 through A-582 and Units B-575 through B-578, no later than April 23, 1979. The estimated time for completion of Phase I is ten (10) months.

At the option of the Developer, construction of Phase II consisting of Units C-571 through C-574 and Units D-567 through D-570, shall commence no later than June 1, 1982. The estimated time for completion of Phase II is ten (10) months.

At the option of the Developer, construction of Phase III consisting of Units E-587 through E-590 and Units F-583 through F-586, shall commence no later than June 1, 1984. The estimated time for completion of Phase III is ten (10) months.

V

THE ASSOCIATION

Spicebush at Sea Pines Owners' Association, Inc. has been incorporated to serve as the Association for all future Condominiums created within the Project. The Association consists of a Board of Directors, officers, and unit owners. The Board of Directors meets periodically in accordance with the requirements of the By-Laws of the Association, a copy of which is attached to the Master Deed, for purposes of determining how the Condominiums should be run.

VI

RESTRICTIONS

The Association is given the right to promulgate certain rules and regulations periodically in order to control the operation and use of the common elements, the Condominium property and facilities. (See initial Rules and Regulations).

There are no restrictions upon children.

No pets shall be allowed on the Condominium property, Association properties, or in any Condominium unit.

The Master Deed, Article V, places several restrictions on the use of the unit.

VII

UTILITY SERVICE

The utility service needs of the Project will be met as follows:

1. Palmetto Electric and Gas Cooperative will provide electrical service.
2. Sea Pines Public Service District will provide water service and sewer service.
3. Hargray Telephone Company will provide telephone service.
4. An independent trash removal service will be retained to empty the trash dumpsters.

VIII

MANAGEMENT AGREEMENT

American Resorts Carolina Corporation or its assigns will manage the Condominium pursuant to a contract to do so entered into between such entity and the Condominium Association. The agreement will terminate on December 31, 1985 subject to earlier termination as provided therein. The agreement, included herein as Prospectus Exhibit "III", provides that the Management Firm will perform certain services, among others, the following:

1. Hire, pay and supervise personnel.
2. Enter into contracts to maintain and repair Condominium property.
3. Cause compliance with laws, statutes, ordinances and rules of all appropriate governmental authority.
4. Enter contracts for garbage, trash, extermination and other services.
5. Cause to be placed or kept in effect all insurance required or permitted in the Master Deed and Declaration of Interval Ownership, etc.
6. Maintain the Association's financial record books, accounts, etc.
7. Maintain records to describe the services rendered and to identify the source of all funds collected by the Association.
8. Deposit funds in bank accounts.
9. Attend meetings of the Association and its Board of Directors.

For all of the above servicing, and others, the Management Firm shall receive a net fee, free from all charges and expenses, of five (5%) percent of the common expense assessment.

IX

DETERMINATION OF COMMON EXPENSES

COMMON SURPLUS AND OWNERSHIP OF COMMON ELEMENTS

Each owner of the unit week(s) in a unit committed to interval ownership, in accordance with the terms of the Declaration of Interval Ownership, etc. is required to make maintenance payments to the Association on a yearly basis. These payments are placed in a separate account by the Association and are used as required in order to pay the Condominium expenses.

The estimated maintenance expenses of the Condominium Unit Week Owner(s) are set forth in Exhibit "IV" to the Prospectus.

The percentage ownership of Unit Weeks Owner(s) is specified in Exhibit "A" to the Declaration of Interval Ownership.

Within each Condominium, each unit owner will own a percentage of the common elements, as set forth in Exhibit "D" of the Master Deed.

In order to allow for inclusion of additional members in the Association on a fair and equitable basis, it is hereby provided that as each subsequent phase of the project is completed and the Master Deed Annexation therefore is recorded, the percentage of common expenses and common surplus apportionable to each Unit within this Condominium as specified in Exhibit "D" to the Master Deed shall be adjusted in the following manner: The percentage of common expenses and common surplus appurtenant to each Unit shall be a fraction, the numerator of which shall be the number 1, and the denominator of which shall be the total number of Units located within all phases then submitted to Condominium Ownership within the project.

X

CLOSING EXPENSES

The Purchasers will pay for the recording of the Purchaser's deed and applicable required State tax stamps of the deed. Title insurance will be furnished to each Purchaser at the Purchaser's expense. The Purchaser will also pay for those fees associated with mortgage financing. It is the responsibility of each owner, other than the Developer, to pay the maintenance fees at the time the Purchaser takes title to his Unit Week(s), if a Purchaser occupies Unit Week(s) within that year, or otherwise and thereafter such fee shall be due on January 15th of each year. Except such maintenance fees as may be owed for the Unit Week(s) owned by the Developer shall be due and payable on the last day of each year.

XI

THE DEVELOPER

The Developer of Spicebush at Sea Pines I is American Resorts Carolina Corporation, a South Carolina Corporation and wholly owned subsidiary of American Resorts Corporation, a Florida Corporation. Both American Resorts Carolina Corporation and its parent, American Resorts Corporation, are involved exclusively in the development, management and marketing of quality timesharing projects in resort areas throughout the United States.

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AMERICAN RESORTS CAROLINA CORPORATION,)
 A South Carolina Corporation)
)
 TO)
)
SPICEBUSH AT SEA PINES HORIZONTAL)
 PROPERTY REGIME I.) HORIZONTAL PROPERTY REGIME

MASTER DEED

THREE PHASED

HORIZONTAL PROPERTY REGIME

This Master Deed is made, published, and declared by AMERICAN RESORTS CAROLINA CORPORATION (hereinafter referred to as "Grantor"), a South Carolina Corporation with a principal office and place of business at Hilton Head Island, South Carolina, this _____ day of _____, 19____.

ARTICLE I.

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME

Section 1. General. The purpose of this Master Deed is to establish, pursuant to the Horizontal Property Act of the State of South Carolina, a three (3) phased horizontal property regime to be known as Spicebush at Sea Pines Horizontal Property Regime I, (hereinafter referred to as Regime and/or Spicebush at Sea Pines). The land and improvements to be submitted to the provisions of the Horizontal Property Act and to the terms of this Master Deed are described in their totality herein. Grantor, by filing of record this Master Deed, publishes and declares that the condominium Property improved by phases in accordance with the provisions of the Horizontal Property Act of the State of South Carolina, and in accordance with the covenants, restrictions, encumbrances, and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

Section 2. General Description of Plan of Development. Grantor intends to develop the Property hereafter described as a three (3) phased condominium regime. The maximum number of units in each of the three (3) phases shall be eight (8) units, all as identified and described herein. Construction will commence on Phase I consisting of Units A-579

through A-582 and Units B-575 through B-578, no later than April 23, 1979. The estimated time for completion of Phase I is ten (10) months. At the option of the Grantor, construction of Phase II, consisting of Units C-571 through C-574 and Units D-567 through D-570, shall commence no later than June 1, 1982. The estimated time for completion of Phase II is ten (10) months. At the option of the Grantor, construction of Phase III consisting of Units E-587 through E-590 and Units F-583 through F-586, shall commence no later than June 1, 1984. The estimated time for completion of Phase III is ten (10) months. Grantor hereby reserves the right in its sole discretion to elect to develop or not to develop and to submit or not to submit to condominium ownership any Phase and further reserves the right to determine in its sole discretion to develop and submit any Phase to condominium ownership without regard to any other Phase development and submission should it, the said Grantor, so decide. A general description of the nature and proposed use of all common elements which the Grantor is constructing appears in other portions of this document and on the recorded Plat identified in Exhibit "B" of this Master Deed. Any such common elements associated with or constructed solely with Phases II and/or III will not substantially increase the proportionate amount of the common expenses payable by existing unit owners and are considered of a minor, incidental nature. A chart showing the percentage of interest in the common elements of each unit owner at each stage of development, if the Grantor herein submitted the property to condominium ownership elects to proceed with other phases of development, is attached hereto as Exhibit "D".

Section 3. Rights and Obligations Grantor hereby acknowledges its obligation to submit herewith the within described Phase I property to condominium ownership and hereby reserves its right to elect to proceed with either or all of Phases II and/or III, as required and/or permitted herein. The unit owners of Phase I and any additional phases dedicated to the Regime by Grantor as provided herein shall have the full legal rights and be obligated as allowed or required by South

Carolina law. The Condominium Unit Owners by purchasing and accepting a unit of the property hereby acknowledge that further phase construction and dedication by Grantor shall diminish the percentage of ownership in the common property as described and provided in Exhibit "D" hereto and in other applicable portions of this Master Deed. The Grantor shall add the additional Phases to the provisions hereof by filing of record an appropriate document signed by the Grantor and referencing this Master Deed. Upon the proper recordation thereof, the added Phase(s) shall become an integral portion hereof as provided by the laws of this state and by this document.

Section 4. Reservations. Grantor hereby reserves unto itself, its successors and assigns, the following options to be exercised at its sole discretion, within the time limits set forth in Section 2, above, to-wit:

(a) To develop or not to develop and to submit or not to submit to condominium ownership or interval ownership any, all, or portions of Phases II and III.

(b) To change or modify this document and its exhibits, subsequent contingent documents and their exhibits, and the design, construction, type, order, number, value, and proportionate interest of subsequent Phases, buildings, or condominiums.

(c) To submit or not to submit any or all of the condominiums in Phases I, II, and III to interval ownership (See Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions, Etc., which is made a part hereof by reference as though more fully set forth herein, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book ____, at Page ____, hereinafter referred to as the Declaration of Interval Ownership.)

ARTICLE II.

CONDOMINIUM PROPERTY.

Section 1. Land. The Grantor is the sole owner of the land

containing a total of _____ acres, described as Exhibit "A" herein which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book _____ at Page _____.

Section 2. Condominium Units: Location and Description The Grantor does hereby, by duly executing this Master Deed, submit the land referred to in Section 1, together with buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime in three (3) proposed phases that shall be known as Spicebush at Sea Pines Horizontal Property Regime I to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina.

That the improvements constructed on and forming part of the Phase I Property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" hereto and made a part hereof which plans are certified by Lee and Partners, registered architects duly licensed to practice in the State of South Carolina.

The Condominium units of this Horizontal Property Regime are enclosed or will be enclosed within the following buildings:

Building A: Known as Phase I, contains four (4) Condominium Units, designated as Units A-579 through A-582, inclusive.

Building B: Known as Phase I, contains four (4) Condominium Units designated as Units B-575 through B-578, inclusive.

Building C: Known as Phase II, contains four (4) Condominium Units designated as Units C-571 through C-574, inclusive.

Building D: Known as Phase II, contains four (4) Condominium Units designated as Units D-567 through D-570, inclusive.

Building E: Known as Phase III, contains four (4) Condominium

Units designated as Units E-587 through E-590, inclusive.

Building F: Known as Phase III, contains four (4) Condominium Units designated as Unit F-583 through F-586, inclusive.

Each unit is the same whether an end unit or interior unit. The unit is made up of a service yard, court, carport, entry foyer with storage closet, living room, dining room, kitchen, two (2) bedrooms and two (2) baths. Entrance to the unit is into a foyer containing 78.55 sq. ft., off the foyer, under the stair is a storage closet containing 18.93 sq. ft. Also off the foyer is a stair containing 16.7 sq. ft. leading up 1/2 level to the living room which contains 205.7 sq. ft. Adjacent to the living room is a dining room containing 120 sq. ft. Also off the living room is the kitchen which contains 93.36 sq. ft. The kitchen also contains all cabinets and appliances including a washer and dryer. Leading from the living room is a stair containing 19.47 sq. ft. which leads to a hall containing 41.22 sq. ft. Off this hall are two (2) closets, one contains the water heater and one contains shelves for linen. Both contain 8.91 sq. ft. Also off this hall is a second hall containing 13.36 sq. ft., from this hall is a bedroom containing 140 sq. ft. This bedroom also contains a closet which has 12 sq. ft. Also off this second hall is a bath containing 40 sq. ft. Leading from the first hall is a stair which contains 16.7 sq. ft. and leads up 1/2 level to a balcony which contains 45.28 sq. ft. Leading from this balcony is a bedroom that contains 165.24 sq. ft. This bedroom also contains a closet of 12 sq. ft. Also leading from this bedroom is a bath that is made up of two (2) areas, one contains 60.39 sq. ft. and the second contains 24.5 sq. ft. The unit contains a total net heated area of 1141.22 sq. ft.

Not included in the area above but part of the unit are the following: a service yard containing 44.53 sq. ft., entry walk of 64 sq. ft., a court containing 77.36 sq. ft., a carport containing 230.69 sq. ft. and a deck off the dining room which contains 130 sq. ft.

Section 3. Common Element. The Common Elements, either General or Limited, of the entire Condominium Property, are exclusive of the Condominium Units, as shown on the Plot Plan contained in Exhibit "C" of this Master Deed.

3.1 The General Common Elements shall include without limitation the following, if present, to wit:

(a) The land upon which the building enclosing the Condominium Units are situated; the paved parking areas; the walkways, the building area under roof except individual apartments; and the remaining common areas surrounding the Condominium Units; and all easements, rights, and hereditaments appurtenant to the Land described in Exhibit "A" and shown on the Plot Plan contained in Exhibit "C". Reference to said Plot Plan is craved for details as to square footage, etc., exclusive of Limited Common Elements hereafter described.

(b) All improvements exclusive of the Condominium Units and Limited Common Elements, erected, or which may be erected in future phases of this Regime, upon the land described in Exhibit "A", including without limitation: (i) the roofs covering the Condominium Unit including shingles, roofing felt, sheathing, and flashing; (ii) the exterior siding, fascia, sheathing, and building paper on the buildings enclosing the Condominium Units; (iii) the pipes, wires, conduits, pumps, motors, and other equipment installed to provide utility service to the Condominium Units or to portions of the Common Elements, provided, however, that title to all water and sewer pipes, pumps, mains, and accessory equipment shall be, and hereby is reserved to Grantor, its successors and assigns; (iv) the roads, streets, parking areas, street signs, storm draining, guttering, retaining walls, walkways, paths, trees, gardens, and landscaping located upon the land; (v) any pier or dock extending from the Land; (vi) any swimming pool, bath house, and other recreational facilities which may now or hereafter be located upon the Land; and (vii) all other elements of the Condominium Property rationally of common use or necessary to its existence, maintenance, and safety.

3.2 The Limited Common Elements shall include the following, if

present, to wit:

The rear and front yards and service areas (shown on the Plot Plan attached hereto and identified as Exhibit "C") adjacent to each Condominium Unit, the fences, screening the service area and the patios adjacent to each Condominium Unit, if any, and all other common elements associated with more than one Condominium Unit but not all of these Condominium Units.

ARTICLE III.

DEFINITIONS.

As used in this Master Deed and By-Laws and Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

(1) "The Property" means the total of _____ acres of land ("Land") described in Exhibit "A"; the buildings constructed or to be constructed in future phases upon the Land, situated as shown on the Plat of the Condominium Property contained in Exhibit "B" or on future plats dedicating future phases to the Regime as prescribed herein; the proposed twenty-four (24) Condominium Units which are or may be enclosed within such buildings as described verbally in Article II of this Master Deed and which are portrayed graphically on the Plans contained in Exhibit "C" or on future plats dedicating future phases to the Regime as prescribed herein; 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 Spicebush at Sea Pines Horizontal Property Regime I.

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

(3) "Association" means Spicebush at Sea Pines I Owner's Association, Inc., a South Carolina non-profit Corporation, said entity is responsible for the operation of the Condominium. During any period when a Management Agreement is in effect, any rights or responsibilities of the Association shall also be the rights and responsibilities of the Management Firm under said Management Agreement. The Association referred to herein is one

and the same as the Association referred to in the Declaration of Interval Ownership.

(4) "By-Laws", means the By-Laws of the Spicebush at Sea Pines Horizontal Property Regime I, Declaration of Interval Ownership and Spicebush at Sea Pines I Owners' Association as it may be from time to time amended.

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

(6) "Limited Common Elements", means and includes those common elements which are reserved for the use of a certain unit or units, to the exclusion of all other units.

(7) "Condominium", means that form of ownership of Condominium property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each unit, as part thereof, an undivided share in the common elements.

(8) "Horizontal Property 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.

(9) "Common Expenses", means the expenses for which the unit owners are liable to the Association.

(10) "Common Surplus", means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the common elements, over and above the amount of common expenses.

(11) "Condominium Property", means and includes the land in a Condominium, whether or not contiguous, and all improvements thereon, and all easements and rights appurtenant thereto, intended for use in connection with the Condominium.

(12) "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.

(13) "Condominium Parcel" or "Parcel" means a unit, together with the undivided share in the common elements which are appurtenant to the unit.

(14) "Condominium Unit" or "Unit", is a Unit referring to each of the separate and identified units delineated in the Plat attached to the Master Deed as Exhibit "B" and when the context permits, the Condominium parcel includes such unit, including its share of the common elements appurtenant thereto.

(15) "Unit Owner" or "Owner of a Unit" or "Parcel Owner" means the owner of a Condominium parcel in fee simple.

(16) "Developer" and/or "Grantor" means American Resorts Carolina Corporation, a South Carolina corporation, its successors and assigns.

(17) "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, or a lender generally recognized in the community as an Institutional type lender.

(18) "Occupant" means the persons or persons, other than the unit owner, in possession of a unit.

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

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

(21) "Management Agreement", means and refers to that certain Agreement which provides for the management of the Condominium property.

(22) "Management Firm", means and refers to the entity identified as the Management Firm in the Management Agreement, its successors and assigns. The Management Firm shall be responsible for the management of the Condominium property as provided in the Management Agreement.

(23) "Recreational Area", means the herein described area of the Property and some of the common amenities associated with Condominium Property as may be shown on the Plat.

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

(25) 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 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.

(26) The following definitions shall refer only to those units committed to and sold under a plan of "Interval Ownership":

1. "Interval Ownership" is a concept whereby units and the share of the common elements assigned to the unit are conveyed for periods of time, the purchaser receiving a stated time period for a period of years, together with a remainder over in fee simple as tenant in common with all other purchasers of "Unit Weeks" in each such Condominium Unit in the year 2040.

2. "Unit Week" means a period of ownership in a Unit committed to Interval Ownership.

"Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the second Friday in each year. Unit Week No. 2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year, plus any excess days not otherwise assigned. Unit Weeks run from noon on the first Friday of the period to noon on the last Friday of the period.

3. A "Unit Committed to Interval Ownership" shall be any

unit sold under a plan of Interval Ownership.

ARTICLE IV

SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC.

Section 1. Formation. Each Condominium Unit Owner shall be a member of the Spicebush at Sea Pines I Owners' Association, Inc. (hereinafter referred to as "Association") a South Carolina Non-Profit Corporation existing under the laws of the State of South Carolina. The Association shall be managed by a Board of Directors elected by and from the Condominium Unit Owners.

Section 2. By-Laws: The affairs of the Association and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the Declaration of Interval Ownership and the By-Laws, a copy of which is attached hereto as Exhibit "E". The By-Laws of the Association may be amended from time to time, but only in the manner expressly provided in the By-Laws.

