

BKC 433P6488

**MASTER DEED**  
**OF**  
**THE VILLAS OF WEST ASHLEY**  
**HORIZONTAL PROPERTY REGIME**  
**(An Expandable Regime)**  
**Charleston, South Carolina**

## OF

## THE VILLAS OF WEST ASHLEY

## HORIZONTAL PROPERTY REGIME

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| <u>Exhibit</u> | <u>Subject Matter</u>                                                                             | <u>Page First Appearing</u> |
|----------------|---------------------------------------------------------------------------------------------------|-----------------------------|
| "A"            | Legal Description                                                                                 | 1                           |
| "B"            | Plot Plan (As-built Survey) and<br>Surveyor's Certificate                                         | 3                           |
| "C"            | Elevations, Floor Plans and<br>Architect's Certificate                                            | 3                           |
| "D"            | Schedule of Unit Values, Percentage<br>Interests and Weighted Votes                               | 3                           |
| "E"            | Articles of Incorporation of the<br>Villas of West Ashley Condominium<br>Owners Association, Inc. | 1                           |
| "F"            | By-Laws of The Villas of West<br>Ashley Condominium Owners<br>Association, Inc.                   | 2                           |

**THE VILLAS OF WEST ASHLEY HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED is made by SC Villas, LLC, a South Carolina limited liability company (hereinafter called the "Declarant"), having its principal place of business located at 3524 Mary Ader Avenue, Charleston, South Carolina 29414.

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in Charleston County, South Carolina, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter called the "Property"); and

WHEREAS, Declarant, is in the process of planning or constructing certain improvements on the Property as shown on the Plat and the Plans which are referenced in Article 3 hereof; and

WHEREAS, Declarant has duly incorporated The Villas of West Ashley Condominium Owners Association, Inc. as a nonprofit membership corporation under the laws of the State of South Carolina; and

WHEREAS, the Declarant desires to create a horizontal property regime and submit the Property to the condominium form of ownership pursuant to the provisions of the South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Section 27-31-10, et seq., as amended (the "Act"), as the same is in effect on the date hereof and the terms and conditions hereinafter set out.

NOW, THEREFORE, the Declarant does hereby submit the Property to the condominium form of ownership pursuant to, subject to, and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth.

**ARTICLE 1: NAME**

The name of the condominium is The Villas of West Ashley Horizontal Property Regime (hereinafter referred to as the "Condominium").

**ARTICLE 2: DEFINITIONS**

The terms used in this Master Deed, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the South Carolina Nonprofit Corporation Act. Certain terms used in this Master Deed, the By-Laws, and the Articles of Incorporation shall be defined as follows:

2.1 "Act": The South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Sections 27-31-10, et seq., as amended from time to time.

2.2 "Article of Incorporation": The Articles of Incorporation of The Villas of West Ashley Condominium Owners Association, Inc., filed with the Secretary of State of South Carolina, as amended from time to time. A copy of the initial Articles of Incorporation is attached to this Master Deed as Exhibit "E" and incorporated herein by this reference.

2.3 "Association": The Villas of West Ashley Condominium Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

2.4 "Board of Directors" or "Board": The elected body responsible for management and operation of the Association as further described in the By-Laws.

2.5 "By-Laws": The By-Laws of The Villas of West Ashley Condominium Owners Association, Inc., attached to this Master Deed as Exhibit "F" and incorporated herein by this reference.

2.6 "Common Elements": That portion of the property subject to this Master Deed which is not included within the boundaries of or deemed a portion of a Unit, as more particularly described in this Master Deed.

2.7 "Common Expense(s)": The expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including, but not limited to (a) those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, including the Limited Common Elements; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Act or Condominium Instruments, or by the Board of the Association, including master utility expenses; and (d) reasonable reserves established for the payment of any of the foregoing.

2.8 "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Board.

2.9 "Condominium": All that property described in Exhibit "A", attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Master Deed, and such other property as may hereafter be submitted to the provisions of the Act by supplement or amendment to this Master Deed, together with all buildings and improvements thereon.

2.10 "Condominium Instruments": This Master Deed and all Exhibits to this Master Deed, including the By-Laws, the Articles of Incorporation, the rules and regulations of the Association, and the Plat and Plans, all as may be supplemented or amended from time to time.

2.11 "Eligible Mortgagees": Those holders of first Mortgages secured by Units in the Condominium who have requested notice of certain items as set forth in this Master Deed.

2.12 "Limited Common Elements": A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Master Deed.

2.13 "Mortgage": Any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation.

2.14 "Mortgagee": The holder of any Mortgage.

2.15 "Occupant": Any person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

2.16 "Owner" or "Unit Owner": Each record title holder of a Unit within the Condominium, but shall not include a Mortgagee.

2.17 "Person": Any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

2.18 "Unit": That portion of the Condominium intended for individual ownership and use and for which a certificate of occupancy relating thereto has been issued, as more particularly described in this Master Deed and shall include the undivided ownership in the Common Elements assigned to the Unit by this Master Deed.

### **ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS**

The Condominium subject to this Master Deed and the Act is located in Charleston County, South Carolina, being more particularly described in Exhibit "A" attached to this Master Deed, which exhibit is specifically incorporated herein by this reference. An initial plat of survey relating to the Condominium is attached hereto as, or referenced in Exhibit "B", which exhibits and plat are specifically incorporated herein by this reference (the "Plat"). Floor plans and elevations relating to the Condominium are also attached hereto as, or referenced in, Exhibit "C", which exhibit and plans are specifically incorporated herein by this reference (the "Plans"). The Declarant shall have the right to file additional plats and plans from time to time as necessary or appropriate to further describe the Condominium and Units, to correct any errors contained therein or to comply with the Act. The Plat and Plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

### **ARTICLE 4: UNITS AND BOUNDARIES**

Phase I of the Condominium will be initially divided into twenty (20) separate Units, the Limited Common Elements and the Common Elements. Each Unit consists of a dwelling and its appurtenant percentage of undivided interest in the Common Elements as shown on Exhibit "D" attached to this Master Deed and incorporated herein by this reference. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The Units are depicted on the Plats and Plans. Each Unit includes that part of the structure which lies within the following boundaries:

4.1 Horizontal (Upper and Lower) Boundaries. The horizontal boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the floors and ceilings of the Unit.

To the extent that any chutes, flues, ducts, conduits, wires, load bearing walls, load bearing columns, or any other apparatus lies partially inside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit; all portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

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 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 as appurtenances thereto 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. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

**4.2 Vertical Boundaries.** The perimetrical or vertical boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the walls of the Unit. Entry doors, exterior doors and exterior glass surfaces, including, but not limited to, glass widow, glass doors or other exterior doors, serving the Unit shall be included within the boundaries of the Unit. Heating and air conditioning systems serving a single Unit (including any part of 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. Exterior door frames and window frames shall be a part of the Common Elements.

**4.3 General Description of Units.** The Condominium consists of six (6) buildings with a ground or garage level only, as shown on the Plans attached hereto as Exhibit "C". Buildings 11, 12, 13 and 18 contain four (4) Units each. Buildings 14 and 15 contain two (2) Units each. There are two types of Units, designated as "Abbey" or "Canterbury," more particularly described as follows and as more particularly shown on the Plans:

(a) **Type "Abbey"** – Building 11, Units 110-A and 110-C, Building 12, Units 112-A and 112-C, Building 13, Units 114-A and 114-C, Building 14, Unit 116-A, Building 15, Unit 115-B, and Building 18, Units 109-B and 109-D, are Type "Abbey" Units. These Units contain approximately 1,578 square feet in total heated living space, which amount consists of 1,377 square feet of "living space" and 201 square feet of enclosed "porch area" space. These Units also contain a certain square footage in "garage area" space, depending on whether the particular Abbey Unit has a one or two car garage. Building 11, Units 110-A and 110-C, Building 13, Units 114-A and 114-C, and Building 18, Units 109-B and 109-D, each have a 1-car garage and contain approximately 289 square feet in "garage area" space. Building 12, Units 112-A and 112-C, Building 14, Unit 116-A, and Building 15, Unit 115-B, each have a 2-car garage and contain approximately 446 square feet in "garage area" space. Each such Unit consists of a foyer, enclosed porch, living room, dining room, kitchen, pantry, laundry room, master bedroom, master bath and closet, second bedroom, second bath and closet and a garage, as more particularly shown on the Plans.

(b) **Type "Canterbury"** – Building 11, Units 110-B and 110-D, Building 12, Units 112-B and 112-D, Building 13, Units 114-B and 114-D, Building 14, Unit 116-B, Building 15, Unit 115-A, and Building 18, Units 109-A and 109-C, are Type "Canterbury" Units. These Units contain approximately 1,710 square feet in total heated living space, which amount consists of 1,529 square feet of "living space" and 181 square feet of enclosed "porch area" space. These Units also contain a certain square footage in "garage area" space, depending on whether the particular Canterbury Unit has a one or two car garage. Building 11, Units 110-B and 110-D, each have a 1-car garage and contain approximately 289 square feet in "garage area" space. Building 12, Units 112-B and 112-D, Building 13, Units 114-B and 114-D, Building 14, Unit 116-B, Building 15, Unit 115-A, and Building 18, Units 109-A and 109-C, each have a 2-car garage and contain approximately 446 square feet in "garage area" space. Each such Unit consists of a foyer, enclosed porch, living room, dining room, kitchen, pantry, laundry room, master bedroom, master bath and closet, second bedroom and closet, second bath, third bedroom/den option and a garage, as more particularly shown on the Plans.

