



improvement and/or alteration of any Villa, building and/or Common Elements located on the Property; and

WHEREAS, at a meeting of the Regime at 10:00 A.M. on Saturday, June 6, 2009, a requisite number of Co-Owners agreed in writing to the provisions of this First Amendment, as enumerated below, and thereby directed the Board of Directors of the Council of Co-Owners, as those terms are defined in the Master Deed, by and through the nominated Authorized Director, to execute and record in the Office of the Register of Mesne Conveyance for Charleston County, South Carolina this First Amendment on behalf of the Regime and the Co-Owners; and

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, pursuant to the powers reserved to the Co-Owners under the Master Deed as set forth above, the Co-Owners hereby amend the Master Deed and Bylaws, as applicable, as follows:

1. All capitalized terms used herein but not defined herein shall have the definitions set forth in the Master Deed.
2. Article VI, Section F of the Master Deed is hereby deleted and replaced in its entirety with the following (*italics added for emphasis only*):

*F. Prohibited Work. A Co-Owner shall not make any additions or improvements to or do any work upon the Common Elements or make any structural or aesthetic alterations of his or her Villa and/or any building on the Property without first (1) having plans and specifications approved by the Board of Directors, and (2) depositing with the Board of Directors funds sufficient (in an amount deemed sufficient at the sole discretion of the Board of Directors) to defray all costs, including attorneys' fees, of amending the Master Deed and recording such amendment. The Board of Directors shall not approve any addition or improvement which in the Board of Directors' judgment would jeopardize the soundness or safety of the Property or reduce the value of the Property. No change in the exterior appearance to any part of any building, including any Co-Owner's Villa, shall be allowed unless pursuant to a plan adopted by the Board of Directors to change the overall exterior appearance of any building(s) on the Property.*

*Notwithstanding the above, any change or alteration to any Villa and/or building on the Property is further restricted by the following provisions:*

1. *A Co-Owner may make only the following interior improvements, alterations and/or changes to any Villa without first receiving*

*approval from the Board of Directors: basic interior painting; carpeting and/or floor refinishing; changing of interior light fixtures; replacement of counter tops, sinks and/or toilets. Any other interior change shall require the written approval of the Board of Directors prior to any such alteration and/or change;*

2. *Any alteration to a Villa and/or building on the Property which shall involve a structural change to the same; use of a Common Element; a change and/or addition to any Villa and/or building's electrical system; remodeling of any cabinetry; a change and/or addition any Villa and/or building's plumbing system (to include the plumbing servicing tubs, showers, sinks, dishwashers, washing machines and dryers, and/or any other appliance or fixture serviced by plumbing and/or water lines); a change and/or addition of any deck or porch surface or materials (to include any deck or porch area, configuration, appearance and/or a change in any deck surfacing materials whether the same shall be carpet, tile and/or any other upgraded decking materials); and any change and/or alteration to any heating and air conditioning ("HVAC") lines, equipment and/or units shall all require the written approval of the Board of Directors prior to any such alteration and/or change;*
3. *Any and all work approved by the Board of Directors pursuant to this Article VI, Section F must further be approved and properly permitted by the appropriate governmental authority. Any approval by the Board of Directors shall not be deemed a warranty or representation as to the proposed project's structural soundness, durability, or any other aspect proposed and/or completed project. It is the responsibility of the Co-Owner presenting the project to the Board of Directors to secure all appropriate governmental approvals and/or permits, and the Board of Directors shall be under no obligation to assist said Co-Owner in securing the same;*
4. *Any and all renovation, alteration and/or change to a Villa and/or any building on the Property exceeding the sum of Ten Thousand and No/100 (\$10,000.00) Dollars as measured by contract price, proposed material and labor costs, and/or fair market value of the proposed project's material and labor costs (said alternate methods being authorized to prevent any Co-Owner or other party proposing any renovation, alteration and/or change to any Villa and/or building on the Property from circumventing the threshold*

amount of this Section by submitting low estimates or low valuations of a proposed project's costs) and/or any work described in Article VI, Section F(2) above, shall be performed under the supervision of a residential and/or general contractor licensed by the State of South Carolina. Furthermore, such renovations, alterations and/or changes to any Villa and/or building on the Property shall be accompanied by a security deposit being the lesser of Ten (10%) Percent of the project cost (as determined by the above methodology) or the sum of Five Thousand and No/100 (\$5,000.00) Dollars. Any modification to said project cost prior to and/or during project construction shall likewise require a modification of the security deposit subject to the aforementioned Five Thousand and No/100 (\$5,000.00) ceiling amount per each individual project. Such security deposit shall be placed in a reserve account of the Property management company and shall be used solely to defray any repair costs, if any, to the Property as a result of the Property and/or cover any penalty assessed to the Co-Owner for failure to follow the provisions of this Article. Any amounts of the security deposit not required to defray any repair costs and/or pay any penalty assessed under this Article shall be returned to the respective Co-Owner(s) within thirty (30) days following the conclusion of such Villa and/or building renovation, alteration, construction or improvement project. It shall be the responsible Co-Owner's obligation to communicate all Regime rules with any contractor and/or workmen hired and/or retained to perform and/or supervise any work approved under this Article. The responsible Co-Owner shall assume all responsibility and liability for any contractor's and/or workmen's failure to follow the Regime rules as set forth in this Article;

5. The Co-Owner proposing such alteration, renovation and/or change must provide the Board of Directors the name of all licensed contractors that will be working and/or supervising work on the proposed project as well as provide evidence of said contractors' current and valid licensure with the State of South Carolina (the "Project Contractors"), a Certificate of Insurance evidencing said contractor's current workers compensation insurance coverage and a Certificate of Insurance evidencing said Co-Owners current builders risk insurance coverage, and the Co-Owner and/or contractor shall provide the Board of Directors with a written scope of work evidencing the work to be completed and

*the estimated timeline thereof (all the above being the "Notice of Intent"). The Project Contractor and the Co-Owner shall name the Board of Directors and the Regime as additional named insureds and/or additional loss payees on any insurance policy required above. The Co-Owner shall provide the Board of Directors with the Notice of Intent no less than forty-five (45) calendar days from the start date of the proposed project (the "Notification Period"). Upon receipt of the Notice of Intent, the Board of Directors and/or the Property management company shall use the Notification Period to notify any and all potentially affected Villas of the upcoming work, the general scope of the same, and the expected duration of the project;*

6. *All alteration, change and/or renovation projects discussed in Article VI, Sections F(2) and (4) above, shall be scheduled between October 15<sup>th</sup> (the "Commencement Date") and all such work shall terminate on or before April 1<sup>st</sup> immediately following such Commencement Date (the "Construction Period"). Moreover, no work may be conducted on any subject Villa and/or Property building on any week in which the following holidays fall for any given calendar year: Thanksgiving; Christmas; New Years and Easter. During all other non-holiday weeks during the Construction Period, work may proceed unrestricted between the hours of 8:00 AM ET and 6:00 PM ET Monday through Thursday. Work may proceed unrestricted between the hours of 8:00 AM ET and 5:00 PM ET on all Fridays during any non-holiday week. At all other times during any non-holiday week during the Construction Period only non-noise making activity (such as interior painting) shall be permitted on the Property;*
7. *Each Project Contractor shall clean each project site on a daily basis, the same being required to ensure neighboring Co-Owners are as minimally impacted by the project as possible. No workmen and/or Project Contractors shall be permitted to listen to music, use profanity, loiter on the Property during lunch and/or construction breaks, and/or leave debris on the Property. Construction materials and/or equipment, except for requisite and Board of Directors location approved scaffolding and similar equipment, shall not be erected, placed and/or stored overnight between any Villas and/or other buildings on the Property. Demolition dumpsters may be left overnight only between the*

*Monday following the week of Thanksgiving until the Friday falling two weeks before the week of Easter ("Demolition Dumpsters"). Demolition Dumpsters shall only be placed in areas mutually agreed upon in writing by the Board of Directors and the Co-Owner/Project Contractor of the proposed project. Likewise, portable toilet facilities will only be placed in areas mutually agreed upon in writing by the Board of Directors and the Co-Owner/Project Contractor of the proposed project. Such portable toilet facilities shall be screened from view by lattice and/or approved vegetation, any entrance to such portable toilet facility shall be positioned facing away from public view as much as possible, and in no case shall such portable toilet facility be placed in any paved parking lot or sidewalk;*

8. *Upon any violation and/or complaint as to a violation of the provisions of this Article VI made to the Board of Directors, the Co-Owner of the project shall receive a warning and opportunity to correct such violation within two (2) business days (the "Cure Period"). Any second violation of a provision of this Article VI or failure to remedy with the Cure Period shall result in the Co-Owner of the project being assessed a One Hundred (\$100) Dollar fine in the case of non-construction related violations (i.e. loitering of workmen and Project Contractors, noise and work hours restriction violations, etc.) and/or the cost of the Board of Directors to enter unto the project and remedy any violation thereon (to include actual costs incurred and a One Hundred (\$100) Dollar fine). Non-compliance of any Co-Owner and/or Co-Owner's Project Contractor shall result in the Board of Directors making a formal referral to the responsible building inspector and/or governmental authority and/or instituting any such action at law or in equity to enforce the rights of the Regime under this Master Deed. The costs of such enforcement measures shall be assessed to the violative Co-Owner;*
9. *The Regime and/or the Board of Directors shall not be responsible for any potential and/or actual rental loss to a Co-Owner for any alteration, renovation or change work authorized pursuant to this Article VI, Section F by the Regime and/or the Board of Directors.*

3. Article VI, Section E of the Bylaws is hereby deleted and replaced in its entirety with the following (italics added for emphasis only):

*E. Improvements. The Board of Directors shall provide for the making of such improvements to the Common Elements as may be approved from time to time by the Co-Owners. The Cost of such Improvements shall be Common Expenses; provided, however, that no Co-Owner shall without his or her consent be assessed in any one year an amount in excess of one percent of his or her Villa (as set out in Exhibit D) for the making of improvements to the Common Elements.*

*None of the foregoing is meant in any way or manner to alter the provisions of Article VI, Section F of the Master Deed or the duties, rights and/or obligations of individual Co-Owners, contractors and workmen, the Board of Directors and/or the Regime as set forth therein.*

4. Except as specifically amended and modified by this First Amendment, the Master Deed shall continue in full force and effect in accordance with its terms.

*[Remainder of page intentionally left blank. Signature page follows.]*