Section 3. Voting: On all matters relating to the Association or to the Condominium Property upon which a vote of the Condominium Unit Owners is taken, the Condominium Unit Owner shall vote in proportion to their respective interests in the Common Elements as set forth in Exhibit "D". Any motion shall carry if it received the affirmative vote of a simple majority of Condominium Unit Owners, unless a different majority is specified in this Master Deed or in the By-Laws. A simple majority of the Condominium Unit Owners shall consist of fifty-one (51%) percent of the total interest in the Common Elements.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Association in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Condominium Unit Owners.

Section 5. Management Firm: The responsibility for administration of the Condominium Property may be delegated by the Association to a professional management firm. By proper resolution of the Association, such a management firm may be authorized to assume any of the functions,

duties, and powers assigned to the Board of Directors in the By-Laws or in this Master Deed.

ARTICLE V

CONDOMINIUM UNIT: OWNERSHIP AND USE:

Section 1. Ownership of Condominium Unit: Each Condominium Unit, together with its undivided interest in Common Elements, shall constitute a separate parcel of real property; and each Condominium Unit Owner shall be entitled to exclusive ownership and possession of his/her Condominium Unit, subject to : (i) the provisions of this Master Deed and the easements, restrictions, covenants, and encumbrances set forth herein; (ii) Declaration of Covenants, Restrictions and Affirmative Obligations Applicable to All Class "B" Multi-Family Residence Areas, recorded in Deed Book 124, Page 35, Office of the Clerk of Court for Beaufort County, South Carolina and any recorded additions or amendments thereof; (iii) the By-Laws of the Association, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Association or its Board pursuant to the By-Laws; (iv) the Horizontal Property Act of the State of South Carolina; (v) the provisions of those covenants and restrictions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036; (vi) and, at the option of the Developer, the Declaration of Interval Ownership recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book _____ at Page _____.

Section 2. Legal Description. Each Condominium Unit may be sufficiently described for purposes of deeds, mortgages, leases, and other conveyances by referring to its designated unit number and letter and by reciting that it is part of Spicebush at Sea Pines Horizontal Property Regime I as established by this Master Deed. The conveyance of an individual Unit shall be deemed to convey the undivided interest in Common Elements appurtenant to that Unit. The ownership of an undivided interest in Common Elements appurtenant to a Unit shall be inseparable from the Unit and no such undivided interest may be conveyed or encumbered

except as an appurtenance to the Unit.

Section 3. Maintenance and Repair. Every Unit Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Unit as defined in Article II, Section 2. However, no Unit Owner shall make structural modifications or alterations to his Unit, nor shall any Unit Owner alter any door, window, vent, flue, terrace, deck, balcony, or courtyard without obtaining prior written approval of the Board. Written notice of any intended modification shall be given to the Board, setting forth details and requesting approval. The Board shall consider the request and decide whether approval shall be granted. The Board shall advise the Unit Owner of its decision in writing within One Hundred Twenty (120) days from the receipt of the request. Nothing in this section shall relieve the Unit Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Unit Owner shall undertake to modify any portion of the Common Elements.

ARTICLE VI

COMMON ELEMENTS: OWNERSHIP AND USE.

Section 1. Ownership of Common Elements. Each Unit Owner, either of the initial Phase or hereafter established Phase(s), shall own as an appurtenance of his Unit the undivided interest in the Common Elements specified in Exhibit "D". The percentage interest set out therein represent the values of each Unit in proportion to the total value of the Property, as well as the proportionate representative for voting purposes in the meeting of the Association. For the purposes of this instrument, the total value of the Property herein is Three Million and no/100·(\$3,000,000.00) Dollars for all Phases. The values for the individual Phases are as listed in Exhibit "D" hereto. The stated individual value for each Unit indicated in Exhibit D shall not be deemed to establish or limit the price for which the Property or any Unit may be sold or exchanged.

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XII, and so

long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning of Article X, the Common Elements shall remain undivided; and no Unit Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements for their intended purposes in common with all other Unit Owners. Each Unit Owner shall have also a non-exclusive easement appurtenant to his Unit for ingress and egress over the Common Elements for access to and from his Unit, which shall extend to the family members, guests, agents, and servants of the Unit Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the Class "B" covenants, the By-Laws of the Association, and all rules and regulations adopted by the Association pursuant to the By-Laws.

Section 4. Operation and Maintenance. The maintenance, repair, replacement, management, operation, and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expenses. The Board may, however, delegate these duties to a management firm.

ARTICLE VII.

COMMON EXPENSES.

Section 1. Enumeration of Expenses. Each Unit Owner shall bear in proportion to his respective interest in the Common Elements the following expenses:

1.1 Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements.

1.2 Expenses incurred in operating, maintaining, improving, repairing, insuring, replacing, etc. the swimming pool, tennis court, and other associated amenities, located as described in Exhibit "A" in common and in proportion of total unit value with other owners of past or future phases of Spicebush at Sea Pines, if any, constructed upon the remaining acreage undedicated to condominium ownership described in Exhibit "A" as

a _____ acre tract.

1.3 Expenses incurred in administering the affairs of the Association including salaries, wages, and any compensation paid to a management firm for such purpose.

1.4 Expenses incurred in providing public liability insurance and hazard insurance adequate to cover the Condominium Property, exclusive of Unit contents and furnishings, as provided in Article IX of this Master Deed.

1.5 Contributions to provide sufficient reserves to make such general reserves to operate the Condominium Property and to administer the affairs of the Association.

1.6 Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.

1.7 Any other costs related to the operation of the Condominium Property or administration of the affairs of the Association which are declared by this Master Deed to be Common Elements, and any valid charge against the Condominium Property as a whole.

Section 2. Assessments. All assessments of Common Expenses shall be fixed by the Board and made payable at such times as the Board determines, but not less frequently than quarterly.

Section 3. Liability of Unit Owner. No Unit Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or by abandoning his Unit.

Section 4. Lien Upon Unit. All assessments of the Association for the share of Common expenses chargeable to any Unit which are unpaid after becoming due shall, upon proper recording in the Office of the Clerk of Court, Beaufort County, South Carolina, constitute a lien against such Unit prior and superior to all other liens except: (i) liens for property taxes upon the Unit in favor of any taxing authority; and (ii) mortgage liens duly recorded prior to such delinquency. The lien of such assessments may be foreclosed by the Board acting in behalf

of the Association in the same manner as a mortgage upon real property. In the event of foreclosure the Unit Owner shall be required to pay a reasonable rental for the Unit during pendency of the foreclosure action, and a receiver may be appointed to collect the rentals during such period. The Board, in behalf of the Association, may bring suit for judgments against the Unit Owner in the amount of delinquent assessments. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorney's fees and other costs of collection.

Section 5. Sales of Unit. Upon the sale or conveyance of a Unit, all unpaid assessments against a Unit Owner for his pro-rata share of Common Expenses shall first be paid out of the sale price or by the purchaser or grantee in preference over any other assessments, charges, or liens, except the following:

5.1 Lien for taxes and special assessments upon the Unit which are unpaid.

5.2 Payment due under mortgages upon the Unit which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the Institutional mortgagee of a Unit acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquired title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Association upon the Unit so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid assessments occurring during such period shall be deemed Common Expenses collectible from all Unit Owners, including such purchaser, his successors, heirs, and assigns. The provisions of this Section, however, shall not release any Unit Owner from personal liability for unpaid assessments.

Section 7. Records. The Board, or a management firm, which it

employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payments, shall be available for examination by the Unit Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

Section 8. Default. In the event of any default on the part of any co-owner under any first mortgage made in good faith and for value, which entitled the owner thereof to foreclose same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of the Declaration of Covenants, Restrictions and Affirmative Obligations of Sea Pines Plantation Company, dealing with the Repurchase Option or Right of First Refusal and the exclusive brokerage rights reserved unto Sea Pines Plantation Company. The purchaser under such foreclosure sale (or grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to all of the provisions of said Master Deed. Provided, however, that if the purchaser at such foreclosure sale (or the grantee under deed given in lieu of foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the condominium free and clear of the provisions of said Declaration dealing with the Repurchase Option or right of first refusal and the exclusive brokerage rights of Sea Pines Plantation Company, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

ARTICLE VIII.

RESTRICTIONS, COVENANTS, EASEMENTS.

Section 1. Covenant to Comply with Restrictions and Obligations.
Each Unit Owner by acceptance of a deed to a Unit in this horizontal property regime ratifies and covenants to observe in behalf of himself,

his heirs, successors, and assigns, the following:

1.1 The Declaration of Covenants, Restrictions and Affirmative Obligations applicable to all Class "B" Multi-Family Residence Areas by the Sea Pines Plantation Company, dated July 9, 1964, and recorded in the Office of the Clerk of Court for Beaufort County at Deed Book 124 at Page 35, and any applicable recorded additions and amendments thereto (hereinafter called "Class 'B' Covenants").

1.2 This Master Deed, the By-Laws, decisions and resolutions of the Association, Board, or their representatives, as lawfully amended from time to time, and failure to comply with any 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 the Sea Pines Plantation Company as set forth in the aforesaid Declaration.

1.3 The Declaration of Interval Ownership recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book _____ at Page _____ (at the option of the Developer).

Section 2. Utility Easements. Each Unit Owner shall have a non-exclusive easement appurtenant to his Unit for the use in common with other Unit owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any other Unit or within the Common Elements 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 Unit which are located in such Units.

Section 3. Encroachments. There shall be an easement in favor of the Association to the extent that any portion of the Common Elements encroaches upon any Unit, and there shall be an easement appurtenant to any Unit to the extent any portion of the Unit encroaches upon the Common Elements or upon another Unit, whether such encroachment presently exists or occurs hereafter as a result of (i) settling or shifting on any part of the Condominium property; (ii) repair, alteration, or reconstruction

of the Common Elements made by the Association or with its consent;
(iii) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Horizontal Property Act.

Section 4. Right of Access. The Association shall have the right of access to each Unit during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Unit or for making emergency repairs within the Unit necessary to prevent damage to the Common Elements or to another Unit. This easement and right of access may be exercised by the Board, by its agents and employees, or by a management firm to whom the responsibility of maintaining has been delegated. Damages resulting to any Unit because of such maintenance repairs shall be corrected promptly at the expense of the Association.

Section 5. Public Utility Easements. The Condominium Property is subject to easements for access, ingress, and egress to adjacent utility owned property and to utility easements for installation, operation, and maintenance of electric and telephone distribution lines, and for installation, operation and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Association.

ARTICLE IX.

INSURANCE.

Section 1. Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property.

All hazard insurance shall cover the entire Condominium Property, exclusive only of the contents and furnishings of the individual Units.

1.1 All hazard insurance policies obtained by the Board shall designate the Board as the named insured as Insurance Trustee for the benefit of all Unit Owners and their mortgagees collectively, as their respective interest may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board of Insurance Trustee under the provisions of this Master Deed.

1.2 All hazard insurance policies obtained by the Board 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.

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

Section 2. Public Liability Insurance. The Board may 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. Workmen's Compensation Insurance. The Board, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.

Section 4. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by

the Board.

Section 5. Insurance by Unit Owner. Each Unit owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, 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 to 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-ration because of the master hazard policy.

Section 6. Substitution of Insurance Trustee. The Board, 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 shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

Section 7. Reservation. The provisions of this Article may be changed or modified, as is necessary, by the Declaration of Interval Ownership, Article XIV.

ARTICLE X.

RECONSTRUCTION AND REPAIR.

Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board

shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in Common Elements, unless otherwise unanimously agreed by the co-owners. The remaining portion of the Condominium 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 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 Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed repairs shall be conducted in the following manner:

1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium 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 Unit Owners whose Units are affected by the alterations unanimously consent.

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

1.3 If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose Units are directly affected by the damage in proportion to the damage done in their respective Units.

1.4 The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are 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 that of the Association.

Section 2. Insurance Trust. In the event of a casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following shares:

2.1 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 proappurtenant to each of the Units.

2.2 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 Unit Owners of the damaged Units in proportion to the costs of repairing each damaged Unit.

2.3 Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Owners, the share of each being equal to the undivided share in Common Elements appurtenant to his Unit.

2.4 In the event a Certificate of Insurance has been issued to a Unit Owner bearing a institutional mortgagee endorsement, the share of the Unit Owner shall be held in trust for the institutional mortgagee and the Unit Owner as their interests may appear; provided, however, that no institutional 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 institutional mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Unit Owners and their respective institutional mortgagees pursuant

to the provisions of this Master Deed.

Section 3. Adjustment. Each Unit Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of institutional mortgagees of such Unit Owners.

ARTICLE XI.

AMENDMENTS.

Section 1. By Unit Owners. This Master Deed and the By-Laws may be amended from time to time at a duly held meeting of the Association by the affirmative vote of the Unit Owners holding two-thirds (2/3) or more of the total interest in Common Elements; provided, however, that no amendment shall alter the dimensions of the Unit or its appurtenant interest in Common Elements without the written consent of the Unit Owner and its institutional mortgagees, if any, affected by the proposed alteration. Duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Association.

ARTICLE XII.

TERMINATION.

Section 1. Casualty or Condemnation. If two-thirds or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article X.

Section 2. Voluntary Termination. This horizontal property regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record owners title to the Unit and the record owners of mortgages upon the Units agree in a written instrument to termination unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and institutional mortgagees.

Section 3. Ownership After Termination. After termination of this horizontal property regime, the Unit Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interest of the Unit Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the former Unit Owners and tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any Unit Owner of any lienor in which event the net proceeds from the judicial sale shall be divided among all Unit Owners in proportion to their respective interest in Common Elements and paid to each Unit Owner and institutional mortgagee.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

Section 1. Conflicts. This Master Deed is made and declared in compliance with the Horizontal Property Act of the State of South Carolina. In the event of any conflict between this Master Deed and the provisions of the Horizontal Property Act, the provisions of this statute shall control.

Section 2. Applicable Law. The provisions of this Master Deed shall be construed under the laws of the State of South Carolina.

Section 3. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability, or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

CONSENT AND JOINDER OF MORTGAGEE

The undersigned, THE MELLON BANK, P.A., a Pennsylvania banking corporation, the owner and holder of that certain Mortgage given by AMERICAN RESORTS CAROLINA CORPORATION, a South Carolina Corporation, which Mortgage was filed for record on _____, in Official Record Book _____ at Page _____, of the Public Records of Beaufort County, South Carolina, hereby evidences its Consent and Joinder in and to the annexed Declaration of Condominium of:

SPICEBUSH AT SEA PINES, a three (3) phase condominium project.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Joinder this _____ day of _____, 19_____.

THE MELLON BANK, P.A.,
a Pennsylvania banking corporation

Witness

By: _____

(CORPORATE SEAL)

STATE OF PENNSYLVANIA)
)
COUNTY OF)

BEFORE ME, the undersigned authority, personally appeared _____, to me well known to be the person described in and who executed the foregoing Instrument as _____ of The Mellon Bank, P.A., a Pennsylvania banking corporation, and he acknowledged before me that he executed such Instrument as such Officer of said Corporation, and that the Seal affixed thereto is the Corporate Seal of said Corporation, and it was affixed to said Instrument as the free act and deed of said Corporation.

WITNESS my hand and Official Seal, at the State and County aforesaid, this _____ day of _____, 19_____.

Notary Public, State of Pennsylvania

My Commission Expires:

INDEX OF EXHIBITS TO

MASTER DEED

- EXHIBIT "A" - Description of Land and Easements.
- EXHIBIT "B" - Plat (Survey) of Land, showing Property and Phase I thereon.
- EXHIBIT "C" - Plot plan and floor plan and architect's certificate.
- EXHIBIT "D" - Phases of Spicebush at Sea Pines and the percentage of the common elements pertaining thereto.
- EXHIBIT "E" - By-Laws of Spicebush at Sea Pines Horizontal Property Regime I, Declaration of Interval Ownership, etc., and Spicebush at Sea Pines I Owners' Association.

STATE OF SOUTH CAROLINA) EXHIBIT "A"
) DESCRIPTION OF PROPERTY COMPRISING
 COUNTY OF BEAUFORT) PHASE I, SPICEBUSH AT SEA PINES
 HORIZONTAL PROPERTY REGIME I

ALL that certain piece, parcel or tract of land, with improvements thereon, if any, containing 3.796 acres situate, lying and being in Sea Pines Plantation, on Hilton Head Island, Beaufort County, South Carolina, and shown and described on a plat entitled "3.796 acres, a portion of lot 5-30, a section of Sea Pines Plantation" prepared by Coastal Surveying Company, Inc. and signed by Jerry L. Richardson S.C.R.L.S., and dated August 11, 1978, which said plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 27 at Page 34. For a more detailed description as to courses, metes, bounds, locations, distances, etc. reference to said plat(s) of record is craved. Said property is generally the southwestern portion of a 7.78 acre tract as shown on a Plat recorded in Beaufort County Plat Book 21 at Page 101 and is bounded on the south by North Sea Pines Drive, generally on the west by the right-of-way of Woodbine Drive, generally on the east by a 3.9 acre tract, more or less, known as Ocean Course Villas, Phase I which said Ocean Course Villas Phase I is generally the eastern portion of the said 7.78 acre parcel, and on the north generally by a lagoon. For a more detailed description as to courses, metes, bounds, locations, distances etc. of Phase I, Phase II, and Phase III of SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY REGIME I, reference to that plat recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book _____ at Page _____ is craved.

PROVIDED, HOWEVER, that said conveyances are required to be made herein by South Carolina Law and are made for the purpose of establishing said condominium regime. Nothing should be inferred as to require the Grantor herein to dedicate future phases to the regime as provided within the Master Deed to which this description is attached as an Exhibit which said future phases will be established by amendatory declaration to this Master Deed.

It is the intention hereof that Phase I as shown on the above-referred-to plat of record be herewith dedicated to the Regime in accordance with the terms and provisions of the within Master Deed to which this Exhibit is attached.

AND ALSO, a non-exclusive easement for ingress and egress is hereby reserved upon all phases, present and future, of SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY REGIME I. It is the intention hereof that future phases shall have the right and privileges to use all ingress and egress easements consisting of parking areas, roadways, bicycle paths, walkways, etc. and further an easement is hereby granted to all owners of SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY REGIME I to use recreational area and other common areas as provided herein.

Grantor further saves and excepts from the above described property and agrees to convey the same to the corporation or public body providing sewer and water service to the area, title to all water and sewer lines installed or located on said property, and likewise retains title to all pipes, pumps, pumping stations or other equipment or facilities related thereto, together with an easement to that portion of the above described property lying within ten (10) feet of such lines, equipment or facilities or install additional lines, equipment or facilities thereon from time to time. Grantor further saves and excepts and reserves unto itself and its assigns and agrees to convey to the Sea Pines Public Service District an easement over and across the land lying within ten (10) feet of the property lines of the above described parcel or tract of land, for the purpose of installing further water, sewer or other utility lines and related equipment and facilities.