Each Unit type and the location of each Unit is more fully shown on the Plat attached to this Master Deed as Exhibit "B" and the Plans attached to this Master Deed as Exhibit "C". Each Unit is designated for the purpose of any conveyance, lease or other instrument affecting the title thereof by a number designating the specific building which contains the particular Unit, followed by a comma and then another number which represents the address of the building on Ashley Villa Circle containing such Unit, followed by a hyphen and a letter designating the particular Unit in such building, e.g., Building 11, Unit 110-A (Unit A of the

building designated as Building 11 on the Plat and/or Plans and located at 110 Ashley Villa Circle, Charleston, SC 29414).

## ARTICLE 5: COMMON ELEMENTS

The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The percentage of undivided interest in and to the Common Elements attributable to each Unit shall be set forth in Exhibit "D".

Such percentages of undivided interest may otherwise be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Master Deed. The percentage of undivided interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit.

5.1 Identification of Certain Common Elements. The Common Elements shall include, but not be limited to, the following:

(a) The land on which any buildings are located together with all of the other real property described on Exhibit "A".

(b) The foundations, main walls and roofs.

(c) The sprinkler systems, yards, shrubs, exterior lights, fire alarms, fire hoses, signs and storm drainage systems.

(d) The compartments for installations of central services such as power, light, telephone, television, sewer, and the like.

(e) All sidewalks, parking areas, curbs, gutters, and all paved areas, except those that are Limited Common Areas.

(f) In general, all devices or installations existing for common use.

(g) The clubhouse, putting green, swimming pool, deck, and all associated equipment, furniture, accessories and appliances contained therein and/or used for servicing the same.

(h) All other elements of the Condominium of common use or necessary to its existence, upkeep and safety.

(i) All areas designated as common areas on the plot plan and survey.

The Common Elements shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each 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 Owners. Each Owner and Occupant shall

have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

5.2 **Reservation by Declarant** The Declarant hereby reserves, for the benefit of Declarant, its successors and assigns, a non-exclusive easement over, across and under the Common Elements for the purpose of discharging its duties hereunder and for maintenance of sales and leasing offices, signs, and for the reasonable use of the Common Elements for sales, leasing, marketing, and construction purposes, including, without limitation access, ingress and egress across, over and under the Common Elements for the purpose of further improving the Condominium for purposes of marketing, leasing and sales.

5.3 **WARRANTY.** FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ISSUANCE OF THE CERTIFICATE OF OCCUPANCY BY THE CITY OF CHARLESTON FOR EACH PHASE OF THE PROJECT, DECLARANT OR ITS CONTRACTOR WILL, AT NO COST TO THE ASSOCIATION OR ANY UNIT OWNER IN THAT PARTICULAR PHASE, REPAIR OR REPLACE ANY PORTION OF THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS, EXCEPT FIXTURES, FURNITURE, ACCESSORIES, AND APPLIANCES COVERED BY A WARRANTY OF MANUFACTURERS AND DEALERS, WHICH ARE DEFECTIVE AS TO MATERIAL OR WORKMANSHIP. THE LIABILITY OF THE DECLARANT IS EXPRESSLY LIMITED TO SUCH REPAIRS OR REPLACEMENT AND DECLARANT MAKES NO OTHER WARRANTIES EXPRESSED OR IMPLIED, (INCLUDING, BUT NOT LIMITED TO, NO WARRANTY OF HABITABILITY NOR FITNESS FOR PURPOSE) OTHER THAN THE EXPRESS WARRANTY OF TITLE CONTAINED HEREIN.

## ARTICLE 6: LIMITED COMMON ELEMENTS

6.1 **Designation.** The Limited Common Elements and the Unit(s) to which they are assigned are:

(a) to the extent that a deck, patio, porch, veranda or balcony, together with any enclosure therefor, serving a Unit is not within the boundaries of the Unit, the deck, patio, porch or balcony which is appurtenant to a Unit is assigned as Limited Common Element to the Unit having direct access to such deck, patio, porch or balcony;

(b) the doorsteps or stoops leading as access to a deck, patio, porch, veranda or balcony are assigned as Limited Common Elements to the Unit to which the deck, patio, porch, veranda or balcony is assigned;

(c) the entrance foyers to the Units are assigned as Limited Common Elements to each such respective Unit;

(d) the portion of the Common Elements on which there is located any portion of the mechanical, electrical, air conditioning or heating system exclusively serving a particular Unit or Units is assigned as Limited Common Element to the Unit or Units so served, together with all such mechanical, electrical, air conditioning or heating systems located therein;

(e) any gas or electric meter which serves only one Unit is assigned as a Limited Common Element to the Unit so served; and

(f) any driveway which provides access to a Unit(s) from Ashley Villa Circle is assigned as a Limited Common Element to the Unit(s) so served.

(g) each Unit is assigned one (1) mailbox which will be located in a mailbox area of the Condominium.

6.2 Assignment and Reassignment. The Owners hereby delegate authorization to the Board of Directors, without a membership vote, to assign and to reassign Limited Common Elements, as the Board shall from time to time determine, in its sole discretion. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to assign or reassign the Limited Common Elements without the consent of Declarant for so long as the Declarant owns any portion of the Condominium, and without the consent of the affected Unit Owner or Owners.

## ARTICLE 7: ASSOCIATION MEMBERSHIP AND ALLOCATIONS

7.1 Membership. All Owners, by virtue of their ownership of an interest in a Unit, excluding Persons holding such interest under a Mortgage, are members of the Association and, except as otherwise provided herein or in the By-Laws, shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Master Deed and the Act and in accordance with the By-Laws.

7.2 Votes. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to cast one (1) weighted vote for each Unit in which such Owner holds the interest required for membership, which vote will be appurtenant to such Unit. Each vote shall be weighted in accordance with the percentage of undivided interest in the Common Elements attributable to each Unit, as shown on Exhibit "D" attached hereto and by reference incorporated herein. For example, the Owner of Unit 116-A in Building 14 is initially entitled to a weighted vote equaling 4.82%; the Owner of Unit 116-B in Building 14 is initially entitled to a weighted vote equaling 5.25%; the Owner of Unit 114-A in Building 13 is initially entitled to a weighted vote equaling 4.73%; and the Owner of Unit 110-B in Building 11 is initially entitled to a weighted vote equaling 5.16%, etc. No votes may be split; each Owner must vote his or her entire weighted vote on each matter to be voted on by the Owners. The total votes for the entire Condominium shall equal one hundred (100) at all times.

7.3 Allocation of Liability for Common Expenses. Except as otherwise provided herein, each Unit is hereby allocated liability for Common Expenses apportioned in accordance with the percentage of undivided interest in the Common Elements appurtenant to the Unit, as shown on Exhibit "D".

(a) Except as provided below, or elsewhere in the Act or Condominium Instruments, the amount of all Common Expenses shall be assessed against all the Units in accordance with the allocation of liability for Common Expenses described above.

(b) The Board of Directors shall have the power to assess specifically pursuant to this Section as in its discretion it deems appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future with respect to any

expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section.

(i) Any Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting all Units may be specifically assessed equitably among all of the Units which are benefited according to the benefit received.

• (ii) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units.

For purposes of subsection (b) of this Section, non-use shall constitute a benefit to less than all Units or a significant disproportionate benefit among all Units only when such non-use results in an identifiable, calculable reduction in cost to the Association.

7.4 Unit and Property Values. The Schedule of Unit Values and Property Interests contained in Exhibit "D" shows the assigned value of each Unit as of the date of this Master Deed and the respective percentage of undivided interest in the Common Elements attributable to each Unit, as required by Section 27-31-60 of the Act. The value of the Condominium, for the sole purpose of Section 27-31-60 of the Act, is equal to the total value of all Units, which includes the value of the appurtenant percentage of undivided interests in the Common Elements and Limited Common Elements. The statutory values are not intended to coincide with fair market values, and are used solely for the statutory purposes indicated in Section 27-31-60 of the Act.

## ARTICLE 8: ASSOCIATION RIGHTS AND RESTRICTIONS

The Association shall have all of the rights set forth in this article in addition to, and not in limitation of, all other rights it may have pursuant to South Carolina law and this Master Deed.

8.1 Right of Entry. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit.

8.2 Rules and Regulations. The Association shall have the right to make and to enforce reasonable rules, regulations, policies and guidelines governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements.

8.3 Right of Enforcement. The Association shall have the right to enforce use restrictions, provisions of the Master Deed and By-Laws, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges. These powers, however, shall not be construed as limiting any other legal means of enforcing the use restrictions or rules and regulations of the Association. Any fines imposed in accordance with this Section 8.3 shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments.

8.4 Permits, Licenses, Easements, etc. The Association shall have the right to grant permits, licenses, utility easements, and other easements (including drainage and storm water easements) over, through and under the Common Elements without a vote of the Owners.

8.5 Right of Maintenance. The Association shall have the right to control, manage, operate, maintain, improve and replace all portions of the Condominium for which the Association is assigned maintenance responsibility under this Master Deed.

8.6 Property Rights. The Association shall have the right to acquire, hold, and dispose of tangible and intangible personal property and real property.

8.7 Casualty Loss. The Association shall have the right to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of this Master Deed.

8.8 Governmental Entities. The Association shall have the right to represent the Owners in dealing with governmental entities.

