

**SECOND AMENDMENT TO MASTER DEED OF  
REMINGTON FOREST HORIZONTAL PROPERTY REGIME  
(Original Master Deed Recorded In Book B-146 Page 198, Amended In Book S-153 Page 648)**

**TABLE OF CONTENTS**

**ARTICLE I MASTER DEED, EXHIBITS, AND SOUTH CAROLINA HORIZONTAL PROPERTY ACT ..... 7**

**ARTICLE II DEFINITIONS ..... 8**

**ARTICLE III PROPERTY DESCRIPTION; UNIT BOUNDARIES ..... 15**

**3.1 LEGAL DESCRIPTION ..... 15**

**3.2 BUILDING PLANS ..... 15**

**3.3 UNITS ..... 15**

**3.4 RESERVATION OF RIGHTS BY DECLARANT ..... 20**

**3.5 CO-OWNERS’ RIGHTS TO MAKE INTERIOR ALTERATIONS, ADDITIONS, OR IMPROVEMENTS TO UNITS ..... 23**

**ARTICLE IV OWNERSHIP AND COMMON ELEMENTS..... 24**

**4.1 OWNERSHIP, DESCRIPTION ..... 24**

**4.2 GENERAL COMMON ELEMENTS ..... 24**

**4.3 LIMITED COMMON ELEMENTS ..... 25**

**ARTICLE V UNIT AND COMMON ELEMENTS MAINTENANCE, UPKEEP, AND REPAIR..... 27**

**5.1 MAINTENANCE, UPKEEP, AND REPAIR RESPONSIBILITIES ..... 27**

**5.2 UNITS ..... 27**

**ARTICLE VI EASEMENTS ..... 32**

**6.1 UTILITIES ..... 33**

**6.2 SUPPORT AND QUIET ENJOYMENT..... 33**

**6.3 GENERAL REPAIRS..... 33**

**6.4 ENCROACHMENT..... 33**

**6.5 ACTUAL LOCATION CONTROLS ..... 33**

**6.7 PEST CONTROL ..... 34**

**6.8 COMMUNITY BULLETIN BOARD..... 34**

**6.9 DECLARANT EASEMENTS ..... 34**

**6.10 CONDITIONS, LIMITATIONS, ETC., OF RECORD ..... 34**

**6.11 GENERAL EASEMENT..... 34**

**ARTICLE VII OWNERS ASSOCIATION, CONDOMINIUM ADMINISTRATION ..... 35**

**7.1 THE “ASSOCIATION” - ADMINISTRATION OF THE CONDOMINIUM..... 35**

**7.2 VOTING – CO-OWNERS OWNERSHIP SHARE EQUALS VOTING SHARE – EXHIBIT C ..... 35**

**7.3 TRANSFER OF CONTROL OF ASSOCIATION FROM DECLARANT TO CO-OWNERS ..... 36**

**7.4 ASSOCIATION RIGHTS AND RESTRICTIONS ..... 36**

**7.5 ACCOUNTS ..... 38**

**7.6 DEPOSITORY ..... 39**

**7.7 FIDELITY BONDS..... 39**

**7.8 FISCAL YEAR ..... 39**

**7.9 SEAL..... 39**

**7.10 “MEMBER”, MEMBERSHIP, AND CO-OWNER PARTICIPATION IN ASSOCIATION ..... 39**

**7.11 CO-OWNER’S PERCENTAGE - UNDIVIDED SHARE IN CONDOMINIUM, AMOUNT OF COMMON EXPENSES, VOTING POWER..... 39**

**7.12 UNITS AND UNDIVIDED SHARES INSEPARABLE..... 40**

7.13	RULES, REGULATIONS, AND USE RESTRICTIONS.....	40
7.14	LIABILITY OF ASSOCIATION, BOARD, AND DECLARANT.....	40
7.15	PARLIAMENTARY RULES.....	41
7.16	PROSPECTIVE PURCHASERS.....	41
<b>ARTICLE VIII BUDGET AND ASSESSMENTS.....</b>		<b>41</b>
8.1	COMPUTATION OF OPERATING EXPENSE BUDGET AND ASSESSMENT.....	41
8.2	SPECIAL ASSESSMENTS.....	41
8.3	CAPITAL RESERVE PORTION OF BUDGET AND CONTRIBUTION.....	42
8.4	BUDGET DETAILS.....	43
8.5	STATEMENT OF ACCOUNT.....	43
8.6	COMMON SURPLUS FUNDS AND COMMON PROFITS.....	43
8.7	DATE OF COMMENCEMENT OF ASSESSMENTS.....	44
8.8	BUDGET DEFICITS DURING DECLARANT CONTROL PERIOD.....	44
8.9	RESERVE ACCOUNT CONTRIBUTION BY PURCHASERS OF UNITS.....	44
8.10	ASSESSMENTS.....	44
8.11	ASSESSMENT PROCEDURE.....	45
8.12	LIABILITY FOR ASSESSMENTS.....	45
8.13	COLLECTION OF ASSESSMENTS AND OTHER CHARGES.....	45
8.14	NO EXCEPTIONS FROM ASSESSMENTS.....	48
8.15	LIEN SUBORDINATE TO MORTGAGE LIEN.....	49
8.16	BOARD'S RIGHT TO ASSIGN OR NOT TO SPEND ASSESSMENTS.....	49
8.17	PERSONAL OBLIGATION OF CO-OWNER, ETC.....	49
<b>ARTICLE IX COVENANTS AND AGREEMENTS.....</b>		<b>49</b>
9.1	NO PARTIAL CONVEYANCE.....	49
9.2	IMPROPER USE OF UNIT PROHIBITED.....	50
<b>ARTICLE X INSURANCE.....</b>		<b>50</b>
10.2	PHYSICAL DAMAGE INSURANCE.....	51
10.3	LIABILITY INSURANCE.....	52
10.4	OTHER INSURANCE.....	53
10.5	SEPARATE INSURANCE.....	53
10.6	INSURANCE TRUSTEE.....	53
10.7	PREMIUMS.....	54
10.8	BOARD IS AGENT.....	54
10.9	PROCEEDS.....	54
10.10	PROCEEDS DISTRIBUTED.....	54
10.11	RELIANCE ON RECORDS.....	55
<b>ARTICLE XI RECONSTRUCTION OR REPAIR AFTER CASUALTY.....</b>		<b>55</b>
11.1	RECONSTRUCTION DETERMINATION.....	55
11.2	RECONSTRUCTION WAIVED.....	55
11.3	CO-OWNER'S RESPONSIBILITY TO REPAIR.....	56
11.4	DAMAGE ESTIMATES.....	56
11.5	RECONSTRUCTION OR REPAIR PER PLANS AND SPECIFICATIONS.....	56
11.6	DISBURSEMENT OF CONSTRUCTION FUNDS.....	56
<b>ARTICLE XII MORTGAGES, RIGHTS OF LENDERS.....</b>		<b>57</b>
12.1	NOTICE TO ASSOCIATION.....	57
12.2	NOTICE OF DEFAULT, CASUALTY, OR CONDEMNATION.....	58
12.3	NOTICE OF AMENDMENT OF CONDOMINIUM INSTRUMENT.....	58

12.4	NOTICE OF CHANGE IN MANAGING AGENT .....	58
12.5	MORTGAGEES' APPROVALS.....	58
12.6	OTHER RIGHTS OF MORTGAGEES .....	59
<b>ARTICLE XIII NON-LIABILITY AND INDEMNITY OF ASSOCIATION, BOARD, AND OFFICERS .....</b>		<b>59</b>
13.1	DIRECTOR OR OFFICER.....	60
13.2	DIRECTOR, OFFICER, AND AGENT INDEMNIFICATION.....	60
<b>ARTICLE XIV ALTERATIONS AND MODIFICATIONS OF UNITS OR COMMON ELEMENTS .....</b>		<b>60</b>
14.1	REQUIREMENTS FOR ALTERATIONS AND MODIFICATIONS .....	60
14.2	MEMBERS' AND DECLARANT'S RIGHTS, COST OF ALTERATIONS AND MODIFICATIONS .....	60
<b>ARTICLE XV FAILURE TO COMPLY WITH CONDOMINIUM INSTRUMENTS.....</b>		<b>60</b>
15.1	COMPLIANCE.....	60
15.2	CO-OWNER LIABILITY .....	61
15.3	COST AND EXPENSES.....	61
15.4	NO WAIVER.....	61
<b>ARTICLE XVI AMENDMENT OF MASTER DEED, CHARTER, AND BYLAWS .....</b>		<b>61</b>
16.1	RESERVATION OF RIGHTS .....	61
16.2	VOTE TO AMEND MASTER DEED.....	61
16.3	AMENDMENT OF CHARTER AND BYLAWS.....	62
16.4	MORTGAGEES' AND DECLARANT'S RIGHTS .....	62
16.5	CHANGING UNIT'S PROPORTIONAL OWNERSHIP.....	62
<b>ARTICLE XVII EMINENT DOMAIN .....</b>		<b>62</b>
17.1	GENERAL .....	62
17.2	COMMON ELEMENTS AND LIMITED COMMON ELEMENTS .....	62
17.3	UNITS.....	63
<b>ARTICLE XVIII CONDITIONS OF TITLE .....</b>		<b>63</b>
18.1	CONDITIONS OF TITLE .....	63
<b>ARTICLE XIX TERMINATION.....</b>		<b>63</b>
19.1	TERMINATION OF CONDOMINIUM .....	63
<b>ARTICLE XX UNIT RESALE AND LEASING RESTRICTIONS.....</b>		<b>63</b>
20.1	RESALE AND LEASING RESTRICTIONS.....	63
20.2	RESALE - CO-OWNER SHALL ABIDE BY TERMS OF CONTRACT OF SAL.....	64
20.3	ALL REALES REQUIRE THE FOLLOWING.....	64
20.4	LEASING PERMITS.....	65
20.5	HARDSHIP LEASING PERMITS .....	65
20.6	LEASING PROVISIONS.....	65
20.7	ARTICLE DOES NOT APPLY TO DECLARANT, ASSOCIATION, OR MORTGAGEE.....	67
20.8	EXCLUSIONS .....	68
<b>ARTICLE XXI GENERAL PROVISIONS.....</b>		<b>68</b>
21.1	SECURITY .....	68
21.2	DISPUTE RESOLUTION.....	68

21.3	SUCCESSOR DECLARANTS .....	68
21.4	DISCLOSURES.....	69
<b>ARTICLE XXII TIMESHARING PROHIBITED.....</b>		<b>71</b>
22.1	"TIME SHARING", "VACATION SHARING".....	71
<b>ARTICLE XXIII MISCELLANEOUS .....</b>		<b>71</b>
23.1	SEVERABILITY .....	71
23.2	CAPTIONS .....	71
23.3	NO OBLIGATIONS .....	71
23.4	PROVISIONS OF MASTER DEED.....	72
23.5	COMPLIANCE WITH ACT .....	72
23.6	MORTGAGEE PRIORITY .....	72
23.7	INSPECTION OF RECORDS.....	72
23.8	AD VALOREM TAXES.....	72
23.9	ASSIGNMENT OF WARRANTIES .....	72
23.10	DISCLAIMER .....	72
23.11	SINGULAR OR PLURAL AND GENDER.....	73
23.12	SUBMERGED LAND .....	73
23.13	COVENANTS RUNNING WITH THE LAND.....	73
23.14	DURATION; RULE AGAINST PERPETUITIES.....	73
23.15	CONSTRUCTION .....	74
<b>ARTICLE XXIV RULES, REGULATIONS, AND USE RESTRICTIONS.....</b>		<b>74</b>
24.01	RULES, REGULATIONS, AND USE RESTRICTIONS .....	74
24.02	NO "BUSINESSES" IN UNITS .....	75
24.03	MAXIMUM NUMBER OF PEOPLE TO RESIDE IN UNITS .....	76
24.04	STRUCTURES, BUILDINGS, ETC., ON GENERAL OR LIMITED COMMON ELEMENTS.....	76
24.05	USE OF COMMON ELEMENTS INCLUDING AMENITIES .....	76
24.06	USE OF LIMITED COMMON ELEMENTS – ATTICS, STORAGE SPACES, AND PORCHES.....	77
24.07	PROHIBITION ON NOISE, DANGEROUS OR DESTRUCTIVE ACTIVITIES, AND NUISANCE.....	78
24.08	FIREARMS AND FIREWORKS .....	79
24.09	PETS AND OTHER ANIMALS.....	79
24.10	PARKING AND PROHIBITED VEHICLES .....	80
24.11	HEATING OF UNITS IN COLDER MONTHS .....	82
24.12	SIGNS.....	82
24.13	RUBBISH, TRASH, AND GARBAGE.....	82
24.14	UNSIGHTLY OR UNKEMPT CONDITIONS – FLAGS, ETC. ....	82
24.15	GARAGE SALES.....	82
24.16	WINDOW TREATMENTS.....	83
24.17	ANTENNAS AND SATELLITE DISHES .....	83
24.18	GRILLING .....	83
24.19	ABANDONED PERSONAL PROPERTY .....	83
24.20	DECLARANT SALE PERIOD.....	84
24.21	MOVE IN/MOVE OUT .....	84
24.22	UNIT AND COMMON ELEMENT CONDITION.....	84
24.23	PASS KEY TO EACH UNIT .....	85
24.24	POOL RULES.....	85
24.25	BACKYARD RULES .....	85
24.26	FENCE RULES.....	88

<b>EXHIBIT A</b>	<b>PROPERTY DESCRIPTION</b>
<b>EXHIBIT B</b>	<b>PLAT &amp; SITE PLAN, EXISTING FENCES, FENCE OPTIONS</b>
<b>EXHIBIT C</b>	<b>PERCENTAGE OF OWNERSHIP AND VALUE OF COMMON ELEMENTS PER UNITS</b>
<b>EXHIBIT D</b>	<b>ARTICLES OF INCORPORATION REMINGTON FOREST CONDOMINIUM ASSOC.</b>
<b>EXHIBIT E</b>	<b>BYLAWS OF REMINGTON FOREST CONDOMINIUM ASSOCIATION, INC. (FIRST AMENDMENT)</b>

**SECOND AMENDMENT TO MASTER DEED OF  
REMINGTON FOREST HORIZONTAL PROPERTY REGIME  
(Original Master Deed Recorded In Book B-146 Page 198, Amended In Book S-153 Page 648)**

**WHEREAS**, by Master Deed, recorded in Book B-146, at Page 198, dated June 18, 1985, of the Remington Forest, a S.C. Partnership, (the "Original Master Deed") a horizontal regime was established for REMINGTON FOREST HORIZONTAL PROPERTY REGIME (the "Property" or the "Regime"), said Original Master Deed, and all exhibits thereto, was duly recorded in the Record Office for Charleston County, South Carolina;

**WHEREAS**, by Amendment to Master Deed, dated April 4, 1986, of the Remington Forest, a S.C. Partnership, (the "First Amendment") the Original Master Deed was amended, the First Amendment was duly recorded in the Record Office for Charleston County, South Carolina, in Book S-153, at Page 648;

**WHEREAS**, Remington Forest, a S.C. Partnership, sold, transferred, and released all its right, title, and interest in Remington Forest Horizontal Property Regime to Summatyme Corporation, a North Carolina corporation, by Deed (Master in Equity Foreclosure Master Deed) recorded in the Record Office for Charleston County, South Carolina, in Book A-278, at Page 756;

**WHEREAS**, Summatyme Corporation, a North Carolina corporation, sold, transferred, and released all its right, title, and interest in Remington Forest Horizontal Property Regime to RF, Inc., a South Carolina corporation, by Deed recorded in the Record Office for Charleston County, South Carolina, in Book H-290, at Page 013;

**WHEREAS**, RF, Inc., a South Carolina corporation, sold, transferred, and released all its right, title, and interest in Remington Forest Horizontal Property Regime to RF, LLC, a South Carolina limited liability company, by Deed recorded in the Record Office for Charleston County, South Carolina, in Book X-526, at Page 132;

**WHEREAS**, RF, LLC, a South Carolina limited liability company, sold, transferred, and released all its right, title, and interest in Remington Forest Horizontal Property Regime to RF II, LLC, a South Carolina limited liability company, by Deed recorded in the Record Office for Charleston County, South Carolina, in Book H 552, at Page 148;

**NOW THEREFORE**, the Original Master Deed and First Amendment are hereby amended by this Second Amendment to Master Deed of Remington Forest Horizontal Property Regime (hereinafter referred to as the "Master Deed"), dated April 1, 2006, by **RF II, LLC**, a South Carolina limited liability company (hereinafter called "Declarant"), who does hereby declare as follows:

**ARTICLE I**  
**MASTER DEED, EXHIBITS, AND SOUTH CAROLINA HORIZONTAL PROPERTY ACT**

Remington Forest Horizontal Property Regime shall hereafter be referred to as the "Property" or

the "Regime". Any portions of the Original Master Deed and First Amendment not amended herein remain in effect. The provisions of the South Carolina Horizontal Property Act, Section 27-31-10, et sec., as stated in 2005 (the "Act"), unless expressly provided otherwise herein, are incorporated by reference and form a part of this Master Deed. All exhibits hereto are incorporated by reference and form a part of this Master Deed.

Each Co-Owner shall comply strictly with this Master Deed, the Bylaws, and with the administrative rules, regulations, and use restrictions adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Master Deed. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the Association, the Board, or other form of administration specified in this Master Deed, the Bylaws, or on behalf of the Association, or in a proper case, by an aggrieved Co-Owner.

## **ARTICLE II** **DEFINITIONS**

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

**2.1** "**Act**" means the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, (1976), as stated in 2005.

**2.2** "**Appurtenant Interest**" means: (a) the undivided interest in the Common Elements appurtenant to a Unit; (b) the interest of a Co-Owner in any Unit acquired by the Association or its designee on behalf of all Co-Owners or the proceeds of the sale or lease thereof, if any; and (c) the interest of a Co-Owner in any other right, right of membership, claim, cause of action, or asset of the Property or the Association.

**2.3** "**Assessment**" means a Co-Owner's pro rata share of the Common Expenses, which, from time to time, is assessed against a Co-Owner by the Association or "special" Assessment. A Co-Owner's Common Expenses shall include, all annual and applicable special "assessments" calculated by the Board, and will include if owed by any Co-Owner, interest on unpaid Assessments, unpaid non-electronic transfer fee, unpaid late Assessment charge, unpaid maintenance repair or replacement on Co-Owner's Unit neglected by Co-Owner and undertaken by the Association, unpaid transfer fee upon the purchase of a Unit, unpaid contribution to working capital fund upon closing the purchase of a Unit, and reasonable fines imposed by the Board for violation of the rules, regulations, and use restrictions.

**2.4** "**Association**" means the Council of Co-Owners as defined in the Act and Remington Forest Condominium Owners Association, Inc., the corporate form by which the Co-Owners as the Association shall operate the Condominium.

**2.5** "**Board**" means the Board of Directors of the Association.

**2.6** "**Building 1321**" means the structure designated on Exhibit B as Building 1321, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.7** **"Building 1322"** means the structure designated on Exhibit B as Building 1322, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.8** **"Building 1326"** means the structure designated on Exhibit B as Building 1326, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.9** **"Building 1330"** means the structure designated on Exhibit B as Building 1330, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.10** **"Building 1334"** means the structure designated on Exhibit B as Building 1334, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.11** **"Building 1335"** means the structure designated on Exhibit B as Building 1335, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.12** **"Building 1338"** means the structure designated on Exhibit B as Building 1338, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.13** **"Building 1342"** means the structure designated on Exhibit B as Building 1342, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.14** **"Building 1343"** means the structure designated on Exhibit B as Building 1343, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.15** **"Building 1346"** means the structure designated on Exhibit B as Building 1346, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.16** **"Building 1350"** means the structure designated on Exhibit B as Building 1350, consisting of two (2) two story Units, "A" and "B", "A" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms, and "B" with three (3) bedrooms and two (2 ) bathrooms.

**2.17** **"Building 1351"** means the structure designated on Exhibit B as Building 1351, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.18** **"Building 1354"** means the structure designated on Exhibit B as Building 1354, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms,

and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.19** "**Building 1355**" means the structure designated on Exhibit B as Building 1355, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.20** "**Building 1358**" means the structure designated on Exhibit B as Building 1358, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms and "B" with two and one-half (2 1/2) bathrooms.

**2.21** "**Building 1359**" means the structure designated on Exhibit B as Building 1359, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.22** "**Building 1362**" means the structure designated on Exhibit B as Building 1362, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.23** "**Building 1366**" means the structure designated on Exhibit B as Building 1366, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.24** "**Building 1370**" means the structure designated on Exhibit B as Building 1370, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.25** "**Building 1371**" means the structure designated on Exhibit B as Building 1371, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.26** "**Building 1374**" means the structure designated on Exhibit B as Building 1374, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.27** "**Building 1375**" means the structure designated on Exhibit B as Building 1375, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.28** "**Building 1378**" means the structure designated on Exhibit B as Building 1378, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.29** "**Building 1379**" means the structure designated on Exhibit B as Building 1379, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.30** "**Building 1382**" means the structure designated on Exhibit B as Building 1382,

consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.31** **"Building 1386"** means the structure designated on Exhibit B as Building 1386, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.32** **"Building 1387"** means the structure designated on Exhibit B as Building 1387, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.33** **"Building 1390"** means the structure designated on Exhibit B as Building 1390, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.34** **"Building 1394"** means the structure designated on Exhibit B as Building 1394, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.35** **"Building 1398"** means the structure designated on Exhibit B as Building 1398, consisting of two (2) two story Units, "A" and "B", "A" with three (3) bedrooms and two (2) bathrooms, and "B" with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

**2.36** **"Building 1399"** means the structure designated on Exhibit B as Building 1399, consisting of two (2) two story Units, "A" and "B", each with three (3) bedrooms, and "A" with two (2) bathrooms, and "B" with two and one-half (2 1/2) bathrooms.

**2.37** **"Bylaws"** means the Bylaws of the Association as they exist from time to time attached hereto as Exhibit E.

**2.371** **"Charter"** means the corporate documents of the Association.

**2.38** **"Class A"** and **"Class B"** Limited Common Elements - Limited Common Elements are divided into two (2) classes, the first, **"Class A"** Limited Common Elements, are those the Association will repair and maintain as if they were General Common Elements, and the second, **"Class B"** Limited Common Elements, are those the responsibility of repair, replacement, and maintenance belongs to the Co-Owner(s) of the Unit(s) to which the Class B Limited Common Element is assigned. The Association shall have the right, but not the duty or the obligation, to conduct periodic inspections of Class B Limited Common Elements.

**2.39** **"Common Elements"** means all of the real and personal property, fixtures and equipment within the Condominium, excluding the Units, and specifically including both the General Common Elements and Limited Common Elements, as defined in this Master Deed and in the Act.

**2.40** **"Common Expenses"** means the expenses for which the Co-Owners are liable to the Association including, without limitation:

- (a) All expenses incident to the administration, maintenance, insurance, repair, or replacement of the General Common Elements, any Limited Common Elements which are the express responsibility of the Association, and of the portions of Units which are the responsibility of the Association, if any;
- (b) Expenses determined by the Association to be Common Expenses;
- (c) Expenses in this Master Deed and/or its Exhibits denominated as Common Expenses; and
- (d) Any other expenses declared by the Act to be Common Expenses, not otherwise designated herein.

**2.41** "Common Surplus" or "Profits" means the excess of all receipts of the Association over and above the amount of Common Expenses and not otherwise reserved or designated for a specific use.

**2.42** "Condominium" means (i) all the lands and premises located or to be located within the Property which are submitted under the Act; (ii) all improvements now or hereinafter constructed in, upon, over, or through such lands and premises; (iii) all rights, streets, roads, privileges, and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of the Original Master Deed , the First Amendment, and amended in this Master Deed.

**2.43** "Condominium Instruments" means this Master Deed and its Exhibits, including the Bylaws, recorded and filed pursuant to the provisions of the Act. Any exhibit, schedule, or certification accompanying a Condominium Instrument and recorded or filed simultaneously therewith shall be deemed an integral part of that Condominium Instrument. To the extent permitted by law, any amendment or certification of any Condominium Instrument, whether or not such amendment or certification was made in accordance with the provisions of the Act, shall be deemed a Condominium Instrument.

**2.44** "Co-Owner" means the Person or collectively, the Persons, owning a Unit and the appurtenant undivided interest in the Common Elements specified and established in the Master Deed, and the heirs, executors, administrators, successors, and assigns of such Person. All Co-Owners belong to the Association, but not necessarily shall all Co-Owners have continuous voting rights in certain Association decisions because failure to pay Assessments shall keep a Co-Owner from being eligible for certain votes of the Association until such failure to pay is cured. Each Unit has one Co-Owner.

**2.45** "Declarant" is defined as **RF II, LLC**, a South Carolina limited liability company.

**2.46** "Declarant Control Period" means the period further described herein when the Declarant has among other powers, the power to appoint the Board and Officers of the Association. The Declarant Control Period terminates on the date of the first meeting of the Association occurring after the earlier of **i**) the third (3rd) anniversary of the date the first Unit is sold by the Declarant, **ii**) six (6) months after the date the Declarant has sold seventy-five percent (75%) of the Units in the Condominium,

or **iii**) the date Declarant gives the Association written notice that the Declarant Control Period is terminate. The period from the date of incorporation of the Association as Remington Forest Condominium Owners Association, Inc., to earliest of the above three (3) circumstances is the "Declarant Control Period".

**2.47** **"Exhibits"** means the exhibits to this Master Deed, as they may be amended from time to time. Exhibits are : **Exhibit A** – Property Description; **Exhibit B** – Plat, Site Plan, Floor Plans, Backyard Fences, Allowed Fence Extensions and Additions; **Exhibit C** - Percentages of Ownership; **Exhibit D** – Articles of Incorporation of the “Association” (Remington Forest Condominium Owners Association, Inc.); **Exhibit E** – the Bylaws.

**2.48** **"General Common Elements"** means all elements of the Property rationally of common use or necessary to its existence, upkeep, and safety not included in a Unit or designated as a Limited Common Element, as more particularly described in Article V of this Master Deed.