The above described property is subject to that certain Declaration of Covenants, Restrictions, Affirmative Obligations Applicable to All Class "B" Multi-Family Residence Areas by the Sea Pines Plantation Company, dated July 9, 1964, and recorded in Deed Book 124, Page 35, Office of the Clerk of Court for Beaufort County, South Carolina, along with any recorded amendments thereto and the restrictions, easements, options to repurchase, etc. as contained in the records of the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036, Deed Book 268 at Pages 1231 and 1257, and as shown upon all plats of record and, at the option of American Resorts Corporation, the Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions, Etc., recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book _____ at Page _____.

The within property is a portion of the property conveyed to American Resorts Carolina Corporation by deed from Woodbine Development Corporation dated August 16, 1978 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 268 at Page 1730.

The within Master Deed was prepared by George G. L. Palmer, Esquire of the law firm of Dowling, Sanders, Dukes, Novit & Svalina, P.A., P. O. Drawer 5706, Hilton Head Island, Beaufort County, South Carolina, 29928.

EXHIBIT "B"

Exhibit "B" is the plat of record prepared by Coastal Surveying Company, Inc., and signed by Jerry L. Richardson, R.L.S., dated August 11, 1978, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 27 at Page 34 and amended _____, 1979 to reflect Spicebush at Sea Pines Horizontal Property Regime I, Phase I, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book _____, at Page _____.

EXHIBIT "C"

PLOT PLAN

E X H I B I T "D"

The percentage of undivided interest in the Common Elements appurtenant to each Unit now or hereafter made subject to this Master Deed, including Grantor's right to change or modify same, is as follows:

	<u>UNIT NUMBER</u>	<u>VALUE</u>	<u>PHASE I%</u>	<u>PHASE I & II %</u>	<u>PHASE I, II, & III %</u>	
PHASE I	A-579	\$125,000.00	12.50%	6.25%	4.167%	
	A-580	\$125,000.00	12.50%	6.25%	4.167%	
	A-581	\$125,000.00	12.50%	6.25%	4.167%	
	A-582	\$125,000.00	12.50%	6.25%	4.167%	
	B-575	\$125,000.00	12.50%	6.25%	4.167%	
	B-576	\$125,000.00	12.50%	6.25%	4.167%	
	B-577	\$125,000.00	12.50%	6.25%	4.167%	
	B-578	\$125,000.00	12.50%	6.25%	4.167%	
				100.00%		
	PHASE II	C-571	\$125,000.00		6.25%	4.167%
C-572		\$125,000.00		6.25%	4.167%	
C-573		\$125,000.00		6.25%	4.167%	
C-574		\$125,000.00		6.25%	4.167%	
D-567		\$125,000.00		6.25%	4.167%	
D-568		\$125,000.00		6.25%	4.167%	
D-569		\$125,000.00		6.25%	4.167%	
D-570		\$125,000.00		6.25%	4.167%	
			100.00%			
PHASE III		E-587	\$125,000.00			4.167%
	E-588	\$125,000.00			4.167%	
	E-589	\$125,000.00			4.167%	
	E-590	\$125,000.00			4.167%	
	F-583	\$125,000.00			4.167%	
	F-584	\$125,000.00			4.167%	
	F-585	\$125,000.00			4.167%	
	F-586	\$125,000.00			4.167%	
					<u>100.008%</u>	

BY-LAWS
OF
SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY REGIME I,
DECLARATION OF INTERVAL OWNERSHIP RIGHTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS, CONDITIONS, ETC.
AND
SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC.,
A SOUTH CAROLINA NON-PROFIT CORPORATION

ARTICLE I. IDENTITY

The following By-Laws shall govern the operation of the Spicebush at Sea Pines Horizontal Property Regime I created by the Master Deed and Declaration of Interval Ownership Rights, Restrictions, Affirmative Obligations, Conditions, Etc. and the Spicebush at Sea Pines I Owners' Association.

The Association whose name appears at the end of this instrument is a South Carolina Non-Profit Corporation organized and existing under the Laws of the State of South Carolina for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

Section 1. The office of the Association shall be at the Spicebush at Sea Pines property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the word "South Carolina", the words "Non-Profit Corporation" and the year of incorporation.

Section 3. As used herein, the word "Corporation" shall be the equivalent of "Association" as defined in the Master Deed and the Declaration of Interval Ownership, etc. to which these By-Laws are attached. All other words, as used herein, shall have the same definitions as attributed to them in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

ARTICLE II. MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership: Membership in the Association shall be limited to the Owners of the Condominium Units in Condominiums wherein

this Corporation has been designated the Association to operate and administer said Condominium by virtue of the Master Deed and Declaration of Interval Ownership of said Condominium. Transfer of Unit Ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If Unit Ownership is vested in more than one person, then all of the persons so owning said Unit shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a Unit shall be cast by the "voting member". If Unit Ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation as its "voting member". Notwithstanding the foregoing, each Owner of Unit Weeks in a Condominium Unit committed to Interval Ownership shall be entitled to cast his share of the vote of the Unit in which he owns his Unit Week(s). "Unit committed to Interval Ownership" and "Interval Ownership" are defined in the Master Deed and Declaration of Interval Ownership, etc.

Section 2. Voting:

(a) The Owner(s) of each Condominium Unit shall be entitled to one (1) vote. If a Condominium Unit Owner owns more than one (1) Unit, he shall be entitled to one (1) vote for each Unit owned. The vote of a Condominium Unit shall not be divisible. Notwithstanding the foregoing, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to 1/51 of the total vote assigned to the Unit in which he owns his Unit Weeks for each Unit Week owned. The Association shall not have a vote for any Unit Weeks conveyed to it.

(b) A majority of the Unit Owners' total votes shall decide any question, unless the Master Deed, Declaration of Interval Ownership, etc., By-Laws or Articles of Incorporation of the Association provide otherwise. As used in these By-Laws, the term "Majority of Unit Owners" shall mean those Unit Owners holding 51% or more of the total value of the property, in accordance with the percentages assigned in the Master Deed and Declaration of Interval Ownership, etc.

Section 3. Quorum: Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the Unit Owners' total votes shall constitute a quorum.

Section 4. Proxies: Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5). Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. Designation of Voting Member: If a Condominium Unit is owned by one person, his right to vote shall be established by the recorded title to the Unit. If a Condominium Unit is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated on a Certificate, signed by all of the recorded Owners of the Unit and filed with the Secretary of the Association. If a Condominium Unit is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the Unit for the Corporation shall be designated in a Certificate for this purpose, signed by the President or Vice-President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Unit shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association for a Unit owned by more than one person or by a Corporation, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Unit, except if said Unit is owned by a husband and wife. Such Certificate shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the Ownership of the Unit concerned. If a Condominium Unit is owned jointly by a husband and wife, the following three provisions are applicable thereto;

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a Unit is not divisible).

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the Unit vote, just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.

Section 6. Units Committed to Interval Ownership: Notwithstanding any other provisions by these By-Laws, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to cast the fractional vote attributable to his Unit Weeks owned. In case of a Unit committed to Interval Ownership, the provisions of Section 5, Designation of Voting Member, shall apply to each Unit Week owned.

ARTICLE III. MEETING OF THE MEMBERSHIP

Section 1. Place: All meetings of the Association membership shall be held at the Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of meeting, and shall be open to all Unit Owners.

Section 2. Notices: It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting, stating the time and place thereof, to each Unit Owner of record at least fourteen (14) but not more than thirty (30) days prior to such meeting. Notices of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the Unit Owner as it appears on the books of the Association.

Section 3, Annual Meeting: The annual meeting shall be held at 3:00 p.m., Eastern Standard Time, on the second Saturday of November

each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the members shall be elected by plurality vote - (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting: Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of voting members representing twenty-five (25%) percent of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the Notice thereof.

Section 5. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than a majority of the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, Notice of such action shall be given to all members, unless all members approve such action.

Section 6. Adjourned Meeting: If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Approval or Disapproval: Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members provided, however, that where a Unit is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval or disapproval

shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 8. The Management Firm: The Management Firm, as long as any Management Agreement remains in effect, shall be entitled to Notice of all Association meetings, and shall be entitled to attend the Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV. DIRECTORS

Section 1. Number, Term and Qualifications: The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, as is determined from time to time by the members. All Directors, except those designated by the Developer, shall be members of the Association. All officers of a Corporate Unit Owner shall be deemed to be members of the Association so as to qualify as a Director herein. The term of each Director's service shall extend for a two (2) year period and thereafter until he is removed in the manner provided in Section 3 below.

Section 2. First Board of Directors:

(a) The first Board of Directors of the Association who hold office and serve until their successors have been elected and qualified, shall consist of the following:

Edwin H. McMullen
W. Clinton Wallace
Robert A. Miller

(b) The organizational meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further Notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section 3. Removal of Directors: At any time after the second annual meeting of the membership at any duly convened regular or special

meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of two-thirds of the voting members in the Association, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4 below.

Section 4. Vacancies on Directorate: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Disqualification and Resignation of Directors: Any Director may resign at any time by sending a written Notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the Directors elected at such second annual meeting of the membership, the transfer of title of his Unit by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings: The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall nevertheless, be given to each Director personally or by mail, telephone or telegraph at least five (5) days prior to the day named for such

meeting. All meetings of the Board of Directors, including special meetings in accordance with Section 7 below, shall be open to all Unit Owners.

Section 7. Special Meetings: Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice-President, or by a majority of the members of the Board of Directors, by giving five (5) days Notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All Notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice: Before or at any meeting of the Board of Directors, any Director may waive Notice of such meeting and such waiver shall be deemed equivalent to the giving of Notice. Attendance by a Director at any meeting of the Board shall be a waiver of Notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the Minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. Compensation: The Directors' fees, if any, shall be determined by the voting members.

Section 11. The Management Firm: The Management Firm, as long as any Management Agreement remains in effect, shall be entitled to Notice

of all Directors' meetings and shall be entitled to attend the Directors' meetings and it may designate such person(s) as it desires to attend such meetings on its behalf.

Section 12. Powers and Duties: The Board of Directors of the Association 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 the Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Unit Owners. These powers shall specifically include, but shall not be limited to the following:

(a) To exercise all powers specifically set forth in the Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation, in these By-Laws, and in the Horizontal Property Act, and all powers incidental thereto.

(b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project, and of the common areas and facilities including the right and power to employ attorneys, accountants, contractors, and other professionals as the need arises.

(d) To make and amend regulations respecting the operation and use of the Common Elements, Condominium property and Association properties, and the use and maintenance of the Condominium Units therein.

(e) To contract for the management of the Condominium and to delegate to such contractor all of the powers and duties of the Association; except those which may be required by the Master Deed and Declaration of Interval Ownership, etc. to have approval of the Board of Directors or membership of the Association. To contract for the management or operation of portions of the Common Elements or Association properties susceptible to the separate management or operation thereof, and to lease or concession such portions.

(f) The further improvement of the Condominium property, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into Agreements, and as amended, subject to the provisions of the applicable Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation and these By-Laws.

(g) Designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Unit Owners when such is specifically required.

(h) To enter into and terminate Agreements with organizations providing Owners of their Unit Week to trade their time periods with Owners of time periods at other resorts.

ARTICLE V. OFFICERS

Section 1. Elective Officers: The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of which shall be elected by the Board of Directors.

One person may hold more than one of the aforementioned offices. The President and Vice-President shall be members of the Board of Directors.

Section 2. Election: The officers of the Association designated in Section 1 above shall be elected every two (2) years by the Board of Directors at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers: The Board may appoint Assistant

Secretaries and Assistant Treasurers, and such other officers as the Board of Directors deems necessary.

Section 4. Term: The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President: He shall be the chief executive officer of the Association; he shall preside at all meetings of the Unit Owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice-President: He shall perform all of the duties of the President in his absence, and such other duties as may be required of him from time to time by the Board of Directors of the Association.

Section 7. The Secretary: He shall issue Notices of all Board of Directors' meetings and all meetings of the Unit Owners; he shall attend and keep the Minutes of same; he shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer:

(a) He shall have custody of the Association's funds and securities, except the funds payable to any Management Firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as

may be designated from time to time by the Board of Directors.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by a Management Firm employed by the Association, and said Management Firm shall fulfill the duties of the Treasurer, and shall have custody of such books of the Association as it determines in its sole discretion and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI. FINANCE, ASSESSMENTS AND MAINTENANCE FEES

Section 1. Depositories: The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association; provided, however, that the provisions of any Management Agreement between the Association and a Management Firm relative to the subject matter in this Section shall supersede the provisions hereof.

Section 2. Fidelity Bonds: The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Firm, under the terms Management Agreement, attached to the Master Deed, Declaration of Interval Ownership, etc. to which these By-Laws are attached, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 3. Fiscal Year: The fiscal year for the Association shall begin on the first day of January of each year provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Determination of Assessments:

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Master Deed and Declaration of Interval Ownership to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association to make and collect assessment and to lease, maintain,

repair and replace the Common Elements and the limited Common Elements of the Condominium. Funds for the payment of common expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing common expenses, as provided in the Master Deed, Declaration of Interval Ownership, etc. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. All funds due under these By-Laws, which are attached to the Master Deed and Declaration of Interval Ownership, etc. are common expenses of this Condominium. Assessments, installations and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable.

(b) A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a Notice of that meeting. The Unit Owners shall be given written notice of the time and place at which the meeting of the Board of Directors shall be held to consider the proposed annual budget of common expenses, and such meeting shall be open to the Unit Owners. If a budget is adopted by the Board of Directors which requires assessment against the Unit Owners in any fiscal or calendar year exceeding 25% of such assessments for the preceding year, upon written application of 25% of the Unit Owners, a special meeting of the Unit Owners shall be held upon no less than ten (10) days written notice to each Unit Owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting Unit Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, unless these By-Laws shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of directors shall require

a vote of not less than a majority of the whole number of votes of all Unit Owners. The Board of Directors may in any event propose a budget to the Unit Owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the Unit Owners at a meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the Unit Owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this Section. In determining whether assessments exceed 25% of similar assessments in prior years, there shall be excluded in the computation, any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium property or in respect of anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation, assessment for betterments to the Condominium property if these By-Laws so provide or allow the establishment of reserves, or assessments for betterments to be imposed by the Board of Directors, provided, however, that so long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than 25% of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Unit Owner a statement of said Units Owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

Section 5. Determination of Maintenance Fee:

(a) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary and adequate for the maintenance fee on Condominium Units committed to Interval Ownership. The maintenance fee on such Units shall include the items specified in the Declaration of Interval Ownership, etc.

(b) When the Board of Directors has determined the amount of any

maintenance fee, the Treasurer of the Association shall mail or present to each Owner of Unit Week(s) with all Units committed to Interval Ownership a statement of said maintenance fee. All maintenance fees shall be payable to the Treasurer of the Association and upon receipt, said Treasurer shall give a receipt for each payment made to him, if requested by the Unit Owners.

Section 6. Application of Payments and Co-Mingling of Funds: All sums collected by the Association from assessments and maintenance fees may be co-mingled in a single fund or divided into more than one fund, as determined by the Board of Directors of the Association. All assessment payments and maintenance fees by a Unit Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances as provided herein and in the Master Deed and Declaration of Interval Ownership, etc. and general or special assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

Section 7. Acceleration of Assessment Installments Upon Default: If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon Notice thereof to the Unit Owner, and thereupon, the unpaid balance of the assessment shall become due upon the date stated in the Notice, but not less than fifteen (15) days after delivery of or the mailing of such Notice to the Unit Owner.

Section 8. Audits: An audit of the accounts of the Association will be made upon request of a majority of the owners in the Association and at such times as the Board of Directors deems necessary.

Section 9. Application of Surplus: Any payments or receipts to the Association, whether from Unit Owners or otherwise, paid during the year in excess of the operating expenses and other common expenses of the Association shall be kept by the Association and applied against the Association's expenses for the following year.

ARTICLE VII. ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the Common Elements

or limited Common Elements of the Condominium(s) which this Association operates and maintains except as specifically provided for in said Master Deed and Declaration of Interval Ownership, etc.

ARTICLE VIII. COMPLIANCE AND DEFAULT

Section 1. Violations: In the event of a violation (other than the nonpayment of an assessment) by the Unit Owner in any of the provisions of the Master Deed and Declaration of Interval Ownership, etc., of these By-Laws, or of the applicable portions of the Horizontal Property Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from date of Notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Master Deed and Declaration, the By-Laws, or of the pertinent provisions of the Horizontal Property Act, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other Unit Owners.

(b) An action in equity to enforce performance on the part of the Unit Owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner as a specific item, which shall be a lien against said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Unit Owner, Etc. All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees,

agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said Unit Owner as a specific item which shall be a lien against said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 3. Costs and Attorneys' Fees: In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 4. No Waiver of Rights: The failure of an Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 5. Election of Remedies: All rights, remedies and privileges granted to the Association or Unit Owner, pursuant to any terms, provisions, covenants or conditions of the Condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section 6. Units Committed to Interval Ownership: Any liens or sanctions against an Owner of Unit Weeks in a Unit committed to Interval Ownership for an alleged default as set forth in this Article VIII shall be limited to the Unit Weeks owned by such Owner and shall be of no

"Unit Owner" as used throughout this article shall be deemed to include Owners of Unit Weeks in Units committed to Interval Ownership.

ARTICLE IX. ACQUISITION OF UNITS ON FORECLOSURE

Section 1. Acquisition of Units on Foreclosure: At any foreclosure sale of a Unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than sixty percent (60%) of the total votes of the members present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Condominium parcel being foreclosed. The term "foreclosure" as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of Unit Owners at the foreclosure sale of a Unit, due to the foreclosure of the Association's lien for assessments under the provisions of the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

Section 2. Transfer of Units: All Owners of Units or Unit Weeks in a Unit committed to Interval Ownership shall notify the Association, of any transfer, by sale or otherwise, of said Unit or Unit Week within ten (10) days of the date of same. Said Notice shall include such information and be in the form that the Association shall prescribe from time to time. The Association may send all necessary Notices to the person shown as Owner of said Unit or Unit Weeks in its records, and said Notice shall be binding as to any other Owner of said Unit or Unit

Weeks where the Association has not been notified as provided herein.

ARTICLE X. AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the Unit Owners, provided:

(1) Notice of the meeting shall contain a statement of the proposed Amendment.

(2) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the members of the Association.

(3) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4ths) of the total votes of the members of the Association; and,

(4) Said Amendment shall be recorded and certified as required by the Horizontal Property Act.

(5) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached. The system of administration may at any time be modified at a duly held meeting of the Association by the affirmative vote of the Unit Owners and Unit Week Owner(s) holding two-thirds (2/3) or more of the total interest in the Common Elements.