8.9 Common Elements. The Association shall have the right to temporarily close any portion of the Common Elements for emergency, security, safety purposes or for any such other reasonable purpose as determined in the sole discretion of the Board, with no prior notice of such closing to the Owners, for a period not to exceed one (1) year. Furthermore, the Association shall have the right to permanently close any portion of the Common Elements (excluding Limited Common Elements) upon thirty (30) days prior notice to all Owners. Any portion of the Common Elements which has been permanently closed may be reopened by action of the Board or by the vote of Owners holding a majority of the votes cast at a duly called special or annual meeting.

## ARTICLE 9: ASSESSMENTS

9.1 Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board of Directors.

9.2 Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board of Directors so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as Mortgages are foreclosed under South Carolina law.

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due and may be collected in the same manner as other debts or liens are collected under South Carolina law. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the

first day of each calendar month. No Owner may exempt such Owner from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required under this Master Deed, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

9.3 Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If any monthly installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of ten dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:

(i) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due;

(ii) to costs of collection, including reasonable attorney's fees actually incurred by the Association; and

(iii) to any unpaid installments of the annual assessment or special assessments in the order of their coming due.

(c) If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Master Deed, the ByLaws, the Act and South Carolina law and suspend the Owner's and/or Occupant's right to vote and/or to use the Common Elements; provided, however, the Board of Directors may not limit ingress or egress to or from the Unit.

9.4 Computation of Operating Budget and Assessment. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least thirty (30) days prior to the end of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of at least fifty-one

(51%) of the total eligible voting power of the Association and the Declarant (so long as the Declarant owns any portion of the Condominium); provided, however, if a quorum is not obtained at the such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

Notwithstanding the foregoing, in the event that the membership disapproves the proposed budget or the Board fails for any reason so 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. The proposed budget and assessment shall be delivered to the members at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

9.5 Special Assessments. In addition to the annual assessment provided for in Section 9.2 above, the Board of Directors may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners as, in its discretion, it shall deem appropriate. Notice of any such special assessment shall be sent to all Owners prior to becoming effective. Notwithstanding the above, for so long as the Declarant owns any portion of the Condominium, all special assessments must be consented to by the Declarant prior to becoming effective.

9.6 Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Condominium that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Master Deed, any applicable Supplemental Master Deed, the Articles, the By-Laws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing.

9.7 Capital Budget and Contribution. The Board shall annually prepare a capital budget which 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 contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 9.4 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Notwithstanding any other provisions of this Master Deed, during the time in which the Declarant appoints the directors and officers pursuant to this Master Deed and Article 3, Section 3.4 of the By-Laws, the Declarant (a) may collect a non-refundable contribution to the capital fund of the Association from the initial purchaser of each Unit in the amount of two (2) months of the general assessments (in addition to those amounts set forth in Section 9.10), and (b) shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect amounts for capital reserves. Any capital contribution collected by the Declarant shall not be collected against a Mortgagee which takes title to a Unit pursuant to foreclosure.

9.8 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to a Unit on the date on which such Unit is conveyed to a Person other than the Declarant. The first annual assessment levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

9.9 Statement of Account. Any 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 ten (10) days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable 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.

9.10 Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the general assessments. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. The Association may use the funds to cover operating expenses and other expenses incurred by the Association pursuant to this Master Deed and the By-Laws. The working capital contribution set forth herein is in addition to the required capital contribution set forth in Section 9.7 of this Article.

9.11 Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Subject to the limitations and restrictions set forth in the Articles of Incorporation, any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's reserve account.

## ARTICLE 10: INSURANCE

10.1 Insurance. The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by law and as required herein. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of Owners, if any. It shall be the duty of the Board of Directors at least every three (3) years to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association. Such insurance shall run to the benefit of the Association, the respective Unit Owners, and their respective Mortgagees, as their interests may appear.

(a) To the extent reasonably available at reasonable cost, the Association's insurance policy may cover any of the following types of property contained within a Unit, regardless of ownership:

- (i) fixtures, improvements and alterations that are part of the building or structure; and
- (ii) appliances which become fixtures, including built-in refrigerators, ventilating, cooking, dishwashing, security or housekeeping appliances.

If such insurance is not reasonably available, the Association's insurance policy may exclude improvements and betterments made by the individual Unit Owners and may also exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring), but each Owner shall have the right to obtain additional coverage for such improvements, betterments, or personal property at his or her own

expense. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement costs.

(b) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of all improvements located on the Condominium that will provide the following:

(i) that the insurer waives its rights of subrogation of any claims against the Board of Directors, officers of the Association, the individual Owners, and their respective household members;

(ii) that the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(iii) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;

(iv) that until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;

(v) that the master policy may not be canceled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;

(vi) a construction code endorsement;

(vii) an agreed value endorsement and an inflation guard endorsement; and

(viii) that the deductible amount per occurrence shall not exceed such amount as determined by the Board.

(c) All policies of insurance shall be written with a company licensed to do business in the State of South Carolina and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

(d) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto.

(e) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of Directors of all structural improvements made by the Unit Owner to his Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterment's made by such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is canceled.

(f) In addition to the insurance required herein above, the Board shall obtain as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence (such insurance shall contain a cross liability endorsement);

(iii) fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board of Directors reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than two (2) months aggregate assessments, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (1) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which the funds are deposited sends copies of the bank statements directly to the Association; (2) the management company, if any, maintains separate records and bank accounts for each Association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (3) two (2) members of the Board of Directors must sign any check written on the reserve account;

(iv) flood insurance, to the extent that it is required by law or the Board determines it to be necessary; and

(v) such other insurance as the Board of Directors may determine to be necessary.

(g) Insurance carried by the Association as a Common Expense shall not include part of a Unit not depicted on the Plats and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds.

(h) Every Unit Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit to the extent not insured by policies maintained by the Association. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Unit Owner fails to obtain insurance as required by this subsection, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments under Article 9 hereof.

(i) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. If any Owner or Owners fail to

pay the deductible when required under this subsection, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Article 7 of this Master Deed.

## **ARTICLE 11: REPAIR AND RECONSTRUCTION**

In the event of damage to or destruction of all or any part of the Condominium insured by the Association as a result of fire or other casualty, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. Notwithstanding the above, the Association may elect not to proceed with reconstruction and repair if Owners holding eighty percent (80%) of the total votes in the Association, and Eligible Mortgagees representing at least fifty-one (51%) of the Units subject to a Mortgage, so decide.

11.1 Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

11.2 Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owner in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

11.3 Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

11.4 Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

11.5 Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

**ARTICLE 12: ARCHITECTURAL CONTROL**

**12.1 Architectural Standards.** Except for the Declarant and except as provided herein, no Owner, Occupant, or any other person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior of the buildings, in any windows, on any Limited Common Elements, or any other Common Elements, without first obtaining the written approval of the Architectural Review Board ("ARB").

The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARB may reasonably require. The ARB or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board of Directors or the ARB may publish written architectural standards for exterior and Common Elements alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography. The Architectural Review Board may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

In the event that the ARB fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the ARB may reasonably require have been submitted, its approval will not be required and this subsection (a) will be deemed complied with; provided however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Master Deed, the By-Laws, or the rules and regulations.

**12.2 Architectural Review Board.** The ARB shall have exclusive jurisdiction over all construction on any portion of the Condominium. For so long as the Declarant owns any portion of the Condominium or has the unilateral right to annex additional property to the Condominium, the Declarant retains the right to appoint and remove all members of the ARB, who shall serve at the Declarant's discretion. The ARB shall consist of one (1) to three (3) members, with the exact number being set from time to time by and in the sole discretion of the Declarant for so long as the Declarant retains the right to appoint and remove ARB members. There shall be no surrender of these rights prior to their expiration as provided above, except in a written instrument in recordable form executed by Declarant; provided, however, that Declarant may delegate certain authority of the ARB to the Association for such periods of time as Declarant in its sole discretion may decide. Upon expiration or permanent surrender of such rights, the Board shall set the number of members of the ARB and appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

**12.3 Condition of Approval.** As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration. In the discretion of the ARB, an Owner may be required to verify such condition of approval by written instrument in recordable form acknowledged by such Owner.

12.4 Limitation of Liability. Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only and neither the Declarant, the Board of Directors or the Architectural Review Board shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the Architectural Review Board, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

12.5 No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the Architectural Review Board will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board of Directors or the Architectural Review Board of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the Architectural Review Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

12.6 Enforcement. Any construction, alteration, or other work done in violation of this Section shall be deemed to be nonconforming. Upon written request from the ARB, or from the Board of Directors if said authority has been delegated by the Declarant to the Association or Declarant's right under Section 12.2 has expired or been surrendered, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the ARB shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the Unit and collected as an assessment pursuant to this Master Deed. In addition to the foregoing, the ARB shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions. Any exterior change, alteration, or construction (including landscaping) upon the Common Elements made by an Owner in violation of this Master Deed shall be at such Owner's sole risk and expense. The ARB may require that the Owner remove the change, alteration, or construction and restore the Common Elements to its original condition, or may require that the change, alteration or construction remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

## ARTICLE 13: USE RESTRICTIONS

Each Owner of a Unit shall be responsible for ensuring that the Owner's family, invitees, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the rules, regulations, policies and guidelines of the Association. Furthermore, each 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 Owner's family, invitees, guests, tenants or Occupants, as a result of such Person's violation of the Condominium Instruments, the Association may take action under this Master Deed against the Owner as if the Owner committed the violation in conjunction with the Owner's family, invitees, guests, tenants or Occupants. Use restrictions regarding the use of Units and the Common Elements are set forth in this Article 13. Notwithstanding anything contained herein to the contrary, the Board of Directors may, from time to time and in accordance with the By-laws, adopt additional rules, regulations, policies and guidelines, further restricting the use of the Units and the Common Elements.