**2.49** **"Improvements"** means any construction on or in any land included in the Property.

**2.50** **"Limited Common Elements"** means those Common Elements which are appurtenant to and reserved for the use of a single Unit or a certain number of Units to the exclusion of other Units. Limited Common Elements are divided into two (2) classes, the first, “**Class A**” Limited Common Elements, are those that the Association will repair and maintain as if they were General Common Elements, and the second, “**Class B**” Limited Common Elements, are those for which the responsibility of repair, replacement, and maintenance belongs to the Co-Owner(s) of the Unit(s) to which the Class B Limited Common Element is assigned.

**2.51** **"Majority"** when referring to a vote of Co-Owners or Members, as the case may be, means the number owning more than fifty-one percent (51%) of the basic value of the Common Elements as shown on Exhibit C hereto (when “Members” are concerned, it is fifty-one percent (51%) of the basic value of the Common Elements of the total Co-Owners classified hereunder as Members). Any specified percentage, portion, or fraction of Co-Owners, or of mortgagees, unless otherwise stated in the Condominium Instruments, means such percentage, portion, or fraction in the aggregate of such voting power.

**2.52** **"Manager"** or **"Managing Agent"** means the person, firm, LLC, or corporation, if any, employed or engaged to perform management services for the Property and the Association.

**2.53** **"Master Deed"** means this Second Amendment to Master Deed and all Exhibits attached hereto plus any portion of the original Master Deed and First Amendment to Master Deed not amended by this Second Amendment to Master Deed.

**2.54** **"Member"** means the status given to all Co-Owners who are current on their payments of Common Expenses, including Assessments. Except for votes to change the percentages of ownership interest in the Property (stated in Exhibit C hereto - also referred to as the basic value of the Common Elements), voting on Association and Property matters is a privilege shared only by Co-Owners with the status of Member. The status of “Member” is also referred to herein in terms of “Membership”.

**2.55** **"Members' Vote"** means the vote of Co-Owners that qualify as “Members”

because they are current on their payments of Common Expenses, including Assessments plus votes attributable to Declarant (and the consent of Declarant is required as long as the Declarant Control Period lasts). The terms “majority” or “67%” as used herein, unless specifically stated to the contrary in the contents of the particular voting provision, mean fifty-one percent (51%) or sixty-seven (67%) percent of the basic value of the Common Elements (the percentage of ownership interest in the Property as stated in Exhibit C) of the total Co-Owners classified as Members present and eligible to vote at the meeting once a Quorum is established (present may be by proxy or any other form as provided herein or the Bylaws).

**2.56** **"Mortgagee"** means an individual, 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, the Declarant, any of its affiliates, and any lender, having a lien on the Property or any part or parts thereof.

**2.57** **"Occupant"** means any natural person or persons occupying a Unit.

**2.58** **"Person"** means an individual, corporation, partnership, association, trustee, limited liability company, other entity, or any combination thereof.

**2.59** **"Property"** means that property shown as contained within the condominium regime, as described in the Exhibits hereto and including the land, whether leasehold or in fee simple and whether or not submerged, and the Buildings, all improvements and all structures thereon, and all easements, rights, and appurtenances belonging thereto and subject to all easements, rights-of-way, and rights of use as described herein, in the Exhibits and/or of record. Property includes (i) all the lands and premises located or to be located within the Condominium which are submitted under the Act; (ii) all improvements now or hereinafter constructed in, upon, over, or through such lands and premises; (iii) all rights, streets, roads, privileges, and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of the Original Master Deed, the First Amendment, and amended in this Master Deed.

**2.60** **"Quorum"** A quorum at Association meetings shall consist of Co-Owners in person or by proxy, owning fifty-one (51%) or more of the basic value of the Property, as set forth in Exhibit C hereto as a percentage ownership of the common elements. If a quorum is present, the acts approved by the Co-Owners or Members, as the case may be, owning a majority of the total basic value of the Property present at the meeting, shall constitute a decision of the Co-Owners or Members, as the case may be, and shall be binding upon the Co-Owners, provided, however, 1) if this Master Deed or the Bylaws state a certain numerical percentage is required then that percentage of the eligible voters of the Quorum controls, and 2) if approval by a set percentage of all Co-Owners or all Members is required by the Act, the Master Deed, the Charter, or these Bylaws for any specific decision, then that percentage of all Co-Owners or all Members is required and these Quorum rules do not apply.

**2.61** **"Reserves or Common Reserves"** means reasonable reserves provided for in the Condominium Instruments or agreed upon by the Association in accordance with the Master Deed and Bylaws, including, but not limited to, funds for repair, replacement, or addition to the Common Elements or any other real or personal property acquired or held by the Association.

**2.62** "Trustee" means the Association's Trustee, for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources.

**2.63** "Unit" means a part of the Property intended for residential use and to be owned in fee simple by the Co-Owners.

**2.64** "Utility Systems" means all utility systems including, but not limited to, electric power, gas, hot and cold water, heating, refrigeration, air-conditioning, garbage and sewage disposal, and cable television and shall include pipes, wires, conduits, ducts, etc.

### **ARTICLE III** **PROPERTY DESCRIPTION; UNIT BOUNDARIES**

**3.1** Legal Description. The lands which form the Property are located in the City of Mt. Pleasant, County of Charleston, South Carolina, and are described on Exhibit A attached hereto and incorporated herein by reference.

**3.2** Building Plans. Located on the above-described parcel of land are certain improvements, more particularly shown and delineated on the plat, site plan, and floor plans attached hereto as Exhibit B, said Exhibit B being incorporated herein by reference. The exterior of the Buildings are covered with vinyl veneer. Together with this Master Deed, Exhibit B constitutes a graphic description of all Units, including their identification numbers, locations, areas and dimensions, and all Common Elements (General and Limited), their relative locations and approximate dimensions.

**3.3** Units. The Property is divided vertically and horizontally into 62 freehold estates consisting of thirty-one (31) two-story residential townhouse Buildings each containing two (2) Units and each Unit having its own upstairs and downstairs. Each such freehold estate (each Unit) shall share in the Common Elements appurtenant to each Unit or Building, hereinbefore and hereinafter more particularly described, and as shown on Exhibit B attached hereto (which includes floor plans of the different Unit types). Said Exhibit reasonably delineate the approximate dimensions, area, and location of the Units in the Buildings and the Common Elements. For purposes of identification, each Unit is identified by a Building number and Unit letter. No two (2) Units have the same Building number and Unit letter. Each Unit includes that part of the structure, which lies within the following boundaries:

(a) Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be the vertical planes formed by the innermost (closest to the interior of the Unit) surface of the studs, supports, or other structural material in the walls separating the Unit from the outside and in the common wall between the Units, and the outer surfaces of the exterior doors and windows including screens. The finished portions of the walls, including wall board, drywall, or other material, from the innermost (closest to the interior of the Unit) surface of the studs is part of the Unit. Common walls separating Units between the two surfaces of the studs, supports, or other structural material in the walls are Class A Limited Common Elements appurtenant to the two adjacent Units separated by such wall.

(b) **Horizontal Boundaries.** The upper horizontal boundary of each Unit shall be the horizontal planes formed by the innermost surface of the beams and joist in the second floor ceiling of the Units and in the first floor ceilings when they are immediately below a roof (said second floor ceilings and first floor ceilings are referred to hereafter as “Outer Ceilings”), with the wallboard, drywall, or other material from the innermost surface of the studs in the outer ceilings being part of the Units. Also part of the Units are the entrance systems, wooden framing, and hardware comprising the attic fold down stairs above each Unit. The lower horizontal boundary of the Units is the unfinished surfaces of their ground level floors (specifically including flooring material such as tile, vinyl, hardwood, or other material). Those portions of outside walls and Outer Ceilings not part of the Unit are Class A Limited Common Elements of the Units to which they are closest. The attic above each Unit is Class B Limited Common Elements of the Unit it is above. Building roofs, including the support truss, sub roof materials, and roofing, are Class A Limited Common Elements of the Units to which they are closest.

(c) **Additional Information to Interpret Unit Boundaries.** Entry doors, exterior glass surfaces, including, but not limited to, windows and glass doors, and window and door screens serving the Unit shall be included within the boundaries of the Unit. Interior non-load bearing portions of walls contained within the boundaries of each Unit, together with all interior doors, window panes, window frames, screens, light fixtures, installed bathroom and kitchen appliances are part of the Unit. The utility shed attached to the rear of each Unit and the wall adjoining with the kitchen closet are both part of the Unit. Heating and air conditioning systems serving a single Unit (including any part of any such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit shall be part of the Unit. All electric wiring, electric fixtures, lighting fixtures, plumbing lines, and plumbing fixtures heating and hot water and air conditioning apparatus exclusively serving a Unit whether or not located within the boundaries of a Unit are included in the Unit.

Specifically excluded from each Unit are the following if load-bearing, columns, studs, or beams, located within the area bounded by the perimetric walls of a Unit and these are Class A Limited Common Elements.

The Co-Owner of each Unit shall be responsible for maintenance, upkeep, and repair of the Unit and the payment of his share of the expenses of the Common Elements subject to rules, regulations, covenants, and conditions set forth or incorporated herein by reference. Each Unit shall include all Utility Systems installed in the Unit which are intended for the sole and exclusive use of the Unit. Except any chimney, fireplace flue, damper, and chimney cap shall not be deemed part of a Unit, but shall be considered a Class B Limited Common Element assigned to the Unit it serves and all repair, cleaning, and maintenance is the responsibility of the Co-Owner, including periodic sweeping of the chimney. Any portion of a Utility System or other apparatus serving more than one Unit (e.g., pipes, wires, conduits, ducts) which is outside the Units are Class A Limited Common Elements of the Units they serve. Any structural members or portions of the Buildings and any fixtures or property within the Units which are not removable without jeopardizing the soundness, safety, or usefulness of another Unit, are Class A Limited

Common Elements of the Units they serve. Any portion of a Utility Systems serving only one Unit which is located outside the Unit, such as the HVAC unit serving each Unit, is located on Class B Limited Common Element appurtenant to that Unit, the maintenance and repair of said portion of a Utility Systems is the responsibility of the Co-Owner of the Unit.

In interpreting deeds and Plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original Plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or Floor Plan, regardless of settling or lateral movement of the Building in which the Unit was located, and regardless of minor variance between the boundaries shown on the Plans or in a deed and those of the Unit.

The ownership of each Unit shall include, and there shall pass with each Unit, whether or not separately described in the conveyance thereof, that percentage of the right, title, and interest in the Common Elements attributable to such Unit, together with Membership in the Association, and an undivided interest in the funds and assets held by the Association.

The Units are described as follows:

(1) **Unit 1321A** and **Unit 1321B** - the structure designated on Exhibit B as Building 1321, consisting of two (2) two story Units, Unit 1321A and Unit 1321B, each with three (3) bedrooms, "A" (TMS# 532-08-00-218) with two (2) bathrooms, and "B" (TMS# 532-08-00-217) with two and one-half (2 1/2) bathrooms.

(2) **Unit 1322A** and **Unit 1322B** - the structure designated on Exhibit B as Building 1322, consisting of two (2) two story Units, Unit 1322A and Unit 1322B, each with three (3) bedrooms, "A" (TMS# 532-08-00-207) with two (2) bathrooms, and "B" (TMS# 532-08-00-208) with two and one-half (2 1/2) bathrooms.

(3) **Unit 1326A** and **Unit 1326B** - the structure designated on Exhibit B as Building 1326, consisting of two (2) two story Units, Unit 1326A and Unit 1326B, each with three (3) bedrooms, "A" (TMS# 532-08-00-205) with two (2) bathrooms, and "B" (TMS# 532-08-00-206) with two and one-half (2 1/2) bathrooms.

(4) **Unit 1330A** and **Unit 1330B** - the structure designated on Exhibit B as Building 1330, consisting of two (2) two story Units, Unit 1330A and Unit 1330B, each with three (3) bedrooms, "A" (TMS# 532-08-00-203) with two (2) bathrooms, and "B" (TMS# 532-08-00-204) with two and one-half (2 1/2) bathrooms.

(5) **Unit 1334A** and **Unit 1334B** - the structure designated on Exhibit B as Building 1334, consisting of two (2) two story Units, Unit 1334A and Unit 1334B, each with three (3) bedrooms, "A" (TMS# 532-08-00-201) with two (2) bathrooms, and "B" (TMS# 532-08-00-202) with two and one-half (2 1/2) bathrooms.

(6) **Unit 1335A** and **Unit 1335B** - the structure designated on Exhibit B as

Building 1335, consisting of two (2) two story Units, Unit 1335A and Unit 1335B, each with three (3) bedrooms, “A” (TMS# 532-08-00-216) with two (2) bathrooms, and “B” (TMS# 532-08-00-215) with two and one-half (2 1/2) bathrooms.

(7) **Unit 1338A** and **Unit 1338B** - the structure designated on Exhibit B as Building 1338, consisting of two (2) two story Units, Unit 1338A and Unit 1338B, each with three (3) bedrooms, “A” (TMS# 532-08-00-199) with two (2) bathrooms, and “B” (TMS# 532-08-00-200) with two and one-half (2 1/2) bathrooms.

(8) **Unit 1342A** and **Unit 1342B** - the structure designated on Exhibit B as Building 1342, consisting of two (2) two story Units, Unit 1342A and Unit 1342B, “A” (TMS# 532-08-00-197) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-198) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(9) **Unit 1343A** and **Unit 1343B** - the structure designated on Exhibit B as Building 1343, consisting of two (2) two story Units, Unit 1343A and Unit 1343B, each with three (3) bedrooms, “A” (TMS# 532-08-00-214) with two (2) bathrooms, and “B” (TMS# 532-08-00-213) with two and one-half (2 1/2) bathrooms.

(10) **Unit 1346A** and **Unit 1346B** - the structure designated on Exhibit B as Building 1346, consisting of two (2) two story Units, Unit 1346A and Unit 1346B, each with three (3) bedrooms, “A” (TMS# 532-08-00-195) with two (2) bathrooms, and “B” (TMS# 532-08-00-196) with two and one-half (2 1/2) bathrooms.

(11) **Unit 1350A** and **Unit 1350B** - the structure designated on Exhibit B as Building 1350, consisting of two (2) two story Units, Unit 1350A and Unit 1350B, “A” (TMS# 532-08-00-193) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms, and “B” (TMS# 532-08-00-194)” with three (3) bedrooms and two (2) bathrooms.

(12) **Unit 1351A** and **Unit 1351B** - the structure designated on Exhibit B as Building 1351, consisting of two (2) two story Units, Unit 1351A and Unit 1351B, “A” (TMS# 532-08-00-228) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-227) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(13) **Unit 1354A** and **Unit 1354B** - the structure designated on Exhibit B as Building 1354, consisting of two (2) two story Units, Unit 1354A and Unit 1354B, “A” (TMS# 532-08-00-191) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-192) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(14) **Unit 1355A** and **Unit 1355B** - the structure designated on Exhibit B as Building 1355, consisting of two (2) two story Units, Unit 1355A and Unit 1355B, each with three (3) bedrooms, “A” (TMS# 532-08-00-226) with two (2) bathrooms, and “B” (TMS# 532-08-00-227) with two and one-half (2 1/2) bathrooms.

(15) **Unit 1358A** and **Unit 1358B** - the structure designated on Exhibit B as Building 1358, consisting of two (2) two story Unit 1358A and Unit 1358B, each with three (3)

bedrooms, “A” (TMS# 532-08-00-189) with two (2) bathrooms and “B” (TMS# 532-08-00-190) with two and one-half (2 1/2) bathrooms.

(16) **Unit 1359A** and **Unit 1359B** - the structure designated on Exhibit B as Building 1359, consisting of two (2) two story Units, Unit 1359A and Unit 1359B, “A” (TMS# 532-08-00-224) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-223) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(17) **Unit 1362A** and **Unit 1362B** - the structure designated on Exhibit B as Building 1362, consisting of two (2) two story Units, Unit 1362A and Unit 1362B, “A” (TMS# 532-08-00-187) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-188) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(18) **Unit 1366A** and **Unit 1366B** - the structure designated on Exhibit B as Building 1366, consisting of two (2) two story Units, Unit 1366A and Unit 1366B, each with three (3) bedrooms, “A” (TMS# 532-08-00-185) with two (2) bathrooms, and “B (TMS# 532-08-00-186)” with two and one-half (2 1/2) bathrooms.

(19) **Unit 1370A** and **Unit 1370B** - the structure designated on Exhibit B as Building 1370, consisting of two (2) two story Units, Unit 1370A and Unit 1370B, “A” (TMS# 532-08-00-183) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-184) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(20) **Unit 1371A** and **Unit 1371B** - the structure designated on Exhibit B as Building 1371, consisting of two (2) two story Units, Unit 1371A and Unit 1371B, each with three (3) bedrooms, “A” (TMS# 532-08-00-222) with two (2) bathrooms, and “B” (TMS# 532-08-00-221) with two and one-half (2 1/2) bathrooms.

(21) **Unit 1374A** and **Unit 1374B** - the structure designated on Exhibit B as Building 1374, consisting of two (2) two story Units, Unit 1374A and Unit 1374B, each with three (3) bedrooms, and “A” (TMS# 532-08-00-181) with two (2) bathrooms, and “B” (TMS# 532-08-00-182) with two and one-half (2 1/2) bathrooms.

(22) **Unit 1375A** and **Unit 1375B** - the structure designated on Exhibit B as Building 1375, consisting of two (2) two story Units, Unit 1375A and Unit 1375B, each with three (3) bedrooms, “A” (TMS# 532-08-00-220) with two (2) bathrooms, and “B” (TMS# 532-08-00-219) with two and one-half (2 1/2) bathrooms.

(23) **Unit 1378A** and **Unit 1378B** - the structure designated on Exhibit B as Building 1378, consisting of two (2) two story Units, Unit 1378A and Unit 1378B, “A” (TMS# 532-08-00-179) with three (3) bedrooms and two (2) bathrooms, and “B” (TMS# 532-08-00-180) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(24) **Unit 1379A** and **Unit 1379B** - the structure designated on Exhibit B as Building 1379, consisting of two (2) two story Units, Unit 1379A and Unit 1379B, each with three (3) bedrooms, “A” (TMS# 532-08-00-230) with two (2) bathrooms, and “B” (TMS# 532-08-00-229) with two and one-half (2 1/2) bathrooms.

(25) **Unit 1382A** and **Unit 1382B** - the structure designated on Exhibit B as Building 1382, consisting of two (2) two story Units, Unit 1382A and Unit 1382B, each with three (3) bedrooms, "A" (TMS# 532-08-00-177) with two (2) bathrooms, and "B" (TMS# 532-08-00-178) with two and one-half (2 1/2) bathrooms.

(26) **Unit 1386A** and **Unit 1386B** - the structure designated on Exhibit B as Building 1386, consisting of two (2) two story Units, Unit 1386A and Unit 1386B, each with three (3) bedrooms, "A" (TMS# 532-08-00-175) with two (2) bathrooms, and "B" (TMS# 532-08-00-176) with two and one-half (2 1/2) bathrooms.

(27) **Unit 1387A** and **Unit 1387B** - the structure designated on Exhibit B as Building 1387, consisting of two (2) two story Units, Unit 1387A and Unit 1387B, "A" (TMS# 532-08-00-212) with three (3) bedrooms and two (2) bathrooms, and "B" (TMS# 532-08-00-211) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(28) **Unit 1390A** and **Unit 1390B** - the structure designated on Exhibit B as Building 1390, consisting of two (2) two story Units, Unit 1390A and Unit 1390B, each with three (3) bedrooms, "A" (TMS# 532-08-00-173) with two (2) bathrooms, and "B" (TMS# 532-08-00-174) with two and one-half (2 1/2) bathrooms.

(29) **Unit 1394A** and **Unit 1394B** - the structure designated on Exhibit B as Building 1394, consisting of two (2) two story Units, Unit 1394A and Unit 1394B, each with three (3) bedrooms, "A" (TMS# 532-08-00-171) with two (2) bathrooms, and "B" (TMS# 532-08-00-172) with two and one-half (2 1/2) bathrooms.

(30) **Unit 1398A** and **Unit 1398B** - the structure designated on Exhibit B as Building 1398, consisting of two (2) two story Units, Unit 1398A and Unit 1398B, "A" (TMS# 532-08-00-043) with three (3) bedrooms and two (2 ) bathrooms, and "B" (TMS# 532-08-00-170) with two (2) bedrooms and one and two-half (1 & 2 1/2) bathrooms.

(31) **Unit 1399A** and **Unit 1399B** - the structure designated on Exhibit B as Building 1399, consisting of two (2) two story Units, Unit 1399A and Unit 1399B, each with three (3) bedrooms, "A" (TMS# 532-08-00-209) with two (2) bathrooms, and "B" (TMS# 532-08-00-210) with two and one-half (2 1/2) bathrooms.

**3.4 Reservation of Rights by Declarant.** Notwithstanding anything to the contrary herein, Declarant reserves the following rights, but shall have no obligation to do so, which rights may be exercised by Declarant without the vote or consent of the Association, the Board, any Co-Owner, Mortgagee, or purchaser of a Unit, as stated below:

- (a) **"Declarant Control Period."** Declarant reserves to itself a special membership in the Association for the period beginning on the date of incorporation of the Association as Remington Forest Condominium Owners Association, Inc., October 4, 2005, and ending on the date of the first meeting of the Association occurring after the Declarant Control Period terminates.

- (1) **Declarant Control Period Defined.** The Declarant Control Period terminates on the date of the first meeting of the Association occurring after the earlier of **i)** the third (3rd) anniversary of the date the first Unit is sold by the Declarant, **ii)** six (6) months after the date the Declarant has sold seventy-five percent (75%) of the Units in the Condominium, or **iii)** the date Declarant gives the Association written notice that the Declarant Control Period is terminate. The period from the date of incorporation of the Association as Remington Forest Condominium Owners Association, Inc., to earliest of the above three (3) circumstances is the "Declarant Control Period".
  - (2) **Right To Elect.** During the Declarant Control Period, Declarant shall have the right to elect all members of the Board of Directors of the Association, and approval of Declarant will be required for the merger, consolidation, or dissolution of the Association.
  - (3) **Operating Expense Deficit.** Notwithstanding anything to the contrary stated herein, during the Declarant Control Period, Declarant shall not be responsible for the payment of any type of Assessment. During the Declarant Control Period, Declarant shall pay to the Association the amount sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves) and the sum of the annual, special, and specific assessments collected by the Association in any fiscal year.
  - (4) **Declarant Consent for Members Vote.** Declarant must consent for any vote of the Members of the Association to control and be binding as long as the Declarant Control Period lasts.
  - (5) **Declarant May Remove Directors.** Declarant may remove or appoint any Board Directors without cause during the Declarant Control Period
- (b) **As Long As Declarant Owns a Unit Primarily for Sale.** Not withstanding anything thing herein to the contrary, Declarant reserves the following rights so long as Declarant owns a Unit primarily for sale and so long as the exercise of said rights by Declarant does not alter the percentage interest of any Co-Owner other than Declarant in the basic values established by this Master Deed (proportionate interests in the Common Elements and liabilities for Common Expenses) and set forth in Exhibit C hereto or alter any Co-Owners' Limited Common Elements (other than Declarants), without the consent of all Co-Owners and their Mortgagees.
- (1) **Alterations, Additions, Improvements.** Make alterations, additions or improvements, in, to, and upon Units owned by Declarant, whether structural or nonstructural, interior or exterior, ordinary or extraordinary;
  - (2) **Change Unit Layout.** Change the layout or number of rooms in any Unit owned by Declarant;

- (3) **Change Size or Number of Units.** Change the size and/or number of Units owned by Declarant by combining or subdividing Units;
- (4) **Reapportion Units.** Reapportion the proportionate interests in the Common Elements or liabilities for Common Expenses for Units owned by Declarant so long as it does not affect other Co-Owners;
- (5) **Common Elements.** Further change or move any and all portions of the now existing Common Elements;
- (6) **Improvements and Changes to Property.** Improvements and changes including, without limitation, addition of parking area and realignment of shape of parking spaces, addition and reconfiguration of storage spaces, renovation and installation of changes to utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors, the mail box building, pool and club house, and extension of the drives and utility lines and pipes located on the Property;
- (7) **Rules, Regulations, Use Restrictions.** Approve any addition, modification, alteration, or change in or to the rules, regulations, and use restrictions in this Master Deed.
- (8) **No Interference with Declarant's Sales of Units.** Until the Declarant has completed and closed the sales of all of the Units, neither the Co-Owners nor the Association shall interfere with the sale of the Units. The Declarant may make such use of the unsold Units and Common Elements as may facilitate such completion and the sale of such Units, including, but not limited to, maintenance of a sales office, the showing of the Property, and the display of signs, subject however to the terms of this Master Deed and the Exhibits hereto.
- (9) **Declarant may Contract with the Association.** Each Co-Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as this Property including, but not limited to, management services. Each Co-Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates, subject however to the terms of this Master Deed (see subparagraph (d) below).

Should the Declarant, in its sole discretion, decide to make any changes set forth above requiring to be stated in this Master Deed or its Exhibits, Declarant shall execute the appropriate amendment to this Master Deed reflecting such changes and the same shall be executed solely by the Declarant and recorded with the Records Office for Charleston County, South Carolina, together with such other exhibits relating thereto as the Declarant determines in its sole discretion to be necessary. Such amendment shall not require the consent of the Association or Co-Owners, Mortgagees, or purchasers of a Unit, so long as Declarant owns a Unit.

(c) **Amendment to Master Deed or Bylaws As Long As Declarant Owns a Unit Primarily for Sale.** Notwithstanding the foregoing, any amendment to the Master Deed or Bylaws shall require the written consent of Declarant until the date upon which the Declarant no longer owns any Unit primarily for sale. The Declarant reserves the right but does not have the duty to do so, as long as Declarant owns any Unit primarily for sale, to make any changes in the Master Deed and Bylaws as may be recommended by counsel (on the advice of counsel) or any title insurance company or any lending institution (including the Federal National Mortgage Association), or as may be required by law, and this includes supplementing the Exhibits hereto, provided that such changes do not increase a Co-Owner's percentage share of the Common Expenses or change the percentage share in the Common Elements appurtenant to any Unit without the consent of 100% of the Co-Owners.