(6) The Developer, so long as it owns more than twenty-five (25%) percent of the Condominium Units or Unit Weeks in the Condominium reserves the right at any time to amend the By-Laws, as may be required by any lending institution or public body, or in such manner as the Developer may determine to be necessary to carry out the purposes of the project provided that such amendment shall not increase the proportion of common expenses nor decrease the Ownership of Common Elements borne by the Condominium Owners.

ARTICLE XI. NOTICES

Whatever Notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for Notices as set forth in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

ARTICLE XII. INDEMNIFICATIONS

The Association shall indemnify every Director and every Officer, his heirs, executors, and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV. LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other Owners or persons.

ARTICLE XV. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Horizontal Property Act, Master Deed, Declaration of Interval Ownership, etc. or

these By-Laws.

ARTICLE XVI. LIENS

Section 1. Protection of Property: All liens against a Condominium Unit, other than for mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attached. All taxes and special assessments upon a Condominium Unit shall be paid before becoming delinquent, as provided in these Condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien: A Unit Owner shall give Notice to the Association of every lien upon his Unit, other than for mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

Section 3. Notice of Suit: Unit Owners shall give Notice to the Association of every suit or other proceeding which will or may affect title to his Unit or any part of the property, such Notice to be given within five (5) days after the Unit Owner received Notice thereof.

Section 4. Failure to Comply: Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Units Committed to Interval Ownership: In the case of a Unit committed to Interval Ownership, an Owner of Unit Weeks in such Unit shall be required to give Notices under Section 2 and Section 3 of this Article XVI only as to liens, suits, and proceedings affecting title to the Unit Weeks which he owns. Any lien against an Owner of Unit Weeks in a Unit committed to Interval Ownership, or against the Unit Weeks owned by him, shall be limited to the Unit Weeks owned by him and shall not encumber the property, real or personal, of any other Owner of Unit Weeks in said Unit.

ARTICLE XVII. RULES AND REGULATIONS

Section 1. The Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Association properties, the Common Elements and limited Common

Elements of the Condominiums and any facilities or services made available to the Unit Owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall from time to time be posted in a conspicuous place and/or copies of same shall be furnished each Unit Owner.

Section 2. As to Condominium Units: The Board of Directors, may from time to time adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium Unit(s) provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place and/or copies of same shall be furnished to each Unit Owner.

Section 3. Conflict: In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Condominium documents, or the Horizontal Property Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and Master Deed the provisions of said Master Deed and Interval Ownership, etc. shall prevail.

The foregoing was adopted as the By-Laws of Spicebush at Sea Pines Owners' Association, Inc., at the first meeting of the Board of Directors.

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
DECLARATION OF INTERVAL OWNERSHIP, RIGHTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS,
CONDITIONS, ETC. which constitute covenants
running with SPICEBUSH AT SEA PINES HORI-
ZONTAL PROPERTY REGIME I, Phase I, Unit
Numbers A-579, A-580, A-581, A-582, B-575,
B-576, B-577, B-578, SEA PINES PLANTATION,
HILTON HEAD ISLAND, SOUTH CAROLINA

THIS DECLARATION is made this _____ day of _____, 1979 by
AMERICAN RESORTS CAROLINA CORPORATION, A SOUTH CAROLINA CORPORATION, being
the owner of record of the fee simple title to _____ acres and any
improvements thereon and designated as SPICEBUSH AT SEA PINES HORIZONTAL
PROPERTY REGIME I, PHASE I, UNIT NUMBERS A-579, A-580, A-581, A-582, B-575,
B-576, B-577, and B-578 (hereinafter referred to as Phase I Units) as
shown on a plat designated SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY
REGIME I, PHASE I, dated _____, 1979, and recorded in the
Office of the Clerk of Court for Beaufort County, South Carolina in Plat
Book _____ at Page _____. For a more detailed description of
the aforesaid units reference the Master Deed of SPICEBUSH HORIZONTAL
PROPERTY REGIME I and Exhibits thereto (hereinafter referred to as the
Master Deed) recorded in the Office of the Clerk of Court for Beaufort
County, South Carolina in Deed Book _____ at Page _____.

By this Declaration, Declarant intends to establish a common scheme
and plan for the use, enjoyment, repair, maintenance, restoration,
remodeling and improvement of the Phase I Units and the interest therein
so conveyed or reserved, and the payment of taxes, assessments and other
expenses pertaining thereto, and declares that the Phase I Units are
and shall be held, conveyed, hypothecated, encumbered, leased, rented,
occupied and improved subject to the following limitations, restrictions,
covenants and conditions, all of which are declared to be in the furtherance
of a plan established for the purpose of enhancing and perfecting the
value, desirability and enjoyment of the Phase I Units and the interests
so to be conveyed or reserved. All such limitations, restrictions,
covenants and conditions are intended to run with the land, to-wit: the
interest so conveyed or reserved, and to inure to the benefit of and be
binding upon each interest so conveyed or reserved and all parties having
or acquiring any right, title, interest or estate therein.

I.

DEFINITIONS

As used in this Declaration of Interval Ownership, Rights, Restrictions, Etc. and By-Laws and Exhibits attached hereto, and all Amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

(1) "Declarant" shall mean AMERICAN RESORTS CAROLINA CORPORATION a South Carolina Corporation, or any successor in interest by merger or by express assignment of the rights of Declarant hereunder by instrument executed by Declarant and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina.

(2) "Declaration" or "Declaration of Interval Ownership, Rights, Restrictions, Etc." or "Declaration of Interval Ownership" means this instrument, as it may be from time to time amended.

(3) "Association" means Spicebush at Sea Pines I Owner's Association, Inc., a South Carolina non-profit Corporation, said entity is responsible for the operation of the Condominium. During any period when a Management Agreement is in effect, any rights or responsibilities of the Association shall also be the rights and responsibilities of the Management Firm under said Management Agreement. The Association referred to herein is one and the same as the Association referred to in the Master Deed.

(4) "By-Laws", means the By-Laws of the Spicebush at Sea Pines Horizontal Property Regime I, Declaration of Interval Ownership, and Spicebush at Sea Pines I Owners' Association, as it may be from time to time amended.

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

(6) "Limited Common Elements", means and includes those common elements which are reserved for the use of a certain unit or units, to the exclusion of all other units.

(7) "Condominium", means that form of ownership of Condominium property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each unit, as part thereof, an undivided share in the common elements.

(8) "Horizontal Property 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.

(9) "Common Expenses", means the expenses for which the unit owners are liable to the Association.

(10) "Common Surplus", means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the common elements, over and above the amount of common expenses.

(11) "Condominium Property", means and includes the land in a Condominium, whether or not contiguous, and all improvements thereon, and all easements and rights appurtenant thereto, intended for use in connection with the Condominium.

(12) "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.

(13) "Condominium Parcel" or "Parcel" means a unit, together with the undivided share in the common elements which are appurtenant to the unit.

(14) "Condominium Unit" or "Unit", is a Unit referring to each of the separate and identified units delineated in the Plat attached to the Master Deed as Exhibit "B" and when the context permits, the Condominium parcel includes such unit, including its share of the common elements appurtenant thereto.

(15) "Unit Owner" or "Owner of a Unit" or "Parcel Owner" means the owner of a Condominium parcel in fee simple.

(16) "Interval Ownership" is a concept whereby units and the share of the common elements assigned to the unit are conveyed for periods of

time, the purchaser receiving a stated time period for a period of years, together with a remainder over in fee simple as tenant in common with all other purchasers of "Unit Weeks" in each such Condominium Unit in the year 2040.

(17) "Unit Week" means a period of ownership in a Unit committed to Interval Ownership.

"Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the second Friday of each year. Unit Week No. 2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year, plus any excess days not otherwise assigned. Unit Weeks run from noon on the first Friday of the period to noon on the last Friday of the period.

(18) A "Unit Committed to Interval Ownership" shall be any Unit sold under a plan of Interval Ownership.

(19) "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, or a lender generally recognized in the community as an Institutional type lender.

(20) "Occupant" means the person or persons, other than the unit owner, in possession of a unit.

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

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

(23) "Management Agreement", means and refers to that certain Agreement which provides for the management of the Condominium property.

(24) "Management Firm", means and refers to the entity identified as the Management Firm in the Management Agreement, its successors and assigns. The Management Firm shall be responsible for the management of

the Condominium property as provided in the Management Agreement.

(25) "Recreational Area", means the herein described area of the Property and some of the common amenities associated with Condominium Property as may be shown on the Plat.

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

(27) Unless the context otherwise requires all other terms in this Declaration shall be assumed to have the meaning attributed to the said term by 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 Declaration.

II.

NAME

The name by which this project is to be identified shall be Spicebush at Sea Pines Horizontal Property Regime I, Phase I, Unit Number(s) A-579, A-580, A-581, A-582, B-575, B-576, B-577, and B-578.

III.

COMMITTING A UNIT TO INTERVAL OWNERSHIP

A unit shall become a unit committed to Interval Ownership upon the recording of the first deed in said unit, conveying unit weeks by the Declarant. No Unit may be committed to Interval Ownership by any person, or other entity other than the Declarant. A unit will no longer be committed to Interval Ownership any time all unit weeks are owned by the same legal entity. Notwithstanding the above, the Declarant may assign its right to commit units to Interval Ownership to any other entity to which it conveys substantially all units which it owns in the Condominium property.

IV.

IDENTIFICATION OF UNITS COMMITTED TO INTERVAL OWNERSHIP.

Wherever the term "Unit Week Owner" or "Unit Week Owners" is used anywhere within the context of this Declaration or any Amendment or

Supplementary Declaration hereto, it shall be construed to include all owners of unit weeks within any unit committed to interval ownership as one unit owner. The respective interests of each owner of unit weeks within such unit committed to interval ownership with respect to each other shall be delineated on Exhibit "A" which is annexed to this Declaration and made a part hereof.

V.

OWNERSHIP OF COMMON ELEMENTS

Each of the Unit Week Owners of the Condominium Unit shall own an undivided interest in the Common Elements and limited Common Elements, and the undivided interest, stated as percentages of such ownership in said Common Elements and limited Common Elements, as set forth on Exhibit "A" which is annexed to this Declaration and made a part hereof.

The fee title to each Condominium Parcel shall include both the Condominium Unit and the above respective undivided interest in the Common Elements, said undivided interest in the Common Elements to be deemed to be conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee title to a Condominium Unit from the undivided interest in the Common Elements appurtenant to each Unit shall be null and void. The term "Common Elements" when used throughout this Declaration, shall mean both Common Elements and limited Common Elements unless the context otherwise specifically requires.

VI.

VOTING RIGHTS

Each Owner of a Unit Week(s) in a Unit committed to Interval Ownership shall be entitled to vote at meetings of the Association and shall be entitled to one fifty-first (1/51st) vote for each Unit Week owned.

VII.

COMMON EXPENSE AND COMMON SURPLUS

The common expenses of the Condominium, including the obligation of each Unit Week Owner under the Management Agreement shall be shared by the Unit Week Owners, as specified and set forth in Exhibit "A". As

each new phase is submitted to Spicebush at Sea Pines Horizontal Property Regime I the interest of each Unit Week Owner will be adjusted as set forth in Exhibit "A". Any common surplus of the Association shall be owned by each of the Unit Week Owners in the same percentage specified for sharing common expense.

VIII.

MAINTENANCE FEE

The maintenance fee shall include the following:

Pro rata share of the Unit Weeks Owner's expenses to Spicebush at Sea Pines I Owners' Association, Inc. as may be imposed under and pursuant to the Master Deed and By-Laws, as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book _____ at Page _____:

The particular Unit Week(s) Owner's share of the common expenses as set forth in Paragraph VII above;

Repair and upkeep of the Units for normal wear and tear (example - repainting interior walls);

Repair and replacement of furniture, fixtures, appliances, carpeting and utensils;

Casualty and/or liability insurance on the Unit;

Utilities for the Unit;

Personal property, real estate, and other applicable taxes;

Any other expense incurred in the normal operations and maintenance of the Unit which cannot be attributed to a particular Unit Week(s) Owner.

The maintenance fee shall be prorated among all Owners of Unit Week(s) in the Unit by applying a fraction, the numerator of which is the number of Unit Week(s) owned by a specified Owner, the denominator of which is fifty-one (51), to the total of all such expenses. The foregoing shall not apply to any Unit Week(s) conveyed to the Association.

IX.

MAINTENANCE WEEK IN INTERVAL OWNERSHIP UNIT

Upon conveying thirty (30) Unit Weeks or six (6) months from the

date of the first conveyance under Interval Ownership in any Unit committed to Interval Ownership, whichever date comes first, the Declarant agrees to convey and the Association agrees to accept one Unit Week to be used for maintenance purposes. The Declarant shall have the right to choose the Unit Week to be so conveyed for maintenance. In the event any one person, or other legal entity, becomes holder of record title to all Unit Weeks, that person, or other legal entity, may cause the Association to convey said Unit Weeks conveyed to the Association to it by notifying the Association, in writing, of its desire that said Unit cease being committed to Interval Ownership. The Association shall execute the necessary papers to complete said conveyance no later than sixty (60) days after notice. All expenses of said conveyance, including state stamps and recording fees, shall be borne by the person, or other legal entity, desiring such conveyance.

X.

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the Unit Week(s) Owners, called and convened in accordance with the By-Laws, by the affirmative vote of the Voting Members casting not less than fifty-one (51%) percent of the total vote of the members of the Association, except this Declaration shall not be amended to change the method of election, replacement or dismissal of the Directors as otherwise provided in this Declaration or the By-Laws.

All Amendments shall be recorded and certified. Subject to the provisions of this Declaration of Interval Ownership, any Amendment shall not change the Spicebush at Sea Pines Horizontal Property Regime I property, nor Condominium Unit's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any Unit, unless the record owners thereof, and all record owners of mortgages or other voluntarily placed liens thereto, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages or change the provisions of this Declaration with respect to Institutional Mortgages

without the written approval of all holders of Institutional Mortgages of record, nor shall the provisions of Article XIV of this Declaration be changed without the written approval of all Mortgagees of Institutional Mortgages of record.

No Amendment shall change the rights and privileges of the Declarant without the Declarant's written approval.

A. The Declarant reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between Units, as long as the Declarant owns the Units so altered; however, no such change shall increase the number of Units nor alter the boundaries of such Common Elements, except the party wall between any Condominium Units, without Amendment of this Declaration in the manner hereinbefore set forth. If the Declarant shall make any changes in Units, as provided in this paragraph, such changes shall be reflected by the Amendment of this Declaration with a Survey attached, reflecting such authorized alteration of Units, and said Amendment need only be executed and acknowledged by the Developer.

B. The Declarant, so long as it owns more than twenty-five (25%) percent, of the Unit Weeks in the Condominium, reserves the right at any time to amend the Declaration, as may be required by any lending institution or public body, or in such manner as the Declarant may determine to be necessary to carry out the purposes of the project. Any such Amendment need only be executed and acknowledged by the Developer.

XI.

BY-LAWS

The operation of the Condominium's property shall be governed by the By-Laws of the Association which are set forth in Exhibit "B" which is annexed to this Declaration and made a part hereof.

No modification of or Amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no Amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering

any Unit Week, or which would change the provision of the By-Laws with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record. No Amendment shall change the rights and privileges of the Declarant without the Declarant's written approval. Any Amendment to the By-Laws as provided herein, shall be executed by the parties required by this Declaration of Interval Ownership, and said Amendment shall be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina.

XII.

THE OPERATING ENTITY

The operating entity for this Declaration shall be the Association.

Every Owner of a Unit Week(s) whether he has acquired his Ownership by purchase, gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the Master Deed, By-Laws and Articles of Incorporation of the said Association, the provisions of this Declaration and the Management Agreement.

XIII.

ASSESSMENTS

The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the common expenses of the Condominium property and such other assessments as are specifically provided for in this Declaration and Exhibits attached hereto. The procedure for the determination of all such assessments shall be as set forth in the Master Deed, and By-Laws of the Association and this Declaration, and the Exhibits attached hereto.

The common expenses shall be assessed against each Unit Week(s) Owners as provided in Article VII of this Declaration.

Assessments, installations and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable. The initial maintenance fee shall be due when the purchaser takes title to his Unit Week(s), if purchaser occupies Unit

Week(s) within that year; or otherwise and thereafter shall be due on January 15th of each year. Except such maintenance fees as may be owed for the Unit Week(s) owned by Declarant shall be due and payable on the last day of each year.

The Association shall have a lien on each Unit Week(s) for unpaid assessments, together with interest thereon, against Unit Week(s) Owners of such Condominium property, together with a lien on all tangible personal property located within said Unit except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association, in order to preserve and protect its lien, shall be payable by the Unit Week(s) Owner(s) and secured by such lien. The Board of Directors may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in its best interest. The Association, shall be entitled to bid at any sale held pursuant to a suit to foreclose any assessments lien, and to apply as a cash credit against its bid, all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the Unit Week(s) Owner shall be required to pay a reasonable rental for the Condominium Property for the period of time said Condominium Property is occupied by the Unit Week(s) Owner or by anyone by, through and under said Unit Week(s) Owner, and Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the Unit Week(s) Owner and/or Occupant.

In the case of a lien against an Owner of Unit Week(s) in the Condominium Property, said lien shall be limited to the Unit Week(s) owned by said Owner and shall not encumber the property, real or personal of any other Owner of Unit Week(s) in said Spicebush at Sea Pines.

Where the Mortgagee of an Institutional First Mortgage of record, or other purchaser of a Spicebush at Sea Pines Unit Week(s), obtains

title to a Unit Week(s) as a result of a foreclosure of the Institutional First Mortgage, or when an Institutional First Mortgagee of record accepts a Deed to said Condominium Property in lieu of foreclosure, such acquirer of title, its heirs, successors and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such Unit Week(s) or charged to the former Unit Week(s) Owner of such Condominium Property which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such Deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Unit Week(s) Owners, including such acquirer, his heirs, successors or assigns.

Any person who acquires an interest in the Condominium Unit, except through foreclosure of an Institutional First Mortgage of record, or by virtue of an Institutional First Mortgage of record, or by virtue of an Institutional First Mortgagee accepting a Deed to a Spicebush at Sea Pines Unit Week(s) in lieu of foreclosure, as specifically provided hereinabove including without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the Condominium Unit or enjoyment of the Common Elements until such time as all unpaid assessment due and owing by the former Unit Week(s) Owners have been paid. The Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to the Declarant or to any Unit Week Owner or group of Unit Week(s) Owners or to any third party.

XIV.

INSURANCE PROVISIONS

1. Insurance

A. Purchase of Insurance: The Board shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements within the Condominium Unit, together with such other insurance as the Association deems necessary in and for the interest of the Association, all Unit Week(s) Owners and their Mortgagees, as their interest may appear, in an amount which shall

be equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Unit Week(s) Owners as part of the common expenses. The named insured shall be the Board, individually and as Agent for the Unit Week(s) Owners, without naming them, and as Agent for their Mortgagees.