13.1 Use of Units. All Units shall be used solely for residential purposes and for ancillary home office uses. A home office use shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the activity conforms to all zoning requirements for the Condominium; (c) the activity does not involve regular or unreasonable visitation of the Unit by clients, customers, suppliers, or other invitees, or door-to-door solicitation of residents of the Condominium; (d) the activity does not increase traffic or include frequent deliveries within the Condominium other than deliveries by couriers, express mail carriers, parcel delivery services and other such delivery services; (e) the activity is consistent with the residential character of the Condominium and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board; and (f) the activity does not result in a materially greater use of Common Element facilities or Association services.

No other business, trade, or similar activity shall be conducted upon a Unit without the prior written consent of the Board. The terms "business", and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings 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: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Condominium or its use of any Units which it owns within the Condominium.

13.2 Alteration of Units. Subject to the other provisions of this Master Deed, Unit Owners may make alterations to the interiors of their Units, relocate the boundaries between adjoining Units, and subdivide their Units as follows:

(a) Alterations of the Interiors of the Units. If any Owner acquires an adjoining Unit, such Owner may (subject to the prior written approval of the Mortgagees of the Units involved, the prior written approval of the Board, and, for so long as the Declarant owns a Unit, the prior written approval of the Declarant) remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. The alterations permitted by this subsection shall not be deemed an alteration or relocation of boundaries between adjoining Units.

(b) Relocation of Boundaries. For so long as Declarant owns one or more Units, boundaries between adjoining Units may be relocated only with the prior written consent of the Declarant. The Declarant shall have the right to relocate boundaries between Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Master Deed on the Association's behalf pertaining thereto.

(c) Subdivision of Units. An Owner may subdivide his or her Unit only with the prior written consent of the Association acting through the Board and, for so long as the Declarant owns a Unit, the prior written consent of the Declarant. Notwithstanding the above, the Declarant shall have the right to subdivide

Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Master Deed on the Association's behalf pertaining thereto. Notwithstanding anything in this Master Deed to the contrary, any Amendment required to provide for subdivision of Units shall set forth the restated percentage interest in the Common Elements attributable to each Unit created by the subdivision, the total of which must equal the percentage interest attributable to the Unit that existed before subdivision. The Owners hereby delegate authorization to the Board of Directors or the Declarant, for so long as the Declarant owns a Unit, without a membership vote, to restate the percentage interest for purposes of this subsection, in its sole discretion. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to restate the percentage interest in the Common Elements of a subdivided Unit without the consent of the Declarant, for so long as the Declarant owns any portion of the Condominium.

(d) Zoning Approval. Any Unit subdivision pursuant to this Article 13 shall be subject to all zoning permits and approvals as may be required by the City of Charleston.

13.3 Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium, other than by Declarant, at any time, either temporarily or permanently, without the prior written approval of the Board.

13.4 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on, or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. This prohibition shall not apply to the Declarant.

With the prior written approval of the Board, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their guests, Occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not 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 Association, its agents or employees.

13.5 Use of Limited Common Elements. Use of the Limited Common Elements is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, invitees, and Occupants. The Limited Common Elements are reserved for exclusive use, but are a part of the Common Elements, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

13.6 Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium 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.

Noxious, destructive or offensive activity shall not be carried on upon the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. Nothing herein, however, shall be construed to affect

the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. Notwithstanding anything to the contrary herein, no Owner or Occupant of a Unit may use or allow the use of the Unit, the Common Elements or the Limited Common Elements in any manner which creates noises between the hours of 11:00 p.m. and 7:30 a.m. which can be heard by persons in another Unit that will, in the sole discretion of the Board, interfere with the rights, comfort or convenience of the other Owners or Occupants.

No Owner shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Condominium 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 of the Association and their Mortgagees. No damage to or waste of the Common Elements, or any part thereof, or of the exterior of any building shall be permitted by any Owner or member of his or her family or any invitee or guest of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit.

**13.7 Firearms and Fireworks.** The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

**13.8 Pets.** Pets shall be limited to dogs or cats. No Owner or Occupant of a Unit may keep more than one (1) dog or cat in a Unit at any given time. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors or kept unattended outdoors, including on any terrace, veranda or porch areas. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements. The owner of the pet or the person responsible for the pet must remove any feces left upon the Common Elements by pets.

**13.9 Parking.** The Board of Directors may promulgate rules and regulations and/or policies and guidelines restricting parking on the Condominium, including restricting the number of vehicles which any Owner or Occupant may bring onto the Condominium and designating or assigning parking spaces or areas. This Section 13.9 shall not prohibit an Owner or Occupant from having service vehicles park temporarily on the property if otherwise in compliance with this Section 13.9 and the rules and regulations and/or policies and guidelines adopted by the Board.

Any vehicle parked on any portion of the Condominium in violation of this Section 13.9, or in violation of the Association's rules and regulations and/or policies and guidelines, for more than forty-eight (48) consecutive hours may be towed at the vehicle owner's expense.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked other than in a parking space, is parked in a space which has been assigned as a Limited Common Element exclusively serving another Unit, or otherwise creates a hazardous condition, the vehicle may be towed immediately. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of that Association 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.

13.10 Abandoned Personal Property. Abandoned or discarded personal property, other than an automobile as provided for in Section 13.9, is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Elements or Limited Common Elements without the prior written permission of the Board.

If the Board or its designee, in its sole discretion, determines that property is kept, stored, or allowed to remain on the Common Elements or Limited Common Elements in violation of this section, then the Board may remove and either discard or store the personal property in a location which the Board may determine

Prior to taking any such action, the Board shall place a notice on the personal property and/or on the front door of the Unit of the owner of such property, if known, specifying the nature of the violation and stating that after two (2) days the property may be removed and either discarded or stored. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

If two (2) days after such notice is placed on the personal property and/or the front door of the Unit, the violation continues or thereafter occurs again within six (6) months of such notice, the personal property may be removed in accordance with the original notice, without further notice to the owner or user of the personal property.

Notwithstanding anything to the contrary, the Board, in its discretion, may determine that an emergency situation exists, and the personal property abandoned or stored in violation of this subsection may, without prior notice to the owner or user of the personal property, be removed and either discarded or stored by the Board in a location which the Board may determine; provided, however, the Board shall give to the owner, if known, notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

If personal property is removed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage resulting from the removal 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 remove abandoned or improperly stored personal property, as set forth herein.

13.11 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 Condominium, 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. Owners and Occupants of Units 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. At any time during the months specified above when the heating equipment is not working properly, the Unit Owner or Occupant shall immediately inform the Association of this failure of the equipment and of the time needed to repair the equipment. The Board of Directors may fine any Owner or Occupant and/or may cause the water service to the violators Unit to be discontinued for violation of this subsection, in addition to any other remedies of the Association. Any fine imposed pursuant to this subsection shall be deemed an assessment against the Unit and may be collected in the same manner as provided herein for collection of assessments.

13.12 Signs. Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board or its designee. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to enact reasonable rules and regulations and/or policies and guidelines governing the general placement of signs on the Condominium. Notwithstanding the restrictions contained in this section, the Declarant may approve and erect signs for the purpose of carrying on business related to the development, improvement and sale of Units in the Condominium, and such signs shall not be subject to approval or regulation by the Association or by the Board.

13.13 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 Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except as provided herein. Rubbish, trash, and garbage shall be disposed of in closed plastic bags and placed in proper receptacles designated by the Board for collection or shall be removed from the Condominium.

13.14 Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or Occupants.

13.15 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.

13.16 Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited, unless approved by the Association as a planned community activity.

13.17 Window Treatments. Unless otherwise approved in writing by the Board, all windows which are part of a Unit shall have window treatments and any portion thereof visible from outside the Unit shall be white, off-white, light beige or light gray in color.

13.18 Antennas and Satellite Equipment. Unless otherwise approved in writing by the Board, no Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite equipment on the Condominium. This provision shall not, however, prohibit the Association from constructing or maintaining a central antenna or communications system on the Condominium for the benefit of its members. Notwithstanding the foregoing, the Association shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind only in strict compliance with all federal laws and regulations.

13.19 Time Sharing. Notwithstanding anything herein to the contrary, no Unit shall be used for or subject to any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing Lease Plan, or Vacation Time Sharing Plan, as defined by the South Carolina Code of Laws, Section 27-32-10, et seq., as amended, or any subsequent laws of the State of South Carolina dealing with a vacation time share ownership or leasing plan, unless the Owner of said Unit has obtained the prior written approval of the Board and, for so long as the Declarant owns a Unit, the prior written consent of the Declarant.

**ARTICLE 14: LEASING**

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Master Deed and By-Laws, in order to enforce the provisions of this Section.

14.1 Definition. "Leasing," for purposes of this Master Deed, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

14.2 Leasing Provisions. Leasing of Units shall be governed by the following provisions:

(a) General. Units may be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board. All rentals must be for an initial term of not less than one (1) year. 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 which is deemed acceptable. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. Within seven (7) days after executing a lease agreement for the lease of a Unit, the Unit Owner shall provide the Board of Directors with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Unit Owner must make available to the lessee copies of the Master Deed, By-Laws, and the rules and regulations.