(d) **Declarant Shall Not Contract 90 Days Past of End of Declarant Control Period.** Any contract with a Managing Agent entered into by the Association during the Declarant Control Period other than with the Poston Company shall be terminable without penalty upon 90 days notice at any time after the Declarant Control Period, and the Association shall not enter into a contract with the Declarant or any affiliate of the Declarant during the Declarant Control Period unless such contract is terminable without penalty upon 90 days notice at any time after the Declarant Control Period.

(e) **Transfer of Declarant's Rights.** Unless the transfer of a right or interest of Declarant's is expressly stated in this Master Deed to occur upon the earlier happening of a defined event, any right or interest of Declarant reserved or contained in this Master Deed may be transferred or assigned by the Declarant to any Person, either separately or with other rights or interests, by written instrument executed by both Declarant and the transferee and recorded in the record's Office for Charleston County, South Carolina.

**3.5 Co-Owners' Rights to Make Interior Alterations, Additions, or Improvements to Units.** Each Co-Owner has the following rights, but without incurring any obligation to do so, which rights may only be exercised with the consent of the Board or as provided herein or in the Condominium Instruments: to make interior alterations, additions, or improvements to its Unit, including, but not limited to, changing the layout or number of rooms in the Unit, provided such alteration or addition does not structurally weaken the roof over the Unit or weaken any other Unit or a Limited or General Common Element appurtenant to another Unit.

The Co-Owner of more than one (1) Unit which are in the same Building shall, with the approval of the Board, have the right and easement to cut apertures in non-load bearing portions of such walls, and shall have the right and easement in said aperture for ingress, egress, and access to and from each Unit; provided, however, that in exercising such right any Co-Owner shall not interfere with any water, sewer, electrical, or other lines or Common Elements in a manner detrimental to the use and enjoyment of other Units or to the detriment of the structural integrity of the any structure on the Property.

Should a Co-Owner decide to make any changes as set forth above and obtain the necessary approval for the same, the Co-Owner and the Association shall both execute an amendment to this Master Deed reflecting such changes including, but not limited to, an amended floor plan or

building plan; provided, however, that such amendment shall not reduce the total proportionate share of Common Expenses that is the responsibility of such Co-Owner or any other unless approved by all C-Owners and their Mortgagees. Any such amendment shall be executed by both Co-Owner and the Association and recorded in the Records Office for Charleston County, South Carolina, together with such other exhibits relating thereto as are necessary to document the change. The Co-Owner requesting any such change shall be responsible for the cost of preparing and recording any such amendment including any revised plans or building drawings for Condominium Instruments or otherwise, unless the Association agrees otherwise.

#### **ARTICLE IV** **OWNERSHIP AND COMMON ELEMENTS**

**4.1 Ownership, Description.** The ownership of each Unit shall include an undivided share in and to the Common Elements as defined herein and as set forth in Exhibit C attached hereto. It is Declarant's intention hereby to provide that the Common Elements in the Property shall be owned by the Co-Owners as tenants-in-common, the undivided share of each Co-Owner being stated as a percentage in Exhibit C to this Master Deed. Such percentages of undivided interest may be altered only by the consent of all Co-Owners and Mortgagees expressed in a duly recorded amendment to this Master Deed. The Association shall have the power to determine the use to be made of the Common Elements from time to time, provided that such use shall not discriminate against any Co-Owner.

The Common Elements shall remain undivided, and no Co-Owner or any other Person shall bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for the Limited Common Elements or as otherwise provided herein, each Co-Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Co-Owners.

**4.2 General Common Elements.** A description of the General Common Elements of the Condominium as defined herein and in the Act is as follows except for any portion thereof designated as a Limited Common Element or included within a Unit, whether or not specifically so stated below:

- (a) **Exhibit A.** The parcel of land described in the Exhibit A, attached hereto;
- (b) **Portions Existing for Common Use.** Those portions of the Buildings, not otherwise herein defined as being embraced within the individual Units or Limited Common Elements, rationally of common use or necessary to their existence, upkeep, and safety, and in general, all other devices or installations existing for common use;
- (c) **Structural Elements.** The foundation, structural elements, main walls, load-bearing interior wall portions, roofs, sub roofs, roof truss systems, communication ways, and other portions of the Buildings;
- (d) **Central Services.** The compartments or installations of central services such as power, light, gas, water and the like;

- (e) **Devices or Installations Existing for Common Use.** In general, all devices or installations existing for common use, including the fence around the perimeter of the Regime, Property entrance feature, wells, irrigation systems, paving, side walks, and lighting for all, if any; located on the Property,
- (f) **Roads, Parking Spaces.** The parking spaces, road, and lighting for same, if any, located on the Property;
- (g) **Landscaped Areas.** All yard and landscaped areas;
- (h) **All Other Elements.** All other elements of the Property in existence or to be constructed or installed rationally of common use or necessary to its existence, upkeep, and safety;
- (i) **Assets.** All assets of the Association; and
- (j) **Pool, Playground, Mail Boxes.** The pool, pool club house, playground, mail box house, mail kiosks, well house, and maintenance shed, if any, and all lighting for all, again, if any.

**4.3 Limited Common Elements.** Portions of the Common Elements are hereby set aside and reserved for the restricted use or benefit of certain Unit(s) to the exclusion of the other Units, and such portions shall be known and referred to as “Limited Common Elements”. Limited Common Elements are divided into two (2) classes, the first, “**Class A**”, are those that the Association will repair and maintain as if they were General Common Elements, and the second, “**Class B**”, are those for which the responsibility of repair and maintenance belongs to the Co-Owner(s) of the Unit(s) to which the specific Class B Limited Common Element is assigned. The Association shall have the right, but not the duty or the obligation, to conduct periodic inspections of both Class A and Class B Limited Common Elements.

- (a) **Class A Limited Common Elements.** The **Class A** Limited Common Elements (the Association will repair and maintain) restricted to the use of each Unit include:
  - (1) **Mail Box.** The mail box in the mail kiosk building for each Unit is a Class A Limited Common Element appurtenant to the Unit with which it is associated;
  - (2) **Portion of Interior Walls.** Any portion of an interior Building walls enclosing common pipe chases, air ducts, public utility lines or any portion of a Utility System or other apparatus servicing more than one Unit but not all the Units (e.g. pipes, wires, conduits, ducts) are a Class A Limited Common Element appurtenant to the Units served.
  - (3) **Portion of Common Walls.** Common walls separating Units, except for the finished portions thereof from the outermost surface of the studs and supports, are Class A Limited Common Elements appurtenant to the two adjacent Units separated by such wall;

- (4) **Structural Things**. Any structural members or portions of the Buildings and any fixtures or property within the Units which are not removable without jeopardizing the soundness, safety, or usefulness of another Unit, are Class A Limited Common Elements of the Units they serve;
- (5) **Portion of Utility System**. Any portion of a Utility System or other apparatus serving more than one Unit but not all the Units (e.g., pipes, wires, conduits, ducts) which is outside the Units are Class A Limited Common Elements of the Units they serve;
- (6) **Portions of Outside Walls and Outer Ceilings**. Those portions of outside walls and Outer Ceilings (see Subparagraph 3.3 (b)) not part of the Unit are Class A Limited Common Elements of the Units to which they are closest;
- (7) **Front Doors**. The structural portions and exterior of the Unit front doors;
- (8) **Roofs**. Building roofs, including the support truss, sub roof material, and roofing, are Class A Limited Common Elements of the Units to which they are closest.
- (9) **Control Services**. The compartments or installation of control services such as power, light, gas, cold and hot water, and the like serving a particular Unit are a Class A Limited Common Element appurtenant to that Unit;
- (10) **Walkways**. The walkways from the sidewalks to the Unit front porches and the front porches serving all Buildings are Class A Limited Common Elements appurtenant to the two (2) Units in the particular Building;
- (11) **Concrete Stoops/Jambs**. The concrete stoops/jambs at the entrance to each Unit are Class A Limited Common Elements appurtenant to the Units they serve;
- (b) **Class B Limited Common Elements**. The **Class B** Limited Common Elements (the responsibility of repair and maintenance for which belongs to the Co-Owner(s) of the Unit(s) to which the Class B Limited Common Element is assigned) include:
- (1) **Utility System**. Any portion of a Utility System serving only one Unit which is located outside the Unit (including the area upon which it sits), such as the HVAC unit serving a Unit, is a Class B Limited Common Element;
- (2) **Backyard Patios**. The patios behind the Units are Class B Limited Common Elements appurtenant to the Unit to which they are connected;
- (3) **Utility Meter**. Any utility meter which serves only one (1) Unit is assigned as a Class B Limited Common Element to the Unit so served;
- (4) **Chimney**. Any chimney (including the flue, damper and chimney cap) adjoined and connected to a Unit are assigned as Class B Limited Common Elements to the Unit to which they serve;

(5) **Backyards and Privacy Fences.** The backyards or other space within each Unit's privacy fences now standing or added, as allowed in the "Fence Rules" section of Article 24 herein, and that part of the privacy fences that is not also a part of the Condominium's perimeter fence are Class B Limited Common Elements of the Units to which they are connected or serve – when two or more Units share a privacy fence (not including any part of a privacy fence that is also part of the Condominium's perimeter fence) they shall share responsibility for the fence and expenses shall be apportioned accordingly as stated in "Fence Rules" below;

(6) **Attics.** The attics, including flooring material in the attics, and fold down attic stairs (and assembly) over each Unit are Class B Limited Common Elements of the Units they are immediately above and serve.

(c) **Reassignment of Common Elements.** A General Common Element not previously assigned as a Limited Common Element may be so assigned and a Limited Common Element may be reassigned by the Board, upon written application to the Association by the Co-Owner or Co-Owners for whose exclusive use such General Common Element is requested or whose use of the Limited Common Element previously assigned is directly affected if said reassignment is approved by all Co-Owners and their Mortgagees, including the Co-Owners whose Limited Common Area is effected and this requirement may not be changed except by agreement of 100% of the Co-Owners.

## **ARTICLE V**

### **UNIT AND COMMON ELEMENTS MAINTENANCE, UPKEEP, AND REPAIR**

**5.1 Maintenance, Upkeep, and Repair Responsibilities.** Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the boundary descriptions herein, the following shall govern the division of maintenance and repair responsibilities between the Co-Owners and the Association. Responsibility for the maintenance of the Property shall be as follows.

**5.2 Units.** Responsibility for the maintenance of the Units:

(a) **By the Association.** The Association shall maintain, repair, and replace at the Association's expense:

(1) **Common Elements and Class A Limited Common Elements unless Negligence.** All Common Elements and Class A Limited Common Elements unless, if in the opinion of not less than a majority of the Board such expense was necessitated by negligence, misuse, or neglect of a Co-Owner or Occupant and then said expense shall be that of the Co-Owner as stated herein;

(2) **Repairing Incidental Damage by Association.** All incidental damage caused to a Unit by maintenance or repairs performed by the Association shall be promptly repaired at the expense of the Association. As finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Such repair and subsequent cleaning

shall be performed based on a reasonableness standard. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such Persons, firms, or corporations of its choice, such duties as are approved by the Board; and

- (3) **Emergency Action by Co-Owner.** In case of emergency, and in order to preserve the Property or for the safety of the Occupants, a Co-Owner or Occupant may assume the responsibility of the Association therefore, and he/she/it shall be relieved of liability for such acts reasonably performed and performed in good faith, and reimbursed for reasonable expense by the Association when approved by the Board.

(b) **Other Issues - Association.**

- (1) **Fireplace and Chimney Flues.** Additionally, the Association shall have the right, but not the duty or obligation, to conduct a periodic inspection, on a schedule to be determined by the Board, of all fireplaces and chimney flues and, if, in the Board's sole discretion, a flue needs to be cleaned and/or repaired, the Association shall provide such cleaning and/or repair and the cost of such periodic inspection, cleaning, and/or repair shall be assessed against the Co-Owner of the Unit served by such flue.
- (2) **Co-Owner Landscaping.** Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by a Co-Owner or Occupant which is the responsibility of the Association shall be performed at the sole expense of such Co-Owner or Occupant, and the Co-Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.
- (3) **Association and Declarant Not Liable for Injury or Damage Caused by the Elements.** Neither the Association nor the Declarant shall not be liable for injury or damage to Persons or property caused by or resulting from any utility, rain, snow, ice, or other element which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance, or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Co-Owner has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter.
- (4) **Association and Declarant Not Liable for Theft.** Neither the Association nor the Declarant shall be liable to any Co-Owner, Occupant, guest, or family member, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements.
- (5) **Association and Declarant Not Liable for Injury.** Neither the Association

nor the Declarant shall be liable to any Co-Owner, Occupant, guest, or family member, for physical or physiological injury resulting from crimes or torts upon the Property simply for the reason that they occurred upon the Property.

- (6) **Association and Declarant Not Liable Where Damage or Injury Not Foreseeable.** Neither the Association nor the Declarant shall be liable to any Co-Owner, Occupant, guest, or family member, for any damage or injury caused in whole or in part by the Association's or the Declarant's failure to discharge its responsibilities under this Article where such damage or injury is not a foreseeable, natural result of the Association's or the Declarant's failure to discharge their responsibilities.

(c) **By the Co-Owner.** The responsibility of the Co-Owner shall be as follows:

- (1) **Maintain and Repair Unit and Class B Limited Common Elements.** To maintain in good, clean, and sanitary condition and to repair and replace at his, her, or its expense all portions of the Co-Owner's Unit other than those portions to be maintained, repaired, and replaced by the Association, and all portions of the Class B Limited Common Elements appurtenant to said Co-Owner's Unit. Such shall be done without disturbing the rights of other Co-Owners. Nothing contained in this paragraph shall negate the obligation of any insurer to provide coverage for any insured loss.
- (2) **Maintain and Repair Utility Lines, Pipes, etc., Serving Just One Unit.** To the extent any utility line, pipe, wire, duct, or conduit serving only one Unit shall lie wholly or partially within the boundaries of another Unit or the Common Elements, it shall be the obligation of the benefited Co-Owner to maintain, replace, and repair said pipe, line, conduit, duct, or wire benefiting such Co-Owner, even if such pipe, line conduit, duct or wire is located within the boundaries of a Unit of another Co-Owner. In such circumstance, the benefited Co-Owner shall repair all incidental damage to any Unit resulting from performance of any such work. All Co-Owners hereby covenant and agree that as finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Components that may require repair or replacement, such as tile and trim, will be reinstalled only to the extent of readily available materials or similar materials (trim and such will also be finished to "paint-ready"). Due to the uncontrollability of quality of repair, items such as faux paint treatment, wallpaper, ceiling/wall appliqué, and any other similar types of finishes, will not be the responsibility of the benefited Co-Owner.
- (3) **Co-Owner Shall Not Paint or Otherwise Decorate or Change Exterior of Unit or Building.** Co-Owner shall not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or a Unit including the exterior of an exterior door and the exterior or interior of

exterior windows or screens to a Unit.

- (4) **Co-Owner Needs Approval to Make or Cause Additions or Alterations To Unit Or Common Elements and Approval for Contractors, Subcontractors, Employees, or Volunteers.** Co-Owner shall not make or cause to be made any structural addition or alteration to his/her/its Unit or to the Common Elements or any part(s) thereof. Alterations within a Unit may not be made without the prior written consent of the Board in accordance with the terms of the Master Deed and Co-Owner's Mortgagee as could be affected by such alteration. Upon approval of such alteration, the Board shall have the right to require approval of any contractor, subcontractor, employee, or volunteer employed by Co-Owner for such purpose. Said parties shall comply with all rules, regulations, and use restrictions adopted by the Board. Further, Co-Owners shall be liable for all damages to any other Unit(s), Common Element(s), or the Property caused by the Co-Owner's, Occupants, or either's contractors, subcontractors, employees, or volunteers whether such damage is caused by negligence, accident, or otherwise.
  - (5) **Co-Owner Needs Approval to Display Signs, etc., or Erect Antennas, etc.** Co-Owner shall display no signs, advertisements, or notices of any type on the Common Elements, Units, or Buildings, and shall to erect no exterior antennae or aerials, except as consented to the Board or specifically allowed herein.
  - (6) **Allow Board Entrance To Unit For Inspection, Repair, Etc.** Co-Owner shall allow the Board or their representative, agent, or employee to enter into Unit for the purpose of maintenance, inspection, repair or replacement, or improvement within the Unit and/or Common Elements; to determine in the case of emergency, circumstances threatening the Unit and/or Common Elements; or to determine compliance with the provisions of the Master Deed or Bylaws.
  - (7) **Report any Needed Repairs to Association.** To promptly report to the Association any defect or need for repairs, the responsibility for which is the Association.
  - (8) **Liable for Failure to Perform These Obligations.** Co-Owner is responsible for all damage, to any other Units or to the Common Elements, resulting from Co-Owner's or Co-Owner's Occupant's failure or negligence to perform any obligations required herein.
- (d) **Other Issues – Co-Owners.**
- (1) **Failure to Maintain.** If the Board determines a Co-Owner has failed or refused to discharge properly his/her/its obligation with regard to the maintenance, repair, or replacement of items of which he/she/it is responsible

hereunder, then, the Association shall give the Co-Owner written notice of the Co-Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Co-Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board and the time in which the Co-Owner should make said repairs, etc., before the Association has the right to do so at Co-Owner's expense.

(2) **Co-Owner Failure to Repair.** Unless the Board determines an emergency exists, the Co-Owner shall have fifteen (15) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within fifteen (15) days. If the Board determines that: (i) an emergency exists or (ii) a Co-Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Co-Owner's sole cost and expense, and such costs shall be added to and become a part of the Assessment to which such Co-Owner is subject, shall become and be a lien against the Unit, shall bear interest, and shall be collected as provided herein for the collection of Assessments.

(3) **Lien on Unit.** If the Board determines that the need for maintenance or repair is in a Common Element or Unit (not owned by the Co-Owner at issue) and is caused through the willful or negligent act of any Co-Owner, or Occupant, or either's family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Co-Owner or Occupant's Unit, said assessment shall become a lien against the Unit, and shall be collected as provided herein for the collection of Assessments.

(e) **Measures Related to Insurance Coverage.**

(1) The Board shall have the authority to require all or any Co-Owner(s) to do any act or perform any work involving portions of the Property which are the maintenance responsibility of the Co-Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Property, reduce the insurance premium paid by the Association for any insurance coverage, or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Co-Owners to install and maintain smoke detectors, requiring Co-Owners to certify that they have checked the batteries for their smoke detectors, requiring Co-Owners to allow the Association to inspect the smoke detectors and replace batteries if needed on a schedule to be determined by the Board (though the Association and the Board have no duty or responsibility to do either), requiring Co-Owners to make improvements to the Co-Owner's Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Seven Hundred Fifty

Dollars (\$750) per Unit in any twelve (12) month period.

- (2) In addition to, and not in limitation of, any other rights the Association may have, if any Co-Owner does not comply with any requirement made by the Board pursuant to subparagraph (1) above, the Association, upon fifteen (15) days' written notice (during which period the Co-Owner may perform the required act or work without further liability), may perform such required act or work at the Co-Owner's sole cost. Such cost shall be an Assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subparagraph (1) above, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Co-Owner or Occupant, except that access may be had at any time without notice in an emergency situation.
- (f) **Mold and/or Mildew.** Mold and/or mildew can grow in any portion of the Property that is exposed to elevated levels of moisture. The Association and each Co-Owner agree to: (i) regularly inspect the parts of the Property that they respectively maintain, and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew, and/or water intrusion (except when the water intrusion is part of the normal functioning of improvements and appliances such as showers, sinks, dishwashers, and other similar appliances and improvements) and/or damage; (ii) upon discovery, immediately repair in a good and workmanlike condition the source of any water intrusion in the parts of the Property that they respectively maintain; (iii) remediate or replace any building material located in the parts of the Property that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (iv) promptly and regularly remediate all mold and/or mildew discovered in the parts of the Property that they respectively maintain in accordance with current industry-accepted methods. In addition, the Association agrees to notify the Co-Owners, and each Co-Owner agrees to notify the Association, of the discovery of mold, mildew, and/or water intrusion and/or damage in the parts of the Property that they respectively maintain. Each Co-Owner further agrees not to block or cover any of the ventilation or air-conditioning ducts located in the Unit.

Notwithstanding anything to the contrary herein, Declarant shall have no obligation to perform any invasive testing or inspections, maintenance, or repairs in accordance with this subparagraph (f), and shall not be held liable for any loss or damage caused by the failure of the Association or a Co-Owner to perform their obligations herein.

#### **ARTICLE VI** **EASEMENTS**

In addition to any easements created by statute, all Units shall be subject to the following easements in favor of the Declarant, the Co-Owners, the Association, and/or any other person authorized by the

Association, as the case may be:

**6.1 Utilities.** Easements throughout the Common Elements and the Units for ducts, plumbing, and for the purposes of installation, maintenance, repair, and replacement of any heating or air conditioning systems, cable or other television systems, sewer, water, gas, electricity, power and telephone pipes, lines, mains, conduits, wires, poles, transformers, and any and all other equipment or machinery necessary or incidental to the proper functioning of any Utility System or the furnishing of such services to the Units and the Common Elements.

To the extent any utility line, pipe, wire, or conduit serving any Unit, Units, or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with a non-exclusive easement for the use, maintenance, repair, and replacement of such utility line, pipe, wire or conduit, such non-exclusive easement to be in favor of the Unit, Units, or Common Elements served by the same and the Association.

**6.2 Support and Quiet Enjoyment.** An easement for lateral and subjacent support from every portion of a Unit which contributes to the support of the Buildings and every other Unit and Common Element and as such may be necessary for the quiet enjoyment of a Unit.

**6.3 General Repairs.** An easement through the Units and Common Elements for maintenance, repair, and replacement of the Property and anything else (if anything) which is the responsibility of the Association or Co-Owner to maintain or repair. In case of emergency, such entry shall be immediate whether or not the Co-Owner is present at the time.

**6.4 Encroachment.** In the event that any portion of the Common Elements now or hereafter encroaches upon any Unit, or vice versa, or in the event that any portion of any Unit now or hereafter encroaches upon another Unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, does, and shall exist. In the event the Buildings or other improvements or a Unit is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Unit, there shall exist a valid easement for such encroachment and the maintenance thereof.

**6.5 Actual Location Controls.** In interpreting any and all provisions of this Master Deed, the Exhibits attached hereto, and subsequent deeds and mortgages to individual Units, the actual location of the Unit shall be deemed conclusively to be the property intended to be conveyed, reserved, or encumbered notwithstanding any minor deviations, either horizontally or vertically, from the locations as indicated on the Exhibits attached hereto. To the extent that such minor variations in location do or shall exist, a valid easement therefore, and for the maintenance thereof, does, and shall exist.

**6.6 Additional Easements.** The Association shall have the right to grant and reserve easements and rights-of-way through, under, over, and across the Property for construction purposes, and for the installation, maintenance, and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, and other utilities; provided, however, no such easement shall deprive a Co-Owner of the quiet enjoyment of its Unit and use of its appurtenant Common Elements. However, no easement shall be granted by the Association if as a result

thereof the Building or other improvement in the Property would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

**6.7 Pest Control.** The Association may but shall not be obligated to, and has no duty to, dispense chemicals or set traps for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association or the Managing Agent and their duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals and setting traps for the extermination of insects and pests within the Units and Common Elements. Co-Owners shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board or the Managing Agent to allow entry into the Unit for this purpose. Neither the Declarant, the Association, nor their agents shall be liable for any illness, damage, or injury caused by the dispensing of these chemicals or setting of traps for this purpose unless said illness, damage, or injury is caused by gross negligence or willful wrongdoing.

**6.8 Community Bulletin Board.** As part of the Common Elements maintained by the Association, Declarant and/or the Board shall have the right, but not the obligation or duty, to erect on the Property a bulletin board primarily for the use of Co-Owners in advertising their Units for sale. For so long as the Association desires to maintain this bulletin board, each Co-Owner and his licensed real estate broker and agent may use the Property for access, ingress, and egress to and from this bulletin board; provided, however, the use of the bulletin board shall be subject to such reasonable nondiscriminatory rules and regulations as may be adopted or promulgated by the Board regulating the size and duration of such advertisements. Declarant or Board may terminate use of this bulletin board entirely at any time, and no property rights of any kind are created hereby.

**6.9 Declarant Easements.** For so long as Declarant owns any Unit primarily for the purpose of sale, Declarant and its duly authorized contractors, subcontractors, representatives, agents, associates, employees, tenants and successors and assigns shall have: (i) a non-exclusive easement for access and ingress to, egress from and use of the Common Elements for the placement and maintenance of signs, banners, balloons, decorations marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities, and model Units on any portion of the Property, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient, or incidental to the completion, renovation, improvement, development, sale, or lease of any Unit; (ii) a non-exclusive easement to use the Common Elements for special events and promotional activities; and (iii) a transferable, nonexclusive easement on, over, through, under, and across the Common Elements for the purpose of making improvements on the Property or any portion thereof, for the purpose of constructing, installing, replacing, repairing, restoring, and maintaining all utilities, Buildings, driveways, landscaping, and any other improvements on the Property or serving the Property, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

**6.10 Conditions, Limitations, etc., of Record.** The Property hereby is subject to all conditions, limitations, restrictions, reservations, and all other matters of record, the rights of the United States of America, the State of South Carolina, and any governmental authority or agency including any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drains which now exist or are hereafter granted.

**6.11 General Easement.** The Association, all present and future Co-Owners and

Occupants, the Declarant, and their respective successors, assigns, designees, invitees, licensees, guests, and agents are hereby granted a perpetual easement over, through, and across and a license to use the areas of the General Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through, and across the Common Elements upon and across paved walkways as are suitable for pedestrian traffic, subject however to the terms of this Master Deed and Bylaws, and their Exhibits.

**ARTICLE VII**  
**OWNERS ASSOCIATION, CONDOMINIUM ADMINISTRATION**

**7.1 The “Association” - Administration of the Condominium.** The Condominium shall be administered, supervised, and managed by a Council of Co-Owners organized as a South Carolina non-profit corporation known as Remington Forest Condominium Owners Association, Inc., referred to herein as the "Association", which shall act by and on behalf of the Co-Owners in accordance with this Master Deed, the Charter, the Bylaws, and in accordance with the Act. The Charter and Bylaws form an integral part of the plan of ownership herein described, and, as amended from time to time, shall govern the conduct and affairs of the Co-Owners as well as the Association, and shall be construed in conjunction with the provisions of this Master Deed as amended. Pursuant to the Act, the Association is hereby designated as the form of administration of the Property and is hereby vested with the rights, powers, privileges, and duties necessary or incidental to the proper administration of the Property, the same being more particularly set forth in the Charter, the Bylaws, and this Master Deed .