Provisions shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to the Mortgagees of Unit Week(s) Owners. Such policies shall provide that payments for losses thereunder by the insurer shall be made to the insurance trustee hereinafter designated, and all policies shall provide that payments for losses thereunder by the insurer shall be made to the insurance trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the insurance trustee. Unit Week(s) Owners shall obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expenses.

B. Coverage

(1) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association

(2) Insurance on Units Committed to Interval Ownership.

The Board of Directors of the Association, shall obtain casualty and liability insurance, as needed, on all Units committed to Interval Ownership. Each such policy shall reflect the respective interest of the Association, and all Owners of Unit Weeks in each such Unit. Casualty insurance shall be in an amount equal to the maximum insurable replacement value of the Unit and the personal property therein. The premiums shall be a part of the maintenance fee. All losses thereunder shall be payable to the Insurance Trustee hereinafter designated. All such proceeds shall be used for the purpose of repair or replacement of any loss, or in the event such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all Owners of Unit Weeks in such Unit in accordance with their percentage interest in remainder. Any deficit or overage in such proceeds, after repair or replacement,

shall be divided among all such Owners of Unit Weeks in that Unit in accordance with Exhibit "A" to this Declaration. Deficits shall be treated as part of the maintenance fee next due.

(3) Workmen's Compensation Policy to meet the requirements of law.

(4) Such Other Insurance as the Board of Directors of the Association shall determine from time to time desirable.

C. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

D. Insurance Trustee: Share of Proceeds: All insurance policies purchased by the Board shall be for the benefit of the Association and the Unit Week(s) Owners and their Mortgagees, as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the insurance trustee, which shall be designated by the Board of Directors and which shall be any bank or trust company in South Carolina with trust powers. The insurance trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Week(s) Owners and their Mortgagees in the following shares, but which shares need not be set forth on the records of the insurance trustee:

(1) Common Elements. Proceeds on account of damage to Common Elements - an undivided share for each Unit Week(s) Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit Week.

(2) Condominium Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(a) When the Building is to be Restored - For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Week(s) Owner, which cost shall be determined by the Association.

(b) When the Building is not to be Restored - An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(3) Mortgagees. In the event a mortgage endorsement has been issued to a Unit, the share of the Unit Week(s) Owners shall be held in trust for the Mortgagee and the Unit Week(s) Owners as their interest may appear; provided, however, that no Mortgagee shall have any right to determined or participate in the determination as to whether or not 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 distributions thereof made to the Unit Week(s) Owners and Mortgagee pursuant to the provisions of this Declaration.

E. Distribution of Proceeds. Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(1) Expense of the Trust. All expenses of the insurance trustee shall be first paid or provision made therefor.

(2) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof, as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners; remittance to Unit Week(s) Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit Week(s) and may be enforced by such Mortgagee.

(3) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners, remittances to Unit Week(s) owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit Week(s) and may be enforced by such Mortgagee.

(4) Certificate. In making distribution to Unit Week(s) Owners and their Mortgagees, the insurance trustee may rely upon a certificate of the Association made by its President and Secretary as to the name of the Unit Week(s) Owners and their respective shares of the distribution.

F. Association as Agent: The Association is hereby irrevocably appointed Agent for each Unit Week(s) Owners and for each Owner of a mortgage or other lien upon a Unit and for each Unit Week Owner of any other interest in the Condominium Property, and to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

G. Notice of Insurance Coverage: In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Week(s) Owners, the Association will give notice of the exposure within a reasonable time to all Unit Week(s) Owners who may be exposed to the liability and they shall have the right to intervene and defend.

H. Inspection of Insurance Policy: A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Week(s) Owners at reasonable times.

II. RECONSTRUCTION OR REPAIR AFTER CASUALTY

A. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board shall be distributed pro-rata to the Unit Week Owner(s) and their mortgagees jointly in proportion to their respective interests in Common Elements, unless otherwise unanimously agreed upon by the Co-Owners. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Unit Owner Week(s) or lienor as

if owned in common. In the event of 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 Week Owner(s) and their mortgagees jointly in proportion to their respective interests in Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed repairs shall be conducted in the following manner:

(1) Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Unit Week Owner(s) 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 Unit Week Owner(s) whose Units are affected by the alterations unanimously consent.

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

(3) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Week Owner(s) whose Units are directly affected by the damage in proportion to the damage done in their respective Units.

(4) The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are 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 Week Owner(s) who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association..

B. Insurance Trust. In the event of a casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board,

acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Week Owner(s), and their respective mortgagees in the following shares:

(1) 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 proappurtenant to each of the Units.

(2) 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 Unit Week Owner(s) of the damaged Units in proportion to the costs of repairing each damaged Unit.

(3) Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Week Owner(s), the share of each being equal to the undivided share in Common Elements appurtenant to his Unit.

(4) In the event a Certificate of Insurance has been issued to a Unit Week Owner(s) bearing a institutional mortgagee endorsement, the share of the Unit Week Owner(s) shall be held in trust for the institutional mortgagee and the Unit Week Owner(s) as their interests may appear; provided, however, that no institutional 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 institutional mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Unit Week Owner(s) and their respective institutional mortgagees pursuant to the provisions of this Declaration.

C. Adjustment. Each Unit Week Owner(s) shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of institutional mortgagees of such Unit Week Owner(s).

XV

USE AND OCCUPANCY

A. Residential Use Restrictions: The Owner of a Unit Week(s)

shall occupy and use his Unit as a single family private dwelling for himself and the members of his family, his social guests, lessees, licensees and invitees. (Notwithstanding the foregoing, nothing in this Declaration shall be construed to restrict the Owner of a Unit Week(s) from selling, reconveying, or in any other way, transferring same, at any time under said plan of Interval Ownership).

B. Prohibited Acts: The Unit Week(s) Owner shall not permit or suffer anything to be done or kept in the Unit which will increase the rate of insurance on the Condominium Property, or which will obstruct or interfere with the rights of other Unit Week(s) Owners, commit or permit any nuisance, immoral or illegal acts in or about the Condominium Property.

C. Restrictions on Alterations: The Owner of a Unit Week(s) shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, or windows of the Unit, nor shall they cause any type of ground coverage to be installed nor shall they grow any type of plant, shrubbery, flower, vine or grass outside the Unit, nor shall they cause awnings to storm shutters, screens, enclosures and the like to be affixed or attached to the Unit, limited Common Elements or Common Elements, nor shall they place any furniture or equipment outside the Unit except with the prior written consent of the Board of Directors, and further, when approved, subject to the Rules and Regulations adopted by the Board of Directors. No clothes line or similar device shall be allowed on any portion of the Condominium Property, nor shall clothes be hung anywhere except where designated by the Board of Directors of the Association.

D. Common Elements: No person shall use the Common Elements or a Condominium Unit, or the Condominium property, or any part thereof, in any manner contrary to or not in accordance with such Rules and Regulations pertaining thereto, as from time to time promulgated by the Association.

E. Holdover Interval Owners: In the event any Owner of a Unit Week(s) in a Unit committed to Interval Ownership fails to vacate the Unit at the expiration of his period of Ownership each year, or at such

earlier time as may be fixed by the Rules and Regulations adopted by the Association from time to time, he shall be deemed a "holdover Owner".

It shall be the responsibility of the Association to take such steps as may be necessary to remove such holdover Owner from the Unit and to assist the Owner of any subsequent Unit Week(s) who may be affected by the holdover Owner's failure to vacate, to find alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall attempt to secure, at its expense, alternate accommodations for any Unit Week(s) Owner who may not occupy his Unit Week(s) due to the failure to vacate any holdover Unit Week(s) Owner. Such accommodations shall be as near in value to the Unit Week(s) Owner's own Unit as possible. The holdover Unit Week(s) Owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and an administrative fee of \$50.00 per day during his period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over, in order to secure alternative accommodations as set forth above, the entire period shall be the responsibility of the holdover Unit Week(s) Owner, although the \$50.00 per day administrative fee shall cease upon actual vacating by the holdover Unit Week(s) Owner.

The Association shall submit a bill to the holdover Unit Week(s) Owner in accordance with this paragraph. In the event the holdover Unit Week(s) Owner fails to pay same within ten (10) days of the date of same, a lien shall be filed against said holdover Owner's Unit Week(s) in accordance with the provisions of Article XV hereof.

The above provisions of Article XV, E, shall not abridge the Association's right to take such other action as is provided by law including, but not limited to, eviction proceedings.

XVI.

MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may enter into a

Contract with any firm, person or Corporation, or may join with other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium Property, and may contract for or may join with other Condominium Associations in contracting for the management of the Condominium Property and may delegate to the Contractor or Manager all the powers and duties of the Association, except such as are specifically required by this Declaration, the Master Deed, or by the By-Laws, to have the approval of the Board of Directors or the membership of the Association. The Contractor or Manager may be authorized to determine the budget, make assessment for common expenses and collect assessments, as provided by this Declaration, the Master Deed, By-Laws, and Exhibits of the Declaration. The Association, through its Board of Directors, has entered into a Management Agreement, which encompasses the provisions of this paragraph.

B. Each Owner of a Unit Week(s) agrees:

- (1) To pay his proportional share of the cost of the maintenance and repair of all interior and exterior components of said Unit, the cost of maintenance, repair and replacement of all appliances, furniture, carpeting, fixtures, equipment, utensils, and other personal property within the Unit, and such other costs of repair, maintenance, upkeep and operation of the Unit as is necessary to the continued enjoyment of said Unit Week(s) owned by said Owners of Unit Week(s) therein.
- (2) Not to make, cause, or allow to be made, any repairs, modifications, alterations, or replacements in the Common Elements, or limited Common Elements, the outside or exterior portion of the Unit, exterior or interior of the Unit or of the furnishings, appliances, personal property, or decor thereof, without the prior written consent of the Board of Directors of the Association, and all other Owners of Unit Week(s) therein.
- (3) Expenses of repairs or replacements to the Unit or its

components, furnishings, carpeting, appliances, or other property, real, personal, or mixed, occasioned by the specific use or abuse of any Owner of Unit Week(s) or any licensee or tenant of said Owner, shall be borne in their entirety by said Owner.

- (4) The Association shall determine the interior color scheme, decor and furnishings of each such Unit, as well as the proper time for redecorating and replacements thereof.

C. All Owners of Unit Week(s) agree as follows:

- (1) To allow the Board of Directors, or the agents or employees of any Management Firm of the Association, to enter into the Unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the Unit, limited Common Elements or the Common Elements, or to determine, in case of emergency, circumstances threatening the Unit, limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.
- (2) To show no signs, advertisements or notices of any type on the Unit, Common Elements or limited Common Elements and to erect no exterior antenna or aerials, except as consented to by the Board of Directors of the Association.

D. In the event the Owners of a Unit Week(s) fails to maintain the Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provision hereof, the Association, shall have the right to proceed in a Court of equity for an injunction seeking compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the Owner of a Unit Week(s) for such necessary sums to remove any unauthorized addition or alteration and to restore the property in good condition and repair. Where said failure, alteration, addition, or other violation is attributable to an Owner of Unit Week(s) any such levy of an assessment shall be limited to the Unit Week(s) owned by said

Owner of Unit Week(s) and shall be of no force and effect as to any other Owner of Unit Week(s).

Said assessment shall have the same force and effect as all other special assessments. The Association, shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter the Unit at all reasonable times to do such work as is deemed necessary by the Board of Directors of the Association, to enforce compliance with the provisions hereof.

E. The Association, shall determine the exterior color scheme of the buildings and all exteriors, and interior color scheme of the Common Elements and shall be responsible for the maintenance thereof and no Unit Week(s) Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Board of Directors of the Association.

F. The Association shall be responsible for the maintenance, repair and replacement of the Common Elements, including but not limited to all recreational facilities, all property not required to be maintained, repaired and/or replaced by the Unit Week(s) Owners. Notwithstanding the Unit Week(s) Owner's duty of maintenance, repair, replacement and other responsibilities, as is provided in this Declaration and Exhibits attached thereto, the Association may enter into an Agreement with such firms or companies as it may determined to provide certain services and/or maintenance for and on behalf of the Unit Week(s) Owners whereby maintenance and service are provided on a regularly scheduled basis for air conditioning maintenance and service and appurtenances thereto, exterminating services and other types of maintenance and services as the Association deems advisable and for such period of time and on such basis as it determines. Said Agreements shall be on behalf of all Unit Week(s) Owners and the annual assessment due from each Unit Week(s) Owner for common expenses shall be increased by such sum as the Association deems fair and equitable under the circumstances in relation to the annual charge for said maintenance or service. Each Unit Week(s) Owner shall be deemed a party to said Agreement with the same force and effect

ten (10) year period voted by a majority of Unit Week(s) Owners. If, however, any Unit Week(s) shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Unit Week(s) in lieu of partition as between such co-tenant or joint tenants.

VIII.

USE OF COMMON ELEMENTS AND FACILITIES

The Association, its members, the Declarant and its successors and assigns and all parties who own an interest in and to the aforesaid facilities agree that they shall not have any right to bring any action for partition or division of the real property that constitutes said facilities and said parties do hereby waive said rights of partition or division of said facilities. The initial Rules and Regulations, and all Amendments and revisions thereof pertaining to use of the Common Elements and facilities shall be posted in conspicuous places on the Common Elements or facilities. The Unit Week(s) Owners hereby covenant and agree to be bound by all such Rules and Regulations and said parties shall obey same and be responsible for their being obeyed by the said Unit Week(s) Owners, their family, guests, invitees, lessees and servants. Should a Unit Week(s) Owner fail to pay an assessment for common expenses, as required under the terms of this Declaration of Interval Ownership, Rights, Restrictions, etc. for the period of time specified herein whereby said assessment becomes delinquent, the Association may deny the Unit Week(s) Owner and/or the authorized user of the facilities the use and enjoyment of same until such time as all assessments are paid. The Association shall further have the right in its sole discretion to suspend any Unit Week(s) Owners and/or authorized user of said facilities from the use of same for a period not to exceed seven (7) days. Should the Unit Week(s) Owners and/or authorized user of said facilities right to use same be suspended, there shall be no reduction in the assessments due and payable by said Unit Week(s) Owners or authorized user. All sanctions, as outlined above, shall be limited to the delinquent Unit

as though said Unit Week(s) Owner had executed said Agreement and it is understood and agreed that the Association shall execute said Agreements as the Agent for the Unit Week(s) Owners. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article XIII of this Declaration.

XVII.

TERMINATION

A. If all Unit Week(s) Owners and holders of all liens and mortgages affecting any of the Condominium parcels execute and duly record an instrument terminating the Interval Ownership property, or if "major damage" occurs as defined in the insurance clauses hereunder, said property shall be deemed to be subject to termination and thereafter owned in common by the Unit Week(s) Owners. The undivided interest in the property owned in common by each Unit Week(s) Owner shall then become the percentage of the undivided interest previously owned by such Owner in the Common Elements upon termination of the Interval Ownership.

It is understood that in the year 2040, the Unit Week(s) Owners of the Units committed to Interval Ownership shall become tenants in common. The Board of Directors of the Association shall, no less than 30 days nor more than 60 days prior to the actual date of such conversion to tenancy in common, call a meeting within thirty (30) days thereafter of all Owners of Unit Week(s). At such meeting, a vote shall be taken to decide the disposition of the Condominium Unit. A quorum at such meeting shall be a majority of the total outstanding votes of all Owners of Unit Week(s). At such meetings the Unit Week(s) Owners, by a majority vote, may vote to continue or reinstate their intervals, in which case the restrictive covenants set forth below will be adopted as covenants running with the land for a period of ten (10) years. The Board of Directors of the Association shall, no less than 30 days, nor more than 60 days prior to the actual expiration of said ten year period, call a meeting of all Owners of Unit Week(s). A quorum at such meeting shall be a majority of the total outstanding votes of all Owners of Unit

Week(s) in the Unit committed to Interval Ownership. The Unit Week(s) Owners may then vote to continue the intervals for an additional ten year period. This process shall be repeated as the end of each successive ten year period approaches. Should less than a majority of the Owners vote to continue the intervals at any such meeting, then the Board of Directors of the Association shall file suit in a Court of competent jurisdiction in Beaufort County, South Carolina, for partition of the Units.

In the event the Owners vote to continue their Unit Week(s) as provided above, then each Unit Week(s) Owner shall have the exclusive right to occupy his Unit Week(s), and as between Unit Week(s) Owners to use and enjoy the Common Elements and Association properties of the Condominium, the right and easements appurtenant to his Unit Week(s) during his Unit Week(s) (and, in the case of Declarant, during all Unit Weeks not theretofore conveyed, and to authorize others so to do, together with the non-exclusive right in common with all other Unit Week(s) Owners, but only when acting through the Association), to maintain and repair the Unit during maintenance weeks. No Owner shall occupy his Unit Week(s) or exercise any other rights of Ownership in respect of his Unit Week(s) other than the rights herein provided to him, during any other Unit Week(s) unless expressly so authorized by the Unit Week(s) Owners entitled to occupy the Unit Week(s) or during any maintenance week except when acting through the Association. Each Unit Week(s) Owner shall keep the Unit and all furnishings in good condition and repair during his Unit Week(s), vacate the Unit at the expiration of his Unit Week(s), remove all persons and property therefrom excluding only furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable checkout and other procedures as may from time to time be contained in rules promulgated by the Association.

No Unit Week(s) Owner or other person or entity acquiring any right, title or interest in a Unit shall seek or obtain through any legal procedures, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration of any successive

Week(s) Owners and shall be of no force and effect against non-delinquent Owners of Unit Week(s) in the Unit.

Any person who is a Owner of a Unit Week(s), together with members of his family, social guests, lessees, invitees and licensees, may use the facilities. Where a Corporation is a Unit Week(s) Owner, the use of said facilities shall be limited at any one time to such Officers, Directors, employees or guests of said Corporation who is in actual residence and such individual shall be deemed to be the Condominium Owner for the purposes of this paragraph. Where a party owns a Unit Week(s) and leases same, the lessee shall be entitled to the use of the facilities and said lessee's rights thereto shall be the same as though said lessee were the Unit Week(s) Owner and during the term of said lease, the Unit Week(s) Owner and his family shall not be entitled to the use of the facilities. Use of the facilities by Owners of Unit Week(s) or any other persons using the facilities through said Owner shall be limited to the period of Ownership each year of said Owner of Unit Week(s) in such Unit.

XIX.

MANAGEMENT AGREEMENT

A. The Association shall enter into a Management Agreement, a copy of which shall be provided each Unit Week Owner and all subsequent Management Agreements shall also be provided Unit Week Owners.

The Association has delegated to the Management Firm the power of the Association, through its Board of Directors, to determine the budget, make assessments for common expenses and collect assessments. Each Unit Week(s) Owner, his heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed, including but not limited to:

- (1) Adopting, ratifying, confirming and consenting to the execution of said Management Agreement by the Association.
- (2) Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by the Unit Week(s) Owners in the cases provided therefor in said Management Agreement.