(b) Compliance With Master Deed, By-Laws, and Rules and Regulations. Use of Common Elements, and Liability for Assessments. Any lease of a Unit shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Unit, 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 on the Unit:

(i) Compliance With Master Deed, By-Laws, and Rules and Regulations. The lessee shall comply with all provisions of the Master Deed, By-Laws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of his or her Unit to comply with the Master Deed, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Master Deed, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Master Deed, By-Laws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine shall be assessed against the lessee in accordance with Article 3, Section 3.23 of the By-Laws. If the fine is not paid by the lessee within the time period set by the Board, the Board may assess the fine against the Owner and the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Master Deed, By-Laws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The 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, By-Laws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any

costs, including attorney's fees and court costs, associated with the eviction shall be an assessment and lien against the Unit.

(ii) Use of Common Elements. Except where the Owner also occupies the Unit, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium, including, but not limited to, the use of any and all recreational facilities.

(iii) Liability for Assessments. When a Unit Owner who is leasing his or her Unit fails to pay any annual special, or specific assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent 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, special, and specific 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 this Master Deed as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

This Article 14 shall not apply to any leasing transaction entered into by 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.

## **ARTICLE 15: SALE OF UNITS**

A Unit 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 within seven (7) days after execution of the transfer or sales documents. The Unit 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. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of his or her ownership of the Unit. Upon failure of a Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

## **ARTICLE 16: MAINTENANCE RESPONSIBILITY**

16.1 By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made to the Limited Common Elements assigned to the Unit. This maintenance responsibility shall include, but not be limited to the following: window locks, all doors, doorways, door frames, and hardware that are part of the Unit (except for periodic painting or staining of the exterior surface of exterior doors and entry doors and door frames facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all gas, electricity,

water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). Notwithstanding anything herein to the contrary, this maintenance responsibility excludes windows; window frames and casings; and paving, curbing and striping any parking spaces within the Condominium.

(a) Some Units contain interior support beams which are load bearing beams. No Owner or Occupant shall do any act which jeopardizes or impairs the integrity of such beams.

(b) In addition, each Unit Owner shall have the responsibility:

(i) to keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit including, without limitation, terraces and balconies;

(ii) to perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units;

(iii) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and

(iv) to pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, invitees, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

#### 16.2 By the Association.

(a) The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes the following:

(i) all Common Elements, including any Limited Common Elements, but excluding all improvements made to such Limited Common Elements; provided, however, the cost of maintenance and repair of Limited Common Elements may be assessed against the Unit Owner to whom the Limited Common Element is assigned under Section 7.3(b)(i) of this Master Deed. Notwithstanding anything contained herein to the contrary, the Area of Common Responsibility shall include the paving, curbing and striping of any parking spaces within the Condominium;

(ii) periodic cleaning and/or painting and/or staining of exterior surfaces of the building and of exterior doors and door frames and entry doors and door frames facing the hallways of the Condominium, as determined appropriate by the Board; and

(iii) all windows, window frames and casings (except window locks) and glass doors located in the Unit, even though they are part of the Unit, the cost of which may be assessed against the Unit in which the item is located, pursuant to Section 7.3(b)(i) of this Master Deed.

(b) Subject to the maintenance responsibilities herein provided, the maintenance or repair performed on or to the Common Elements by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Elements) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

(c) The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice 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. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, invitee, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest, invitee, or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Master Deed, or for inconvenience or discomfort arising from the action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(d) The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finished 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 reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Unit Owner or Occupant. Removal, storage or other protective measures of personal items are also the responsibility of the Unit Owner or Occupant. If the removal, storage, or other protective measures are not taken by the Unit Owner or Occupant and damage occurs due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning, but shall not be responsible for a detailed cleaning. The Board has sole discretion of defining what is reasonable for the level, quality and extent of the repair and subsequent cleaning. 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 of Directors.

16.3 Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly such Owner's obligation with regard to the maintenance, repair, or replacement of items of which such Owner is responsible hereunder, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) 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 ten (10) days. If the Board of Directors determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and a lien against the Unit.

16.4 Maintenance Standards and Interpretation. Except to the extent set forth in any recorded instrument set forth in Article 21 of this Master Deed, the maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Master Deed may vary from one term of the Board of Directors to another. These variances shall not constitute a waiver by the Board of Directors of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board of Directors shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board of Directors. All maintenance of a Unit shall be in conformance with the

Community-Wide Standard of the Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Unit without the prior written approval of the Board of Directors as provided in Article 12 hereof.

**16.5 Measures Related to Insurance Coverage.** The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, 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 all Owners to turn off cut-off valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install and maintain smoke detectors; requiring Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed five hundred dollars (\$500.00) per Unit in any twelve (12) month period.

In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any reasonable requirement made by the Board pursuant to this Section 16.5 above, the Association, upon fifteen (15) days' written notice (during which period the Unit Owner may perform the required act or work without further liability), may perform such required act or work at the Unit 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 this Section 16.5, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

## **ARTICLE 17: PARTY WALLS**

**17.1 General Rules of Law to Apply.** Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

**17.2 Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.

**17.3 Damage and Destruction.** If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it, and the Association shall reimburse said Owner(s) for the cost incurred, without prejudice, however, to the Association's right to seek reimbursement from or withhold payment to the Owners or others under any rule of law or provision in this Master Deed regarding liability for negligent or willful acts or omissions.

**17.4 Right to Contribution Runs With Land.** The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

## ARTICLE 18: EMINENT DOMAIN

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In the event of a taking by eminent domain of any portion of the Common Elements on which improvements have been constructed, then, unless within 60 days after such taking at least seventy-five percent (75%) of the total Association vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor. The provisions of Article 11 above, applicable to Common Elements improvement damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

## ARTICLE 19: MORTGAGEE RIGHTS

19.1 Amendments to Documents. The consent of (a) Members holding at least sixty-seven percent (67%) of the total eligible voting power of the Association, and (b) the Declarant, so long as the Declarant owns any portion of the Condominium, shall be required to materially amend any provisions of this Master Deed, the By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (a) voting;
- (b) assessments (including any increase in the annual assessment by more than twenty-five percent (25%) of the previous year's assessment), assessment liens, or subordination of such liens;
- (c) reserves for maintenance, repair, and replacement of the Common Elements;
- (d) responsibility for maintenance and repair of the Condominium;
- (e) reallocation of interests in Common Elements;
- (f) redefining of Unit boundaries;
- (g) expansion or contraction of the Condominium or the addition, annexation, or withdrawal of property to or from the Condominium in a manner other than as provided herein;
- (h) insurance or fidelity bonds;
- (i) leasing of Units;
- (j) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (k) establishment of self-management by the Association where professional management has been required by an Eligible Mortgagee;
- (l) repair or restoration of the Condominium (after damage or partial condemnation) in a manner other than as provided herein; or
- (m) any provisions included in the Master Deed, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

19.2 Mortgagee Consent. Unless at least sixty-seven percent (67%) of the first Mortgagees and Unit Owners other than Declarant, and the Declarant for so long as it owns any portion of the Condominium, give their consent, the Association or the membership shall not:

- (a) by act or omission seek to abandon or terminate the Condominium;
- (b) except as provided herein and in the Act for condemnation, substantial damage and destruction, and annexation of additional property to the Condominium, change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;
- (c) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or
- (d) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

19.3 Liability of First Mortgagees. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

19.4 Mortgagee Notice. Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Eligible Mortgagee will be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held by such Eligible Mortgagee;
- (b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit; subject to a first Mortgage held by such Eligible Mortgagee which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagee, as specified herein.

19.5 Financial Statements. Any holder of a first Mortgage shall be entitled, upon written request, to receive, within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

19.6 Additional Mortgagee Rights. Notwithstanding anything to the contrary herein contained, the provisions of Articles 14 and 15 governing sales and leases shall not apply to impair the right of any first Mortgagee to:

- (a) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; or
- (b) take a deed or assignment in lieu of foreclosure; or
- (c) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

19.7 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

19.8 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

19.9 Construction of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Master Deed, By-Laws, or South Carolina law for any of the acts set out in this Article.

## **ARTICLE 20: DECLARANT RIGHTS**

20.1 Right to Appoint and Remove Directors. The Declarant shall have the right to appoint and remove any member or members of the Board of Directors of the Association subject to such limitations as set forth below. The Declarant's authority to appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following:

- (a) twelve (12) months after seventy-five percent (75%) of the Units in the Condominium have been transferred by the Declarant to Unit Owners other than a Person or Persons constituting the Declarant;
- (b) the expiration of five (5) years after the date upon which this Master Deed is recorded in the RMC Office for Charleston County; or
- (c) the date on which the Declarant voluntarily relinquishes such right by executing and recording an amendment to this Master Deed, which shall become effective as specified in such amendment.

20.2 Number and Terms of Directors Appointed by Declarant. The Board of Directors of the Association shall be comprised initially of no more than three (3) Directors, who shall be appointed and/or

reappointed by the Declarant, whose terms shall expire at the time of expiration of the rights of the Declarant above.

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20.3 Sale and Leasing of Units. Notwithstanding anything to the contrary contained herein, Declarant shall have the right to sell or lease units and to erect and maintain signs to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Master Deed regarding signs and sales and leases.

20.4 Construction and Sale Period. Notwithstanding any provisions in this Master Deed, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, any amendments thereto, and related documents, for so long as Declarant owns any portion of the Condominium, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to the property described on Exhibit "A" to this Master Deed, including, but without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on or in the Condominium; the right to tie into any portion of the Condominium with streets, driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Condominium; the right to carry on sales and promotional activities in the Condominium; and the right to construct and operate business offices, signs, construction trailers, model Units, and sales offices. Declarant and any such builder or developer may use Units or offices owned or leased by Declarant or such builder or developer as model Units and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

20.5 Development Plan. Declarant has included within the Condominium certain real property and improvements that comprise Phase I of The Villas of West Ashley development. Phase I consists of six (6) buildings, with each building containing either two (2) or four (4) Units. The Buildings and Units in Phase I of the development are more particularly described as follows:

|             |                                  |
|-------------|----------------------------------|
| Building 11 | Units 110-A; 110-B; 110-C; 110-D |
| Building 12 | Units 112-A; 112-B; 112-C; 112-D |
| Building 13 | Units 114-A; 114-B; 114-C; 114-D |
| Building 14 | Units 116-A; 116-B               |
| Building 15 | Units 115-A; 115-B               |
| Building 18 | Units 109-A; 109-B; 109-C; 109-D |

The Declarant also plans on developing Phases II and III that will consist of the following buildings and Units:

|          |             |                                  |
|----------|-------------|----------------------------------|
| Phase II | Building 1  | Units 3524-A; 3524-B             |
|          | Building 2  | Units 122-A; 122-B               |
|          | Building 3  | Units 124-A; 124-B; 124-C; 124-D |
|          | Building 4  | Units 126-A; 126-B               |
|          | Building 5  | Units 128-A; 128-B; 128-C; 128-D |
|          | Building 16 | Units 117-A; 117-B               |
|          | Building 17 | Units 103-A; 103-B; 103-C; 103-D |

|           |             |                                  |
|-----------|-------------|----------------------------------|
| Phase III | Building 6  | Units 100-A; 100-B; 100-C; 100-D |
|           | Building 7  | Units 102-A; 102-B; 102-C; 102-D |
|           | Building 8  | Units 104-A; 104-B; 104-C; 104-D |
|           | Building 9  | Units 106-A; 106-B; 106-C; 106-D |
|           | Building 10 | Units 108-A; 108-B; 108-C; 108-D |

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 "D" attached hereto and made a part hereof by reference. Voting rights and values shall also be determined by reference to the percentages set forth for each Unit as shown on Exhibit "D".

#### 20.6 Annexation of Additional Property.

(a) The Declarant reserves the right to annex and include additional property, improvements and Units and to amend this Master Deed by its sole action and in its sole discretion for the purposes of creating Phases II and III of the Condominium. Phase II, if so annexed, will include property and improvements including seven (7) buildings containing a total of twenty (20) Units numbered Building 1, Units 3524-A and 3524-B, Building 2, Units 122-A and 122-B, Building 3, Units 124-A, 124-B, 124-C and 124-D, Building 4, Units 126-A and 126-B, Building 5, Units 128-A, 128-B, 128-C and 128-D, Building 16, Units 117-A and 117-B, and Building 17, Units 103-A, 103-B, 103-C and 103-D. Should the Declarant determine to so annex and include Phase II, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase II shall be made not later than December 31, 2003, and the necessary annexation and amendment to the Master Deed shall be filed with the R.M.C. for Charleston County, South Carolina, no later than that date. Phase III, if so annexed, will include property and improvements including five (5) buildings containing at total of twenty (20) Units numbered Building 6, Units 100-A, 100-B, 100-C and 100-D, Building 7, Units 102-A, 102-B, 102-C and 102-D, Building 8, Units 104-A, 104-B, 104-C and 104-D, Building 9, Units 106-A, 106-B, 106-C and 106-D, and Building 10, Units 108-A, 108-B, 108-C and 108-D. Should the Declarant determine to so annex and include Phase III, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase III shall be made not later than June 30, 2004, and the necessary annexation and amendment to the Master Deed shall be filed with the R.M.C. for Charleston County, South Carolina, no later than that date. Any representation made in this Master Deed regarding Phases II or III do not apply if such Phases are not annexed to the Condominium.

To add an additional Phase pursuant to this Article, Declarant shall prepare, execute and record an amendment to this Master Deed that shall contain a plot plan showing the location of the building(s) and any other improvements, and a set of floor plans of the building(s) which shall show graphically the dimensions, area, and location of each Unit therein and the location of the Common Elements affording access to each Unit. The plans shall show graphically insofar as possible and describe in detail the Common Elements in the building(s).

(b) Phases II and III, if included, will not increase the proportionate amount of the Common Expenses payable by the Unit Owners of The Villas of West Ashley Horizontal Property Regime. Should Phases II and III be included, the percentage interest in the Common Elements of each Unit Owner in The Villas of West Ashley Horizontal Property Regime shall be reduced and each of the Unit Owners in Phases II and III shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise voting rights and values shall also be determined by references to the percentages set forth for each Unit as shown in Exhibit "D".

(c) Ownership in the Common Elements, prorata share of Common Expenses due, voting rights and values, and the percentages attributable to each Unit in the event of completion of The Villas of West Ashley Horizontal Property Regime Phase I, or Phases I and II, or Phases I, II and III, are shown on Exhibit "D."

## ARTICLE 21: EASEMENTS AND OTHER RESTRICTIONS

21.1 Use and Enjoyment. Each Unit Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

21.2 Utilities. To the extent that the sprinkler system or any sprinkler room, electrical room, telephone equipment, telephone trunk line, 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, or shall only be accessible from another Unit, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, access, maintenance, repair and replacement of such sprinkler system, electrical room, telephone equipment, telephone trunk line, utility line, pipe, wire or conduit, such easement to be in favor of the Association and the Unit, Units, or Common Elements served by the same. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line, conduit, duct or wire is located in the Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit or the Common Elements resulting from performance of any such work. All Unit Owners hereby covenant and agree that as finished 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 or trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board.

21.3 Pest Control. The Association may, but shall not be obligated to, dispense chemicals 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 and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Each Unit Owner 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 of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

### 21.4 Declarant Easements.

(a) Declarant hereby reserves for itself, its agents, successors and assigns, a permanent, assignable, transmissible easement upon, over and across the Common Elements (1) for the purpose of installing, repairing, maintaining, replacing or removing any groundwater monitoring well or wells on the Condominium at Declarant's expense; (2) for the purpose of testing and monitoring any groundwater samples taken therefrom, all in accordance with rules and regulations of the South Carolina Department of

Health and Environmental Control and at Declarant's expense; (3) for the purpose of access, ingress and egress to any such groundwater monitoring wells; and (4) for the purpose of doing all things reasonably necessary and proper in connection therewith. The easement described in this Section 21.4(a) may be assigned, in whole or in part, by Declarant.

(b) For so long as Declarant owns any Unit primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (a) an easement for the maintenance of signs, a sales office, a business office, promotional facilities and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Unit; (2) a transferable easement on, over, through, under and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium, and for the purpose of doing all things reasonably necessary and proper in connection therewith; (3) a transferable easement four (4) feet from the ceiling of a Condominium Unit down into such Condominium Unit for the purpose of making improvements to and installing all utility lines, pipes, wires, conduits and ducts serving the Condominium Unit above such Unit and for the purpose of doing all things reasonably necessary and proper in connection therewith.

(c) As part of the Declarant's right to annex additional property to the Condominium, the Declarant reserves unto itself, and its successors and assigns, non-exclusive easements for ingress and egress over, under, and across all Common Elements and Limited Common Elements and such other reasonable right of access to, and use of, the Common Elements and Limited Common Elements as may be necessary for the construction, maintenance and marketing of the additional Units in Phases II or III.

21.5 Other Easements and Restrictions. The Condominium shall be subject to all covenants, easements and restrictions of record, including, without limitation, the following:

- (a) Taxes for the year 2003 and subsequent years, a lien not yet due and payable.
- (b) Declaration of Restrictive Covenants filed for record in Book T-309, page 573, RMC Office for Charleston County.
- (c) Easement to South Carolina Electric and Gas Company, recorded in Book L-108, page 325, Book O-300, page 410, and Book E-423, page 895, RMC Office for Charleston County.
- (d) All easements, wetlands and others matters as shown on survey prepared by Nielson and Associates dated April 7, 2002 and recorded in Book EF, page 390 and survey prepared by Southeastern Surveying, Inc. recorded in Plat Book EC, page 619
- (e) Jurisdiction of the U. S. Corps of Engineers with respect to any portion of the property which may constitute wetlands or marshlands or navigable waters.
- (f) Easement to Commissioners of Public Works of the City of Charleston recorded in the RMC Office for Charleston County in Book 429, page 835.

## ARTICLE 22: GENERAL PROVISIONS

22.1 Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees, and invitees, of the Unit

acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in and to the Condominium. It shall be the responsibility of each Owner to protect such Owner's persons and property and all responsibility to provide security shall lie solely with each Unit Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measures cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Association, its Board of Directors and committees, and Declarant are not insurers and that each Person using the Condominium assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

22.2 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Master Deed, the By-Laws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

22.3 Amendment.

(a) By Declarant. For so long as the Declarant has the right to appoint and remove directors of the Association as provided in this Master Deed, the Declarant may unilaterally amend this Master Deed for any purpose. Thereafter, the Declarant may unilaterally amend this Master Deed at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

(b) By Members. Except where a higher vote is required for action under any other provisions of this Master Deed or by the Act, in which case such higher vote shall be necessary to amend such provision, this Master Deed may be amended by the written consent of the Members of the Association holding two-thirds (2/3) of the total vote thereof, and the consent of the Declarant for so long as the Declarant owns a Unit or has the right to appoint a majority of the directors of the Association. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by an officer of the Association and recorded in the RMC Office for Charleston County, South Carolina. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time. Notwithstanding anything contained herein to the contrary, the provisions of Sections 21.4(a) and 21.4(b) may not be amended at any time without the prior written consent of Declarant.

22.4 Actions Requiring Owner Approval. If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any

Unit, then the following actions shall require the prior approval of Members representing not less than two-thirds (2/3) of the total votes in the Association and the consent of the Declarant, so long as Declarant owns any portion of the Condominium: annexation of additional property to the Condominium; dedication, conveyance or mortgaging of Common Elements; and merger, consolidation or dissolution of the Association. Notwithstanding anything to the contrary in this Section, the Association, acting through the Board, may grant easements over the Common Elements for the installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Elements, without the approval of the membership.

22.5 Compliance. Every Owner and Occupant of any Unit shall comply with this Master Deed, the By-Laws, and the rules of the Association. Failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Article 8, Section 8.3.

22.6 Severability. Whenever possible, each provision of this Master Deed shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Master Deed to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Master Deed are declared to be severable.

22.7 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

22.8 Notices. Notices provided for in this Master Deed or the Articles or By-Laws shall be in writing, and shall be addressed to any Owner at the address of the Unit and to the Declarant or the Association at the address of their respective registered agents in the State of South Carolina. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three (3) business days after mailing by United States Registered or Certified Mail, postpaid, or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

22.9 Perpetuities. 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, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

22.10 Indemnification. To the fullest extent allowed by the South Carolina Nonprofit Corporation Act and applicable law, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorney's fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not

be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available in the opinion of the Board.

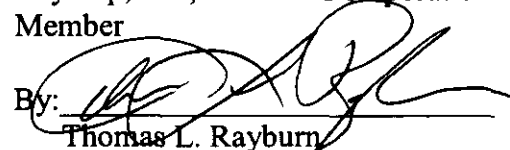
22.11 Submerged Land Notice. All activities on or over and all uses of submerged land or critical areas are subject to the jurisdiction of the South Carolina Department of Health and Environmental Control, including, but not limited to, the requirement that any activity or use must be authorized by the South Carolina Department of Health and Environmental Control. Any Owner is liable to the extent of his or her ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area.

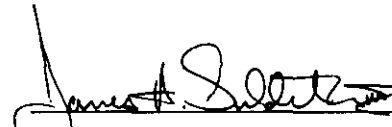
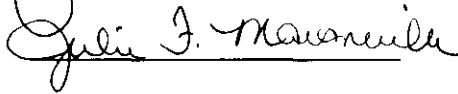
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IN WITNESS WHEREOF, the Declarant has executed this Master Deed under seal, this 15<sup>th</sup> day of January, 2003.

SC Villas, LLC, a South Carolina limited liability company

By: Raycorp, Inc., an Illinois corporation  
Its: Member

By:   
Thomas L. Rayburn  
Its: President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

PERSONALLY APPEARED BEFORE me the undersigned witness, who, on oath, says that s/he saw the within named SC Villas, LLC, a South Carolina limited liability company, by Raycorp, Inc., an Illinois corporation, its member, by Thomas L. Rayburn, its President, sign, seal and as the act and deed, deliver the foregoing Master Deed, and that s/he, together with the other witnesses, whose signatures appear above, witnessed the execution thereof.

SWORN TO BEFORE me this  
15<sup>th</sup> day of January, 2003.

  
Notary Public for South Carolina

 (SEAL)

My commission expires: November 21, 2010

**EXHIBIT "A"**

ALL that certain piece, parcel or lot of land, situate, lying and being on the north side of Mary Ader Avenue located in the City of Charleston, Charleston County, South Carolina, known and designated as Lot 2 containing 19.51 acres, more or less, as shown on the plat prepared by Nielson & Associates entitled "A PLAT OF LOTS 1 & 2, FORMERLY LOTS 1, 2, & 3, CONTAINING 32.50 ACRES, OWNED BY ROSS DEVELOPMENT CORPORATION, ABOUT TO BE CONVEYED TO SC VILLAS, LLC, LOCATED IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA" dated April 7, 2002, and recorded in the RMC Office for Charleston County in Plat Book EF, page 590. Said lot of land having such size, shape, dimensions, buttings, and boundings as will by reference to said plat more fully appear.

## SURVEYOR'S CERTIFICATE

The undersigned Civil Engineer & Land Surveyor, Harold B. Nielson, Jr., PE & R.L.S. No. SC 07023, authorized and licensed to practice in the State of South Carolina, hereby certifies pursuant to Section 27-31-110, Code of Laws of South Carolina, that I have surveyed the property shown on Exhibit B to the Master Deed of The Villas of West Ashley Horizontal Property Regime entitled "PLOT PLAN OF THE VILLAS OF WEST ASHLEY HORIZONTAL PROPERTY REGIME" and that said Survey and Plot Plan shows the true dimensions of the property and horizontal and vertical location of the buildings and other improvements within the property boundaries, that the buildings and improvements do not encroach or project on adjacent streets or property except as may be shown thereon, that there are no encroachments on the said premises except as shown thereon, and that the precision is 1/20,000; and this is to further certify that said Survey and Plot Plan accurately depicts, within reasonable construction tolerances, the dimensions, area and location of the buildings shown thereon, both vertically and horizontally, and the dimensions, layout, area and location of the Common Elements of the buildings and Units shown thereon.

Witness my Hand and Seal this 13 day of January, 2003.

WITNESSETH:

James H. Suddeth III  
Kimberly Meyer

Harold B. Nielson, Jr.

(Signature)

P.E. & R.L.S. No.: SC 07023

STATE OF SOUTH CAROLINA )

COUNTY OF CHARLESTON )

## ACKNOWLEDGMENT

I, James H. Suddeth III (Notary Public), do hereby certify that Harold B. Nielson, Jr. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 13 day of January, 2003.

James H. Suddeth III  
 Notary Public for South Carolina  
 My Commission Expires: November 21, 2010



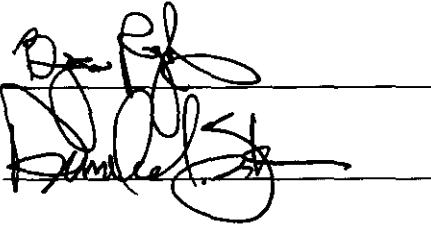
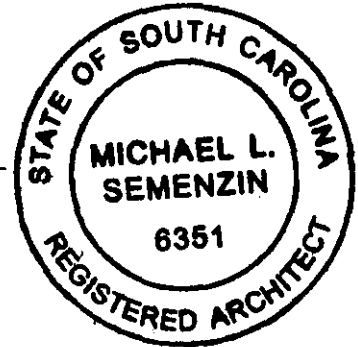
## ARCHITECT'S CERTIFICATE

The undersigned Architect, Michael L. Semenzin, Registration No. 6351, authorized and licensed to practice in the State of South Carolina, hereby certifies pursuant to Section 27-31-110, Code of Laws of South Carolina, that the plans of The Villas of West Ashley Horizontal Property Regime identified below, fully and accurately, within reasonable construction tolerances, depict the dimensions, layout, area and location of the Common Elements of the building and Units shown thereon:

"Floor Plans and Elevations for The Villas of West Ashley Horizontal Property Regime, marked Exhibit C"  
Pages C-1 through C-16

Witness my Hand and Seal this 9<sup>th</sup> day of January, 2003.

WITNESSETH:

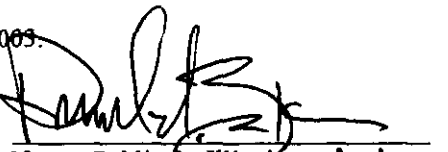

  
 Michael L. Semenzin  
 Registration No. 6351


STATE OF ILLINOIS           )  
                                          )  
COUNTY OF DUPAGE        )

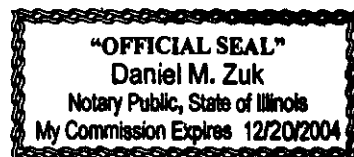
## ACKNOWLEDGMENT

I, Daniel M. Zuk (Notary Public), do hereby certify that Michael L. Semenzin personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 9<sup>th</sup> day of January, 2003.

  
 Notary Public for Illinois  
 My Commission Expires: 12/20/2004

[SEAL]



**EXHIBIT "D"****Schedule of Unit Values, Percentage Interests and Weighted Votes**

Each Unit Owner owns, in addition to his Unit, an interest in the Common Elements of the Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual apartment in relation to the value of the property as a whole. Such percentage interest in the Common Elements of each Unit Owner shall vary; however, depending on whether the Declarant proceeds with subsequent phases of development. There are three (3) proposed phases of development. Phase I consists of twenty (20) Units. Phase II consists of an additional twenty (20) Units and additional Common Elements making a total of forty (40) Units. Phase III consists of an additional twenty (20) Units and additional Common Elements making a total of sixty (60) Units.

The percentage of the interest in the Common Elements of each Unit Owner of a Unit at each stage of development is shown hereinafter in this Exhibit. The percentage of the undivided interest in the Common Elements appurtenant to each Unit represented is shown hereinafter in this Exhibit depending on whether only Phase I, or Phases I and II, or Phases I, II and III are included within the Condominium. Such percentage of the undivided interest in the Common Elements appurtenant to each Unit has been computed by taking as a basis the value of the individual Unit in relation to the value of the property as a whole.

**EXHIBIT "D"**  
**Schedule of Unit Values and Percentage Interests**  
**(Phase I)**

| Building #          | Unit  | Assigned Values  | Percentage Interests |
|---------------------|-------|------------------|----------------------|
| 14                  | 116-A | 167,900          | 4.82                 |
|                     | 116-B | 182,900          | 5.25                 |
| 13                  | 114-A | 164,900          | 4.73                 |
|                     | 114-B | 182,900          | 5.25                 |
|                     | 114-C | 164,900          | 4.73                 |
|                     | 114-D | 182,900          | 5.25                 |
| 12                  | 112-A | 167,900          | 4.82                 |
|                     | 112-B | 182,900          | 5.25                 |
|                     | 112-C | 167,900          | 4.82                 |
|                     | 112-D | 182,900          | 5.25                 |
| 11                  | 110-A | 164,900          | 4.73                 |
|                     | 110-B | 179,900          | 5.16                 |
|                     | 110-C | 164,900          | 4.73                 |
|                     | 110-D | 179,900          | 5.16                 |
| 15                  | 115-A | 182,900          | 5.25                 |
|                     | 115-B | 167,900          | 4.82                 |
| 18                  | 109-A | 182,900          | 5.25                 |
|                     | 109-B | 164,900          | 4.73                 |
|                     | 109-C | 182,900          | 5.25                 |
|                     | 109-D | 164,900          | 4.73                 |
| <b>Grand Totals</b> |       | <b>3,484,000</b> | <b>100%</b>          |

**Schedule of Unit Values and Percentage Interests**  
**(Phases I & II)**

**Phase I**

| <b>Building #</b> | <b>Unit</b> | <b>Assigned Values</b> | <b>Percentage Interests</b> |
|-------------------|-------------|------------------------|-----------------------------|
| <b>14</b>         | 116-A       | 167,900                | 2.41                        |
|                   | 116-B       | 182,900                | 2.62                        |
| <b>13</b>         | 114-A       | 164,900                | 2.36                        |
|                   | 114-B       | 182,900                | 2.62                        |
|                   | 114-C       | 164,900                | 2.36                        |
|                   | 114-D       | 182,900                | 2.62                        |
| <b>12</b>         | 112-A       | 167,900                | 2.41                        |
|                   | 112-B       | 182,900                | 2.62                        |
|                   | 112-C       | 167,900                | 2.41                        |
|                   | 112-D       | 182,900                | 2.62                        |
| <b>11</b>         | 110-A       | 164,900                | 2.36                        |
|                   | 110-B       | 179,900                | 2.58                        |
|                   | 110-C       | 164,900                | 2.36                        |
|                   | 110-D       | 179,900                | 2.58                        |
| <b>15</b>         | 115-A       | 182,900                | 2.62                        |
|                   | 115-B       | 167,900                | 2.41                        |
| <b>18</b>         | 109-A       | 182,900                | 2.62                        |
|                   | 109-B       | 164,900                | 2.36                        |
|                   | 109-C       | 182,900                | 2.62                        |
|                   | 109-D       | 164,900                | 2.36                        |

**Phase II**

| <b>Building #</b> | <b>Unit</b> | <b>Assigned Values</b> | <b>Percentage Interests</b> |
|-------------------|-------------|------------------------|-----------------------------|
| <b>16</b>         | 117-A       | 182,900                | 2.62                        |
|                   | 117-B       | 167,900                | 2.41                        |
| <b>1</b>          | 3524-A      | 167,900                | 2.41                        |
|                   | 3524-B      | 182,900                | 2.62                        |
| <b>2</b>          | 122-A       | 167,900                | 2.41                        |
|                   | 122-B       | 182,900                | 2.62                        |
| <b>3</b>          | 124-A       | 179,900                | 2.58                        |
|                   | 124-B       | 164,900                | 2.36                        |
|                   | 124-C       | 179,900                | 2.58                        |
|                   | 124-D       | 164,900                | 2.36                        |
| <b>4</b>          | 126-A       | 167,900                | 2.41                        |
|                   | 126-B       | 182,900                | 2.62                        |
| <b>17</b>         | 103-A       | 182,900                | 2.62                        |
|                   | 103-B       | 164,900                | 2.36                        |
|                   | 103-C       | 182,900                | 2.62                        |
|                   | 103-D       | 164,900                | 2.36                        |
| <b>5</b>          | 128-A       | 167,900                | 2.41                        |
|                   | 128-B       | 182,900                | 2.62                        |
|                   | 128-C       | 167,900                | 2.41                        |
|                   | 128-D       | 182,900                | 2.62                        |

|                     |  |                  |             |
|---------------------|--|------------------|-------------|
| <b>Grand Totals</b> |  | <b>6,974,000</b> | <b>100%</b> |
|---------------------|--|------------------|-------------|

**Schedule of Unit Values and Percentage Interests**  
**(Phases I, II & III)**

**Phase I**

| <b>Building #</b> | <b>Unit</b> | <b>Assigned Values</b> | <b>Percentage Interests</b> |
|-------------------|-------------|------------------------|-----------------------------|
| <b>14</b>         | 116-A       | 167,900                | 1.61                        |
|                   | 116-B       | 182,900                | 1.75                        |
| <b>13</b>         | 114-A       | 164,900                | 1.58                        |
|                   | 114-B       | 182,900                | 1.75                        |
|                   | 114-C       | 164,900                | 1.58                        |
|                   | 114-D       | 182,900                | 1.75                        |
| <b>12</b>         | 112-A       | 167,900                | 1.61                        |
|                   | 112-B       | 182,900                | 1.75                        |
|                   | 112-C       | 167,900                | 1.61                        |
|                   | 112-D       | 182,900                | 1.75                        |
| <b>11</b>         | 110-A       | 164,900                | 1.58                        |
|                   | 110-B       | 179,900                | 1.72                        |
|                   | 110-C       | 164,900                | 1.58                        |
|                   | 110-D       | 179,900                | 1.72                        |
| <b>15</b>         | 115-A       | 182,900                | 1.75                        |
|                   | 115-B       | 167,900                | 1.61                        |
| <b>18</b>         | 109-A       | 182,900                | 1.75                        |
|                   | 109-B       | 164,900                | 1.58                        |
|                   | 109-C       | 182,900                | 1.75                        |
|                   | 109-D       | 164,900                | 1.58                        |

**Phase II**

| <b>Building #</b> | <b>Unit</b> | <b>Assigned Values</b> | <b>Percentage Interests</b> |
|-------------------|-------------|------------------------|-----------------------------|
| <b>16</b>         | 117-A       | 182,900                | 1.75                        |
|                   | 117-B       | 167,900                | 1.61                        |
| <b>1</b>          | 3524-A      | 167,900                | 1.61                        |
|                   | 3524-B      | 182,900                | 1.75                        |
| <b>2</b>          | 122-A       | 167,900                | 1.61                        |
|                   | 122-B       | 182,900                | 1.75                        |
| <b>3</b>          | 124-A       | 179,900                | 1.72                        |
|                   | 124-B       | 164,900                | 1.58                        |
|                   | 124-C       | 179,900                | 1.72                        |
|                   | 124-D       | 164,900                | 1.58                        |
| <b>4</b>          | 126-A       | 167,900                | 1.61                        |
|                   | 126-B       | 182,900                | 1.75                        |
| <b>17</b>         | 103-A       | 182,900                | 1.75                        |
|                   | 103-B       | 164,900                | 1.58                        |
|                   | 103-C       | 182,900                | 1.75                        |
|                   | 103-D       | 164,900                | 1.58                        |
| <b>5</b>          | 128-A       | 167,900                | 1.61                        |
|                   | 128-B       | 182,900                | 1.75                        |
|                   | 128-C       | 167,900                | 1.61                        |
|                   | 128-D       | 182,900                | 1.75                        |

**Phase III**

| <b>Building #</b>   | <b>Unit</b> | <b>Assigned Values</b> | <b>Percentage Interests</b> |
|---------------------|-------------|------------------------|-----------------------------|
| <b>6</b>            | 100-A       | 164,900                | 1.58                        |
|                     | 100-B       | 179,900                | 1.72                        |
|                     | 100-C       | 164,900                | 1.58                        |
|                     | 100-D       | 179,900                | 1.72                        |
| <b>7</b>            | 102-A       | 164,900                | 1.58                        |
|                     | 102-B       | 179,900                | 1.72                        |
|                     | 102-C       | 164,900                | 1.58                        |
|                     | 102-D       | 179,900                | 1.72                        |
| <b>8</b>            | 104-A       | 182,900                | 1.75                        |
|                     | 104-B       | 167,900                | 1.61                        |
|                     | 104-C       | 182,900                | 1.75                        |
|                     | 104-D       | 167,900                | 1.61                        |
| <b>9</b>            | 106-A       | 182,900                | 1.75                        |
|                     | 106-B       | 167,900                | 1.61                        |
|                     | 106-C       | 182,900                | 1.75                        |
|                     | 106-D       | 167,900                | 1.61                        |
| <b>10</b>           | 108-A       | 167,900                | 1.61                        |
|                     | 108-B       | 182,900                | 1.75                        |
|                     | 108-C       | 167,900                | 1.61                        |
|                     | 108-D       | 182,900                | 1.75                        |
| <b>Grand Totals</b> |             | 10,458,000             | 100%                        |