**7.2 Voting – Co-Owners Ownership Share Equals Voting Share – Exhibit C.** Each Co-Owner shall have a vote equal to the Co-Owner’s percentage ownership of the basic value of the Common Elements (the percentage of ownership interest in the Property as stated in Exhibit C hereto), provided, however, except for votes to change the percentages of ownership interest in the Property stated in Exhibit C, voting on Association and Property matters is a privilege shared only by Co-Owners with the status of “Member”, that is, Co-Owners who are current with their payments of Common Expenses, including Assessments. Further, and by way of example, the terms “majority” or “67%” as used herein, unless specifically stated to the contrary in the contents of the particular voting provision, mean fifty-one percent (51%) or sixty-seven (67%) percent of the basic value of the Common Elements (the percentage of ownership interest in the Property as stated in Exhibit C) of the total Co-Owners classified as Members or Co-Owners, as the case maybe, present and eligible to vote at the meeting once a Quorum is established (present may be by proxy or any other form as provided herein or the Bylaws).

- (a) **Certain Votes Only Co-Owners Current on Payments Will Be Allowed to Vote.** Unless the vote concerns a change in the percentages of ownership interest in Exhibit C hereto, only Co-Owners who qualify as “Members” will be allowed to vote. If a Co-Owner is delinquent more than thirty (30) days past any due date and the amount necessary to bring the account current has not been paid at the time of such meeting or election, then the Co-Owner shall not be considered a Member and shall not be eligible to vote. See Section 7.10 below.
- (b) **Voting Representative/Designee.** If a Unit is owned by more than one Person, the individual entitled to cast the vote for the Unit shall be one of the record

owners designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a limited liability company, corporation, partnership, or other similar entity, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or other authorized member, manager, officer, general partner, or representative of the Co-Owner, as the case may be, and attested by an authorized member, manager, officer, general partner, or representative of the Co-Owner, and filed with the Secretary of the Association.

- (c) **Voting Decisions By Majority Unless Stated Differently.** Any voting decisions by the Board, the Association, the Members, or the Co-Owners shall unless specifically stated differently in the Condominium Instruments, the Act, the South Carolina Nonprofit Corporation Act of 1994, or elsewhere in South Carolina law, be decided by a majority vote.

**7.3 Transfer of Control of Association from Declarant to Co-Owners.** After the Declarant Control Period, the Board to replace the initial Board appointed by the Declarant shall be nominated and elected at the organizational meeting of the Association called by Declarant to relinquish control. The terms of such initial replacement Directors shall be staggered over three (3) years so that an equal (or nearly equal) number of Directors comes up for re-election each year. The number of Directors shall be no more than five (5) nor less than three (3) natural persons, the exact number to be determined by the Co-Owners at the annual meeting prior to the election of Directors and all members of the Board shall be either Co-Owners (or voting representatives/designees of a corporate, LLC, or other similar entity type Co-Owner), Mortgagees, or designees of Mortgagees. Each Director must be in good standing with the Association and current in payment of all Common Expenses, including Assessments.

**7.4 Association Rights and Restrictions.** In addition to and not in limitation of all other rights it may have, the Association, acting through the Board or a Managing Agent, shall have the right and authority, but not necessarily the obligation or duty to do the following and may do so without the necessity of a vote unless specifically stated to contrary in this Master Deed:

- (a) **Unit Entry.** To enter into Units for maintenance, emergency, security, or life-safety purposes, which right may be exercised by the Board, Officers, agents, employees, contractors, Managing Agent, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in a non-emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Co-Owner or Occupant of the Unit. For the purposes of this Paragraph, an emergency justifying immediate entry into a Unit shall include, but not be limited to, the following situations: a water or other utility leak, fire, strong odor, obvious insect infestation, or sounds indicating that a Person or animal might be injured or sick and require immediate medical attention. No one exercising the rights granted in this subparagraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a Unit shall exist;

- (b) **Enforcement by Fines and Suspension of Privileges.** To enforce use restrictions, other Master Deed and Bylaws provisions, by the imposition of reasonable monetary fines and suspension of use and voting privileges (voting privileges will only be suspended for certain votes as stated herein);
- (c) **Easements.** To grant and accept permits, licenses, utility easements, leases, and other easements;
- (d) **Manage and Upkeep of Common Elements.** To control, manage, operate, maintain, improve, and replace all portions of the General Common Elements and Class A Limited Common Elements, together with those areas, if any, which by the terms of this Master Deed or by contract or agreement with any other Person or entity, become the responsibility of the Association. Capital improvements require a vote of the Association.
- (e) **Represent Co-Owners for Casualty Loss.** To represent and act on behalf of the Co-Owners in the event of damage or destruction as a result of casualty loss in accordance with the provisions of the Act and this Master Deed;
- (f) **Represent Co-Owners for Condemnation or Eminent Domain.** To represent and act on behalf of the Co-Owners in the event of any loss resulting from condemnation or eminent domain in accordance with this Master Deed;
- (g) **Buy and Sell Property.** To acquire, hold, and dispose of tangible and intangible personal property and real property;
- (h) **Construction and Moving In and Out.** To protect against any damage to the Property, including, without limitation, damage resulting from (i) moving in or out of a Unit, (ii) the transportation and use of construction materials in the Property, and (iii) the alteration, modification, or addition to a Unit and any Common Element appurtenant thereto. Costs for repair of such damage may be specifically assessed against the Unit;
- (i) **Approve Contractors or Subcontractors.** To approve contractors or subcontractors who have access to the Property for the purpose of making repairs or improvements to Units, said approval which may hinge upon, without limitation: financial stability of the contractors and/or subcontractors; history of compliance with the Condominium Instruments; insurance issues; and other factors that may be reflective of quality and ability;
- (j) **Relocating HVAC, Plumbing, or Electrical.** At the sole expense of the Association and without the consent of any affected Co-Owner, to relocate any portion of the air conditioning, heating, plumbing, ventilating, exhaust or electrical system serving a particular Unit, provided that after such relocation, the system serving the Unit functions at least as well, is of the same quality as that replaced, and at no greater cost to the Co-Owner than existed prior to the relocation;

- (k) **Closing General and Limited Common Elements.** To close permanently or temporarily (Declarant may temporarily close Common Areas during the Declarant Control Period) any portion of the General Common Elements with thirty (30) days prior notice to all Co-Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. Notwithstanding the above, the Members may re-open closed Common Elements with a majority of the Members' Vote, cast at a duly called special or annual meeting;

Upon the majority vote of the Board, to close temporarily (Declarant may temporarily close Common Areas during the Declarant Control Period) any portion of the Limited Common Elements which is reasonably necessary for the good of the Condominium, including but not limited to, allowing access to any easement of record over or through said Limited Common Element with thirty (30) days prior notice to all Co-Owners owning such Limited Common Elements, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given at the time of the closing explaining the reason for the closing. Notwithstanding the above, the Members may re-open closed Limited Common Elements with a majority of the Members' Vote, cast at a duly called special or annual meeting;

- (l) **Other Homeowner and Condominium Owners Associations.** To enter into joint agreements and contracts with other homeowners or condominium associations for the provision of services, including, without limitation, management, landscaping, porter, concierge, and property monitoring services;
- (m) **Managing Agent.** To enter into a contract with a person, firm, LLC, corporation, or other entity employed or engaged to perform management services for the Property and the Association (the "Managing Agent"), specifically, to assist the Association with all the duties of the Association as stated in the Condominium Instruments; and
- (n) **Mortgage and Acquire Assets.** To mortgage Association assets and acquire real property upon appropriate vote of the Association.

**7.5 Accounts.** The funds and expenditures of the Association shall be credited and charged according to good accounting practices to accounts under the following classifications or combinations thereof, as shall be appropriate, all of which expenditures shall be Common Expenses unless otherwise provided:

- (a) **Current Capital and Working Capital Accounts.** Current expenses account and working capital account shall include all funds and expenditures to be made within the year, including a reasonable reserve for contingencies and working funds (the "Operating Reserve"). The balance in the current expenses account at the end of each year may be applied to reduce the Assessment for current expenses for the succeeding year.
- (b) **Reserve Account.** Reserve for deferred maintenance and replacement shall include

funds for maintenance items which occur less frequently than annually, for repair or replacement required because of damage, depreciation, or obsolescence and the amount of which reserve if any, may be determined by the Board. Any funds held in this reserve account shall be held by the Association in a fiduciary capacity for the benefit of the Co-Owners for such purpose.

- (c) **Reserve for Additional Improvements.** Reserve for additional improvements shall include the funds to be used for capital expenditures for additional improvements or additional personal property which shall be part of the Common Elements, provided however, that no item for this account shall be budgeted without approval of the Co-Owners in the manner elsewhere provided for alteration or further improvement of the Common Elements. Any funds held in this reserve account shall be held by the Association in a fiduciary capacity for the benefit of the Co-Owners for such purpose.

**7.6 Depository.** The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board; withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board.

**7.7 Fidelity Bonds.** Fidelity bonds may be required by the Board, at its sole option, from all persons handling or responsible for Association funds. In the event the Board elects to require fidelity bonds, the premiums on such bonds shall be paid by the Association.

**7.8 Fiscal Year.** The fiscal year of the Association shall be the calendar year.

**7.9 Seal.** The seal of the Association shall be as determined by the Board.

**7.10 “Member”, Membership, and Co-Owner Participation in Association.** The legal owner of a Unit, the Co-Owner, shall automatically upon becoming legal owner also become a “Member” of the Association, and shall remain a Member until such time as his/her/its ownership ceases for any reason, at which time, his/her/its Membership shall automatically cease. Except as to votes to change the percentages of ownership interest in the Property stated in Exhibit C hereto, the status of Member and thus the right to vote, may be temporarily lost if a Co-Owner is not current with payments of Common Expenses, including Assessments. For voting purposes, there can never be more than one Member per Unit regardless of how many Persons actually own the Unit. Other than as an incident to a lawful transfer of the title to a Unit, neither Membership in the Association nor any share in the assets of the Association may be assigned, hypothecated, or transferred, and any such attempted transfer is null and void, except as an appurtenance to the Co-Owner's Unit.

**7.11 Co-Owner’s Percentage - Undivided Share in Condominium, Amount of Common Expenses, Voting Power.** The basic value of each Unit and the total value of all the Property for the sole and exclusive purpose of determining the property rights and obligations (including Assessments) of the Co-Owners is set forth in Exhibit C hereto. The basic value of each Unit or percentage undivided share in the Common Elements set forth in Exhibit C shall also be the percentage appertaining to the several Units (and their Co-Owners) in the Common Expenses and rights in the Common Surplus (if any) except as otherwise stated in the Master Deed, and said percentage shall constitute the proportionate representation appertaining to each Unit for proper voting purposes in the Association.

**7.12 Units and Undivided Shares Inseparable.** The Common Elements, both General and Limited, shall remain undivided and shall not be the object of an action for partition or division of the co-ownership; any transfer, conveyance, or encumbrance of an individual Unit shall be deemed to also transfer, convey, or encumber the undivided interest of the Co-Owner in the Common Elements appurtenant to the Unit without specifically or particularly referring to same, and together with easements in favor of the Unit or to which the Unit or an appurtenant Limited Common Element is subject. Any attempt to divide a Unit by separating title, thereto from the undivided interest in the Common Elements and Common Surplus (if any) shall be void. The Declarant, its successors and assigns and its grantees, their heirs, successors and assigns, further covenant and agree that any conveyance, transfer, or alienation of any Unit shall conclusively be deemed to include all of the interest of the Co-Owner in the Association, and any encumbrance upon any Unit shall also be conclusively deemed to attach to all of the interest of the Co-Owner of said Unit in the Property.

**7.13 Rules, Regulations, and Use Restrictions.** A unanimous Board shall have the power from time to time to adopt, amend, and repeal any rules, regulations, and use restrictions they deem necessary for the benefit and enjoyment of the Property and concerning the use of the Property; provided, however, that such rules, regulations, and use restrictions shall not be in conflict with the Act or the other Condominium Instruments. A majority of the Board has the power to enforce the rules, regulations, and use restrictions. Rules, regulations, and use restrictions approved by a unanimous Board may be disapproved by a Members' Vote of not less than sixty-seven percent (67%) of the basic value of all Units (see Exhibit C) at any annual meeting or a special meeting of the Association. Rules, regulations, and use restrictions so adapted by a unanimous Board shall be in effect until disapproved by either the Association as stated, or by a unanimous Board.

- (a) **Declarant Must Approve Rules, Regulations, and Use Restrictions Change.** As long as Declarant owns a Unit primarily for sale, Declarant may make or must approve any change to the rules, regulations, and use restrictions.
- (b) **Co-Owners' Responsibility to Insure Compliance with Rules, Regulations, and Use Restrictions.** Each Co-Owner shall be responsible for ensuring the Co-Owner and the Co-Owner's family, guests, tenants, and any Occupants, their family and guests comply with all provisions of the Condominium Instruments including the rules, regulations, and use restrictions. Furthermore, each Co-Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Co-Owner and the Co-Owner's family, guests, tenants, and any Occupants, their family and guests, as a result of such Person's violation of the Condominium Instruments, the Board may take action under this Master Deed against the Co-Owner as if the Co-Owner committed the violation in conjunction with the Co-Owner's family, guests, tenants, and any Occupants, their family and guests.

**7.14 Liability of Association, Board, and Declarant.** Notwithstanding the duty of the Association, Board, or Declarant, if any, to maintain and repair certain parts of the Property, the Association, Board, or Declarant shall not be liable to Co-Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of

the Property to be maintained and repaired by the Association, Board, or Declarant, or caused by the elements, or other Co-Owners or persons. This paragraph does not hold any party harmless for damage by that party's own willful and gross negligence.

**7.15 Parliamentary Rules.** Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Charter, Bylaws, this Master Deed, or the laws of South Carolina.

**7.16 Prospective Purchasers.** The Association shall make available to prospective Unit purchasers current copies of the Condominium Instruments and the most recent annual audited financial statements, if such is available.

## **ARTICLE VIII** **BUDGET AND ASSESSMENTS**

**8.1 Computation of Operating Expense Budget and Assessment.** The Association shall adopt a budget for each fiscal year which shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for current and future expenses. It shall be the duty of the Board at least twenty-one (21) days prior to the Association's annual meeting to prepare and deliver to each Co-Owner a copy of the proposed operating budget. The budget shall cover the estimated costs of operating the Property during the coming year (the "current expenses"), the estimated funds, if any, needed to be added to reserve accounts ("capital reserves"), and a notice of the Assessments to be levied against each Unit for the following year. The budget and the Assessment shall become effective unless disapproved at a duly called and constituted annual meeting of the Association by a majority of the Members' Vote; provided, however, if a Quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting.

Notwithstanding the foregoing, in the event the Membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. In such case, the proposed budget and Assessment shall be delivered to the Co-Owners at least twenty-one (21) days prior to the proposed effective date thereof and at least ten (10) days prior to the special meeting (the cost of which is a Common Expense). The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

- (a) **Association's Annual Meeting.** Association's annual meeting shall be in the first week of November unless a different date is chosen by the Board.

**8.2 Special Assessments.** In addition to the Assessments provided for in this Article, the Board may without a vote of Members or Co-Owners levy Special Assessments to be collected for no more than a three (3) year period to cover costs such as (i) any unbudgeted property taxes or property assessments; (ii) any deductible amount under the insurance policies in the event of an insured loss or claim; (iii) supplementation of the annual Assessments if the same are inadequate to pay the Common Expenses, and (iv) unbudgeted repairs, costs, fees, or expenses, etc., of any construction, reconstruction, repair, demolition, replacement, renovation, emergency, or maintenance of the Common Elements, provided, however, if any such Special Assessment for which the amount

collected for the three (3) year period from any single Unit exceeds 25% of that Unit's total annual Assessments (not including this or any other Special Assessment in the calculation of "total annual Assessment") for the year such Special Assessment is enacted, then the Special Assessment must have the consent of fifty-one (51%) percent of the Members' Vote. Except as stated below, Special Assessments shall be allocated among the Units in the same manner as other Assessments. In addition to Special Assessments of all Units, the Association may levy a Special Assessment against a particular Unit (i) to cover the costs of providing services to or on behalf of a particular Unit or Co-Owner at the request of such Co-Owner or (ii) to cover costs incurred as the result of the failure of the Co-Owner or Occupant, their agents, guests, invitees, or licenses, to execute any responsibilities they may have under this Master Deed or the Bylaws.

- (a) **Special Assessments with Co-Owner Approval.** Except as stated in Section 8.2 above, any other Special Assessment shall be approved by a vote of fifty-one (51%) percent of the Members' Vote. Meetings or votes of Members for the purpose of considering Special Assessments shall be held only after written notice by the Association to the Co-Owners in accordance with the notice procedure set forth in the Bylaws. The meeting or vote shall occur no earlier than the date specified in the Bylaws for a special meeting of the Association. The notice shall state generally the purpose and amount of the proposed Special Assessment.
  
- (b) **Special Assessments for Alterations or Improvements Not for Purposes of Lowering Future Expenses.** If a proposed alteration or improvement is not reasonably necessary for maintenance, repair, or replacement of Common Elements, that is, is not reasonably necessary to protect the Common Elements from future maintenance expenses but is for aesthetic reasons or recreational purposes or otherwise, it must be approved by seventy-five percent 75% of the Members' Vote, and then the changes can be undertaken as long as they do not interfere with the rights of the dissenting Members and those dissenting Members are relieved of the initial cost of said alteration or improvement. Upkeep of said alteration or improvement would thereafter however, become a Common Expense to be shared by all Co-Owners.
  
- (c) **When Special Assessments Are Due.** Special assessments shall be payable by the date determined by the Board, but no earlier than fourteen (14) days after notice of such Assessment shall have been given to the Co-Owner.

**8.3 Capital Reserve Portion of Budget and Contribution.** The Board shall annually prepare the capital reserve portion of the budget that shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve portion of the budget, with respect both to amount and timing by equal annual Assessments over the period of the budget. The annual capital reserve contribution required, if any, shall be fixed by the Board and included within the budget and Assessment as provided in 8.1 above. A copy of the capital reserve portion of the budget shall be distributed to each Co-Owner in the same manner as the operating budget.

**8.4 Budget Details.** The proposed budget shall be approved by the Board before it is presented to the Members at the annual Members' meeting, if at the annual Members' meeting the budget as approved by the Board is not disapproved by a majority of the Members' Vote then it shall become the budget of the Association for the fiscal year. If at the annual Members' meeting the budget is amended by motion of a Member and approved by a majority of the Members' Vote, it shall then be submitted to a vote of the Board immediately after the annual Members' meeting where it has been approved by the Members, and when approved by the Board shall become the budget of the Association for the fiscal year. The budget adopted for each fiscal year shall include funds for expenses of that year and reserves according to good accounting practices as follows:

- (a) **Operating Portion of the Budget** - Current expenses and operating reserve - which shall include all funds and expenditures to be made within the year, including a reasonable reserve for contingencies and working funds for the year (the "Operating Reserve"). The balance in the current expenses account at the end of each year may be applied to reduce the Assessment for current expense for the succeeding year.
- (b) **Reserve Portion of Budget** - Reserve for deferred maintenance - which shall include funds for future maintenance items which occur less frequently than annually, and for replacement - which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence, if any, the amount for either which shall not exceed 110% of the budget for this reserve for the prior year, after the first year such reserve is established, unless agreed to by a vote of sixty-seven (67%) percent of the Members Vote;
- (c) **Reserve for Improvements Portion of Budget** - Reserve for additional improvements - which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which shall be part of the Common Elements, provided however, that no item for this account shall be budgeted without approval of the Members Vote in the manner elsewhere provided for alteration or further improvement of the Common Elements.

**8.5 Statement of Account.** Any Co-Owner, Mortgagee, or a Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of Assessments due and unpaid, including any late charges, interest, fines, or other charges against a Unit. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of Assessments due on the Unit as of the date specified therein.

**8.6 Common Surplus Funds and Common Profits.** Common Profits from whatever source shall be applied to the payment of Common Expenses. Any Common Surplus funds remaining after the application of such Common Profits to the payment of Common Expenses shall, at the option of the Board, either be distributed to the Co-Owners or credited to the next Assessment chargeable to the Co-Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's capital reserve account as set forth in 8.3 above.

If the Board reasonably determines that during a fiscal year there will likely be a surplus of funds at the end of such fiscal year (excluding amounts designated for reserves), the Board may, but shall not be required to, reduce the amount of the annual Assessment to be collected from the Co-Owners for the remainder of that fiscal year. Any Co-Owner who has already paid the entire annual Assessment at the time of such reduction shall, in the discretion of the Co-Owner, either receive a refund of the overpayment or a credit of the amount of the overpayment towards the annual Assessment for the following fiscal year. Notwithstanding the above, the Association may first apply the amount of any overpayment toward any other amount the Co-Owner may owe to the Association.

**8.7 Date of Commencement of Assessments.** Assessments shall commence as to a Unit on the first day of the month following the conveyance of the Unit to a Person other than the Declarant. Notwithstanding anything to the contrary stated herein, the Declarant shall not be responsible for the payment of any type of Assessment until the expiration of Declarant Control Period. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. The first annual common Assessment shall be adjusted according to the number of months then remaining in that fiscal year.

**8.8 Budget Deficits During Declarant Control Period.** During the Declarant Control Period, Declarant shall pay to the Association the amount sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves) and the sum of the annual, special, and specific assessments collected by the Association in any fiscal year.

**8.9 Reserve Account Contribution by Purchasers of Units.** Declarant, on behalf of the Association, shall establish a reserve capital fund to be used to pay for deferred maintenance and for replacement - which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence. A nonrefundable contribution to the reserve account of the Association shall be paid by the purchaser of a Unit at the closing of each sale or resale of a Unit in the amount of two (2) months of the general Assessment charged to such Unit. Such two (2) months of the general Assessment shall be in addition to regular monthly Assessments. Declarant shall not use the reserve account to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while it is in control of the Association. Notwithstanding anything to the contrary herein, the contribution to the reserve account shall not be due from: (i) any grantee who is the Domestic Partner, spouse, or former spouse of the grantor; (ii) any grantee that is a wholly-owned entity of the grantor or grantor's Domestic Partner, spouse, or former spouse or a combination thereof; (iii) any grantee to whom a Unit is conveyed by a will or through the law of intestacy; or (iv) any grantee of a Unit who obtains title pursuant to judicial or no judicial foreclosure of any first Mortgage of record or secondary purchase money Mortgage of record (provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Unit).

**8.10 Assessments.** The Association shall assess each Co-Owner (including the Declarant but only as stated below) for such Co-Owner's proportionate share of the Common Expenses, such share being the same as the undivided share of such Co-Owner in the Common Elements appurtenant to his/her/its Unit specified in Exhibit C hereto, which Assessment shall be made and collected in the manner hereafter stated; provided, however, that the Declarant has been and will be responsible only for its proportionate share of Common Expenses actually incurred and in no event shall be responsible for Assessments past or future to the extent they are for Reserves or Common Reserves. Assessments may be made for:

- (a) **Annual expenses and working capital** (as stated above);
- (b) **Reserve for deferred maintenance and replacement** (as stated above);
- (c) **Reserve for additional improvements** (as stated above); and
- (d) **Special Assessment** (as stated above).

**8.11 Assessment Procedure.**

- (a) **Annual Assessment Installments:** Assessments against the Co-Owners for their shares of the items of the budget shall be made by the Board to the Co-Owners for the fiscal year annually in advance on or before November 30 preceding the fiscal year for which the Assessments are made. Notice of the Assessments to Co-Owners shall include amounts and categories and the Association's or Managing Agent's (as the case may be) wire transfer instructions for the Co-Owner's Assessment payments. Such annual Assessments shall be due in twelve equal monthly installments on the first day of each month for the year for which the Assessments are being made. The Board shall have the authority to adjust the payment dates of the Assessments as it shall deem appropriate and may elect, upon prior written notice to the Co-Owners, to change from monthly to quarterly payments. If an annual Assessment is not made as required by the Board to the Co-Owners, an Assessment shall be presumed to have been made in the amount of the last prior annual Assessment and monthly payments thereon shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessments therefore may be amended at any time by the Board provided that the reserves of the amended budget do not exceed the limitations thereon for that year. Any reserve which does exceed such limitation shall be subject to approval of the Members Vote heretofore required. The unpaid Assessment for the remaining portion of the calendar year for which the amended Assessment is made shall be due in equal monthly installments on or before the fifth (5<sup>th</sup>) day of each month thereafter during the year for which the Assessment is made. All annual Assessment payments shall be made on or before the 5<sup>th</sup> day of each month.

**8.12 Liability for Assessments.** A Co-Owner (or if the Co-Owner is a corporation, LLC, or other entity, the human principals of the entity or the entities in the ownership chain, as the case may be) shall be personally liable for all Assessments coming due while he/she/it is the owner of a Unit.

**8.13 Collection of Assessments and Other Charges.**

- (a) **Electronic Wire Transfer Deposit for Monthly Assessment Payments.** All monthly annual Assessment payments shall be made by electronic wire transfer of funds from Co-Owner to the Association or Managing Agent's bank account (as the case may be) on or before the fifth (5<sup>th</sup>) day of each month. Co-Owners

shall have three (3) months to establish said wire transfers after the purchase of a Unit. Co-Owners who after the three (3) month period choose not to use electronic wire transfer of funds for their payment shall be charged an additional fee of \$10.00 with each Assessment payment due, or such other reasonable amount as may be determined from time to time by the Board, to defray administrative costs associated with collection of non-electronic wire transfer payments. If said administrative fees collected exceed the bookkeeping costs associated with non-electronic wire transfer payments, the surplus shall be added to the funds for current expenditures. In no case shall Declarant be liable for said administrative fee as long as Declarant owns a Unit primarily for sale. All such administrative fees are part of the annual Assessment and thus when unpaid constitute a lien in the same manner as provided for Assessments and bear interest in the same manner as provided for Assessments.