(3) Ratifying, confirming and approving each and every provision of said Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

(4) Agreeing that persons acting as Directors and Officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

(5) It is specifically recognized that some or all of the persons comprising the original Board of Directors of the Association, are or may be stockholders, Officers and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

(6) The acts of the Board of Directors and Officers of the Association in entering into the Management Agreement be and the same are hereby ratified, approved, confirmed and adopted.

XX

ASSOCIATION PROPERTIES

As planned, the Association will acquire the Association properties for the common use and benefit of all Unit Week Owner(s) in the project. The Declarant may retain the legal title to said Association Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Association is able to maintain the same but, notwithstanding any provisions herein, the Declarant hereby covenants, for itself, its heirs and assigns that it shall convey said Association properties to the Association free and clear of all liens and encumbrances not later than December 31, 1985, or upon completion and sale of all Unit Week(s) and Units in the project, whichever occurs first. Relative to said Association properties:

- (a) The Association agrees that it will accept title to the properties to be conveyed from the Declarant, and will hold same for the use and benefit of all Unit Week(s) Owners in the project.

- (b) The Association shall operate and administer such properties, including the collection of any income therefrom and the payment of all costs and expenses incurred therewith. All income shall inure to the benefit of the Association and all such expenses are and shall be common expenses of all of the Unit Weeks in the Project, assessable and collectible by the Association, against all the Unit Week(s) Owners in said project in the manner provided by this Declaration, Master Deed and By-Laws.
- (c) The Association agrees that if any interests in said property are conveyed to or administered by other Associations, organizations and owners, it will enter into and carry out such Agreements with such Association relative to use, maintenance, income, expenses and administration thereof as may be required.
- (d) All expenses incurred in connection with the maintenance of Association properties, including but not limited to real estate taxes, repair, expenses and upkeep, shall be deemed a common expense of the Association and shall be paid as herein provided.

XXI.

MISCELLANEOUS PROVISIONS

A. Each Unit Week(s) Owner and Association shall be governed by and shall comply with this Declaration and the By-Laws attached hereto, as it may exist from time-to-time. Failure to do shall entitle the Association or any Unit Week(s) Owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against a Unit Week(s) Owner of the Association in a proper case by or against one or more Unit Week(s) Owners, and the prevailing party shall be entitled to receive reasonable attorney's fees. Such relief shall not be exclusive of other remedies provided by law.

B. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Condominium.

C. The captions used in this Declaration of Interval Ownership and Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning or any of the text of this Declaration or Exhibits hereto annexed.

D. Where an Institutional First Mortgage, by some circumstance, fails to be a First Mortgage, but it is evident that it is intended to be a First Mortgage, it shall, nevertheless, for the purpose of this Declaration and Exhibits annexed, be deemed to be an Institutional First Mortgage.

E. The Association, by its execution of this Declaration of Interval Ownership, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration of Interval Ownership and Exhibits attached hereto. The Condominium Unit Week(s) Owners by virtue of their acceptance of the Deed of Conveyance as to their Unit Week(s) and other parties by virtue of their occupancy of the Unit Week(s) hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration of Interval Ownership and Exhibits attached hereto.

F. No Unit Week(s) Owner shall bring, or have any right to bring any action for the partition or division of the Condominium Unit.

G. Leasing or renting of a Unit Week(s) is not prohibited.

H. No Owner of a Unit Week(s) may exempt himself from liability for his contribution toward the common expenses or the maintenance fee, by waiver of the use and enjoyment of any of the Common Elements or the recreational facilities or by the abandonment of his Unit Week(s).

I. Ad valorem taxes on a Unit committed to Interval Ownership shall be paid by the Association and said taxes shall be collected as a

part of the maintenance fee.

J. All provisions of this Declaration of Interval Ownership and Exhibits attached hereto, and Amendments thereof, shall be construed as covenants running with the land, and of every part thereof.

K. If any of the provisions of this Declaration of Interval Ownership, the By-Laws, the Articles of Incorporation of the Association, the Management Agreement, or of the Horizontal Property Act, or any section, clause, phrase, word, or the application therefore, in any circumstance, is held invalid the validity of the remainder of this Declaration of Interval Ownership, Master Deed, the By-Laws, Articles of Incorporation and Management Agreement, and of the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

L. Whenever Notices are required to be sent hereunder, the same may be delivered to the Unit Week(s) Owners either personally or by mail, addressed to each Unit Week(s) Owners at their place of residence on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any Management Firm shall be given by the Affidavit of the person mailing or personally delivering said Notices. Notices of the Association shall be delivered by mail to the Secretary of the Association, or the President of the Association, or to any member of the Board of Directors of the Association. The change of mailing address of any party as specified herein shall not require an Amendment to this Declaration of Interval Ownership.

Notices to Declarant shall be delivered by mail at: _____

Notices to the Management Firm shall be delivered by mail at: _____

All Notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written Notice, duly receipted for. Notices required to be given the personal representatives of a deceased Owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or

its address appearing in the records of the Court wherein the Estate of such deceased Owner is being administered. The change of the mailing address of any party, as specified herein, shall not require an Amendment to the Declaration.

M. The Declarant shall have the right to use a portion of the Common Elements and Association properties for the purposes of aiding the sale of Unit Week(s) including the right to use portions of the Condominium property and Association Properties for parking for prospective purchasers and such other parties as Declarant determines. The foregoing right shall mean and include the right to display and erect signs, billboards, and placards and store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Elements and Association Properties.

N. Declarant specifically disclaims any intent to have any warranty or representation in connection with the property of the Condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein unless otherwise stated. Maintenance fees, common expenses, taxes or other charges are estimates only and no warranty, guaranty or representation is made or intended, nor may one be relied upon.

O. The Condominium property is subject to conditions, limitations, restrictions, reservations, and all matters of record included but not limited to the Covenants, Reservations, Conditions, Easements, and Restrictions recorded in the Clerk's Office for Beaufort County, South Carolina in Deed Book 124 at Page 35, Deed Book 224 at Page 1036, Deed Book 268 at Page 1231 and 1257, and Deed Book _____ at Page _____.

The Condominium property is additionall subject to taxes, applicable zoning ordinances now existing or which hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Declarant for the benefit of such persons as the Declarant designates, and the said Declarant shall have the right to grant such easements and

designate the beneficiaries thereof for such time as it determines in its sole discretion, and thereafter, the Association shall be empowered to grant such easements on behalf of its members. During the period of time that the Declarant has the right to grant the foregoing easements, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the building and improvements upon the Condominium property nor unreasonably interfering with the enjoyment of the Condominium property by the Association's members.

P. In order to insure the Condominium and the Complex with adequate and uniform water service and sewerage disposal service the Declarant shall and hereby reserves the exclusive right to contract for the servicing of said Condominium and the Unit Week(s) Owners therein with said services. Pursuant to the foregoing, the Declarant has, will or may contract with a utility company which may include a municipal or governmental agency or authority for the furnishing of said services and the Association and Unit Week(s) Owners agree to pay the charges therefor pursuant to and to comply with all of the terms and conditions of said utility Agreement.

Q. Notwithstanding the fact that the present provisions of the Horizontal Property Act of the State of South Carolina are incorporated by reference and included herein thereby, the provisions of this Declaration and Exhibits attached hereto shall be paramount to the Horizontal Property Act as to those provisions where permissive variances are permitted; otherwise, the provisions of said Horizontal Property Act shall prevail and shall be deemed incorporated therein.

R. Owners of Unit Week(s) shall have as an appurtenance thereto a perpetual easement for ingress and egress to and from their units over stairs, terraces, balconies, walks and other Common Elements.

S. The Owner of a Unit Week(s) shall have an easement for ingress and egress, over such streets, walks and other rights-of-way serving the units within the Condominium as a part of the "Common Elements" as may be necessary to provide reasonable access to said public ways,

EXHIBIT "A" TO DECLARATION OF
INTERVAL OWNERSHIP

INTEREST OF OWNERSHIP:

Each Unit Week Owner(s) shall have a 1/51st interest in and to the Condominium Unit in which they own a Unit Week(s), including the Common Elements and Common Surplus. Said interest is and shall be subject to the provisions of Article VI and Article VII of the Master Deed and Article IV of the Declaration of Interval Ownership.

PERCENTAGE INTEREST OF OWNERSHIP IN UNITS:

Each Condominium Unit is identified by number and is delineated in Exhibit "D" of the Master Deed. In the case of a Condominium Unit committed to Interval Ownership, each Owners of a Unit Week(s) in said Condominium Unit will own a 1/51st share of the percentage interest of the Condominium Unit, including Common Elements and Common Surplus, as reflected in Exhibit "D" of the Master Deed. (See page "A"-2, of this Exhibit "A").

EXHIBIT "A" (cont.)

UNIT WEEK OWNER(S) PERCENTAGE INTEREST OF OWNERSHIP

<u>COLUMN I</u>	<u>COLUMN II</u>	<u>COLUMN III</u>	<u>COLUMN IV</u>	<u>COLUMN V</u>
1 - 52	1 - 51	.2395 (1.9165* X 12.50%**)	.1198 (1.9165* X 6.25%**)	.0799 (1.9165* X 4.167%**)
	52	.2855 (2.2585* X 12.50%**)	.1402 (2.2585* X 6.25%**)	.0921 (2.2585* X 4.167%**)

COLUMN I - Weeks committed to Interval Ownership and Unit Weeks owned.

COLUMN II - Unit Week Owner(s) share of a Condominium Unit.

COLUMN III - Unit Week Owner(s) share of the percentage (%) of the Condominium Unit, Common Elements, and Common Surplus upon the dedication of Phase I.

COLUMN IV - Unit Week Owner(s) share of the percentage (%) of the Condominium Unit, Common Elements, and Common Surplus upon the dedication of Phase I and Phase II.

COLUMN V - Unit Week Owner(s) share of the percentage (%) of the Condominium Unit, Common Elements, and Common Surplus upon the dedication of Phase I, Phase II and Phase III.

* 1.9165: the percentage share in remainder for each of the weeks 1 through 51 (51 X 1.9165 = 97.7415)

2.2585: the percentage share in remainder for week 52 (2.2585 = 97.7415 = 100.000)

** Percentages of Common Elements as set forth in the Master Deed, Exhibit "D".

PROSPECTUS EXHIBITS

Exhibit "I" - Articles of Incorporation Spicebush at Sea Pines Owners' Association-----	C- 1
Exhibit "II"- Initial Rules and Regulations-----	C- 2
Exhibit "III"- Management Agreement-----	C- 5
Exhibit "IV"- Estimated Annual Maintenance Expenses-----	C-16
Exhibit "V" - Purchase Agreement-----	C-17
Exhibit "VI"- Deed-----	C-21

For Use By	
The Secretary of State	
File No.
Form No.
Fee Paid
C. B.
Date

Declaration and Petition for Incorporation

Forward Application to Secretary of State with Fee of ~~\$3.00~~ 15.00

APPLICATION MUST BE TYPEWRITTEN
DO NOT FILE IN DUPLICATE

The undersigned declarants and petitioners,

NAME	STREET ADDRESS AND CITY
Edwin H. McMullen	Box 890, Lakeland, Florida
W. Clinton Wallace	Box 890, Lakeland, Florida
Robert A. Miller	Box 890, Lakeland, Florida

being two or more of the officers or agents appointed to supervise or manage the affairs of.....
.....SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC.....

a NON-PROFIT.....which has been duly and regularly organized for the purposes hereinafter to be set forth, do affirm and declare:

That at a meeting of the aforesaid organization, held pursuant to the by-laws or regulations of the said organization, they were authorized and directed to apply for incorporation.

That the said organization holds, or desires to hold, property in common for a Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members, otherwise than is above stated, or for the insurance of life, health, accident or property; and that three days' notice in the Island Packet.....

.....a newspaper published in the County of Beaufort....., has been given that the aforesaid Declaration would be filed.

The said Declarants and Petitioners further declare and affirm:

FIRST. Their names and residences are as above given.

SECOND. The name of the proposed Corporation is SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC......

THIRD. The place at which it proposes to have its headquarters or to be located is North Sea Pines Drive, Sea Pines Plantation..... in the City of Hilton Head Island, South Carolina 29928
(Street and Number)

FOURTH. The purpose of the said proposed Corporation is to provide for the preservation of values and amenities and the maintenance of open spaces, common forests, certain roadways, bike trails, and/or common properties, and to maintain, administer and enforce the covenants and restrictions and collect and disburse all assessments and charges necessary for the maintenance, administration and enforcement of same......

FIFTH. The names and residences of all Managers, Trustees, Directors or other officers, are as follows:

NAMES	TITLE	ADDRESS
Edwin H. McMullen	President	Same as above
W. Clinton Wallace	Vice-President	Same as above
Robert A. Miller	Secretary-Treasurer	Same as above

SIXTH. That they desire to be incorporated in perpetuity (or number of years.....).

Wherefore your petitioners pray that the Secretary of State do issue to the aforesaid

SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC......

(Repeat Name of Association)

A Certificate of Incorporation, with all rights, powers, privileges and immunities, and subject to all the limitations and liabilities conferred by Chapter 13, Title 12, 1962, and Acts amendatory thereto, to provide for the incorporation of Religious, Education, Social, Fraternal or Charitable Churches, Lodges, Societies, Associations, or Companies, and for amending the Charters of those already formed and to be formed.

(Sign here).....

Date....., 19.....

SPICEBUSH AT SEA PINES

INITIAL RULES AND REGULATIONS

The Rules and Regulations hereinafter enumerated as to the Association Properties, Condominium Property, the common elements and limited common elements and the Condominium units shall be deemed in effect until amended by the Board of Directors of the Association, and shall apply to and be binding upon all unit owners. The unit owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision. Said Initial Rules and Regulations are as follows:

1. The sidewalks, if any, walkways, entrances, and all of the limited common elements and common elements must not be obstructed or encumbered or used for any purpose (excluding patios, decks and balconies) other than ingress and egress to and from the premises; nor shall any carriages, velocipedes, bicycles, wagons, shopping carts, chairs, benches, tables, or any other object of a similar type and nature be left therein or thereon.

2. The personal property of all unit owners shall be stored within their Condominium units.

3. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies, and entry ways, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind or other articles be shaken or hung from any of the windows, doors, patios, decks, balconies or entry ways, or exposed on any part of the limited common elements and common elements; and the limited common elements and common elements shall be kept free and clear of refuse, debris and other unsightly material.

4. No unit owner shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entry ways or doors of the premises, nor shall he sweep or throw from his unit any dirt or other substances outside of his unit or on the limited common elements or common elements of the Condominium.

5. Refuse and bagged garbage shall be deposited only in the area provided therefor.

6. No unit owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Condominium property, except in areas designated for same.

7. Employees of the Association or Management Firm shall not be sent off the Condominium premises by any unit owner at any time for any purpose. No unit owner or resident shall direct, supervise, or in any manner attempt to assert any control over the employees of the Management Firm or the Association.

8. No unit owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of the unit owners. No unit owner shall play upon or suffer to be played upon any musical instrument, or operate or suffer to be operated, a phonograph, television, radio or sound amplifier in his unit, in such a manner as to disturb or annoy other occupants of the Condominium. All party(s) shall lower the volume as to the foregoing from 11:00 P.M. to 8:00 A.M. each day.

9. No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors.

10. No sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed, in, on or upon any part of the Association Properties, Condominium units, limited common elements or Condominium property by any unit owner or occupant without written permission of the Association.

11. Complaints regarding the service of the Condominium shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Board of Directors.

12. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any unit or limited common element except such as are required for normal household use.

13. Payments of maintenance fees shall be made at the office of the Management Firm, as designated in the Management Agreement. Payments

made in the form of checks shall be made to the order of such party as the Management Firm shall designate. Maintenance fees are due and payable on January 1st of each year.

14. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, reserves the right to make additional Rules and Regulations as may be required from time to time without consent of the Condominium Association and its members. These additional Rules and Regulations shall be binding as all other Rules and Regulations previously adopted.

15. Rules and Regulations as to the use of the pool and facilities shall be posted as specified in the By-Laws of the Condominium Association and each unit owner, etc., shall observe all Rules and Regulations relating thereto.

16. All owners of unit weeks in Condominium Units committed to interval ownership shall vacate their units no later than 10:00 A.M. on the last day of their ownership period. No such owner shall take possession of his unit earlier than 4:00 P.M. on the day on which his ownership period commences.

17. No Condominium Unit shall be occupied by more than six (6) people at any one time without the written approval of the Management Firm.

18. No pets shall be allowed on the Condominium property, Association Properties, or in any Condominium unit.

19. No trucks, buses, campers, recreational vehicles, boats or boat trailers may be parked anywhere on the Association Properties or Condominium Property.

MANAGEMENT AGREEMENT
BETWEEN
SPICEBUSH AT SEA PINES I OWNERS' ASSOCIATION, INC.
AND
AMERICAN RESORTS CAROLINA CORPORATION

THIS AGREEMENT, made and entered into on the date last appearing in the body of this instrument, by and between the South Carolina Corporation whose name appears at the end of this Agreement as the Management Firm hereinafter called the "Management Firm", and that certain South Carolina Corporation not for profit whose name appears at the end of this instrument as the Condominium Association, hereinafter called the "Association", which said terms shall be deemed to extend to and include the legal representatives, successors and assigns of the said parties hereto;

WITNESSETH:

THAT, WHEREAS, the Association is the Association responsible for the operation of those certain condominiums located in or to be located in the development to be known as Spicebush at Sea Pines, and said Association is desirous of entering into a Management Agreement for the management of said condominiums, and,

WHEREAS, the Management Firm is desirous of furnishing such management services; and,

NOW, THEREFORE, for and in consideration of the mutual promises contained, it is agreed by and between the parties, as follows:

1. That the foregoing recitals are true and correct.
2. That the terms used in this Management Agreement shall be defined as said terms are defined and used in the Horizontal Property Act, or in the Master Deed or Declaration of Interval Ownership, etc.
3. The Association does hereby employ the Management Firm as the exclusive Manager of the Condominium property and the Management Firm hereby accepts such employment.

4(A). The term of this Agreement shall commence as of the date hereof through December 31, 1985 provided, however, that the Management Firm may, upon sixty (60) days written notice given to the Association, terminate and cancel this Agreement as of the last day of such month as is specified in the Notice of Cancellation. Thereafter, it shall be automatically renewed for successive two (2) year periods until terminated at a duly authorized meeting of the owners by a majority of the votes of the owners, including proxies, assembled at such meeting, or by the Management Firm notifying the Association in writing that it will not renew this Agreement at such renewal date.

4(B). Notwithstanding the foregoing, the Association may terminate this Agreement by concurrence of the owners of not less than seventy-five percent (75%) of the units in the condominium project.

5. The Management Firm, to the exclusion of all persons, including the Association and its members, shall have all the powers and duties of the Association as set forth in the Master Deed and Declaration of Interval Ownership, etc. and the By-Laws of the Association, (except such thereof as are specifically required to be exercised by its Directors or members; and shall perform by way of illustration and not of limitation, the following services:

(A) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Condominiums and Association Properties, including a Manager, who, in each instance, shall be the employees of the Management Firm, as the Management Firm, in its absolute discretion shall determine, and cause to be discharged all persons unnecessary or undesirable.

(B) To maintain and repair the Condominium property and the common elements of said Condominiums to the same extent that the Association is required to maintain and repair same, as provided in said Master Deed, Declaration of Interval Ownership, etc., and Association By-Laws. For any one item of repair, replacement or refurbishing as to the Condominiums, the expense incurred as to the Condominium as a whole, shall not exceed the sum of Two Thousand Five Hundred Dollars (\$2,500.00), unless specifically authorized by the Board of Directors of the Association, except, however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property.

(C) Take such action as may be necessary to comply with all laws, statutes, ordinances, rules and of all appropriate governmental authority, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

(D) To enter into contracts for garbage and trash removal, vermin extermination, and other services, and make all such contracts and purchases in either the Association's or Management Firm's name, as the Management Firm shall elect.

(E) To purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Condominiums. Purchases shall be in the name the Management Firm, or the Association, as the Management Firm shall elect.

(F) Cause to be placed or kept in force all insurance required or permitted in the Master Deed and Declaration of Interval Ownership, etc., to act as Agent for the Association, each unit owner, and for each owner of any other insured interest; to adjust all claims arising under said insurance policies; to bring suit thereon and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties; to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Master Deed and Declaration of Interval Ownership, etc.

(G) Maintain the Association's financial record books, accounts and other records as provided by the Association's By-Laws; issue Certificates of account to members, their mortgagees and lienors without liability for errors unless as a result of gross negligence. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm shall agree to; however, said request for inspection cannot be made more than once in any calendar year. Such expert may also conduct an external audit, provided the cost for same is paid by the Association, and said independent auditor, in any instance, must be acceptable to the Management firm whose acceptance shall not be unreasonably withheld. As a standard procedure, the Management Firm shall render to the Association a statement for each calendar year no later than the April 1st next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same, but no independent or external audit shall be required of it. The consent of the Management Firm to an independent auditor shall not be unreasonably withheld.

(H) Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the Office of the Management Firm, and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree to; however, said request for inspection cannot be made more than once in any calendar year. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external audit shall be required of it.

(I) The Management Firm in its sole discretion shall determine the budget as to the Condominiums for the term of the Management Agreement, subject, however, to the specific limitations thereof where otherwise provided. Upon such budget's being determined annually, the Management Firm shall submit annually to the Association the operating budget for the ensuing year, setting forth the anticipated income and expenses of the Condominiums for the year, and said Management Firm shall specify therein each unit owner's monthly share thereof. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined and made by the Management Firm and the Association shall be advised thereof and as to the share thereof payable by each of the Association's members, as the case may be. The Management Firm shall collect the assessments based upon the foregoing. The assessments as to each member of the Association shall be made payable to the Management Firm, or such other firm or entity as the Management Firm shall direct; and the Management Firm shall have the right to designate such member or members of the Association, or the Association itself, as it determines, to collect said assessments on behalf of the Management Firm and deliver same to it. The Management Firm shall not be responsible for obtaining the best price available as to any service, material or purchase, but shall, with impunity, purchase or contract for same with such person or party as it deems advisable and in the best interest of the Association and the Management Firm, without the necessity of obtaining the best price. Where the Management Firm does not submit an operating budget for the ensuing year to the Association as herein set forth, the operating budget for the current year shall be deemed to apply to the ensuing year and, in such case, each

unit owner's share of same shall continue in the same amount subject, however, to the right of the Management Firm to increase assessments during the year or levy a special assessment where it determines that same is necessary or advisable subject to the applicable provisions of the Master Deed, Declarations of Interval Ownership, etc. and Association By-Laws.

(J) Have sole authority and responsibility to maintain and replace the personal property within units committed to interval ownership, and in such capacity to:

1. Determine the maintenance fee, proration of taxes, and other common expenses applicable to those condominium units committed to interval ownership, as defined in and provided for in the Declarations of Interval Ownership, etc. The Management Firm shall have sole discretion, while this Agreement remains in effect, for making determinations as to replacements of personal property located within such units, decor, and all other judgments relating to units committed to interval ownership; notwithstanding the foregoing, all replacements shall be such as to maintain the standard of quality of the furniture, other personal property and decor, as originally contained in such unit at the time it is committed to interval ownership.

2. It is understood by both parties that a portion of the maintenance fee will be set aside as a reserve for future replacements and repairs. The Management Firm shall have sole discretion as to the amounts of such reserved and application of same.

(K) Deposit all funds collected from the Association's members, or otherwise accruing to the Association, in a special bank account or accounts of the Management Firm in banks an/or savings and loan associations in the State of South Carolina, with suitable designation indicating their source, separate from or co-mingled with similar funds collected by the Management Firm on behalf of other condominiums or entities which the Management Firm manages.

(L) May cause a representative of its organization to attend meetings of the unit owners and of the Board of Directors of the Association; however, it is understood and agreed that the Minutes of all the Association's meetings, whether of unit owners or of the Board of Directors, shall be taken by the Association's Secretary, and possession of the Minutes Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings of the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

(M) Promulgate, adopt and amend the Rules and Regulations as it deems advisable in its sole discretion for the use and occupancy of the Condominiums' common elements, limited common elements, units therein, and Association Properties, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on as to same and shall employ the personnel required therefor as it determines in its sole discretion.

(N) The Management Firm shall cause such alterations and/or additions to the common elements or limited common elements of the Condominium property or Association Properties, to be made as authorized by the Board of Directors of the Association and its members where required, pursuant to and in accordance with said Condominium's Master Deed, Declaration of Interval Ownership, etc. and Exhibits attached

thereto. As to the foregoing, the Management Firm shall be paid for the cost of its personnel and overhead, materials and equipment in regard thereto, and any and all contractors, subcontractors or materialmen as are required therefor.

(O) Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its power hereunder, and to employ same on such basis as it deems most beneficial.

(P) Enter into Agreements upon such terms and conditions and for such purpose as the Management Firm determines in its sole discretion as to the Association Properties, common elements of and the Condominium, and by agreement grant concessions and licenses to persons to provide facilities and services as to and within the Condominium and Association Properties and cause coin vending machines and coin operated equipment and pay telephones to be installed within the Condominium and Association Properties, and to purchase same on behalf of and at the cost and expense of the Condominium Association, or rent same or enter into agreements regarding same; however, all income derived by the Management Firm from the foregoing shall inure to the benefit of the Condominium Association; and all expenses appertaining thereto shall likewise be borne by said Condominium Association. The parties hereto recognize that agreements, concession and licenses may be entered into to provide facilities and services as specified herein for very nominal or no compensation whatsoever. The Management Firm may enter into same in its sole discretion, and it shall use its best judgment; however, it shall not be responsible for same nor the fact that a greater sum might have been obtained nor a shorter period contracted for.

(Q) Make and collect special assessments for such purposes and against such parties as the Management Firm determines, subject to the provisions of the Master Deed and Declarations of Interval Ownership, etc.

(R) Exercise such powers and rights delegated to it, if any, under the terms and provisions of the Master Deed and Declaration of Interval Ownership, etc. and all Exhibits attached to said documents.

(S) If maintenance of the Condominium referred to in the Master Deed and Declaration of Interval Ownership, etc. or any portion thereof, including any unit, units and/or common elements, is required due to loss by Act of God or other cause, which is other than normal wear and tear, and which loss is less than "major damage", as defined in the Condominium's Master Deed and Declaration of Interval Ownership, etc. to which this Agreement is attached, then in such event, the Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the unit owners in such proportions as it deems advisable, pursuant to the Master Deed and Declaration of Interval Ownership, etc. notwithstanding the fact that said loss or damage was, or was not, covered by insurance, and said total assessment shall be equal to the cost of said repair which shall include the costs of the Management Firm's personnel and overhead, materials and equipment, and any and all other contractors, subcontractors, or materialmen as are required. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration in such proportions as hereinbefore set forth in this paragraph. It shall be presumed that the first monies

disbursed in payment of costs of repair and restoration, shall be from insurance proceeds, where such are received, and then from assessments collected, and, should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the unit owners, as provided in the aforesaid Master Deed and Declaration of Interval Ownership, etc.

6. Notwithstanding the delegation by the Association to the Management Firm of its power to determine and collect assessments during the term of this Agreement, the Association retains the power to make those assessments as are specified in the Master Deed and Declaration of Interval Ownership, etc. and the By-Laws.

7. The Management Firm shall apply assessments collected as it determines in its sole discretion as to those items specified in the By-Laws of the Association including the Management Firm's fee and its overhead and expenses, which shall be deemed common expenses. The Management Firm, during the term of this Agreement, may file a lien against a unit owner's Condominium parcel should he fail to pay his assessments or maintenance fee as required and provided in the Master Deed and Declaration of Interval Ownership, etc. and Exhibits attached to said Master Deed and Declaration, and take such other as provided in said documents, either in its name or in the name of or as agent of the Association whose name appears at the end of this instrument. The Management Firm may compromise liens in such amount as it deems advisable in its sole discretion, and it may satisfy liens of record and render statements as to the current status of a unit owner's assessments. In the case of a unit committed to interval ownership, any lien against an owner of unit weeks in such unit, shall be limited to the unit weeks owned by the defaulting owner and shall, in no case, be filed so as to encumber the unit weeks owned by any other owner in such unit.

8. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the assessments due from unit owners.

9. It is specifically understood that the Management Firm does not undertake to pay common expenses from its own funds and shall only be required to perform its services and make disbursements as to the extent that, and so long as, payments received from assessments or other revenue, if any, of the Association whose name appears at the end of this instrument, are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Firm that the assessments and other revenue, if any, of the said Association and its members are insufficient, the Management Firm shall forthwith determine such additional assessment as is required and advise the said Association and its members.

10. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association and its members. As compensation, fee or profit for its services hereunder, the Management Firm shall receive a net fee, free from all charges and expenses, including reasonable costs of administration, of five (5%) percent of the common expense assessment, such amount to be designated the "Management Fee".

The Management Fee shall be taken into consideration in setting the common expense and maintenance fee assessments. The Management Firm's fee from each Condominium Unit or unit weeks shall commence as of the first day of the month following the date of a Deed from the Developer to the initial purchaser.

11. The Association shall not interfere nor permit, allow or cause any of the Officers, Directors or members to interfere with the Management Firm in the performance of its duties or the exercise of any of its powers hereunder.

12. The Management Firm shall not be liable to the Association and its members, for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will and do hereby indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the Condominium specified in the Master Deed, Declarations of Interval Ownership, etc. from any cause whatsoever, unless such injury shall be caused by said Management Firm's own gross negligence or willful misconduct.

13. The Association on behalf of its members, or the Management Firm, shall both have the right to assign this Agreement as herein set forth. The Association may assign its right, title and interest herein to another Condominium Association operating and existing under the laws of the State of South Carolina and the Management Firm may assign its right, title and interest herein to another management firm operating and existing under the laws of the State of South Carolina. However, said Assignment shall not be valid unless and until the Assignee thereunder expressly assumed and agrees, in writing to perform each and every covenant and term of this Agreement. The said Agreement shall be duly recorded in the Public Records of the County wherein the Condominium is located and an executed duplicate of said Assignment shall be delivered to the other part of this Agreement by certified mail or its equivalent. The Management Firm may also sub-contract all/or portions of its duties and powers under this Management Agreement.

14. The Management Firm shall be authorized to assess a Condominium unit owner for those items of special assessments as set forth in the Master Deed and Declarations of Interval Ownership, etc. and the Exhibits attached to said Master Deed and Declaration, and in this Agreement - i.e., maintenance, repairs or replacements caused by the negligence or misuse by a unit owner, his family, servants, guests or invitees, or lessees; or failure of a unit owner to maintain those portions of his Condominium unit and limited common elements assigned to his unit, as he is required to repair and maintain; or violation of the provisions of the aforesaid Master Deed and Declaration of Interval Ownership, etc. and Exhibits attached thereto which require the removal of same by the Management Firm and/or which increase the costs of maintenance and/or repair upon the Management Firm, or increase insurance rates and premiums, etc.

15. The power and authority of the Association to amend the Master Deed and Declarations of Interval Ownership and the Exhibits attached to said Master Deed and Declaration, is subject to the specific provisos applicable thereto set forth in the aforesaid instruments.

16. Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and

all of the terms and conditions of this Agreement, and said dispute cannot be amicably settled and resolved between the parties, then either party shall have the right to submit the matter in controversy for arbitration to the Senior Judge of the Circuit Court in and for the County where the Condominiums are located, and the decision of said Judge shall be final. The Court shall have the right to assess costs and attorneys' fees in such amount and against such party as it deems meet and proper under the circumstances.

17. No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

18. Time is of the essence in every particular, and especially where the obligation to pay money is involved.

19. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value, unless in writing, signed by the parties to this Agreement - i.e., the Management Firm and the Association or their respective successors or assigns.

20. This instrument, together with the Master Deed, Declaration of Interval Ownership, etc. and the Exhibits attached to said Master Deed and Declaration, including this Agreement, constitute the entire agreement between the parties hereto, as of the day of execution hereof, and neither has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein, which are not expressly contained therein.

21. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of this Agreement, the Master Deed and Declaration of Interval Ownership, etc. and the Exhibits attached to said Master Deed and Declaration, shall not affect the validity of the remaining portions thereof. The provisions of this Agreement shall be paramount to the Horizontal Property Act as to those provisions where permissive variances are permitted; otherwise the provisions of said Horizontal Property Act shall prevail and shall be deemed incorporated herein.

22. The definitions of the words, terms, phrases, etc., as provided in the Master Deed, Article III, Article I of the Declaration of Interval Ownership, etc. are incorporated herein by reference and made a part hereof, and unless the context otherwise requires, said definitions shall prevail.

23. The words, "Condominium Association", "member(s)", "unit owner(s)" and "parcel owner(s)", wherever and whenever used herein, shall include the singular and plural thereof, and the use of any gender shall include all genders, wherever the same shall be appropriate. The term "Condominium parcel", or "Condominium unit", or "unit", or "parcel", or "unit weeks", or "unit committed to interval ownership", or "interval ownership", or "parcels" and the owners thereof shall be defined pursuant to the Master Deed and Declaration of Interval Ownership, etc. and same are Condominium parcels and/or units of such Condominium as is created by the aforesaid Master Deed and Declaration of Interval Ownership, etc., or ownership of parts of such parcels or units.

24. When either party hereto, and the Association's members, desire to or are required to give notice unto the other, or others, in connection with and according to the terms of this Agreement, such notice shall be given to the Association, its members, and the Management Firm, as provided in the Master Deed and Declaration of Interval Ownership, etc.

25. If the Association or its members, shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm - fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable attorneys' fees and costs incurred thereby. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

26. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of forty five (45) days after written notice of default from the Association specifying the default complained of shall be grounds for the said Association's cancellation of this Agreement.

27. If the Condominium specified in the Master Deed and Declaration of Interval Ownership, etc. shall be terminated, as is provided in its Master Deed and Declaration of Interval Ownership, etc. then each of the Condominium unit owners shall thereby become a tenant in common and shall, as to his separate interest, continue to be a party to this Agreement and bound by the provisions hereof, and the Management Firm shall manage such interest pursuant to the provisions of this Agreement as to the nature of such interest and the context of this Agreement shall permit.

28. The Management Firm shall have the right in its sole discretion to suspend any unit owner and/or authorized user of the Association Properties from the use of such Association Properties for any infraction of the promulgated Rules and Regulations pertaining to said association Properties for a period not to exceed seven (7) days, for failure to abide by the Rules and Regulations promulgated from time to time for the use of such facilities, and during said period of suspension, there shall be no reduction in the assessments due and payable from said unit owner and/or authorized user. In the case of a unit committed in interval ownership, any such suspension shall be limited to the owner and/or authorized user committing the breach upon which such suspension is based.

29. Should a unit owner fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the unit owner and/or the authorized user the use and enjoyment of the Association

Properties until such time as all assessments are paid. In the case of a unit committed to interval ownership, such denial shall be limited to the owner and/or authorized user of the particular unit weeks from which the delinquency arose.

30. Use of the Association Properties shall be limited to owners of Condominium parcels and unit weeks in such parcels during the term of their ownership, in the Condominium together with spouse and other members of said parcels owner's immediate family. The lessee of a Condominium unit or unit weeks in a condominium unit committed to interval ownership shall be entitled to the use of the facilities in the place of the unit owner. Owners of unit weeks in units committed to interval ownership, and their lessees and licensees, shall be restricted in their use of the Association Properties, common elements, and limited common elements, to their periods of legal occupancy of said unit weeks.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, and have caused these presents to be signed respectively by their proper Officer(s), and their respective Corporate Seals have been duly affixed, this _____ day of _____, 19__.

Signed, sealed and delivered
in the presence of:

AMERICAN RESORTS CAROLINA
CORPORATION

By: _____ (SEAL)
PRESIDENT

Attest: _____ (SEAL)
SECRETARY

"MANAGEMENT FIRM"

SPICEBUSH AT SEA PINES I OWNERS'
ASSOCIATION, INC.

By: _____ (SEAL)
PRESIDENT

Attest: _____ (SEAL)
SECRETARY

"ASSOCIATION"

THE STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me _____
who, on oath, says that he saw the within named _____
_____ by _____ its
_____ President sign the within _____, and _____
_____ its _____ attest the same, and the said
Corporation, by said officers, seal said _____, and, as its act and
deed, deliver the same, and that he with _____
witnessed the execution thereof.

SWORN to before me, this _____
day of _____, 19____.

(SEAL)
Notary Public for South Carolina
My Commission expires:

ESTIMATED ANNUAL MAINTENANCE EXPENSES

SPICEBUSH AT SEA PINES

FOR THE YEAR 1979

Sea Pines Property Owner's Association -road maintenance and security	\$ 3.76
Spicebush Owner's Association -swimming pool, landscaping, garbage collection, pest control, termite treatment & management fee for Spicebush Owner's Association	20.00
Interior Maintenance Fund -furniture repair and replacement	35.00
Interior Maintenance Contract	6.86
Sea Pines Sports Club Membership	13.47
Property Taxes	16.00
Insurance - building, contents, flood, liability	10.00
Cable Television	2.16
Electricity	16.00
Telephone	3.60
Accounting and Administration	10.00
Management	6.84
	\$ 143.69

- NOTE:
1. Linens and cleaning required between each owners occupancy. Charges are billed directly by Sea Pines Company and are payable upon check-out at the Reception Center.
 2. Maintenance expenses will be reevaluated annually to reflect necessary increases or decreases.
 3. Maintenance fees are due at closing and thereafter on January 15th of each year.