- (b) **Interest; Application of Payments.** Assessment installments and any other charges paid by Co-Owners pursuant to this Master Deed and Bylaws, which are paid on or before fifteen (15) days after their due date shall not bear interest, but all sums not paid on or before fifteen (15) days after their due date shall bear interest from the original due date until paid in full at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower. All payments upon account shall be first applied to interest and then to the Assessment payment first due. Said interest shall accrue both after default and after judgment.
- (c) **Lien.** All Assessments against any Co-Owner shall constitute a lien against the Co-Owner's Unit in favor of the Association, as provided by the Act, which lien shall become effective when a notice claiming such lien has been duly recorded by the Association in the Records Office for Charleston County. Such claim of lien shall state the description of the Unit, the name of the record owner, the amount due, and the date when due. Such claim of lien shall be signed and verified by an Officer or agent of the Association prior to its being recorded. No such claim of lien shall be made by the Association unless the Assessment, other charge, or expense giving rise to the lien, remains unpaid for more than thirty (30) days after same becomes due and written notice of delinquency has been given to the Co-Owner stating if the Assessment, other charge, or expense remains delinquent for more than ten (10) days from the date of the notice said claim of lien may be filed in the Records Office of Charleston County. Any such lien may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. The lien shall secure the payment of all Assessments as described in said claim of lien and, in addition thereto, shall secure the payment of subsequent Assessments which come due after the filing of the claim of lien and prior to the satisfaction of such lien by foreclosure or otherwise, including interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such Assessments or the enforcement of such lien. The right of the Association to foreclose a lien as aforesaid shall be in addition to any other remedy, at law or in equity, which may be available

to it for the collection of the monthly and/or quarterly charges and expenses, including the right to proceed personally against any delinquent Co-Owner (or if the Co-Owner is a corporation, LLC, or other entity, the human principals of the entity or the entities owners, as the case may be) for the recovery of a judgment "in persona". Any personal judgment against any such delinquent Co-Owner may include all unpaid subsequent Assessments which come due after the institution of such suit and prior to such order of judgment, including interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, together with all costs and reasonable attorney's fees incurred by the Association incident to the collection of such Assessments. (See Section 8.13(f) concerning first notice and Section 8.13(f)(4) concerning second notice.)

- (d) **Rental Pending Foreclosure.** In any foreclosure of a lien for Assessments, the Association shall, pending foreclosure, be entitled to the appointment of a receiver who shall collect a reasonable rental for the use of the Unit subject to the lien, which rental shall be applied to the obligations of the Co-Owner.
- (e) **Late Assessment Payment Administrative Fee.** In the event that the payment of any Assessment provided for in the Bylaws or Master Deed is received more than fifteen (15) days after its due date, an administrative fee of Thirty Dollars (\$30), or such other reasonable amount as may be determined from time to time by the Board, shall be charged to the Co-Owner who failed to make payment upon the scheduled payment date. This fee is in addition to the interest charged per Section 8.13(b). A separate administrative fee shall be charged for each instance in which payment is received more than fifteen (15) days after its due date. All such administrative fees are part of the annual Assessment and thus when unpaid constitute a lien in the same manner as provided for Assessments and bear interest in the same manner as provided for Assessments.
- (f) **Delinquent Assessments and Other Charges and First Notice.** All Assessments, related charges, or other charges under this Master Deed and the Bylaws not paid on or before their due date shall be delinquent, and the Co-Owner shall be in default. If Assessments, related charges, or other charges, or any part thereof due from a Co-Owner remain delinquent and unpaid for a period greater than fifteen (15) days past their due date, a written notice of delinquency may be given or sent to the Co-Owner. This first notice may state if Co-Owner becomes thirty (30) days delinquent, Co-Owner will then be liable to have his/her/its Assessments related charges, or other charges accelerated, a lien filed upon his/her/its Unit, a collection action filed against him/her/it, and if the Unit is rented, have the rents assigned to the Association and collected directly to the Association for payment of the debt.
  - (1) **Application of Funds.** If part payment of any Assessments and related charges is made, the amount received may be applied first to costs and reasonable attorneys' fees actually incurred, then to late charges, then to interest, then to delinquent Assessments, and then to current Assessments.
  - (2) **Acceleration of Remaining Annual, Special, and Emergency Assessments.** If Assessments or other charges or any part thereof due from

a Co-Owner remain delinquent and unpaid for a period greater than thirty (30) days from their due date, a written notice of delinquency may be given to that Co-Owner stating if the Assessment or other charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board may accelerate and declare immediately due without any further notice being given to the delinquent Co-Owner, all of that Co-Owner's unpaid installments of the annual Assessment (for that fiscal year) and any unpaid installments of any Special or Emergency Assessments then in place (the amount of Special or Emergency Assessments to be accelerated is the amount due over the next three (3) years from the date of acceleration). Upon acceleration, that Co-Owner shall thereby lose the privilege of paying a) the annual Assessment in installments for that fiscal year and b) said Special and Emergency Assessment(s) in installments for the next three (3) years. (See Section 8.13(f) concerning first notice and Section 8.13(f)(4) concerning second notice.)

- (3) **Collection Action.** If Assessments and other charges or any part thereof remain unpaid more than thirty (30) days after they become delinquent and after the written notice and its ten (10) period have run as stated in Section 8.13(f)(2)(the two time periods, 30 days and 10 days, may run concurrently), the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions of the Master Deed, the Bylaws, the Act, and South Carolina law, including costs and expenses of collection and reasonable attorneys' fees. (See Section 8.13(f) concerning first notice and Section 8.13(f)(4) concerning second notice.)
- (4) **Written Second Notice for Acceleration, Collection Action, and Assignment of Rents.** The written notice should state if the Assessment or other charges remain delinquent for more than ten (10) days from the date of the written notice of delinquency or thirty (30) days from the date payment was originally past due, whichever period is longer (the two periods may run concurrently), then amounts due pursuant to Section 8.13(f)(2) can be accelerated as stated therein, the Association or its agents may file a lien against the co-Owner's Unit in the Charleston County Records Office pursuant to Section 8.13(c), the Association or its agents may file a collection action for said sums as stated in Section 8.13(f)(3), and if the Unit in question is rented, then the Co-Owner agrees to an assignment of the rent from said Unit directly to the Association to be used to pay sums due as stated in Section 20.6(c)(3).

**8.14 No Exceptions From Assessments.** No Co-Owner may exempt itself from contributing toward any Assessment, or charge hereunder, by waiver of the use or enjoyment of the Common Elements of the Association, by abandonment of the Unit owned by such Co-Owner, by the Association's, or its agents', failure to perform its obligations hereunder, or because of a dispute arising from the Association's, or its agents', performance or non-performance of its duties. All Units shall be subject to a lien for unpaid Assessments. Said liens may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. Notwithstanding anything in this Master Deed to the contrary, the Declarant has not been and shall not be responsible for

Assessments except to the extent they represent its proportionate share as a Unit Co-Owner of expenses actually incurred by the Association. In no event shall the Declarant be required to pay Assessments to the extent they are for Reserves or Common Reserves.

**8.15 Lien Subordinate To Mortgage Lien.** As set forth in Section 27-31-210(a) of the Act, the lien against a Unit for unpaid Assessments is subordinate to mortgages and other liens, duly recorded; encumbering the Unit. Further, as set forth in Section 27-31-210(b) of the Act, where the mortgagee of any mortgage of record or other purchaser of a Unit obtains title at the foreclosure sale of such a mortgage, such acquirer of title, his successors and assigns, shall not be liable for the Assessments chargeable to such Unit accruing after the date of recording such mortgage but prior to the acquisition of title to such Unit by such acquirer.

**8.16 Board's Right to Assign or Not to Spend Assessments.** Assessments shall be paid in such manner and on such dates as may be fixed by the Board in accordance with a budget or otherwise. The Board shall have the right to: (i) not spend the full amount budgeted for any particular line item in the budget; (ii) spend more than what has been budgeted; and (iii) shift revenues within the budget from one line to another. The Board has the right assign the Association's right to future income including future Assessments: assignment should be (i) only for specific purposes such as repair of existing structures; (ii) only for income from specific sources; and (iii) only for a specified percentage of Assessments.

**8.17 Personal Obligation of Co-Owner, etc.** All such Assessments, together with charges, interest, costs, and reasonable attorneys' fees actually incurred, and if the Board so elects, rents, in the maximum amount permitted under South Carolina law, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each Assessment is made. Such amounts shall also be the personal obligation of the Person who was the Co-Owner of such Unit at the time when the Assessment fell due. Each Co-Owner and his/her/its grantee shall be jointly and severally liable for all Assessments and charges due and payable at the time of any conveyance. Pursuant to provision Section 27-31-200 of the Act, upon the conveyance of a Unit, all unpaid Assessments against a Unit shall first be paid out of the sales price of such Unit or by the acquirer over any other charges or Assessments of whatever nature, except as provided in the Act.

## **ARTICLE IX** **COVENANTS AND AGREEMENTS**

To further implement this plan of condominium ownership, to make the ownership and sale of Units feasible, to preserve the character of the Property and to make possible the fulfillment of the purpose of this Master Deed, the Declarant, its successors and assigns, by reason of this Master Deed, and all future Co-Owners by their acquisition of title thereto, covenant, and agree as follows:

**9.1 No Partial Conveyance.** Each Unit shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be leased, conveyed, devised, inherited, transferred, or encumbered along with its appurtenant percentage in the Common Elements, in the same manner as any other parcel of real property, independently of all other Units, subject only to the provisions of this Master Deed, the Charter, the Bylaws, and the Act. No part of any Unit or any Common Element shall be leased, conveyed, devised, inherited,

transferred, or encumbered apart from the whole of said Unit and its corresponding percentage in the Common Elements.

**9.2 Improper Use of Unit Prohibited.** No unlawful use shall be made of a Unit or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of such Unit shall be the same as the responsibility for the maintenance and repair of the Unit concerned. Additionally, no use shall be made of a Unit which would violate the terms of this Master Deed or its Exhibits.

## **ARTICLE X** **INSURANCE**

### **10.1 Authority to Purchase; Notice.**

- (a) **Board, Managing Agent, and Declarant.** Except as otherwise provided in Section 10.5, all insurance policies relating to the Property, including Class A and Class B Limited Common Elements, and as directed by the Board, shall be purchased by the Association or the Managing Agent. The Board, the Association, the Managing Agent, and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at a demonstrably unreasonable cost. The Board shall promptly furnish to each Co-Owner and Mortgagee (and insurer of their mortgages) written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association.
- (b) **Policy Provisions.** Except for the provision in (3) below which is required, these provisions are recommended but not mandatory due to cost and availability:
- (1) **Subrogation Waived.** The insurer waives any right to claim by way of subrogation against the Association, the Board, the Managing Agent, or the Co-Owners, and their respective agents, employees, guests, and, in the case of the Co-Owners, the members of their households;
  - (2) **Insurer to Demand Cure before Cancellation.** Such policy shall not be cancelled, invalidated, or suspended due to the conduct of any Co-Owner (including his invitees, agents, and employees) or of any Member, Officer, or employee of the Board or the Managing Agent without a prior demand in writing that the Board or the Managing Agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand;
  - (3) **Insurer to Give Notice before Cancellation or Modification.** Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the Board, the Managing Agent, and all Mortgagees of record.

- (c) **Declarant Coverage.** The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as a Co-Owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or to be for the benefit of any contractor engaged by the Declarant.
- (d) **Reputable Insurance Company.** All policies of insurance shall be written by reputable companies licensed to do business in South Carolina.
- (e) **Deductible.** The deductible, if any, on any insurance policy purchased by the Board shall be a Common Expense; provided, however, that the Association may assess any deductible amount (i) necessitated by the negligence, misuse, or neglect of a Co-Owner or Occupant against such Co-Owner or (ii) related to damage to a portion of a Unit to be maintained by Co-Owner against such Co-Owner.

## **10.2 Physical Damage Insurance.**

- (a) **“All-Risk” Policy.** The Board shall obtain and maintain a blanket, "all-risk" form policy of master casualty and hazard insurance affording fire and extended coverage, vandalism, malicious mischief, debris removal, and water damage endorsements, insuring the entire Property, specifically including all of the Units, and all their interior walls, boundary walls, and roofs (notwithstanding the provisions of this Master Deed), carpet, or other floor covering, and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereto installed by the Declarant (but not including furniture, wall coverings [unless applied by Declarant before purchase], furnishings, or other personal property or fixtures supplied or installed by Co-Owners), together with all air-conditioning and heating equipment and other service machinery contained therein or deemed to be Limited Common Elements appurtenant to a Unit and covering the interest of the Association, the Board, Declarant, and all Co-Owners and their Mortgagees, as their interests may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee contained in Section 10.6 below) in an amount equal to one hundred percent (100%) of the then current replacement cost of the insured property (exclusive of the land, excavations, foundations, and other items normally excluded from such coverage), without deduction for depreciation (such amount to be re-determined annually by the Board with the assistance of an appraisal or update to a prior appraisal). Nothing in this Article effects the maintenance, repair, and upkeep responsibilities of the Association and the Co-Owner set out herein in the event such policy does not provide coverage and the Association shall charge back individual Co-Owners for such policy's deductible to the extent the damage covered by such policy is the responsibility of the Co-Owner or Occupants. The Board shall also obtain and maintain such coverage on all real and personal property owned by the Association and the remainder of real and personal property in the Common Elements not specified above.

- (b) **Policy Provisions.** Such policy or policies shall also provide:
- (1) Insurance proceeds shall be in an amount equal to the full replacement value of the structures of the Property.
  - (2) The deductible shall be at the discretion of the Board.
  - (3) A waiver of any right of the insurer to repair, rebuild, or replace any damage or destruction, if a decision is made pursuant to this Master Deed not to do so;
  - (4) That any "no other insurance" clause expressly exclude individual Co-Owner's policies from its operation so that the physical damage policy purchased by the Board shall be deemed primary coverage and any individual Co-Owner's policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board hereunder provide for or be brought into contribution with insurance purchased by individual Co-Owners or their Mortgagees, unless otherwise required by law.
- (c) **Certificate of Insurance.** A Certificate of Insurance of the policy of physical damage insurance, all renewals thereof, and any sub policies or certificates and endorsements issued there under, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee or Co-Owner requesting the same, at least thirty (30) days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof, the Board may obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the Land, excavations, foundations, and other items normally excluded from such coverage), without deduction, for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the Common Elements in excess of ten percent (10%) of the then current replacement cost of the Property. The Mortgagee of a Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit.

**10.3 Liability Insurance.** The Board shall obtain and maintain comprehensive general liability (including libel, slander, false arrest, and invasion of privacy coverage) and property damage liability insurance in such limits and with such coverages as the Board may from time to time determine, insuring each Director, Officer, the Managing Agent, and each Co-Owner against any liability to the public or to the Co-Owners (and their invitees, agents, and employees) arising out of, or incident to, the ownership or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; and (ii) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to a Co-Owner because of

negligent acts of the Association or of another Co-Owner. The Board shall review such limits once each year, but in no event shall such insurance be less than \$500,000.00 single limits covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than \$1,000,000.00.

**10.4 Other Insurance.** The Board shall obtain and maintain:

- (a) **Earth quake;**
- (b) **Flood.** If required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;
- (c) **Worker's Compensation.** Workmen's compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);
- (d) **D & O Liability.** Directors and officers liability insurance for the Association in an amount not less than \$1,000,000.00 per occurrence;
- (e) **Fidelity Bonds.** If required by any governmental or quasi-governmental agency, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or required by any Mortgagee, fidelity bonds in accordance with the then applicable regulations of such agency or Mortgagee; and
- (f) **Other.** Such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

**10.5 Separate Insurance.** Each Co-Owner shall have the right and obligation to obtain insurance for such Co-Owner's benefit, at such Co-Owner's expense, covering the Unit and such Co-Owner's personal property and personal liability, as well as any improvements or additions (new kitchen counters, new flooring, etc.) made, or fixtures added to, the Unit or the Class B Limited Common Elements of the Unit by such Co-Owner (under coverage normally called "improvements and betterments coverage"); provided, however, that no Co-Owner shall be entitled to exercise this right to acquire or maintain such insurance coverage so as to decrease the amount which the Association, on behalf of all Co-Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by Co-Owner. No Co-Owner shall obtain separate insurance policies on the Property except as provided in this section.

**10.6 Insurance Trustee.**

- (a) **Insurance Trustee.** All physical damage insurance policies purchased by the Board shall be for the benefit of the Association, the Co-Owners, their Mortgagees, and the Declarant, as their interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "insurance trustee" to be applied pursuant to the terms of this Master Deed.

The Board shall have the authority to designate an independent insurance trustee to act in its place.

- (b) **Hold Proceeds in Trust.** The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated, for the benefit of the insured and their beneficiaries.

**10.7 Premiums.** Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

**10.8 Board is Agent.** The Board is hereby irrevocably appointed agent for each Co-Owner to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon payment of claims. The Board, its Directors, and any insurance trustee shall not be liable to the Association or any Co-Owner(s) for the results of any decision which they make in their reasonable business judgment.

**10.9 Proceeds.** Insurance proceeds shall be held in trust for the purposes elsewhere stated herein by the insurance trustee for the benefit of the Co-Owners and their Mortgagees, in the following shares:

- (a) **Undivided Share for Each Co-Owner.** Proceeds on account of damage to Common Elements shall consist of an undivided share for each Co-Owner, such share being the same as the undivided share of such Co-Owner in the Common Elements appurtenant to his, her, or its Unit specified in Exhibit C.
- (b) **In the Proportion Co-Owners Own Property.** Proceeds on account of damage to Units shall be held for the Co-Owners thereof in proportion to the cost of repairing the damage suffered by each Co-Owner, which costs shall be determined by the Association. In the event a decision is made not to reconstruct the Units, as provided hereinafter and in the Act, such proceeds shall be held for such Co-Owners in the proportion in which they own the Common Elements as specified in Exhibit C.
- (c) **Mortgagee's Rights.** In the event a Mortgagee endorsement has been issued as to a Unit, the share of the Co-Owner shall be held in trust for the Mortgagee and the Co-Owner as their interests may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

**10.10 Proceeds Distributed.** 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:

- (a) **Insurance Trustee Expenses.** All expenses of the insurance trustee shall be paid or provisions made for payment.
- (b) **Repairs and Reconstruction.** If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds

shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Co-Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

- (c) **If Property Not Repaired or Reconstructed.** If it is determined in a 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 Co-Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

**10.11 Reliance on Records.** In making distribution to Co-Owners and their Mortgagees, the Board and insurance trustee shall be entitled to rely upon the names of the Co-Owners, their respective shares of the distribution and the names of their Mortgagees as set forth in the Association's records.

## **ARTICLE XI** **RECONSTRUCTION OR REPAIR AFTER CASUALTY**

**11.1 Reconstruction Determination.** In the event of fire or other disaster or casualty resulting in damage to the Buildings or Common Elements which the Board shall determine to be two-thirds (2/3) or less of the then total value of the Property (excluding land), the net proceeds of all insurance collected shall be made available for the purpose of restoration or replacement. When such insurance proceeds are insufficient to cover the cost of such reconstruction or replacement, the balance of such costs may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense and assessed against the Co-Owners in the case of damage to Common Elements, and against the Co-Owners who own the damaged Units in the case of damage to Units. Such Assessments on account of damage to Common Elements shall be in proportion to the Co-Owner's share in the Common Elements as specified in Exhibit C. Assessments against Co-Owners for damage to Units shall be in proportion to the costs of reconstruction and repair of their respective Units.

**11.2 Reconstruction Waived.** In the event the Buildings and improvements of the Property are damaged or destroyed to an extent which is more than two-thirds (2/3) of the then total value of the Property (excluding land) as determined by the Board, the Co-Owners shall be polled in writing via United States Mail by the Association as to whether the Condominium shall be waived or the damaged property reconstructed and repaired. The Condominium shall be waived unless within sixty (60) days after the mailing of such notices the Co-Owners of all the basic value of the Units, as well as all of the record owners of the encumbrances thereon, agree in writing to repair and reconstruct the Buildings and improvements in the Property. If the election is to reconstruct or replace, payment of the costs thereof shall be made as provided for in Section 11.1. If the decision is to waive the Condominium and not to reconstruct and replace, all sums recovered from insurance shall be paid over to the Co-Owners in the proportion in which they own the Common Elements as specified in Exhibit C and to their respective Mortgagees, as their interests may appear.

**11.3 Co-Owner's Responsibility to Repair.** If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the individual Co-Owner, then the Co-Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association; provided, however, if the responsibility of reconstruction and repair after casualty is that of the Association, but the negligence or misuse of a Co-Owner is the cause of such casualty and such casualty falls within insurance coverage obtained by Association, such Co-Owner shall pay the deductible amount thereunder.

**11.4 Damage Estimates.** Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair or Class B Limited Common Elements (if the Association has knowledge of said Class B Limited Common Element damage), the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in as good a condition as the damaged property was in before the casualty.

**11.5 Reconstruction or Repair Per Plans and Specifications.** Any reconstruction or repair must be substantially in accordance with the plans for the original improvements which are shown on or referenced in this Master Deed and the exhibits hereto, or if not, then according to such other plans and specifications approved by the Board; provided, however that such other action may be taken only if approved by a majority of the Mortgagees of the Units; and if the damaged property is the Buildings, also by the Co-Owners who own at least sixty-seven (67%) percent of the basic value of the Units, including the Co-Owners of all damaged Units. The approvals herein required shall not be unreasonably withheld.

**11.6 Disbursement of Construction Funds.** The funds for payment of costs of reconstruction and repair after casualty, which funds shall consist of proceeds of insurance and/or funds collected by the Association from Assessments against Co-Owners, shall be disbursed in payment of such costs in the following manner:

- (a) **Estimated Cost of Reconstruction \$50,000.00 or Less.** If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is \$50,000.00 or less then the reconstruction fund shall be disbursed in payment of such costs upon the order of the Board; provided, however, that upon request of twenty percent (20%) of the Mortgagees which are beneficiaries of an insurance policy, the proceeds of which are included in the reconstruction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.
- (b) **Estimated Cost of Reconstruction More Than \$50,000.00.** If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is more than \$50,000.00 then the reconstruction fund shall be disbursed in payment of such costs in the manner required by the Board and upon approval of an architect or engineer qualified to practice in South Carolina and employed by the Association to supervise the work.
- (c) **When Co-Owner Responsible for Reconstruction.** The portion of insurance proceeds representing damage for which the responsibility of reconstruction and

repair lies with a Co-Owner shall be paid to the Co-Owner, or if there is a Mortgagee endorsement as to such Unit, then to the Co-Owner and the Mortgagee jointly, who may use such proceeds as they may determine.

- (d) **Excess Proceeds.** It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the reconstruction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial Co-Owner which is not in excess of Assessments paid by such Co-Owner into any reserve shall not be made payable to any Mortgagee.
- (e) **Insurance Trustee.** Notwithstanding the provisions herein, the Board may delegate its authorities and responsibilities hereunder to an independent insurance trustee, who shall not be required to determine whether or not sums paid by Co-Owners upon Assessments shall be deposited by the Association with the insurance trustee, nor to determine whether a disbursement is to be made from the reconstruction fund nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Board as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name or names of the payee and the amount to be paid; provided that when a Mortgagee is herein required to be named as payee, the insurance trustee shall also name the Mortgagee as payee of any distribution of insurance proceeds to a Co-Owner; and further provided that when the Association or mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the reconstruction fund, so requires, the approval of an architect or engineer named by the Association shall be first obtained by the Association prior to disbursement in payment of costs of reconstruction and repair.
- (f) **If Board Elects Not to Repair.** If the Board elects not to repair any substantial damage to the Common Elements, the Board shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Property and the balance of any insurance proceeds received on account of such damage shall be distributed among all Co-Owners in proportion to their respective Common Element interests. If the Condominium shall be terminated pursuant to the Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided among all Co-Owners in proportion to their respective Common Element interests as stated in Exhibit C, after first paying out of the share of each Co-Owner, to the extent sufficient therefore, the amount of any unpaid liens on the Unit in the order of priority of such liens.

## **ARTICLE XII** **MORTGAGES, RIGHTS OF LENDERS**

**12.1 Notice to Association.** A Co-Owner who mortgages his Unit shall notify the Association of the name and address of the Mortgagee and shall file a conformed copy of the

note and mortgage with the Board.

**12.2 Notice of Default, Casualty, or Condemnation.** The Board when giving notice to any Co-Owner of a default in paying an Assessment for Common Expenses or any other default, shall simultaneously send a copy of such notice to the mMortgagee of such Unit, if so requested in writing by the Mortgagee. Each Mortgagee shall also be promptly notified of any casualty when required by this Master Deed, of all actions taken under this Article, and of any taking in condemnation or by eminent domain and actions of the Association with respect thereto.

**12.3 Notice of Amendment of Condominium Instrument.** The Board shall give notice to all Mortgagees at least ten (10) days prior to the date on which the Co-Owners, in accordance with the provisions of this Master Deed and the Bylaws, materially amend the Condominium Instruments.

**12.4 Notice of Change in Managing Agent.** The Board shall give notice to all Mortgagees requesting such notice at least thirty (30) days prior to changing the Managing Agent, if possible.

**12.5 Mortgagees' Approvals.**

(a) **One Hundred Percent Vote.** Unless the Mortgagees holding mortgages on at least one hundred percent (100%) of the basic value of the Units and the Co-Owners owning at least one hundred percent (100%) of the basic value of the Units have given their prior written approval, the Association shall not:

- (1) (Except following destruction or condemnation) change any Unit's Common Element interest except as provided in the Master Deed and/or the Act;
- (2) (Except following destruction or condemnation) partition, subdivide, abandon, encumber, sell or transfer the Common Elements (except for the granting of utility easements, etc., pursuant to the Master Deed and/or the Act);
- (3) (Except following destruction or condemnation) by act or omission withdraw the submission of the Condominium to the Act, except as provided by the Act; or
- (4) Modify the method of determining and collecting Assessments or allocating distributions of casualty insurance proceeds or condemnation awards.

(b) **Two Thirds Vote.** Unless the Mortgagees holding mortgages on at least sixty-seven percent (67%) of the basic value of the Units and the Co-Owners owning at least sixty-seven percent (67%) of the basic value of the Units have given their prior written approval, the Association shall not:

- (1) Following destruction or condemnation, change any Unit's Common Element interest except as provided in the Master Deed and/or the Act;

- (2) Following destruction or condemnation, by act or omission, withdraw the submission of the Condominium to the Act, except as provided by the Master Deed and/or the Act;
- (3) Use hazard insurance proceeds for losses to the Property for any purpose other than repair, replacement, or restoration except as otherwise provided in the Bylaws, the Master Deed, and/or the Act.
- (4) Add any material provisions of the Condominium Instruments which establish, provide for, govern, or regulate any of the following: (1) voting; (2) Assessments, liens, or subordination of such liens; (3) reserves for maintenance, repair, and replacement of the Common Elements (or Units if applicable); (4) insurance or fidelity bonds; (5) rights to use of the Common Elements; (6) maintenance responsibility; (7) boundaries of any Unit; (8) the restrictions in the General Common Elements or Limited Common Elements; (9) convertibility of Units into Common Elements or of Common Elements into Units; (10) imposition of any right of first refusal or similar restriction on the right of a Co-Owner to sell, transfer, or otherwise convey the Unit; (11) any provisions which are for the express benefit of mortgagees; (12) expansion or contraction of the Property; (13) leasing of Units; or (14) imposition of self-management where professional management has been required by any of the Agencies (as defined below)
- (5) Non-Material Amendments; Presumptive Approval. Any addition or amendment to the Condominium Instruments shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A Mortgagee who is notified of additions or amendments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

**12.6 Other Rights of Mortgagees.** All Mortgagees or their representatives shall have the right to attend and to speak at meetings of the Association. As provided elsewhere in the Condominium Instruments, all such Mortgagees (and the insurers of their mortgages) shall have the right to examine the Condominium Instruments and books and records of the Condominium, to receive any annual reports filed by Declarant, and to require the submission of annual financial reports and other budgetary information. If any of the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, or any similar federal agency or corporation (the "Agencies") that has an interest or prospective interest in a Unit makes a written request for such information, the Association shall prepare and furnish to such Agency within a reasonable time an audited financial statement of the Association for the immediately preceding fiscal year.

**ARTICLE XIII**  
**NON-LIABILITY AND INDEMNITY OF ASSOCIATION, BOARD, AND OFFICERS**

**13.1 Director or Officer.** No Director or Officer of the Association shall be liable for acts, defaults, or neglects of any other Director or Officer or Member or for any loss sustained by the Association or any Co-Owner, unless the same shall have resulted from the Director's or Officer's own willful or grossly negligent act or omission.

**13.2 Director, Officer, and Agent Indemnification.** Every Director, Officer, and agent of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including reasonable attorney's fees) actually and necessarily incurred by or imposed upon such Director, Officer, or agent in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he or she may be involved as a party or otherwise by reason of being or having been a Director, Officer, or agent of the Association whether or not he or she continues to be such Director, Officer, or agent at the time of incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or gross neglect in the performance of duties. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

#### **ARTICLE XIV**

#### **ALTERATIONS AND MODIFICATIONS OF UNITS OR COMMON ELEMENTS**

**14.1 Requirements for Alterations and Modifications.** Neither the Association nor any Co-Owner shall make any structural modifications or alterations to his/her/its Unit, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of such Unit or any Building, or adversely affect any of the Common Elements, or impair any easement, without first obtaining approval in writing for the same in accordance with the terms of the Master Deed and the exhibits hereof. A copy of plans for all such work, prepared by an architect, engineer, or general contractor licensed to practice in the State of South Carolina, shall, if requested, be filed with the Association prior to the start of the work.

**14.2 Members' and Declarant's Rights, Cost of Alterations and Modifications.** Subject to the rights of the Declarant, there shall be no alterations or further improvements of the Common Elements without the prior approval in writing by sixty-seven (67%) percent of the Members Vote. Any such alteration or further improvement shall not interfere with the rights of any Co-Owners. The cost of such alterations or further improvement shall be assessed to the Co-Owners of the Units in the proportion which their respective shares in the Common Elements bear to each other as specified in Exhibit C.

#### **ARTICLE XV**

#### **FAILURE TO COMPLY WITH CONDOMINIUM INSTRUMENTS**

**15.1 Compliance.** Each Co-Owner, tenant, Occupant, and the Association shall be governed by and shall comply with the terms of the Master Deed and the Bylaws adopted hereunder and said documents as they may be amended from time to time. Failure to comply therewith shall entitle the Association and/or other Co-Owners to relief including, but not limited to, an action to recover sums due for damages or injunctive relief, or both, as well as all costs and expenses and reasonable attorney's fees, which actions may be maintained by the

Association or in a proper case by an aggrieved Co-Owner.

**15.2 Co-Owner Liability.** A Co-Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by the act, neglect, or carelessness of the Co-Owner or by that of any Occupant of Co-Owner's Unit, member of the Co-Owner's or Occupant's family or the Co-Owner's or Occupant's guests, employees, agents, lessees, licensees, or invitees, but only to the extent that such expense is not paid from the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of Unit or its appurtenances, or of the Common Elements.

**15.3 Cost and Expenses.** In any proceeding arising because of an alleged default by a Co-Owner under any provisions of the Master Deed or the Bylaws, the Association shall be entitled to recover the costs and expenses of the proceeding and reasonable attorneys' fees.

**15.4 No Waiver.** The failure of the Association, the Board, the Managing Agent, or any Person to enforce any covenant, restriction, or other provision contained in the Act, the Master Deed, or the Bylaws adopted pursuant hereto and said documents as they may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

## **ARTICLE XVI** **AMENDMENT OF MASTER DEED, CHARTER, AND BYLAWS**

**16.1 Reservation of Rights.** As long as Declarant owns any Unit primarily for sale, Declarant reserves the right to make any changes in the Master Deed and Bylaws as may be recommended by legal counsel (on the advice of counsel) or any title insurance company or any lending institution including the Federal National Mortgage Association, or as may be required by law, and to supplement the Exhibits hereto, or to correct any typographical errors, provided that such changes do not increase a Co-Owner's share of the Common Expenses or change the share in the Common Elements appurtenant to any Unit. Any amendment to the Master Deed or Bylaws shall require the written consent of Declarant until the date upon which the Declarant no longer owns any Unit primarily for sale.

**16.2 Vote to Amend Master Deed.** This Master Deed may be amended at the regular or any special meeting of the Association, called and convened in accordance with the Bylaws, upon the affirmative vote of the Members constituting sixty-seven (67%) percent of the total basic value of the Units; provided however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Condominium without the written agreement of all the Co-Owners in the Condominium and all Mortgagees holding mortgages of record upon the Condominium or any portion thereof, as provided in the Act; provided, further that no amendment to this Master Deed may change the configuration of or approve the construction of any improvement or placement of any item of personal property in a General Common Element without the approval of the Members owning sixty-seven (67%) percent of the total basic value of the Units nor shall any amendment to this Master Deed change the Limited Common Elements appurtenant to a Unit without the approval of the Co-Owners of that Unit or change of Co-Owner's percentage ownership in the Common Elements without 100% of the Co-Owners and Mortgagees.

**16.3 Amendment of Charter and Bylaws.** The system of administration as set forth in the Charter and Bylaws may be amended and modified from time to time in accordance with the provisions of the Act and any other applicable provisions of the statutory laws of South Carolina, the Charter, this Master Deed and Bylaws. The procedure for effecting an amendment to the Bylaws and Charter shall be that as provided for amendment of this Master Deed requiring sixty seven percent (67%) of the Members' Vote unless a different percentage is provided for in this Master Deed or the Exhibits, and reserving Declarant's rights as long as Declarant owns any Unit primarily for sale.

**16.4 Mortgagees' and Declarant's Rights.** No amendments to the Master Deed or other Condominium Instruments shall diminish or impair the rights of Mortgagees under the Condominium Instruments without the prior written consent of all Mortgagees of record, nor diminish or impair the rights of the Declarant under the Condominium Instruments without the prior written consent of the Declarant. No amendment may modify this Article or the rights of any Person hereunder. Except as specifically provided in the Condominium Instruments, no provision of the Condominium Instruments shall be construed as granting any Co-Owner, or any other person, any priority over any rights of Mortgagees.

**16.5 Changing Unit's Proportional Ownership.** All amendments hereto shall be recorded and certified as required by the Act. Except as otherwise expressly stated herein no amendment(s) shall change any Unit or the proportionate share of the Common Expenses or Common Surplus attributable to each Unit, nor the voting rights of any Unit, unless all Co-Owners and all Mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice rights and/or priorities of any Mortgagee or change the provisions of any mortgage or change the provisions of this Master Deed with respect to Mortgagees without the written approval of all Mortgagees of record.

## **ARTICLE XVII** **EMINENT DOMAIN**

**17.1 General.** Whenever all or any part of the Property shall be taken by any authority having the power of condemnation or eminent domain, each Co-Owner shall appoint the Association, as attorney-in-fact for the Co-Owners, to represent such Co-Owners in any related proceedings, negotiations, settlements, or agreements. The award made for such taking shall be payable to the Association, for the benefit of the Co-Owners and Mortgagees, and shall be disbursed by the Association as stated below.

**17.2 Common Elements and Limited Common Elements.** If any portion of the Common Elements on which improvements, excluding Units, shall have been constructed is taken by eminent domain, and if at least sixty-seven (67%) percent of the Co-Owners consent to replace such Common Elements on the remaining portions of the Property and according to plans therefore to be approved by the Association, then the Board shall arrange for such replacement and the Association shall disburse the award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Property is to be repaired or reconstructed. If the Association does not consent as provided above, the award shall be allocated by the Association to the Co-Owners in proportion to their respective undivided interest in the Common Elements; provided, however, that

the portion of the award attributable to the taking of any permanently assigned Limited Common Element shall be allocated to the Co-Owner to which that Limited Common Element was so assigned at the time of the taking. If any Limited Common Element was permanently assigned to more than one Unit at the time of the taking, the portion of the award attributable to the taking thereof shall be allocated in equal shares to the Co-Owners to which it was so assigned.

**17.3 Units.** If all or any portion of a Unit is taken by eminent domain, the interest of all remaining Co-Owners in the Common Elements shall be reallocated by taking as a basis the value of the individual Units in relation to the Property as a whole, and such revised interests shall be reflected in an amendment to Exhibit C of this Master Deed. The Association shall disburse to the Co-Owners affected by such condemnation, the share of the award attributable to each Unit (in accordance with such Unit's interest in the Common Elements as set forth on Exhibit C), as well as each Unit's undivided interest in the Common Elements.

## **ARTICLE XVIII** **CONDITIONS OF TITLE**

**18.1 Conditions of Title.** Present title to the Property and each Unit which shall be hereafter conveyed or acquired in any manner, is hereby expressly declared, and made subject to, the terms and provisions of this Master Deed and its Exhibits. The acquisition of title to a Unit shall be conclusively deemed to mean that the grantee approves, adopts, and ratifies the provisions of this Master Deed and all Exhibits hereto including, but not limited to, the Bylaws as amended from time to time, and will comply therewith. The covenants, agreements, and restrictions set forth herein shall be appurtenant to each Unit, shall run with the land, and shall be binding upon the Declarant, its successors and assigns, and upon all Persons whomsoever (including corporate and/or business entities) claiming by, through, or under the Declarant, its successors and assigns.

## **ARTICLE XIX** **TERMINATION**

**19.1 Termination of Condominium.** This Condominium may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however notwithstanding anything to the contrary in the Act as to termination in the event of destruction, the Condominium may not be terminated unless and until all Co-Owners and all Mortgagees of record of all Units agree thereto and said Mortgagees agree in writing to accept such termination and to accept as security the undivided portion of the Property owned by the debtors of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Unit and Common Elements. The ownership of each Co-Owner upon termination as tenants in common shall be the same percentage as his/her/its percentage ownership in the Common Elements at that time.

## **ARTICLE XX** **UNIT RESALE AND LEASING RESTRICTIONS**

**20.1 Resale and Leasing Restrictions.** In order to preserve the character of the Property as predominantly owner-occupied, to comply with the eligibility requirements for financing in the secondary mortgage market, and with Declarant's plan to sell Units, the

sale and leasing of Units shall be governed by the restrictions imposed by this Article. Except as provided herein, the sale and leasing of Units shall be prohibited. "Sell" or "sale" for the purposes of this Article, is defined as a transfer of fifty-one (51%) percent of the ownership interest of a Unit or the ownership of an entity (LLC, corporation, partnership, etc.) which owns a Unit. "Leasing," for the purposes of this Article, is defined as regular, exclusive occupancy of a Unit by any Person other than the Co-Owner. For purposes hereof, occupancy by a roommate of a Co-Owner who occupies the Unit as such Co-Owner's primary residence shall not constitute Leasing hereunder.

**20.2 Resale – Co-Owner Shall Abide by Terms of Contract of Sale.** Co-Owners desiring to sell their Units must abide by any agreement with Declarant as stated in the Contract of Sale for Co-Owner's Unit between Declarant and said Co-Owner.

**20.3 All Resales Require the Following.** All Co-Owner buyer and sellers shall abide by the following rules:

- (a) **Notice to Board by Seller.** A Co-Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention i) within seven (7) days after execution of the purchase agreement (in the case of the purchase of a Unit) or transfer or sales documents (in the case of the conveyance of a Unit without a purchase of said Unit, as in the transfer of an entity that owns a Unit) and ii) in any case, at least fourteen (14) days before the sale or transfer. The Co-Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require.
- (b) **Purchase Agreement or Transfer Documents Must Include Master Deed and Bylaws.** Co-Owner seller shall include in the purchase agreement or transfer documents a copy of the Master Deed and Bylaws as an exhibit thereto.
- (c) **Closing Contribution.** A non-refundable contribution to the reserve capital account of the Association shall be paid to the Association by the purchaser of a Unit at the closing of each sale or resale of a Unit in the amount of two (2) months of the annual Assessment charges to such Unit.
- (d) **Resale of Unit, Capital Contribution; Transfer Fee.** Upon the transfer of title to a Unit a capital contribution or transfer fee of Fifty (\$50.00) Dollars shall be due from the purchaser of the Unit to the Association to help defray Association administrative expenses associated with the transfer of the Membership in the Association (this applies to the Declarant after the Declarant Control Period terminates). Said capital contribution or transfer fee shall be due and payable within thirty (30) days of the date of the deed transferring title to the Unit. All such capital contribution or transfer fee are part of the annual Assessment and thus when unpaid constitute a lien in the same manner as provided for Assessments and bear interest in the same manner as provided for Assessments.
- (e) **Notice to Board by Buyer.** Within seven (7) days after receiving title to a Unit, the new Co-Owner of the Unit shall give written notice to the Board of

his/her/its ownership of the Unit. Upon failure of a Co-Owner to give the required notice within the seven (7) day time period provided herein, the Board may assess the Co-Owner for all costs incurred by the Association in determining his/her/its identity.

**20.4 Leasing Permits.** A Co-Owner's request for a Leasing Permit shall be approved if current, outstanding Leasing Permits have not been issued for more than forty percent (40%) of the total number of Units (excluding Units owned by Declarant and up to 4 Units to be purchased by principals of the Declarant). A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (i) the failure of a Co-Owner to lease his/her/its Unit within one hundred eighty (180) days of the Leasing Permit having been issued; (ii) the failure of a Co-Owner to have his/her/its Unit leased for any consecutive one hundred eighty (180) day period thereafter; or (iii) the occurrence of the date referenced in a written notification by the Co-Owner to the Association that the Co-Owner will, as of said date, no longer need the Leasing Permit. If current Leasing Permits have been issued for more than forty percent (40%) of the total number of Units (excluding Units owned by Declarant and up to 4 Units to be purchased by principals of the Declarant), no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below forty percent (40%) of the total number of Units (excluding Units owned by Declarant and up to 4 Units to be purchased by principals of the Declarant). Co-Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to forty percent (40%) or less of the total number of Units (excluding Units owned by Declarant and up to 4 Units to be purchased by principals of the Declarant). The issuance of a Hardship Leasing Permit to a Co-Owner shall not cause the Co-Owner to be removed from the waiting list for a Leasing Permit.

**20.5 Hardship Leasing Permits.** If the failure to lease will result in a hardship, the Co-Owner may seek to lease on a hardship basis by applying to the Board for a Hardship Leasing Permit. The Board shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (i) the nature, degree, and likely duration of the hardship, (ii) the harm, if any, which will result to the Property if the permit is approved, (iii) the number of Hardship Leasing Permits which have been issued to other Co-Owners, (iv) the Co-Owner's ability to cure the hardship, and (v) whether previous Hardship Leasing Permits have been issued to the Co-Owner. A "hardship" as described herein shall include, but not be limited to the following situations: (A) an Co-Owner must relocate his or her residence outside the greater Charleston/Mt. Pleasant metropolitan area and cannot, within six (6) months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (B) where the Co-Owner dies and the Unit is being administered by his or her estate; and (C) the Co-Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year. Co-Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Co-Owner is approved for and receives a Leasing Permit. The term of the Hardship Leasing Permit is at the sole discretion of the Board.

**20.6 Leasing Provisions.** Leasing which is authorized, pursuant to permit, hereunder shall be governed by the following provisions:

- (a) **Notice.** At least fourteen (14) days prior to entering into the lease of a Unit, the Co-Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Co-Owner of the requisite action to be taken in order to bring the lease in compliance with the Master Deed and any rules and regulations adopted pursuant thereto. If the Board fails to notify Co-Owner of any required action within ten (10) days of receiving a copy of the proposed lease then Co-Owner has the right to act as if the Board has approved the lease.
- (b) **Lease Form, Subleasing, Lease Term, Notice, etc.** Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable. There shall be no subleasing of Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Unit, the Co-Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Co-Owner must provide the lessee copies of the Master Deed and the Bylaws. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.
- (c) **Language to Be Included in Each Lease.** Each Co-Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:
- (1) **Tenants Must Comply with Master Deed and Bylaws.** The lessee shall comply with all provisions of the Master Deed and the Bylaws and shall control the conduct of all Occupants and guests of the leased Unit in order to ensure such compliance. The Co-Owner shall cause all Occupants of his/her/its Unit to comply with the Master Deed and the Bylaws, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants are also fully liable and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, violates the Master Deed or Bylaws for which a fine is imposed, notice of the violation shall be given to the Co-Owner and the lessee, and such fine may be assessed against the lessee in accordance with the Condominium Instruments. If the fine is not paid by the lessee within the time period set by the Board, the Co-Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. All such fines are part of the annual Assessment and thus when unpaid constitute a lien in the same manner as provided for Assessments and bear interest in the same manner as provided for Assessments.

Any violation of the Master Deed or Bylaws by the lessee, any Occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Co-Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The Co-Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Master Deed and Bylaws, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Co-Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including reasonable attorneys' fees actually incurred and court costs associated with the eviction shall be an Assessment and lien against the Unit.

- (2) **Use of Common Elements.** The Co-Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Co-Owner has to use the Common Elements, including but not limited to, the use of any and all recreational facilities and amenities, and the Co-Owner while those rights and privileges are assigned does not possess them and thus shall not exercise them, including not using Property parking, pool, pool house, playground, or mail box.
- (3) **Liability for Assessments – Assignment of Rents.** When a Co-Owner who is leasing his/her/its Unit fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Co-Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and Special Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to, the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay Assessments or other charges, lessee shall pay to the Association all amounts authorized under the Master Deed as if lessee were a Co-Owner. The above provision shall not be construed to release the Co-Owner from any obligation, including the obligation for Assessments, for which he/she/it would otherwise be responsible.

**20.7 Article Does Not Apply to Declarant, Association, or Mortgagee.**

Notwithstanding the above, this Article shall not apply to any leasing transaction entered into by Declarant, the Association, or the holder of any first Mortgage on a Unit who becomes the owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage. Such parties shall be permitted to lease or sell a Unit without first obtaining a permit in accordance with this Article, and such Units shall not be considered as being leased in determining the maximum number of Units that may be leased in accordance with this

Article.

**20.8 Exclusions.** Restrictions on resale shall not apply to a transfer of the Unit by Co-Owner to Co-Owner's spouse, a person who is in direct lineal descendant of Co-Owner, a trust whose beneficiaries are solely Co-Owner's spouse and direct lineal descendant's, an entity of which Co-Owner owns directly or indirectly not less than fifty-one percent (51%), a person acquiring title pursuant to a foreclosure sale, or a person acquiring title by means of sale in lieu of foreclosure. Co-Owner shall give the Association at least 10 calendar days notice prior to any of the transfers detailed within this subparagraph together with sufficient documentation to establish that the transfer is one of these exclusions.

## **ARTICLE XXI** **GENERAL PROVISIONS**

**21.1 SECURITY.** THE ASSOCIATION OR DECLARANT MAY, BUT SHALL **NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SECURITY ON THE PROPERTY; HOWEVER, EACH CO-OWNER, FOR HIM/HER/ITS SELF OR TENANTS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY ON THE PROPERTY. FURTHERMORE, NEITHER THE ASSOCIATION NOR DECLARANT GUARANTEE THAT NON-CO-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE PROPERTY AND COMMIT CRIMINAL ACTS ON THE PROPERTY NOR DOES THE ASSOCIATION OR DECLARANT GUARANTEE THAT CRIMINAL ACTS ON THE PROPERTY WILL NOT BE COMMITTED BY OTHER CO-OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH CO-OWNER TO PROTECT HIS/HER/ITS PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL BE SOLELY WITH EACH CO-OWNER. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN.**

**21.2 Dispute Resolution.** Prior to filing a lawsuit against the Association, the Board, or any Officer, Director, or Managing Agent, a Co-Owner or Occupant must request and attend a hearing with the Board. Any such request shall be in writing and shall be personally delivered to any member of the Board or the Managing Agent, if any. The Co-Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time, and place of the hearing to the Person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) or more than twenty-one (21) days from the date of receipt of the request.

**21.3 Successor Declarants.** Any successor to Declarant shall not be responsible or subject to liability by operation of law or through the purchase of Declarant's interest in the Property or any portion thereof at foreclosure or otherwise for any act, omission, or matter occurring or arising from any act, omission, or matter occurring prior to the time the successor succeeded to the

interest of Declarant.

- 21.4 Disclosures.** Each Co-Owner and Occupant acknowledges the following:
- (a) **Location.** The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future;
  - (b) **Natural Light.** The natural light available to and views from an Co-Owner's Unit may change over time due to, among other circumstances, additional development, and the removal or addition of landscaping;
  - (c) **Zoning.** No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future;
  - (d) **Schools.** No representations are made regarding the schools that currently or may in the future serve the Unit;
  - (e) **Conditions outside the Property.** Since in every community, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that a Co-Owner or Occupant may find objectionable and that it shall be the sole responsibility of the Co-Owners and Occupants to become acquainted with community conditions that could affect the Unit;
  - (f) **Exhibit Dimensions are Approximate.** The plans and the dimensions and square footage calculations shown in the Exhibits hereto for the Property and Units are only approximations - Any Co-Owner who is concerned about any representations regarding the Plans should do his/her/its own investigation as to the dimensions, measurements, and square footage of his/her/its Unit;
  - (g) **Declarant's Actions.** Declarant may be renovating and constructing portions of the Property and engaging in other construction activities related to the construction of Common Elements - Such renovation and construction activities may, from time to time, as do all renovation and construction activities, produce conditions on the Property, including, without limitation: (A) noise that is objectionable because of its volume, duration, frequency, or shrillness; (B) smoke; (C) obnoxious fumes or gases; (D) obnoxious odors; (E) dust, dirt, or flying ash; (F) unusual fire or explosion hazards; (G) temporary interruption of utilities; and/or (H) other conditions that may threaten the security or safety of Persons on the Property - Notwithstanding the foregoing, all Co-Owners and Occupants agree that such conditions on the Property resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Master Deed;
  - (h) **Concrete Surfaces.** Exposed concrete surfaces in portions of the Property

which are not heated and cooled are subject to cracking due to (1) water penetration, (2) expansion and contraction of the concrete with temperature changes, and (3) building settlement;

- (i) **Building Settlement.** Concrete surfaces in heated and cooled portions of the Property are subject to cracking due to building settlement;
- (j) **Noise.** Concrete and hardwood surfaces and other uncovered surfaces within a Unit may transmit noise, and such noise shall not constitute a use of the Unit that interferes with or causes disruption to the use and enjoyment of another Unit by its respective Co-Owner and/or Occupant;
- (k) **Not Soundproof.** No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another;
- (l) **Humidity and Condensation.** A Unit may trap humidity created by every day living (cooking, bathing, laundering, etc.) - As a result, condensation may appear on the interior portion of walls, ceilings, windows, and glass surfaces and dampening of areas around HVAC vents and ducts and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the vents, ducts, walls, ceilings, windows, and glass - If left unattended and not properly maintained by Co-Owners and Occupants, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work, drywall compound, and sheetrock, and potentially, mildew and/or mold;
- (m) **Porch Rails.** Porch rails are made of wood coated in plastic and may need to be replaced periodically;
- (n) **Natural State.** Portions of the Property will not be landscaped and will be allowed to return to their natural state;
- (o) **Declarant and Off-Site Conditions.** Declarant shall not be responsible for responding to or taking any affirmative action on behalf of the Association or an individual Co-Owner to mitigate, alleviate, remedy, or cure any off-site conditions that may directly impact the Property or any portion thereof, and such inaction by the Declarant shall not constitute a breach of fiduciary duty by the Directors and Officers of the Association that are appointed by the Declarant;
- (p) **Surface Water Runoff.** While the drainage system for surface water runoff on the Property was constructed in accordance with applicable governmental standards, the Property may still be subject to erosion and/or flooding during unusually intense or prolonged periods of rain; and
- (q) **Light.** Light may emit from improvements on adjacent properties.

**21.5 Services During Period Declarant Owns any Unit for Sale.** Each Co-Owner

acknowledges that Declarant and its affiliates may provide services utilized by communities such as this Property including, but not limited to, management services as long as Declarant has at least one Unit held primarily for sale. Each Co-Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates.

**ARTICLE XXII**  
**TIMESHARING PROHIBITED**

**22.1** **"Time Sharing", "Vacation Sharing."** "Time Sharing", "Vacation Sharing", or similar plans or schemes of interval ownership of a Unit, including any type of Vacation Time Sharing Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, are prohibited without the prior written consent of the Association. In addition and not as any limitation thereof, "time sharing" or "vacation sharing" means and shall include ownership of either: (a) an "interval estate" meaning a combination of (i) an estate for years in a Unit, during the term of which title to the Unit rotates among the time share owners thereof, vesting in each of them in turn for periods established by a fixed recorded schedule, with the series thus established recurring until the term expires, coupled with (ii) a vested undivided fee simple interest in the remainder in that Unit, the magnitude of that interest having been established by the declaration or deed creating the interval estate; or (b) a "time-span estate," meaning a combination of (i) an undivided interest in a present estate in a fee simple in a Unit, the magnitude of that interest having been established by the declaration or by the deed conveying the time-span estate, coupled with (ii) the exclusive right to possession and occupancy of that Unit during a regularly recurring period designated by that deed or by a recorded document referred to therein. Nothing herein shall prohibit rental or ownership of a Unit by a corporation, limited liability company, partnership, limited partnership, or similar entity.

**ARTICLE XXIII**  
**MISCELLANEOUS**

**23.1** **Severability.** It is the intention of the Declarant that the provisions of this Master Deed and its Exhibits are severable so if any provision, condition, covenant, or restriction thereof shall be invalid or void under any applicable federal, state, or local law, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant, or restriction thereof is, at the time of the recording of this Master Deed, void, voidable, or unenforceable as being contrary to any applicable federal, state, or local law, the Declarant, its successors and assigns, and all persons claiming by, through, or under the Declarant, covenants and agrees that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability, or unenforceability, shall be deemed to apply retroactively to this Master Deed thereby operating to validate the provisions of this Master Deed and the exhibits thereto which otherwise might be invalid; and it is further covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein declared as fully as if they had been in effect at the time of the execution of this Master Deed.

**23.2** **Captions.** Captions or titles in this Master Deed and the Exhibits attached hereto are inserted as a matter of convenience and for reference only.

**23.3** **No Obligations.** Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build,

renovate, or provide any improvements except to the extent required by the Act.

**23.4 Provisions of Master Deed.** Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of this Master Deed and its Exhibits shall be paramount to the Act as to those provisions where variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein. To the extent the terms of this Master Deed conflict with the Bylaws, the Master Deed shall control.

**23.5 Compliance with Act.** All remedies for non-compliance provided in the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed, and/or the Exhibits attached hereto, upon a finding by the Court that the violation claimed was willful or deliberate, the Co-Owner so violating shall reimburse the Association for costs and expenses of the action including reasonable attorneys' fees.

**23.6 Mortgagee Priority.** Where a mortgagee by some circumstance fails to be a first mortgagee, it should nevertheless for the purpose of the Master Deed and the Exhibits hereto be deemed to be a first mortgagee of record.

**23.7 Inspection of Records.** The Association shall make available to Co-Owners and lenders, and to holders, insurers, or guarantors of any first mortgage, for inspection during normal business hours or under other reasonable circumstances, current copies of the Master Deed and Bylaws concerning the Property and the books, records, and other financial statements of the Association. Any holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

**23.8 Ad Valorem Taxes.** Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against its Unit and shall file any tax returns required in connection therewith. No Co-Owner shall have a right to contribution or a right of adjustment against any other Co-Owner because the value of its Unit as fixed by any taxing authority may differ from that stated herein. For the purposes of taxation, the interest of the Co-Owner in its Unit and Common Elements appurtenant thereto shall be considered a Unit.

The value of said Unit as compared to the value of the Property shall be equal to the percentage of the value of the entire Property as then constituted, including land and improvements, as has been assigned to said Unit and as set forth in this Master Deed. The total of all said percentages equal one hundred percent (100%) of the value of all the land and improvements as it shall then be constituted.

**23.9 Assignment of Warranties.** All contractual warranties, if any, running in favor of the Declarant in connection with any renovation or improvement to the Building and the installation of material, equipment, and appliances therein, shall accrue to the benefit of and are hereby assigned to the respective Co-Owners or the Association as appropriate.

**23.10 Disclaimer.** **THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE PROPERTY OR ANY PORTION THEREOF (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTIES AS TO THE**

**PRESENCE OR QUALITY OF INSULATION OR ANY WARRANTIES AS TO THE PRESENCE, OR LACK OF PRESENCE, OF LEAD BASED PAINT OR LEAD BASED PAINT HAZARDS, ASBESTOS, OR TOXIC MOLDS) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE CONDOMINIUM, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS, OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE, OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS, OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES.**

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the Building or on any portion of the Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier, or manufacturer shall be the obligation of the Association and its Co-Owners and not the Declarant.

**23.11 Singular or Plural and Gender.** Whenever the context so requires, the use of the singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all genders. The provisions of the Master Deed and its Exhibits shall be liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a horizontal property regime.

**23.12 Submerged Land.** To the extent, if any, that the Property contains any submerged land, all purchasers are hereby advised that, pursuant to S.C. Code § 27-31-100, all activities on or over and all uses of the submerged land or other critical areas are subject to the jurisdiction of the South Carolina Department of Health and Environmental Control including, but not limited to, the requirement that any activity or use must be authorized by the South Carolina Department of Health and Environmental Control. Any Co-Owner shall be liable to the extent of his/her/its ownership for any damages to, any inappropriate or not permitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area.

**23.13 Covenants Running With the Land.** All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Unit and the appurtenances thereto. Every Co-Owner and/or occupant of the Property or any part thereof or any party owning any interest therein, their heirs, executors, successors, administrators, and assignees, shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same and the Act.

**23.14 Duration; Rule Against Perpetuities.** So long as South Carolina law limits the

period during which covenants restricting lands to certain uses may run, it shall be the duty of the Board to cause the covenants contained herein, as amended from time to time, to be extended when necessary by filing a document bearing the signatures of a majority of the then Co-Owners reaffirming and newly adopting the Master Deed and its Exhibits and covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a majority shall be binding on all, and each Co-Owner, by acceptance of a deed **therefor**, is deemed to agree that the Master Deed and/or its Exhibits and covenants may be extended as provided herein. If any of the covenants, conditions, restrictions or other provisions of this Master Deed shall be unlawful, void, or voidable for violation of the rule against perpetuities or other law, then such provision shall continue only for the maximum period of time permitted by the rule against perpetuities or such other law.

**23.15 Construction.** Where there are inconsistent clauses in this Master Deed, the Bylaws, and any other Exhibits hereto, one of which is specific and the other general, the specific clause shall control.

## **ARTICLE XXIV** **RULES, REGULATIONS, AND USE RESTRICTIONS**

**24.01 Rules, Regulations, and Use Restrictions.** The Association has adopted the following rules, regulations, and use restrictions (collectively in this Article, the "Regulations") and they may be added, amended, or repealed as stated in Section 7.13 hereof :

- (a) **“Co-Owners,” “Occupants,” “tenant,” and “Association”**. Whenever in these Regulations (this Article) reference is made to "Co-Owner(s)" or "Co-Owner and Occupant", such term(s) shall apply to both Co-Owner and Occupant of any Unit, or their family, tenants, whether or not in residence, servants, employees, agents, contractors, visitors, and or any guests, invitees, or licensees of such Co-Owner or Occupant. Wherever in these Regulations reference is made to "tenant", such term shall be limited to the tenant of a Unit for a Unit. Wherever in these Regulations reference is made to the "Association", such reference shall include the Association and the Managing Agent (if any) when the Managing Agent is acting on behalf of the Association. Unless the context otherwise requires, all other definitions in the Master Deed and in the Act are incorporated by reference herein.
- (b) **Co-Owners Shall Comply with Regulations – Fines and Penalties**. The Co-Owners shall comply with all the Regulations hereinafter set forth governing the Property including, but not limited to, all Units and Common Elements. The Board may from time to time establish fines or penalties for violation of these Regulations.
- (c) **Right to Alter, Amend, or Modify Regulations**. The Declarant, Board, and the Association reserve their right to alter, amend, or modify these Regulations as stated in the Master Deed and Bylaws.
- (d) **Board Decisions in Board’s Sole Discretion**. All decisions to be made by the Board mentioned herein are to be made by the Board, and in the Board’s sole

discretion, unless specified to the contrary.

**24.02 No “Businesses” in Units.** Units shall be used for residential purposes only, and no industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise (collectively “business”), shall be conducted, maintained, or permitted on any part of the Property. The term “business” as used in this Article, shall also have its ordinary, generally accepted meaning, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the use of a Unit by Declarant, Management Agent, or agent or employee operating on behalf of the Association shall not be considered a business within the meaning of this Article.

- (a) **Exceptions to Business Prohibition.** Units may be used as incidental home-offices by Co-Owner or Occupant residing in the Unit only to the extent permitted by applicable laws and so long as:
- (1) **Activity Not Apparent.** The existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Unit;
  - (2) **Limited Visitation at Unit.** The business activity does not involve visitation of the Unit by employees, clients, customers, suppliers, or other business invitees in greater volume than would normally be expected for guest visitation to a residential Unit without business activity;
  - (3) **Conforms to Zoning.** The business activity is legal and conforms to all zoning requirements for the Property;
  - (4) **No Increase in Traffic.** The business activity does not unreasonably increase traffic in the Property in excess of what would normally be expected for residential Units without business activity (other than by couriers, express mail carriers, parcel delivery services, and other such similar delivery services and even then not in an unreasonable number – as determined in the Board’s sole discretion);
  - (5) **No Increase in Insurance.** The business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;
  - (6) **No Nuisance, Hazardous, or Safety Issues.** The business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as determined in the Board's sole discretion; and

- (7) **No Greater Use.** The business activity does not result in a materially greater use of Common Element facilities or Association services.

**24.03 Maximum Number of People to Reside in Units.** The maximum number of Occupants in a Unit shall be limited to two (2) people per bedroom in the Unit, (as such bedrooms per Unit are stated in the Master Deed). Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

- (a) **Occupants - Co-Owner Entities Shall Designate Occupants' Names to Board.** If a Co-Owner is an LLC, corporation, partnership, trust, or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the Unit's Occupants. These designated Occupants may not be changed more frequently than once every six (6) months without the express written consent of the Board as determined in the Board's sole discretion.

**24.04 Structures, Buildings, Etc., on General or Limited Common Elements.** No building, structure of a temporary character, trailer, tent, shack, carport, garage, barn, tree house, playhouse, or any other outbuilding shall be erected by any Co-Owner or Occupant, other than Declarant, on any portion of the Property, at any time, either temporarily or permanently, without the prior written approval of the Board.

**24.05 Use of Common Elements Including Amenities.** There shall be no obstruction of the General Common Elements or Class A Limited Common Elements, nor shall anything be kept on, parked on, stored on, or removed from any part of the General Common Elements or Class A Limited Common Elements without the prior written consent of the Board, except as specifically provided herein and the Section below on parking.

- (a) **Reserving Common Elements.** With prior written Board approval, and subject to any restrictions imposed by the Board, a Co-Owner may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Co-Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of him/her/it and guests, Occupants and family, any and all risks associated with that use of the Common Elements and any and all liability for any damage or injury to any Person or thing as a result of that use. Neither the Declarant nor the Association shall be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Declarant or the Association, their agents or employees.
- (b) **Food and Beverage.** Food and beverages may not be prepared or consumed in the General Common Elements or Class A Limited Common Elements, except in accordance with the Regulations which may be promulgated from time to time by the Board. Food and beverages may be prepared or consumed in the Unit's Class B Limited Common Elements as long as no other provisions herein or in the Master Deed are violated when doing so. Specifically for the porches on the street side front of the Buildings (Class B Limited Common Elements shared by Units), either Unit Co-Owner can veto food or beverage preparation or consumption on the porch they share.

- (c) **Roofs.** There shall be no use of the Building roofs by Co-Owners or Occupants. The Declarant and the Association and their agents and contractors shall have access to the roofs for maintenance and repair.
- (d) **Gardening and Landscaping.** There shall be no gardening or landscaping on the Common Elements or Class A Limited Common Elements by Co-Owners or Occupants without the prior written consent of the Board. This subparagraph shall not apply to Declarant, for so long as Declarant shall own a Unit primarily for sale. Gardening or Landscaping on the Unit's Class B Common Elements is permitted as long as no other provisions herein or in the Master Deed are violated by doing so.

**24.06 Use of Limited Common Elements – Attics, Storage Spaces, and Porches.** Except as otherwise provided herein, the use of the Limited Common Elements assigned to the Units is restricted exclusively to the Co-Owners of the Unit to which such Limited Common Elements are assigned. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements, unless specifically stated to the contrary.

- (a) **Attics and Outside Storage Spaces.** Attics, outside storage closets, and other storage spaces (collectively “storage spaces”) shall be used solely for the purpose of storing personal property belonging to the Co-Owner or Occupant of the Unit to which such storage space is attached. No Co-Owner or Occupant shall store any food, explosives, or any flammable, odorous, noxious, corrosive, hazardous, or pollutant materials, or any other goods in these storage spaces that could cause danger or nuisance to the storage spaces or the Property. The storage spaces shall not be used for any purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. If hazardous substances are stored, used, generated, or disposed of on or in the storage spaces or if the storage spaces become contaminated in any manner for which the Co-Owner or Occupant thereof is legally liable, Co-Owner or Occupant shall indemnify and hold harmless Declarant, Association, and Board from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses and any and all sums paid from settlement of claims, attorneys' fees, consultant and expert fees, arising as a result of that contamination by Co-Owner or Occupant.
- (b) **Porches.** Porches are the concrete surfaces at the street side front of the Units (“patios” are the concrete surfaces behind the Units). No objects other than plants and patio furniture shall be placed on a porch. This prohibition applies to objects such as, but not limited to, bicycles, laundry garments, towels, and objects other than plants and patio furniture, except as may be authorized by the Board. Objects shall not be permitted to hang over or be attached to any exterior porch wall or railing or to otherwise protrude outside of the vertical plane formed by porch, except one American flag and one South Carolina state flag (white on blue background) per Unit. Penetration of the surfaces of a porch wall, ceiling, or floor is prohibited. No Co-Owner(s) or Occupant(s) may enclose a porch.

- (1) **Porch Agreement.** Because all porches are shared by two (2) Units, the Co-Owners of both Units must agree as to what is placed on a porch and who shall use it, or nothing shall be placed on the porch. They must also agree on the preparation and consumption of food and beverages on the porch or neither shall be allowed.
- (c) **Sidewalks and Walkways.** The sidewalks (parallel to the parking area) and walkways (from the sidewalks to the Units) shall not be obstructed or used by Co-Owners or Occupants for any purpose other than ingress and egress from Units and the Common Elements.

**24.07 Prohibition on Noise, Dangerous or Destructive Activities, and Nuisance.**

- (a) **No Activity Violating Law or Increasing Insurance Cost or other Common Expenses.** Without the prior written consent of the Board, nothing shall be done or kept on the Property, or any part thereof, which would increase the rate of insurance on the Property or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.
- (b) **Noise and Vibration.** The Units are built in close proximity to one another, resulting in the sharing of common walls, porches, and walkways. As a result, noise and vibration may be detectable between Units or between Units and the Common Elements. Therefore, a Co-Owner or Occupant shall not conduct activities within a Unit or its Common Elements or use a Unit or its Common Elements in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Unit by its respective Co-Owner and Occupant.
  - (1) **No Disturbance of Other Co-Owners.** All Co-Owners shall keep the volume of any radio, television, musical instrument, or other noise emitting device in or out of their Unit sufficiently reduced at all times so as not to disturb other Co-Owners.
  - (2) **Heightened Enforcement During Normal Sleeping Hours.** Noise and disturbance rules will be enforced at all times on the Property and there will be heightened enforcement from 11:00 p.m. to 9:00 a.m. Sunday night through Friday morning and 12:00 p.m. through 9:00 a.m. Friday through Sunday morning, during normal sleeping hours.
- (c) **Other Activities.** Furthermore, noxious, destructive, or offensive activity shall not be carried on within any portion of the Property. No Co-Owner or Occupant may use or allow the use of the Unit or any portion of the Property at any time, in any way, or for any purpose which may endanger the health, unreasonably annoy or disturb, or cause embarrassment, or discomfort to other Co-Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board, a nuisance. In addition, no Co-Owner or Occupant may use or allow the use of a Unit or the Common

Elements in any manner which creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board interfere with the rights, comfort, or convenience of the other Co-Owners or Occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Co-Owner to proceed individually for relief from interference with his or her property or personal rights.

- (d) **Work.** The Declarant excepted, no Co-Owner, Occupant, or agent of such Co-Owner or Occupant shall do any work which, in the reasonable opinion of the Board or Association, would jeopardize the soundness or safety of the Property or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all Members and tall Mortgagees.
- (e) **Waste.** No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Co-Owner.
- (1) **Indemnification.** Each Co-Owner and Occupant shall indemnify and hold harmless the Declarant, the Association, and other Co-Owners against all loss to the Declarant, the Association, and other Co-Owners resulting from any such damage or waste caused by such Co-Owner.

**24.08 Firearms and Fireworks.** The display or discharge of firearms or fireworks on the Common Elements or Limited Common Elements is prohibited; provided, however, the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited Common Elements to or from the Co-Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in Section 23-35-10 of the South Carolina Code of Laws, 1976, as amended.

**24.09 Pets and Other Animals.** No Co-Owner or Occupant may keep any animal or pet on any portion of the Property except as expressly permitted in this subparagraph. A Co-Owner or Occupant may keep no more than a total of two (2) dogs and/or cats per Unit; provided, however, each such pet shall not weigh more than fifty pounds (50 lbs.). Notwithstanding the foregoing, a reasonable number of other generally recognized household pets, as determined in the Board's sole discretion, weighing less than two (2) pounds each (including by way of illustration, but not limitation, fish, gerbils, and small birds) may be kept in Units. The Declarant and its agents are exempt from this rule as long as Declarant has a Unit primarily for sale.

- (a) **Pet Rules.** No Co-Owner or Occupant may keep, breed, or maintain any pet for any commercial purpose, and no structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written Board approval. Pets must be kept on a leash and be under the physical control of a responsible person and obedient to that person's command at all times while outside of the Unit (excluding a Unit's backyard if it is that Unit's Class B Limited Common Element and is fenced so the pet does not get out of the fenced area). Feces left upon the Common

Elements (including Class B Limited Common Elements) by pets must be immediately removed by the owner of the pet or the person responsible for the pet.

- (b) **Restrictions.** No farm animals (including but not limited to cows, pigs, goats, sheep, horses, and chickens), reptiles, potbellied pigs, snakes, pit bulls (of any variety), Rottweilers, or Doberman Pinschers may be brought onto or kept on the Property at any time. In addition, other animals determined in the Board's sole discretion to be dangerous shall not be brought onto or kept on the Property at any time.
- (1) **Pet Removal.** The Board and the Association may require that any pet that, in the Board's opinion and sole discretion, endangers the health of any Co-Owner or Occupant or creates a nuisance or unreasonable disturbance, be permanently removed from the Property upon seven (7) days written notice. If the Co-Owner or Occupant fails to do so, the Board and the Association may remove the pet. The Board and the Association may remove any pet, which, in the Board's sole discretion, presents an immediate danger to the health, safety, or property of any community member, without prior notice to the pet's owner.
- (c) **Inoculated and Registered.** All pets must be registered and inoculated as required by law and registered with the Association.
- (d) **Pet Owner's Indemnification of Others.** Pet owners are fully responsible for personal injuries and/or property damage caused by their pets. Any Co-Owner or Occupant who keeps, maintains, or allows any pet upon the Property shall be deemed to have agreed to indemnify and hold the Association, its Directors, Officers, Board, Managing Agent, and agents free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property or bringing such pet upon the Property.

**24.10 Parking and Prohibited Vehicles.** Subject to the restrictions herein, parking shall be available on a first-come, first serve basis. No Co-Owner or Occupant may keep or bring onto the Property more than a reasonable number of vehicles per Unit at any time, as determined by the Board; provided, however, the Board may adopt reasonable rules limiting the number of vehicles which may be parked at the Property with the expectation being that no more than two (2) non-reserved parking spaces are available for use from time to time for each Unit. Vehicles may park in designated parking spaces only or other areas authorized in writing by the Board or Managing Agent.

- (a) **Declarant.** For so long as Declarant owns a Unit primarily for the purpose of sale, Declarant may adopt rules regulating the use of unassigned parking spaces.
- (b) **No Stored or Disabled Vehicles.** Disabled or stored vehicles are prohibited from being parked on the Property. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag, insurance, or registration or is obviously inoperable (including a flat tire). A vehicle shall be considered "stored" if it remains on the Property without being driven for fourteen (14) consecutive days or

longer without prior written Board permission.

- (c) **Boats, Trailers, Trucks, Campers, Etc., Prohibited.** Boats, trailers, campers, jet-skis, snow mobiles, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans or trucks used by handicapped persons or for legitimate medical reasons, mini-vans, or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the South Carolina Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriffs, Marshals, or police officers' vehicles marked as such, are also prohibited from being parked on the Property, except areas, if any, that may be designated by the Board or Managing Agent as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles, and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, however, no such vehicle shall remain on the Common Elements overnight unless prior written consent of the Board or Managing Agent is first obtained.
- (d) **Tow or Boot with Notice.** If any vehicle is parked on any portion of the Property in violation of these Regulations, the Board or Managing Agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and, the name and telephone number of a Person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or Managing Agent may have the vehicle towed or booted in accordance with the notice, without further notice to the Co-Owner or user of the vehicle.
- (e) **Tow or Boot without Notice.** If a vehicle is parked in a fire lane, is blocking another vehicle or another parking space, is obstructing the flow of traffic, is parked on any grassy area, is parked in a parking space which has been assigned as exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Board, the Association, nor any Officer or Managing Agent shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.
- (f) **Association and Declarant Not Liable for Damage.** Any vehicle or personal property item placed in any portion of the Common Element, including but not limited to the parking areas, shall be at the sole risk of the Co-Owner or other owner. The Association and the Declarant shall in no event be liable for the loss, destruction, theft, or damage to such vehicle or property.

- (g) **Vehicles in Spaces.** Only one (1) automobile or accepted vehicle or two (2) motorcycles shall be parked in each non- reserved parking space.

**24.11 Heating of Units in Colder Months.** In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Property, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below, Co-Owners and Occupants shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. Co-Owners are responsible for any damage caused by their failure to abide by this Section.

**24.12 Signs.** Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Units, no signs, window displays, advertising posters, flyers, political placards, or billboards of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board or Managing Agent. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

- (a) **“For Sale”, “For Rent”.** "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising may not be maintained or permitted in any Unit or on the Common Elements unless approved by the Board.

**24.13 Rubbish, Trash, and Garbage.** All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the General or Limited Common Elements outside the Unit or anywhere on the Property, temporarily or otherwise, except in proper trash receptacle. Rubbish, trash, and garbage shall be disposed of in sealed bags and placed in the proper receptacles designated by the Board for trash collection from the Property. Local trash and rubbish pick up rules shall be followed and trash receptacles shall not be left on the street or in front of a Unit for more than 24 hours. Trash receptacles shall be stored behind the Units.

**24.14 Unsightly or Unkempt Conditions – Flags, Etc.** The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit. No article shall be hung or shaken from the doors or windows or placed upon the outside window sills or other areas of a Unit. This prohibition includes, without limitation, towels, laundry, clothing, rugs, radio or television antennas, and flags (except each Unit may fly one (1) American flag and one (1) South Carolina state flag (white on blue background); provide, however, that flags are respected and not flown when faded, stained, or ripped.

**24.15 Garage Sales.** Garage sales, yard sales, flea markets, or similar activities are prohibited unless approved in writing by the Board or Managing Agent.

**24.16 Window Treatments.** All windows in Units must have window treatments. The color of all window treatments visible from outside the Unit must be white or off-white. Bed sheets, flags, towels, rugs, clothes, etc., shall not be used as window treatments.

**24.17 Antennas and Satellite Dishes.** Except as provided below, no satellite dish, antenna, or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic wave or radiation shall be erected, used, or maintained on any portion of the Property, including the Unit or Common Elements; provided, however, the Association shall have the right to erect, construct, and maintain such devices. The following shall apply to all Co-Owners:

- (a) **Antennas.** No transmission antenna, of any kind, may be erected anywhere on the Property, including the Units, without written approval of the Board or Managing Agent.
- (b) **Satellite dish.** No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed, or maintained upon the Property, including the Units and Common Elements and then the dish shall be installed on the back side of the Unit.
- (c) **FCC rules.** DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the Regulations of the Association, both as may be amended from time to time.
- (d) **Sale of Unit.** In the event of a transfer of the Unit which includes a satellite dish or antenna, the grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Master Deed, the Bylaws, and these Regulations for satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

**24.18 Grilling.** The use of outdoor grills on any portion of the Property, including, without limitation, a patio or backyard shall be governed by applicable state laws, local ordinances, and these Regulations, and in no case shall a grill or other cooking device be placed closer than ten (10) feet to any Building, including roof overhang, and no grill or other cooking device shall be left on when unattended.

**24.19 Abandoned Personal Property.**

- (a) **Removal with Notice.** Personal property, other than vehicles as provided for above shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the General Common Elements, without prior written permission of the Board or Managing Agent. If the Board or Managing Agent determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board or Managing Agent may remove and either discard or store the personal

property in a location which the Board or Managing Agent may determine and shall have no obligation to return, replace, or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity that will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

- (b) **Removal without Notice.** The Board or Managing Agent, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board or Managing Agent shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.
- (c) **Association and Declarant Not Liability for Removal.** Neither the Association nor the Declarant nor any officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance with this “Abandoned Personal Property” Section. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

**24.20 Declarant Sale Period.** Notwithstanding any provisions contained in this Master Deed to the contrary, during the period Declarant is selling Units, it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns, and representatives, to maintain and carry on, upon such portion of the Property as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion and sale of the Units, including, but without limitation, business offices, signs, model Units, and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Property for such purposes and to use the Units owned by Declarant as model Units and as offices for the sale of the Units and related activities.

**24.21 Move In/Move Out.** Co-Owner or Occupant shall not move furniture, construction materials, and other over-sized items in or out of the Property except during regular business hours or hours determined by the Board or Managing Agent, and according to requirements to be determined by the Board or Managing Agent.

**24.22 Unit and Common Element Condition.** Nothing shall be done in any Unit or on the Common Elements which may impair the structural integrity of the Building nor shall anything be altered or constructed on or removed from the General Common Elements, except upon the prior written consent of the Board.

- (a) **Unit Exterior.** The view of any Units from the exterior and all exterior areas associated with, appurtenant to, or connected with a Unit (including Limited Common Elements) shall not be painted, decorated, or modified by any Co-Owner in any manner without the prior written consent of the Board or Managing Agent in accordance with the terms off the Master Deed and the Bylaws, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Board or Managing Agent. This provision shall apply without

limitation to doors, windows, door frames, glass, screens, window panes, and window frames. No awnings, window guards, light reflective materials, hurricane or storm shutters, machinery, burglar bars, window guards, wiring, ventilators, fans, or other devices visible from outside of the Building shall be used in or about a Unit except as shall have been approved by the Board or Managing Agent, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Board or Managing Agent.

- (1) **Name.** The Unit owner shall not be allowed to put its name on any entry to its Unit or mail receptacle appurtenant thereto, except in the proper places and in the manner prescribed by the Board or Managing Agent for such purposes, if any.

**24.23 Pass Key To Each Unit.** Co-Owners shall provide the Association or Managing Agent with a current and operatable "passkey" to his/her/its Unit.

**24.24 Pool Rules.** There will be no lifeguard on duty at any time. Therefore, there shall be no solo swimming and no one under the age of 16 shall be allowed in the pool without supervision. There shall be no running, diving, boisterous, or rough play, and no spitting or blowing nose in the pool. No person under the influence of alcohol or drugs shall use the pool. No alcohol or drugs shall be consumed in the pool or at the pool area. Persons with skin, eye, ear, or nasal infections or any communicable diseases shall not enter the pool. No animal or pets are allowed in the pool or in the pool area. No glass shall be allowed in the pool or on the deck. Persons shall take a shower before entering the pool. The pool hours are as posted at the pool. The maximum number of swimmers allowed in the pool is 25. All rules posted at the pool shall be complied with by all Co-Owners and Occupants.

- (a) **Guests, Furniture, Swim Wear, Music.** Pool furniture must be covered with a towel if tanning oils or lotions are being used. Proper swimwear must be worn while swimming or sun bathing, thongs and "banana hammocks" are prohibited. Co-Owners are allowed to have a maximum of three guests per Unit at the pool at one time. Music must be kept at a minimal volume level and must not be offensive to others.

**24.25 Backyard Rules.** These backyard rules shall be complied with by all Co-Owners and Occupants. Backyard refers to the Class B Limited Common Area appurtenant to each Unit, surrounded by fence, and accessed from each Unit's backdoor. If interpretation of any of the following rules is necessary, a unanimous Board shall decide. These rules are not intended to be exclusive.

- (a) **Structures.** No structure shall be placed in any backyard at any time unless specifically allowed by the this Master Deed. No trailer, mobile home, double-wide, motor home, barn, camper, bus, tree house, or other similar vehicle or structure shall be placed in any backyard either temporarily or permanently. Play houses and decks may be allowed with Board approval prior to erection. If approved, play houses or decks shall not be at any time converted into storage units, conversion shall result in classifying the structure as unapproved.

**Accessory Structures.** No dog houses, garages, swimming pools, or any other accessory structure shall be constructed in any backyard, except a swing set, play house, free standing basketball goal, or similar structure may be constructed with prior written approval by a unanimous Board of plans and the person(s) who will build it (the Board shall take into consideration the views of the immediate neighbors of the unit at issue and it shall be the responsibility of the Co-Owner seeking approval to supply proof to the Board of the neighbors' views). Permission for any such structure shall be of a temporary nature, to be revisited upon the request of any neighbor who feels the structure or the activities around the structure have become annoying, a nuisance or diminish the enjoyment of another unit in the Condominium. Hot tubs may be used in backyards with prior written approval of a unanimous Board as to type, size, color (earth tones rather than bright or reflective colors are recommended), location, and type of cover when not in use (the Board shall take into consideration the views of the immediate neighbors of the unit at issue and it shall be the responsibility of the Co-Owner seeking approval to supply evidence to the Board of the neighbors' views). Permission shall be of a temporary nature, to be revisited upon the request of any neighbor who feels the hot tub or activities in or around the hot tub have become annoying, inappropriate, a nuisance, or diminish the enjoyment of another unit in the Condominium. Swing sets if approved may not be metal and must not squeek when used.

- (b) **Decks.** Decks are allowed in backyards with prior written approval by a unanimous Board of plans and the person(s) who will build them. Decks must be constructed of treated lumber or some acceptable lumber substitute such as Hardy Plank. Issues with vermon living under decks shall be considered during the application process and are reasons to revisit any approvals given and to require the Co-Owner to correct any problem at the Co-Owner's expense as stated in sub-paragraph "Vermin and Nusance" below. No approval of plans or specifications will be construed as representing or implying the plans or specifications if followed, will result in properly designed improvements, will guarante any improvement built in accordance therewith will be built in a good and workmanlike manner, and neither the Board nor the Association will be liable or responsible for any defects in any plan or specification submitted, revised, or approved pursuant hereto.
- (b) **Tree Cutting Restrictions.** Without prior approval of a majority of the Board, no tree with a diameter of nine (9) inches or larger four (4) feet off the ground (unless then current Mt. Pleasant regulations protect smaller trees in which case the regulations control) shall be cut, removed, or intentionally damaged in any backyard.
- (c) **Clothesline.** No clothesline or drying yards shall be located upon the Unit or in the backyard so as to be visibile from any other unit.
- (d) **Water Systems.** No individual water supply system shall be permitted in any backyard.
- (e) **Sewer System.** No surface or below ground toilets or septic tanks are permitted in backyards.
- (g) **Garbage Disposal.** No garbage or trash incinerator shall be permitted in backyards. No burning, burying, or other dosposal of garbage or trash is permitted in backyards.

- (h) **Trash or Garbage Containers.** Trash or garbage containers shall be stored in the backyard against the Unit or privacy fence in a place less visible from other units. Trash or garbage containers shall not be placed on the street before the day before garbage pick up and all containers are to be returned to the backyard by the night of pick up day.
- (i) **Above Ground Utilities, Antennas, and Satellite Dishes.** All electrical service, wires, pipes, lines, telephone, cable television and internet lines, satellite dish cables and wires, conduits, and utility service of any type shall be placed in appropriate conduit underground and no outside electrical lines shall be placed overhead. No radio or television transmission or receiving antenna or satellite dishes shall be erected on any privacy fence or perimeter fence and none shall be displayed in any backyard.
- (j) **Signs.** The same restriction on signs that controls for the exterior on the Unit control for the backyard.
- (k) **Motorcycles.** No motorcycle or motorscooter shall be parked in any backyard unless under cover and neither shall be worked on in any backyard.
- (l) **Pets.** Pets may be unleashed and unattended in backyards as long as they can not get out of the backyard and as long as they do not create a noise, odor, or other problem for any other Unit. No pet may live in a backyard and pets are not to spend nights in backyards.
- (m) **Perimeter Access.** There shall be no access to or from any backyard over any privacy fence or perimeter fence.
- (n) **Prohibition of Open Outdoor Storage.** No junk, debris, or materials of any kind shall be stored in a backyard other than in an enclosed structure approved by the Board unless specifically permitted by this Master Deed. Bicycles may be stored outside in backyards provided care is taken to keep them as little visible as possible from other units.
- (o) **Backyard Vegetation, Care, Trash, Landscape.** Co-Owners shall maintain in a natural state or otherwise their backyard vegetation, shall cut grass if they have grass, shall occasionally remove leaves if leaves fall, shall keep backyards clear and free from unsightly growth and trash, and shall generally and reasonably keep their backyards appearance from creating annoyance and nuisance to their neighbors. Decision of the Board shall be final concerning any interpretation of this subparagraph. No grading, excavation, or filling of any nature will be commenced or maintained by any Co-Owner or Occupant in any backyard without the permission of the Board.
- (r) **Vermin and Nuisance.** Issues concerning the presence of vermin or nuisance or any condition in a backyard that at the sole discretion of the Board diminishes the value or enjoyment of a neighboring units shall be a reason for the Board to visit or revisit any decision or look at decisions concerning such an issue and the Board in its sole discretion may require the amelioration or any such problem by the Co-Owner at issue at the Co-Owner's expense and if the Co-Owner refuses to take action, the Board may do so and charge the Co-Owner the costs and expenses of such action which shall be for all purposes hereunder past due Assessments which if not paid by the Co-Owner within 30 days of written notice they are due, the Board may pursue with all collection remedies, including lien and foreclosure rights, available herein for the collection of past due Assessments.
- (s) **Exterior Lighting.** All exterior lighting in any backyard shall be approved by the

board.

- (t) **Fires and Cooking Out.** There shall be no open fires of any kind in any backyard, on any common element, or anywhere in the Regime unless specifically permitted in this sub-paragraph or elsewhere in this Master Deed. Outdoor grills may be used in backyard but their use shall be governed by applicable state laws, local ordinances, and this Master Deed, in no case shall a grill or other cooking device be placed closer than ten (10) feet to any Building, including roof overhang, and no grill or other cooking device shall be left on when unattended
- (t) **Association, Regime, Board, and Declarant Have No Liability for a Taking of any Backyard or Privacy Fence Area.** All Co-Owners agree and understand that any required removal of any fence by any authority and the loss of any backyard or privacy fence area shall not give the effected Co-Owner(s) any claim against the Association, Board, Declarant, or the Regime for loss of use of any area or loss of value because of loss of use of any area. Further, in such situations, it shall be the Co-Owner's responsibility to rebuild any fence at the co-Owner's expense, if rebuilding is allowed by the authority that required the fence to be removed.

**24.26 Fence Rules.** These fence rules shall be complied with by all Co-Owners and Occupants. Fence, if any, in a Unit's backyard that is part of the perimeter fence around the Regime property is referred to as "perimeter fence". Fence in a Unit's backyard or elsewhere that is not part of the perimeter fence around the Regime is referred to as "privacy fence."

- (a) **Privacy Fences are Co-Owner's Responsibility.** All privacy fence in a Unit's backyard or elsewhere that is part of a Unit's Class B Limited Common Element as shown in Exhibit B hereto is the responsibility of the Co-Owner for maintenance, repair, rebuilding, and replace, all of which are to be conducted at the Co-Owner's sole expense unless stated to the contrary elsewhere in this Master Deed and any of which may be needed due to a condition which may result in damage or injury to person or property if repair or reconstruction work is not undertaken or for reasons of esthetics due to age, wear, rot, or alike.
- (b) **Conforming and Non-Conforming Fence.** All fences in the Regime are intended to look the same and be of similar construction and design. The Board may declare any fence constructed by a Co-Owner to be non-conforming in look, construction, or design, give the Co-Owner written notice of this decision and right to rehearing of the decision, and if the decision of the Board remains the same, have the Co-Owner remove the non-conforming fence at Co-Owner's expense. If the Co-Owner refuses to take action, the Board may do so and charge the Co-Owner the costs and expenses of such action which shall be for all purposes hereunder past due Assessments which if not paid by the Co-Owner within 30 days of written notice they are due, the Board may pursue with all collection remedies, including lien and foreclosure rights, available herein for the collection of past due Assessments.
- (c) **Shared Fences - Joint and Equal Obligation of Maintenance, Repair, and Replacement.** Any part of a backyard fence built upon or straddling the boundary line between two or more Units' Class B Limited Common Elements as shown on Exhibit b hereto, shall hereafter be called a "Party Fence", and the Co-Owners, "Adjoining Co-Owners". In the event of required maintenance, repair as a result of

damage, or replacement because of destruction of a Party Fence from any cause, other than negligence of an Adjoining Co-Owner, the Adjoining Co-Owners of the subject Party Fence shall, at joint and equal expense, maintain, repair, and rebuild the Party Fence. Required repair or rebuilding of a damaged or destroyed Party Fence shall be the same size and of the same or similar material and of like quality as the Party Fence initially constructed, situate in the original location on the Limited Common Element line between adjoining Units. Each such Adjoining Owner, their respective heirs, successors, and assigns, shall have the right to the use their side of the Party Fence. The Adjoining Owners shall undertake repairs and reconstruction of the Party Fence wherever a condition exists which may result in damage or injury to person or property if repair or reconstruction work is not undertaken or for reasons of esthetics due to age, wear, rot, or alike. Either Adjoining Owner, upon discovering the possibility of damage or destruction or other need of repair, shall notify the other Adjoining Owner of the nature of the problem, the work required to remedy the problem, and the estimated cost of the repair or reconstruction. The other Adjoining Owner shall then have twenty (20) days from the receipt of the notice either to object to the repairs or reconstruction or to pay such noticed Adjoining Owner's share of the cost of the work. However, in the event of an emergency (i.e., a condition that is immediately threatening to the safety of persons or property), the Adjoining Owner giving such notice may undertake without consent only such work as shall abate the emergency, and the noticed Adjoining Owner shall then have five (5) days from receipt of the notice, which notice shall state with particularity the nature and extent of the existing emergency and the immediate actions taken or to be taken to abate the emergency and what further work, if any, is required for full repair and restoration, after which the noticed Adjoining Owner shall pay its share of the emergency abatement costs, and within the twenty (20) days above provided, shall either object to the further repair or reconstruction work or pay the noticed Adjoining Owner's share of the cost of such further work. The failure of the Adjoining Owner receiving such notice to object in writing to the Adjoining Owner sending such notice within the period of time provided shall be deemed to constitute such noticed Adjoining Owner's acceptance. In the event the Adjoining Owner receiving such notice objects in writing to such work to be done within the period of time provided, either Adjoining Owner may initiate resolution of such disputed repair or reconstruction by contacting the Board who in their sole discretion shall make a finding which may be used by either Adjoining Co-Owner in Small claims Court when pursuing legal enforcement of this sub-paragraph against another Co-Owner. If no Adjoining Co-Owner maintains, repairs, or rebuilds a Party Fence that in the opinion of the Board should be maintained, repaired, or rebuilt, then the Board in its sole discretion after written notice to all Adjoining Co-Owners at issue may after thirty (30) days if the Adjoining Co-Owners have not, proceed to maintain, repair, or rebuild the Party Fence at issue and charge the Adjoining Co-Owners for the all costs and expenses maintaining, repairing, or rebuilding. The Board may pursue collection of said costs and expenses as if the costs and expenses were Assessments per this Master Deed.

- (1) **Party Fence Damage or Destruction Caused by Negligence.** If any Adjoining Co-Owner's negligence, which is deemed to include the negligence of such Adjoining Co-Owner or Occupant's family, tenant,

guest, or invitee, shall cause damage to or destruction of the Party Fence, the negligent Adjoining Co-Owner shall bear the entire cost of the repair or reconstruction.

(2) **Failure to Pay Share of Expenses.** If an Adjoining Co-Owner shall neglect or refuse to pay such Adjoining Co-Owner's share, or all of the cost in case of negligence, arising from the repair or reconstruction of the Party Fence in accordance with Sub-Paragraph (6), the other Adjoining Co-Owner may, but shall not be required to, undertake such repair or reconstruction and to pay the share of the cost and expense of the Adjoining Co-Owner neglecting or refusing to so pay, which amount thereof shall constitute a "Shared Cost Assessment" collectable in accordance with Sub-Paragraph (6) and subject to lien therein provided.

(3) **Maintenance, Repair, and Construction Easement.** There shall exist for the benefit of each Adjoining Co-Owner, and their respective guests, invitees, successors and assigns a perpetual easement for access, ingress, and egress on, over and across such portions of the other Adjoining Co-Owner's Unit and Limited Common Elements reasonably necessary or desirable for the construction, repair, maintenance and replacement of the Party Fence. With respect to the whole or any portion of a Party Fence located upon an Adjoining Co-Owner's Limited Common Elements, an Adjoining Owner shall have an encroachment easement upon the other Adjoining Co-Owner's Limited Common Elements pursuant to this sub-Paragraph. This construction, repair, maintenance, and replacement easement shall include the right to temporarily alter, obstruct, and/or block off portions of the Adjoining Co-Owner's Limited Common Elements during construction or repair in order to avoid injury to persons or damage to property. However, in every case of alteration, obstruction, or blocking, the said Adjoining Co-Owner exercising such right shall provide, if possible, reasonable alternative means of use and access around the affected area to allow access to and the continued use and enjoyment thereof by persons entitled to such use and enjoyment. All such construction, repair, maintenance, and replacement shall be undertaken and completed in accordance with applicable governmental regulations and permits therefore. There shall exist for the benefit of each Adjoining Co-Owner an exclusive perpetual encroachment easement and license on and across such portions of the Adjoining Co-Owner's Limited Common Elements reasonably necessary or desirable, to perform any maintenance, repair, reconstruction, or replacement of the Party Fence. There shall also exist for the benefit of each Adjoining Co-Owner an encroachment easement and license to physically attach to the Party Fence any portion of its improvements attached in the original construction or required or desirable for support.

(d) **Shared Cost Assessments for Joint Structures.**

(i) **Creation of Lien and Personal Obligation for Shared Cost Assessments.** Each Adjoining Co-Owner hereby covenants to pay its share of the costs and expenses of maintenance, repair, and reconstruction of the Party Fence required pursuant to Sup-Paragraph "Shared Fences - Joint and Equal Obligation of Maintenance, Repair, and Replacement" above. Any such shared cost or expense

remaining unpaid following five (5) days written demand therefore shall constitute a "Shared Cost Assessment" which, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the defaulting Adjoining Co-Owner's Unit and shall be a continuing lien thereon in favor of the other Adjoining Co-Owner. To evidence a lien for sums assessed pursuant to this Section, the other Adjoining Co-Owner may prepare a written notice of lien setting forth the amount of the unpaid Shared Cost Assessment, the due date, the amount remaining unpaid, the name of the defaulting Adjoining Co-Owner, and a description of its Unit. Such a notice shall be signed and recorded in the Charleston County Records Office. No notice of lien shall be recorded until there is a delinquency in payment of the sum due and the creation of the Shared Cost Assessment as a result of such payment delinquency. Such lien may be enforced by judicial foreclosure by the other Adjoining Co-Owner in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the delinquent Adjoining Co-Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The delinquent Adjoining Co-Owner shall also be required to pay any Shared Cost Assessments against the Adjoining Co-Owner's Unit that shall become due during the period of foreclosure, and all such Shared Cost Assessments shall be secured by the lien being foreclosed. The Adjoining Co-Owner holding such lien shall have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Unit. Each such Shared Cost Assessment, together with such interest, costs and reasonable attorney's fees shall be the personal obligation of the person who was the delinquent Adjoining Co-Owner at the time when the Shared Cost Assessment fell due and also of any subsequent Adjoining Co-Owner of the liened Unit; provided, however, that no Adjoining Co-Owner acquiring title to the liened Unit at a foreclosure sale, or conveyance in lieu of foreclosure, of any mortgage, his successors and assigns, shall have any personal obligation with respect to the portion of any Shared Cost Assessments (together with late charges, interest, fees and costs of collection) related to such Unit, the lien for which is subordinate to the lien of the mortgage being foreclosed, as provided in Section 5.14(h)(iv).

(ii) Assumption of Obligation by Transferee. The personal obligation of the Adjoining Co-Owner to pay a Shared Cost Assessment shall remain his personal obligation notwithstanding the fact that any successor in title assumes such personal obligation. Furthermore, such prior Adjoining Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Adjoining Co-Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Adjoining Co-Owner and his successor in title would otherwise be jointly and severally liable to pay such amounts.

(iii) Miscellaneous. An Adjoining Co-Owner may bring legal action against the defaulting Adjoining Co-Owner personally obligated to pay a Shared Cost Assessment or foreclose its lien against the defaulting Adjoining Co-Owner's Unit or pursue both such courses at the same time or successively. Adjoining Co-Owners

are deemed to have, to the fullest extent permitted by law, waived the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained against a defaulting Adjoining Co-Owner in the event of such foreclosure, and further waive all benefits that might accrue to an Adjoining Co-Owner by virtue of any present or future homestead exemption or law exempting a Unit or portion thereof from sale.

(iv) Subordination of the Charges and Liens. (A) The lien and permanent charge for the Shared Cost Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to a Unit is hereby made subordinate to the lien of any unpaid taxes, and any mortgage or mortgages upon the Unit. Sale or transfer of a Unit shall not affect the lien of the Shared Cost Assessments. However, the sale or transfer of the Unit, which is subject to any mortgage, pursuant to a decree of foreclosure there under, or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish the lien of the Shared Cost Assessments which became due prior to such sale or transfer. No sale or transfer shall relieve the Unit's Adjoining Owner from liability for any Shared Cost Assessments thereafter becoming due or from the lien thereof. Notwithstanding anything in this Agreement to the contrary, no amendment, or change or modification of this Section shall be effective unless such amendment, change, or modification shall be first consented to, in writing, by all Mortgagees of Record of affected Units. (B) Such subordination is merely a subordination and shall not relieve the Unit's Adjoining Co-Owner of his personal obligation to pay all Shared Cost Assessments coming due at a time when he is the Adjoining Co-Owner; shall not relieve such Unit from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished by foreclosure or deed in lieu thereof); and no sale or transfer of such Unit to the mortgagee or to any other person pursuant to a foreclosure sale, or deed in lieu thereof, shall relieve any previous Adjoining Co-Owner from liability for any Shared Cost Assessment coming due before such sale or transfer.

- (e) Fence Attachments. Painted or coated corrosion and rust resistant screen/wire may be used and attached to interior backyard fences at the bottom to keep dogs and other pets from getting under fences. Fences may not be made higher without prior written permission from the Board. Shelves and hooks may be attached to interior backyard fences with Co-Owner's remaining mindful that damage caused by such attachments may lead to the Co-Owner having to replace the fence at the Co-Owner's own expense even if it is a Party Fence. Co-Owner may add more support posts at Co-Owner's expense and any Adjoining Owner's permission as long as the final result is conforming as stated in the "Conforming and Non-Conforming Fence" sub-paragraph above.
- (f) Adding or Extending Privacy Fences. As shown on that portion of Exhibit "B", "Allowed Fence Extensions and Additions" certain Units' privacy fences may be extended or added at Co-Owner's expense in the areas so marked on that portion of Exhibit "B". All such construction shall not commence until six (6) months after Co-Owner's purchase of the Unit or until the Declarant Control Period has ended, which ever comes first. Fences must be constructed of treated lumber and must be conforming as stated in the sub-paragraph "Conforming and Non-Conforming Fence" above. Fence construction hereunder must have prior written Board approval as to location, materials, specifications of the fence itself, and the

person(s) who will build it. No approval of plans or specifications will be construed as representing or implying the plans or specifications if followed, will result in properly designed improvements, will guarantee any improvement built in accordance therewith will be built in a good and workmanlike manner, and neither the Board nor the Association will be liable or responsible for any defects in any plan or specification submitted, revised, or approved pursuant hereto. Any construction that results in non-conforming fencing shall be resolved pursuant to the sub-paragraph, "Conforming and Non-Conforming Fence" above. When constructed, all fence built pursuant to this sub-paragraph shall be governed by the rules in this "Fence Rules" Section.

(i) Specific Unit Options. The following Adjoining Co-Owners have the option to extend their Party Fence toward the parking lot and constructing a new front fence basically perpendicular to the extended Party Fence as shown on Exhibit B "Allowed Fence Extensions and Additions"– 1330 A and 1334 B, 1335 B and 1343 A, 1338 A and 1342 B, 1346 B and 1342 A, 1351 A and 1379 B, 1354 A and 1358 B, 1366 A and 1370 B, 1370 A and 1374 B, 1375 B and 1379 A, 1378 A and 1382 B, and 1394 A and 1398 B. Either Unit in any of these pairs may build their side of the fence without the other but if in the future the other Co-Owner decides to add their portion of the frontal fence, then the extension of the Party Fence that until then had been the sole responsibility of the Unit that extended it first shall become a Party Fence and the responsibility of both Co-Owners as stated herein.

(ii) Specific Unit Options. The following Units have the option to add privacy fences as shown on Exhibit B "Allowed Fence Extensions and Additions" – 1335 A, 1343 B, 1350 A, 1355 A, 1355 B, 1362 B, 1374 A, 1387 A, and 1399 A.

(iii) Specific Unit Options. The following Units have the option to add privacy fences as shown on Exhibit B "Allowed Fence Extensions and Additions" – 1359 B, 1371 B, and 1375 A. Any of the three Units may unilaterally extend into its marked portion on Exhibit B and then in the future if any of the other Units extend their fences, fences that become Party Fences shall be treated as such as stated herein.

(iv) Overlap of Sprinklers and Landscaping. If extended fences overlap areas with sprinklers, the Board shall decide whether to have the sprinkler capped, at the Co-Owner's expense, or to let it alone. The Co-Owners listed herein have the right without reimbursement to the Association or any co-Owner to fence in any and all landscaping formerly planted or then growing on that portion of Limited Common Element to be fenced as shown on Exhibit "B" hereto.

(v) Easements of Record. All Co-Owners agree and understand that all present and future easements of record or in this Master Deed shall have full force and effect through their backyards and privacy fences and the granting of a privacy fence or privacy fence option to a Unit in no way invalidates any present or future easements of record or easements granted by this Master Deed.

(vi) Association's Easement to Inspect and Enforce. All Co-Owners agree and understand that the Association retains an easement into and onto all backyards and areas within privacy fences for inspection purposes and enforcement purposes of all rules, regulations, covenants, and otherwise stated in this Master Deed and in the Bylaws.

(g) Easements for HVAC, Wells and Pumps, and Electric Meters. Three backyards contain wells and pumps of the Association for irrigation, 1343 A and 1387 B have each others HVAC unit in their backyard, and many Units

have the adjoining Unit's electric meter in their backyard. All effected Co-Owners hereby agree and understand they hereby grant unconditional easements for access to those wells, pumps, HVAC units, and electric meters for repair, replacement, maintenance, reading, and alike.

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