SPICEBUSH AT SEA PINES HORIZONTAL PROPERTY REGIME I
AN INTERVAL OWNERSHIP CONDOMINIUM
PURCHASE AGREEMENT

DATE _____

SELLER: AMERICAN RESORTS CAROLINA CORPORATION
P. O. BOX 6099
HILTON HEAD ISLAND, S.C. 29928

PURCHASER(S):

NAME: _____ (PURCHASER)
(As it will appear on Deed)

(SPOUSE IF APPLICABLE)
(As it will appear on Deed)

STREET ADDRESS: _____ Phone () _____

CITY: _____ STATE _____ ZIP _____

PURCHASERS DESIRE DEED TO READ: _____

(In the event Unit Week(s) is being acquired by two (2) or more individuals, please indicate whether title is to be taken as Joint Tenants with Rights of Survivorship or as Tenants in Common).

The above designated Seller agrees to sell, and the Purchaser agrees to purchase, the following described Unit Week(s) in Spicebush at Sea Pines, a three phase condominium project, according to the proposed Master Deed Documents and/or Multiple Ownership Documents, etc. thereof, to be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina a copy of which documents are by reference made a part of this Agreement, upon the following terms and conditions:

SPICEBUSH VILLA NO. _____ UNIT WEEK(S): _____
Occupancy of this Villa may commence _____

PURCHASE TERMS

- | | | |
|--|----------|----------|
| 1. Total Purchase Price of Unit Week(s) | | \$ _____ |
| 2. Deposit on Date of Execution of This Agreement | \$ _____ | |
| 3. Down Payment on or Before _____ Days
From The Date of Acceptance of This Agreement | \$ _____ | |
| 4. Requested Mortgage (If Applicable,
up to 70% of Total Purchase Price) | \$ _____ | |
| 5. Sub-Total (Lines 2, 3, and 4) | | \$ _____ |
| 6. Balance Required ON OR Before Closing
(Line 1-5, plus Closing Costs) | | \$ _____ |

THIS CONTRACT IS/IS NOT SUBJECT TO FINANCING IN ITEM 4 ABOVE.

ALL CLOSING COSTS (Recording Fees, State Documentary Stamps, Title Insurance, Legal Fees, etc.) TO BE PAID BY PURCHASER.

AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF WHICH BY REFERENCE IS MADE A PART HEREOF.

WITNESSES:

PURCHASER:

SELLER: American Resorts Carolina Corporation
By: _____
ACCEPTANCE DATE: _____

DATED: _____

YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION WITHIN SIX DAYS FROM THE ABOVE DATE. IF YOU DECIDE TO CANCEL, YOU MUST NOTIFY THE SELLER IN WRITING OF YOUR INTENT TO CANCEL BY SENDING NOTICE TO AMERICAN RESORTS CAROLINA CORPORATION AT POST OFFICE BOX 6099 HILTON HEAD ISLAND, SOUTH CAROLINA 29928.

NO PURCHASER SHOULD RELY UPON REPRESENTATIONS OTHER THAN THOSE INCLUDED IN THE CONTRACT.

THIS CONTRACT OR DOCUMENT IS FOR A VACATION TIMESHARING PLAN AND PUTS ALL ASSIGNEES ON NOTICE OF THE CONSUMER'S RIGHT TO CANCEL UNDER SOUTH CAROLINA LAW.

1. DEPOSITS

The initial deposit or subsequent payment made pursuant to this Agreement by Purchaser to Seller shall, prior to the closing of title, be held in escrow by The Sea Pines Real Estate Company. Purchaser may obtain a receipt for this deposit upon request.

2. UNIT WEEK

Unit Week No. 1 is the seven (7) days commencing on the 2nd Friday in each year. Unit Weeks No. 2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of the Unit Week No. 51 without regard to the month or year, plus any excess days not otherwise assigned. Unit Weeks run from 10:00 a.m. on the first Friday of the Unit Week purchased to 10:00 a.m. on the last Friday of said Unit Week.

3. MAINTENANCE FEE

Purchaser understands and agrees that in accordance with the MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, Purchaser will be responsible for the above described Unit Week(s) Owner's share of common expenses, assessments, maintenance fees, and any and all other expenses incurred in the operation of said Villa.

4. PURCHASER'S ACKNOWLEDGEMENT

Purchaser acknowledges by execution of this Agreement that prior to the execution of this Agreement, Purchaser received and read a copy of the Developer's Prospectus and MASTER DEED DOCUMENTS, and/or DECLARATION OF INTERVAL OWNERSHIP, together with Exhibits attached thereto which include (1) By-Laws, (2) Articles of Incorporation, (3) Management Agreement and (4) Sample Warranty Deed. Purchaser received and read a copy of the initial Rules and Regulations of the Spicebush at Sea Pines, a copy of the Sales Brochure and Floor Plan of the Villa being sold hereunder and the estimated Operation Budget of the Villa. PURCHASER FURTHER ACKNOWLEDGES REPRESENTS AND WARRANTS THAT THE PURCHASE OF THE VILLA IS MADE FOR PURCHASER'S PERSONAL USE, WITHOUT RELIANCE ON REPRESENTATION CONCERNING RENTALS, RENT RETURN, TAX ADVANTAGES, DEPRECIATION, OR INVESTMENT POTENTIAL, OR OTHER MONETARY OR FINANCIAL ADVANTAGES BY SELLER, ITS AGENTS, EMPLOYEES OR ASSOCIATES, AND THAT PURCHASER WILL NOT USE THE VILLA AS HIS PRINCIPAL RESIDENCE.

5. MODIFICATION AND CHANGES

The MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, etc. will be recorded prior to closing. Purchaser hereby authorizes Seller, as Seller deems necessary, to record among the Public Records of Beaufort County, South Carolina, such documents and instruments as are required to be filed under the laws of the State of South Carolina, in order to create and maintain the Project. Seller reserves the right to make changes in any such documents as Seller, Governmental Authorities having jurisdiction over the property Title Insurance Companies, Lending Institutions, or public body require or deem necessary, to carry out the purposes of the Project, provided that such changes shall not materially increase the proportion of common expenses nor decrease the ownership of Common Elements born by the Purchaser.

6. DISCONTINUANCE OF PROGRAM

Seller may at any time within twelve months from the date of this Agreement give written notice of the discontinuance of the proposed Interval Ownership Program, and this Agreement shall be deemed cancelled 30 days thereafter. Seller shall return to Purchaser all sums theretofore paid hereunder, and upon making such payment, neither party shall have any further rights, obligations, or liabilities with respect to the other under this Agreement. In the event Purchaser is then in default hereunder, the parties' rights and remedies shall be governed by paragraph 14 hereof.

7. CLOSING AND TITLE

Purchaser at closing shall execute any necessary documents and Seller shall deliver at closing its Warranty Deed conveying fee simple title to the Unit Week(s) to Purchaser under a plan of Interval Ownership as defined in the MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, etc. free and clear of all encumbrances, except: conditions, restrictions, zoning and easements on record at the time of closing; terms and conditions of the MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, etc. and taxes for the then current and subsequent years. The closing will be on such date and at such place as shall be specified by Seller or by mail, if authorized by Seller, but not later than one year from the date of this Agreement. Written notice as to closing will be given by Seller to Purchaser not less than ten (10) days prior to the specified closing date. Failure or refusal of Purchaser to close at the time, place and date selected by Seller, may, at option of Seller, be deemed a default by Purchaser. All representations, duties and obligations of the Purchaser and the terms and conditions of this Agreement shall survive the closing.

8. FURNISHINGS

Although all models are for display purposes only, the above described Villa shall have furniture, appliances, equipment and all accent furnishings of equal quality to those shown or used in the models.

9. TITLE INSURANCE

Title insurance is available. Purchaser shall consult with his closing attorney as to cost.

10. CLOSING COSTS

Purchaser will be responsible for all closing costs. Purchaser should consult with his closing attorney as to the amount of closing costs.

11. BINDING EFFECT

This Agreement is binding upon the parties hereto and their heirs, legal representatives successors and assigns. This Agreement will supersede any and all understanding and agreements between the parties hereto. It is mutually understood and agreed that this Agreement represents the entire Agreement between the parties hereto, and no representations or inducements prior hereto, which are not included in and embodied in this Agreement, shall be of any force and effect. This Agreement may only be amended and modified by an instrument in writing between the parties. This Agreement shall be construed under the Laws of the State of South Carolina.

12. PURCHASER'S DEFAULT

Time is of the essence except where otherwise specifically provided for herein. Failure to close or make payments within the time provided above, or to comply with the provisions of this Agreement, shall be considered a breach of this Agreement, and all sums paid hereunder shall be retained by the Seller as liquidated and agreed damages and not a penalty, and the parties hereto shall be relieved from all obligations hereunder. Purchaser shall be liable for Seller's reasonable attorney's fees and costs incurred by it by virtue of any litigation as to the parties' rights under this Agreement if the Seller is the prevailing party. Purchaser covenants to defend and indemnify Seller against all claims of Real Estate Brokers and/or Salesmen due to acts of Purchaser's Representatives other than brokers or salesmen employed by Seller.

13. EXCHANGE PROGRAM

Seller has entered into an Agreement with Resort Condominium International, Inc., such Agreement allowing for a reciprocal exchange program for member-owners at Spicebush at Sea Pines. Seller makes no representations as to Resort Condominium International, Inc., and all representations set forth within the brochures and literature of Resort Condominium International, Inc., are representations of Resort Condominiums International, Inc.

14. RISK OF LOSS

Partial loss or damage to said Villa by fire, storm or other casualty between the date hereof and closing hereunder shall not void or impair this Agreement, but all such damage by way of fire, storm or other casualty is to be the responsibility of the Seller. In the event of substantial or total loss as a result of the hazards mentioned above, Purchaser shall have the option to cancel this Agreement upon written notice to the Seller within seven (7) days following the Purchaser's notification of such loss or damage.

15. OTHER INTEREST

Purchaser is hereby informed that some individuals either employed by or associated with the marketing company or companies may have a financial interest in the American Resorts Carolina Corporation, the Seller of this transaction.

16. ASSIGNMENT

The rights of Purchaser pursuant to this Agreement may not be assigned or otherwise transferred without the express written consent of Seller, which consent may not be unreasonably withheld. Any attempt by Purchaser to assign shall be deemed a default of Purchaser and Seller shall not be bound by any such assignment.

17. MISCELLANEOUS

(a) This Agreement is subordinate and subject to any mortgage the Seller may have obtained to provide any portion of the original purchase price of this Villa, but the Seller shall cause such mortgage or mortgages to be satisfied or the Villa released from the lien of such mortgages prior to or simultaneously with the closing.

(b) This Agreement is binding upon the heirs, personal representatives, successors and assigns of the parties.

(c) The term "Purchaser" as used herein shall be deemed to refer to and include all persons, if more than one, who execute this Agreement as Purchaser.

(d) If any portion of this Agreement is held to be invalid or unenforceable for any reason whatsoever, all other provisions of this Agreement shall, nevertheless, continue in full force and effect.

(e) If the Purchaser should die, become incompetent, or be permanently incapacitated prior to his acquisition of title to the Unit Week(s), the Seller reserves the right to return to the Purchaser's estate or legal representative the sums paid by the Purchaser hereunder, and thereupon all rights of the Purchaser, his heirs, devisees, estate, and/or personal representative shall terminate without further liability on the part of the Seller.

(f) Seller has entered into an agreement with Sea Pines Plantation Company that provides the purchaser during the period of his lawful occupancy of the Villa pursuant to the MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, etc. be entitled to all of the privileges and access to and use of amenities owned or operated by Sea Pines Plantation Company on the same basis as is then accorded to other VillaShare Owners at Sea Pines Plantation. Purchaser acknowledges and covenants that his ownership of his Unit Week(s) shall not entitle him to access to the Villa other than during his Unit Week(s) as defined in the MASTER DEED DOCUMENTS and/or DECLARATION OF INTERVAL OWNERSHIP, etc. nor shall it entitle him to any club membership or other privileges generally accorded to the sole Owners of condominium units within Sea Pines Plantation. These covenants shall survive the closing of the sale contemplated herein.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

TITLE TO REAL ESTATE
(INTERVAL OWNERSHIP)

THIS DEED, made this _____ day of _____, _____, by and between
AMERICAN RESORTS CAROLINA CORPORATION, a South Carolina Corporation, as Grantor, Parties
of the First Part, and
as Grantee(s), whose address is

_____, Parties of the Second Part.

WITNESSETH:

That the Grantor, in consideration of

(_____) DOLLARS to it

paid by Grantee(s), the receipt hereby acknowledged, has bargained and sold, and by
these presents does grant, bargain, sell and convey unto the aforesaid Grantee(s),
their heirs, successors and/or assigns, the following described property from 10:00 A. M.
on the first day until 10:00 A. M. on the last day assigned to said Grantee(s) during
the below described Unit Week(s) Number(s) as said Unit Week(s) is numbered and defined
in the Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations,
Conditions, Etc. recorded in the Office of the Clerk of Court for Beaufort County,
South Carolina in Deed Book _____ at Page _____ hereinafter described below, which
estate is to be succeeded forthwith by a succession of other estates in consecutive
and chronological order, revolving among the other unit weeks described in the aforesaid
Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations,
Conditions, Etc. in order annually, it being the intent of this instrument that each
Unit Week shall be considered a separate estate held separately and independently by
the respective owners thereof for and during the period of time assigned to each in
said Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations,
Conditions, Etc., each said estate being succeeded by the next in unending succession
governed by said Declaration of Interval Ownership, Rights, Restrictions, Affirmative
Obligations, Conditions, Etc. until 10:00 A. M. on the second Friday in 2040, at which
date said estate shall terminate.

TOGETHER with a remainder over in fee simple absolute, as tenant in common
with the other owners of all the unit weeks in the hereafter described Condominium
Unit in that percentage interest determined and established by the aforesaid
Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations,
Conditions, Etc. for the following described real estate located in the County of
Beaufort, State of South Carolina as follows:

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

TITLE TO REAL ESTATE
(INTERVAL OWNERSHIP)
JOINT TENANTS WITH RIGHT OF SURVIVORSHIP

THIS DEED, made this _____ day of _____, by and between
AMERICAN RESORTS CAROLINA CORPORATION, a South Carolina Corporation, as Grantor, Parties
of the First Part, and
as Grantee(s), whose address is

_____, Parties of the Second Part.

WITNESSETH:

That the Grantor, in consideration of

(_____) DOLLARS to it

paid by Grantee(s), the receipt hereby acknowledged, has bargained and sold and by
these presents does grant, bargain, sell and convey unto the aforesaid Grantee(s),
their heirs and assigns forever, as joint tenants with rights of survivorship and
not as tenants in common, the following described property from 10:00 A. M. on the
first day until 10:00 A. M. on the last day assigned to said Grantee(s) during the
below described Unit Week(s) Numbers(s) as said Unit Week(s) is numbered and defined
in the Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations,
Conditions, Etc. recorded in the Office of the Clerk of Court for Beaufort
County, South Carolina in Deed Book _____ at Page _____ hereinafter described below,
which estate is to be succeeded forthwith by a succession of other estates in
consecutive and chronological order, revolving among the other unit weeks described
in the aforesaid Declaration of Interval Ownership, Rights, Restrictions, Affirmative
Obligations, Conditions, Etc. in order annually, it being the intent of this instru-
ment that each Unit Week shall be considered a separate estate held separately
and independently by the respective owners thereof for and during the period of
time assigned to each in said Declaration of Interval Ownership, Rights, Restric-
tions, Affirmative Obligations, Conditions, Etc., each said estate being succeeded
by the next in unending succession governed by said Declaration of Interval Owner-
ship, Rights, Restrictions, Affirmative Obligations, Conditions, Etc. until 10:00 A. M.
on the second Friday in 2040, at which date said estate shall terminate.

TOGETHER with a remainder over in fee simple absolute, as tenant in common
with the other owners of all the unit weeks in the hereafter described Condominium
Unit in that percentage interest determined and established by the aforesaid Declara-
tion of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions,
Etc. for the following described real estate located in the County of Beaufort, State
of South Carolina as follows:

Unit Week(s) Number(s) _____ in Spicebush at
Sea Pines Horizontal Property Regime I, Phase _____, Unit _____, according
to the Declaration of Interval Ownership, Rights, Restrictions, Affirma-
tive Obligations, Conditions, Etc. thereof, as recorded in the Office
of the Clerk of Court for Beaufort County, South Carolina in Deed
Book _____ at Page _____. This being a portion of the property
acquired by the Grantor by deed from Woodbine Development Corporation
being dated the 16th day of August, 1978 and being recorded in the
Office of the Clerk of Court for Beaufort County, South Carolina in
Deed Book 268 at Page 1730.

This conveyance is subject to and by accepting this Deed the Parties of
the Second Part do hereby agree to assume the following:

1. Pro rata share of taxes for the current year and subsequent years.
2. Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions, Etc. for Spicebush at Sea Pines Horizontal Property Regime I, Phase _____ and Exhibits attached thereto, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book _____ at Page _____ and any amendment thereof.
3. Including but not limited to the following Covenants, Reservations, Conditions, Easements and Restrictions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 124 at Page 35 as amended in Deed Book 168 at Page 54, Deed Book 206 at Page 560, Deed Book 211 at Page 1561, Deed Book 223 at Page 2048, Deed Book 224 at Page 475, Deed Book 224 at Page 1010, Deed Book 224 at Page 1036 as amended in Deed Book 232 at Page 937, Deed Book 234 at Page 1416, Deed Book 234 at Page 1833, Deed Book 236 at Page 1255, Deed Book 243 at Page 1683, Deed Book 255 at Page 1255, Deed Book 273 at Page 432, Deed Book 251 at Page 721, particularly Spicebush at Sea Pines, Horizontal Property Regime I, Phase _____ recorded in Deed Book _____ at Page _____ and any applicable amendments thereof.

The benefits and obligations hereunder shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto. The Grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

The plural number as used herein shall equally include the neuter.
The masculine or feminine gender as used herein shall equally include the neuter.

IN WITNESS WHEREOF, AMERICAN CAROLINA RESORTS CORPORATION, a South Carolina Corporation, has caused these presents to be signed in its name this

day of _____,

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

SELLER: AMERICAN RESORTS CAROLINA CORPORATION,
a South Carolina Corporation

By _____
Edwin H. McMullen, President

Attest: _____
Robert A. Miller, Secretary/
Treasurer

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me _____
who, on oath, says that s/he saw the within named AMERICAN RESORTS CAROLINA CORPORA-
TION, a South Carolina Corporation, by Edwin H. McMullen, its President sign the
within deed, and Robert A. Miller, its Secretary/Treasurer attest the same, and
the said Corporation by said officers, seal said deed, and, as its act and deed,
deliver the same and that s/he with _____
witnessed the execution thereof.

SWORN TO before me this _____
day of _____

(L.S.)

Notary Public for South Carolina
My Commission Expires: