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**MASTER DEED OF BLUFFTON
 VILLAGE LOT 13 HORIZONTAL
 PROPERTY REGIME**

At the Town of Bluffton, County of Beaufort, State of South Carolina, on this 27 day of February, 2004, **Bluffton Village LLC, a South Carolina Limited Liability Company**, having its address at 17 Old Fort Drive, Hilton Head Island, South Carolina 29926 (the "Declarant"), does hereby declare:

**ARTICLE I
ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME**

Section 1. Land. The Declarant is the owner of a certain parcel of land known as Lot 13 of Bluffton Village, Phase IID, and being located in the Town of Bluffton, Beaufort County, South Carolina (the "Land"), as more particularly described in **Exhibit "A"** attached hereto and incorporated herein, together with associated rights as further described elsewhere herein and by Exhibits hereto.

Section 2. Property; Regime; Association. Declarant does hereby, by duly executing this Master Deed, submit the Land, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended (hereinafter referred to as the "Act"), thereby establishing a Horizontal Property Regime to be known as Bluffton Village Lot 13 Horizontal Property Regime (hereinafter called the "Regime") to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act as it is now constituted and may from time to time be amended by duly executing and recording this Master Deed in the Office of the Register of Deeds for Beaufort County, South Carolina. Declarant does further declare that it has caused to be incorporated, or will cause to be incorporated, under the laws of the State of South Carolina an association known as Bluffton Village Lot 13 Owners' Association, Inc., which shall, pursuant to the provisions of Section 27-31-90 of the Act, constitute the incorporated Council of Owners of the Regime and shall be governed by this Master Deed and by the By-Laws attached hereto as **Exhibit "B"**.

Section 3. Improvements. The improvements constructed on and forming a part of the property are constructed in accordance with the "as-built" survey attached hereto as **Exhibit "C"** which survey was prepared by Ward Edwards, Inc., by Donald R. Cook, Jr., P.L.S. No. 19010, and is dated November 11, 2003 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book ~~98~~ at Page 156 (the "As-Built Survey"), and in accordance with floor plans described in **Exhibit "D"** attached hereto and made a part hereof (the "Plans") which floor plans were prepared by William Vitto, an architect duly licensed to practice in South Carolina. Also attached to this Master Deed as **Exhibit "E"** is the architect's certificate that the condominium units constructed on the Land were constructed substantially in compliance with said Plans.

ARTICLE II DEFINITIONS

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

(a) "Assessment" means an owner's pro rata share of common expenses that, from time to time, are assessed against an owner by the Association.

(b) "Association" means the Council of Co-owners as defined by the Act, and also means the Bluffton Village Lot 13 Owners' Association, Inc., a South Carolina nonprofit corporation, presently formed or to be formed, the entity by which the Council of Co-Owners shall operate the Regime.

(c) "Board of Directors" or "Board" means the group of persons selected, authorized and directed to manage and operate the Association as provided by the Act, this Master Deed and the By-Laws.

(d) "Building(s)" means a structure which houses a Unit or Units, comprising part of the Property.

(e) "By-Laws" means the By-Laws of the Bluffton Village Lot 13 Horizontal Property Regime, and the Bluffton Village Lot 13 Owners' Association, Inc. as shown in **Exhibit "B"** attached hereto, as it may be amended from time-to-time.

(f) "Common Elements" means the portions of the Property not included in the Units, including both fee simple and easement rights, as described herein. Common Elements shall include the General Common Elements and the Limited Common Elements as defined herein in Article III, Sections (8) and (9) hereinafter and in the Act and the tangible personal property required for maintenance and operation of the Regime, even though owned by the Association.

(g) "Common Expenses" means the expenses for which the Unit Owners are liable to the Association and includes:

(i) Expenses of administration and expenses of maintenance, insurance, operation, repair, and/or replacement of the Common Elements, and, if applicable, of the portions of the Unit which are the responsibility of the Association.

(ii) Expenses declared Common Expenses by provisions of this Master Deed.

(h) "Condominium" means Bluffton Village Lot 13 Horizontal Property Regime.

(i) "Condominium Ownership" means the individual ownership of a particular Unit and the common right to share, with other Owners, in the general and limited Common Elements of the Property.

(j) "Covenants" means those certain covenants, conditions and restrictions commonly known as the Declaration of Covenants, Conditions and Restrictions for Bluffton Village Town Center, as recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 1517 at page 1361, as the same may be amended from time to time.

(k) "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units.

(l) "Majority of Owners" means the Owners owning more than fifty one percent (51%) or more of the statutory value of the Property as a whole as shown on **Exhibit "F"**.

(m) "Master Deed" means the deed or declaration establishing and recording the Property of the Regime and all exhibits attached thereto.

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

(o) "Owner" shall have the same definition as a Unit Owner.

(p) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

(q) "Property" means and includes the Land, the Building, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

(r) "Unit" as used herein has the same connotation as the term "Apartment" as defined in the Act and means a part of the Property intended for any independent business use, or residential use if so defined herein, in a separately delineated space, and with a direct exit to a public street or highway or to a common area or areas leading to such street or highway.

(s) "Unit Owner" means the Person who owns a Unit in fee simple.

(t) "Utility Service" means and shall include, but shall not be limited to, electric power, gas, hot and cold water, heating, air conditioning, garbage and sewage disposal.

ARTICLE III **COMPOSITION OF HORIZONTAL PROPERTY REGIME**

Section 1. General Description of Units and Use. The Property includes one building containing a total of seven (7) individual Units (hereinafter referred to as the "Units"). The building has three stories overall, with the upper two stories being four (4) two story residential Units, located above three Commercial Units encompassing the entire ground floor, which may be subdivided as provided below, which commercial Units are to be utilized for business or commercial purposes only, as more fully described elsewhere herein. Declarant, for itself and its successors and assigns, hereby reserves the right to divide Commercial Unit 13A in the future so as to contain two Commercial Units; provided, however, that such future subdivision(s) may not be made until the Units are physically separated in accordance with applicable building codes, with a future dividing wall to be located substantially in compliance with the Exhibit D floor plans for Commercial Units, which plans depict the potential future commercial partition wall as well as original Unit boundaries. This right to divide Commercial Unit 13A into two (2) Commercial Units (13A and 13B) may be exercised by Declarant, its successors and assigns, only upon execution by it or them of an Amendment or Amendments to this Master Deed, which amendment(s) shall be filed in the Office of the Register of Deeds for Beaufort County, South Carolina. If Declarant its successors or assigns, divides Unit 13A into two Commercial Units pursuant to this reservation of rights, the combined Owner's title and the proportionate share in the Common Expenses as well as the proportionate representation for voting purposes in any meeting or action of the Association, shall

together equal the original percentages for Unit 13A, as set forth in Exhibit "F" attached hereto. The building is of slab on grade construction, and of metal frame on the first floor, with wood frame on the upper floors. The exterior of the building is finished in stucco, and the roof is of asphalt shingle on the sloped areas with a rubberized rolled surface on the top, flat area. The Units have or will have single or multiple entrances at the front of the building for Commercial Units, and at the rear of the building for Commercial and Residential Units.

The Units are capable of individual utilization on account of having their own access to the Common Elements of the Property and a particular and exclusive property right thereto, and also an undivided interest in the general and limited Common Elements of the Property, as hereinafter listed in this Master Deed, necessary for the adequate use and enjoyment of all of the above in accordance with the Act.

Section 2. Individual Units.

(a) Residential Unit Types

That there are two (2) basic types of Residential Units in the Regime, to wit, two bedroom units having 915 heated square feet of area on the first floor of the Unit and 980 square feet on the second floor of the Unit, and the other type having 930 square feet of heated space on both the first and second floors of the Unit.

The Residential Units in the Regime are as follows:

On the second and third floors of the building there are four (4), two story residential Units,

<u>Unit Number</u>	<u>Unit Type</u>
13E	A
13F	B
13G	B
13H	A

(b) Commercial Unit Types:

That there is no one basic type of commercial unit, but various enclosures of space, shapes and configurations which are more fully shown on the Exhibit "C" plans containing various square footages as hereinafter delineated. The Commercial Units in the Regime are located on the first floor and are numbered as follows:

<u>Unit</u>	<u>Square Feet</u>
13A	
13B	Reserved
13C	
13D	

All of the above described Residential and Commercial Units are more particularly designated and described in the Architect's Walk Through Description attached hereto and incorporated herein as Exhibit "G".

Note Regarding Mailing Address: The legal description of record for the lot on which the Regime Property is constructed is Lot 13 of Phase IID, Bluffton Village. The mailing address of the building and Units has been established as 15 Johnston Way and the mailing addresses of the Units within the Regime have been designated by the US Postal Service as Units 15A – 15H, Johnston Way, Bluffton, South Carolina 29910, rather than the legal description, which follows the legal lot number of 13. Therefore, for mailing and delivery purposes, Units will be designated as 15A -15H, respectively.

All of the aforementioned Units are more particularly shown on the plans thereof attached hereto as Exhibit "D" which plans are incorporated herein in the same manner as if expressly set forth in this Section 2 and said plans, together with the Unit numbers and square footage of area in each Unit, and likewise together with the description of Unit boundaries as hereinafter set forth in Section 3, shall constitute the complete description of the Units within the Regime.

*Declarant, its successors and assigns, have reserved the right to later divide Unit 13A into a maximum of one additional Commercial Unit (4 total), which would be known as Units 13A (reduced in size), Unit 13B, Unit 13C, and Unit 13D, as a maximum.

Section 3. Boundaries.

(a) The upper and lower boundaries of each Unit are the interior unfinished surfaces of the floors and ceilings of each Unit.

(b) The perimetric boundaries of each Unit, extended to the intersection with the upper and lower boundaries, are as follows:

- (i) As to all exterior walls of each Unit which physically divide the Unit from Common Elements of the Building or from another Unit, it shall be the vertical plane of the unfinished interior surfaces of the perimeter walls subject to such encroachments as now exist or may be caused by the settlement or movement of the Building or by permissible repairs constructions or alterations. All windows and doors directly accessing each Unit are part of the Unit.
- (ii) All vertical planes of each Unit shall extend to intersections with each other.

(c) All spaces and improvements within the boundaries of a Unit are part of the Unit, including without limitation, all lath, wallboard, tiles, paint, finished flooring, carpet and any other materials constituting any part of the finished surfaces of the walls, floors, and ceilings which are the boundaries of a Unit, together with all telephones, and all built-in light fixtures, wires, service outlets, vent outlets, heating and cooling equipment and duct work, electrical switches, thermostats, toilet and other bathroom fixtures and any and all other similar mechanical or physical fixtures which are within the perimetric wall or ceilings and serving a single Unit or within the space above the ceiling and below the floor of the Unit, or in the case of heating, air conditioning and ventilation systems, located in the service area and in equipment rooms, are a part of the Unit.

(d) Any chute, flue, duct, chase, conduit, bearing wall, bearing column, joists, rafters, and all other similar mechanical or physical fixtures except those designated in Paragraph (c) above, whether or not it lies partially within and partially outside the designated boundaries of a Unit, is a Common Element.

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

Section 4. Percentage of Interest of Units. Pursuant to the provisions of the Act, the percentage of title and interest appurtenant to each Unit and the Unit Owner's title and interest in the Common Elements of the Property and the proportionate share in the Common Expenses as well as the proportionate representation for voting purposes in the meeting of the Association is based on the proportionate value of each Unit to the value of the total Property as set forth in **Exhibit "F"** attached hereto and made a part hereof. Except as otherwise expressly provided herein, the proportionate representation for voting purposes and the percentage of the undivided interest in the Common Elements hereby allocated shall not be altered without the written acquiescence of the Owners of all Units expressed in an amendment to this Master Deed duly recorded. If the Master Deed is amended as provided herein by reason of the subdivision or relocation of the Unit boundaries, their percentage of interest applicable to the affected Unit or Units as provided in **Exhibit "F"** shall be reallocated among the Units resulting from the subdivision or relocation of boundaries in proportion to the relative sizes of those Units; provided, however, that the percentage of interest applicable to unaffected Units shall not be changed as a result of such amendment. Declarant, its successors and assigns, has reserved the right to divide Commercial Unit 13A of the building into two Units, resulting in a maximum of 4 total Commercial Units (13A, 13B, 13C, and 13D), and upon such division by amendment to this Master Deed, the percentage interests of Commercial Units 13A and 13B shall equal the percentage interest of the original Unit 13A as set forth in **Exhibit "F"**.

Section 5. Area Comprising the Property. The Property, as originally constructed, has a total of approximately .11 acres (as defined in Exhibit "A" attached hereto), on which the building is currently situate and the additional property and property rights, provided by way of easement rights as described herein and in the Exhibits hereto, is made up of parking area, ingress and egress areas, walkways, sidewalks, outside landscapes areas and other Common Elements, both General and Limited. The Declarant has constructed building which, together with access and use rights to the parking and other improvements as shown on the As-Built Survey, comprises the Property described herein .

Section 6. General Common Elements. The General Common Elements are as follows:

(a) The Property, excluding the Units and any Limited Common Elements, and including, but not limited to the land on which the Units are constructed;

(b) The ingress/egress areas, parking areas and signs (except such as are designated Limited Common Elements), subject to the provisions of Section 11 below;

(c) All roads, walkways, paths, trees, shrubs, planting areas, and any irrigation system outside the boundaries of the Units (except such as are designated Limited Common Elements), subject to the provisions of Section 11 below;

(d) Any garbage receptacles and any enclosures thereof (except such as are designated Limited Common Elements), and, in general, all devices and installations existing for common use, provided however any special or atypical disposal needs shall be particularly identified to the Board of the Association and shall be provided by the Owner with such disposal needs, subject to the provisions of Section 11 below;

(e) Such easements through the Units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Units, General Common Elements and Limited Common Elements and easements for access, maintenance, repair, reconstruction or replacement of structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety, and use of the Property, whether or not such easements are erected during construction of the Regime property or during re-construction of all or any part thereof, except such easements as may be or rationally should be defined as "Limited Common Elements", subject to the provisions of Section 11 below;

(f) All installations outside of the connection point serving the Units for services such as power, light, natural gas (if applicable), telephone, television, water, sewer, drainage, irrigation, and other similar utilities, excluding any such installations which are the property of the utility district or company, subject to the provisions of Section 11 below; and

(g) All areas not designated as Limited Common Elements and not described as lying within the boundaries of a Unit in Article III, Section 3 above, and all other elements of the Property constructed or to be constructed on the Property rationally of common use or necessary to the existence, upkeep and safety of the Property and in general all other devices or installations existing for common use.

(h) Declarant expressly reserves the right to improve, alter, and expand the aforementioned Common Elements.

Section 7. Limited Common Elements. The Limited Common Elements are as follows:

(a) All signs, exiting and future, freestanding or fixed to a Building, which are integral and exclusive to a Unit in a Building, specifically as to Commercial Units.

(b) All concrete pads, or other utility pads, contiguous to a Building and utility infrastructure contained on same, which are integral and exclusive to a Unit in a Building.

(c) All covered areas and/or service areas and/or other improvements located in the rear of a Building or at the front of the Building which are integral to one or more Units in a Building but less than all the Units in a Building and are therefore an exclusive part of the Units served thereby.

(d) The space lying between the upper boundary of each Unit as described in Article III, Section 3 above and the floor or roof above such Unit subject to easements reserved for utilities and other purposes, as set forth in this Master Deed.

(e) Exterior door and stairway areas which lead to the entrance of Residential Units are Limited Common Elements of the Residential Units directly served thereby.

Section 8. Unit Owner's Responsibility for Maintenance and Repair.

(a) While generally an Owner is responsible for the maintenance and repair of the area described above in Article III, Section 3 as being included in a Unit, notwithstanding the generality of the foregoing description of Unit boundaries, each Unit Owner shall also be responsible for maintenance, repair and replacement of the following, whether it shall be defined as within a Unit or not, and further provided that any such repair or replacement must be accomplished to meet original specifications, unless otherwise approved by the Regime:

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

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

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

(iv) all pipes, wires, lines, ducts, and other plumbing, mechanical, and electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit (however, any portion of a utility system serving more than one Unit which is partially within and partially outside a Unit (i.e., pipes, conduits, ducts) is part of the General Common Elements);

(v) the appliances, air conditioning and heating units (compressors, air handlers and condensers), hot water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, trim, finished surface of ceilings and walls, insulation, and other fixtures and furnishings which are within and/or adjacent to a Building and exclusively serve the Unit;

(vi) the screens, lattice work, partitions, railings, or balustrades bounding or enclosing any deck, walkways, lobby, or service area that is integral and exclusive to the Unit, and the concrete surface, and/or topping in such area;

(vii) all signs which are integral and exclusive to the Unit, including those signs designated as Limited Common Elements;

(viii) all Limited Common Elements applicable to the Unit; and

(ix) any installation of interior improvements to the Unit, provided, however, that no Unit Owner shall make structural modifications or alterations to his/her/its Unit, nor shall any Unit Owner alter any door, window, vent, flue, terrace, or any portion of the Common Elements without first obtaining prior written approval of the Board.

(b) Each Unit Owner shall be responsible for the repair of any damage to his/her/its Unit and any damage to another Unit, Limited Common Element or Common Element caused by a negligent action or inaction within the Unit Owner's Unit, which directly or indirectly causes damage to such other Unit, Limited Common Element, and/or Common Element. Such damage shall specifically include but shall not be limited to any damages resulting from environmental contamination of land due to use of a Unit, Limited Common Elements, or General Common Elements by a Unit Owner.

(c) If the Association reasonably determines that any Unit Owner has failed or refused to discharge properly his/her/its obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he/she/it is responsible under this Master Deed, and which adversely affects other Units, e.g., failure to repair utility lines, or failure to maintain the Unit which results in an unsightly condition, then the Association may, but shall not be obligated to, cause the performance of such cleaning, repair, etc., in which event the Association, except in the event of an emergency situation, shall give such Unit Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, replacement or removal at such Unit Owner's sole cost and expense, setting forth with reasonable particularity the maintenance, cleaning, repair, replacement or removal deemed necessary. Except in the event of emergency situations as determined by the Association or its designated agent, such Unit Owner shall have fifteen (15) days from receipt of notice in which to complete said maintenance, cleaning, repair, replacement in a good and workmanlike manner, or if such maintenance, cleaning, repair or replacement can not be completed within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement of the Unit within such 15-day period and to diligently proceed to complete said maintenance, cleaning, repair, or replacement of the Unit in a good and workmanlike manner within a reasonable period of time. In the event of emergency situations or the failure of any Unit Owner to comply with the provisions hereof after such notice, the Association may but shall not be required to provide any such maintenance, cleaning, repair, or replacement to the Unit at such Unit Owner's sole cost and expense, and said cost shall be payable by the Unit Owner within seven (7) days of receipt of the billing for the cost thereof. In the event the Unit Owner fails to pay all or any part of such cost within said seven (7) day period, such cost shall be added to and become a part of the assessment to which such Unit Owner and his or its Unit are subject, shall become a lien against such Unit as provided herein, and shall bear interest at greater of twelve (12%) percent per annum and the highest legal rate of interest that may be charged by the Association until paid in full.

Section 9. Easements.

(a) Easement Granted to the Association. The Declarant does hereby grant and reserve a general easement in favor of the Association upon, across, above, and under all of the Property and improvements submitted herein, and expressly including the Units, for ingress, egress, installation, replacing, repairing, and maintaining the Common Elements, and in general for access, repair, maintenance, ingress and egress, and any other purposes reasonably related to the purposes, rights and duties of the Association, including, specifically a right of access through Units to reach any Common Element or Limited Common area for maintenance and repair as permitted or required hereunder, including, without limitation, access to or through attic areas and Units to reach roof areas of the Building. By virtue of this easement, the Association shall be expressly permitted to erect and maintain any necessary equipment on the Common Elements of the Regime, and to affix and maintain wires, conduits, cables, and the like on, above, across, under and through improvements in the Regime, including on a reasonable basis the Units if reasonably necessary; provided, however, the Association shall be responsible for repairing in a good and workmanlike manner all damage caused in exercising these easement rights. Should any utility company request a specific easement by separate, recordable documents, the Association shall have the right to grant such easements under the terms hereof.

(b) Common Element Easements. The Property which is being submitted hereunder into the Regime, in fee simple, is limited to the Lot itself, containing the building only, and not the surrounding parking, drives, landscaping and other features which function as an integral part of the Regime. These adjacent, but integral features are Common Elements of the overall Bluffton Village Town Center Owner's Association, and the Declarant hereunder is also the Declarant under the covenants creating the Association, of which the Regime Property is also a part. Declarant, in its capacity as Declarant hereunder and Declarant under the Covenants, Conditions and Restrictions for Bluffton Village Town Center, does hereby grant a perpetual, non-exclusive easement into the Regime for the use of the adjacent

parking and roadways and other Common Elements of Bluffton Village Town Center, as shown on the Exhibit "C" as-build survey, and elsewhere of record, subject to the rights of Declarant, the Regime and the Bluffton Village Town Center to make rules and regulations regarding use and access, including restrictions or parking designations, and all other matters as set forth in the Covenants.

(c) Easement Reserved by Declarant. Declarant reserves unto itself, the Board and their successors and assigns an easement for ingress and egress over, upon, and across the Common Elements and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the sales or rentals of the Units, the operation of the Units, the Common Elements and the Regime, or which Declarant may deem necessary for the overall function of the greater Bluffton Village Town Center development, of which the Regime is a part.

(d) Cross Easements. Each Unit Owner shall have an easement over the Unit(s) immediately adjacent to and attached to each Owner's Unit for the limited purpose of incidental ingress and egress as may be reasonably necessary for repair, construction, or reconstruction of a Unit but such Owner shall be responsible for repairing in a good and workmanlike manner any and all damage caused in exercising such easement and such easement rights shall be exercised in a reasonable manner and upon prior written notice to the owners of such adjacent Units.

(e) Easement for Encroachment. If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any portion of the Common Elements, of the Regime or of the Bluffton Village Town Center, or other Unit, or if any such encroachment shall occur hereafter as a result of (A) settling of any structure (B) alteration or repair to the Common Elements made by or with consent of the Board of Directors, (C) as a result of repair or restoration of any utility facility or any Unit damaged by fire, flood, erosion or other casualty, or (D) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the the maintenance of the same so long as the Building and/or other applicable structure or structures stand.

(f) Other Regime Easements. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements, if any, located at, upon or under any of the other Units and serving his/her/its Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving such other Units and located in such Unit. The Association shall have the right of access during normal business hours to each Unit on a reasonable basis and with prior reasonable notice to inspect the same, to remove violations therefrom, and to maintain, repair, or replace Common Elements contained therein or elsewhere in the Buildings. The Association shall be responsible for repairing in a good and workmanlike manner any and all damage caused in exercising such easement rights and such easement rights shall be exercised in a reasonable manner.

Section 10. Rights of Unit Owners; Transfer of Lease of Units. As set forth above, a horizontal property regime is hereby constituted by this Master Deed under and subject to the provisions of the Horizontal Property Act of the State of South Carolina, so that Units may be conveyed and recorded as individual properties capable of independent use and each having its own exit to the Common Elements of the Regime, and each Unit Owner having an exclusive and particular right over his respective Unit and a specified undivided interest in the Common Elements of the Regime, subject at all times to the provisions of the Covenants and this Master Deed and any amendments thereto.

On the transfer of a Unit, a deed effecting that transfer conveys all the transferor's interests in that Unit and in the Common Elements to the transferee, including the transferor's interest in the real and

personal property of the Association, and reserve accounts applicable to that Unit, and in any cause of action or chose in action either of the Association or arising out of the transferor's ownership of that Unit, whether or not those interest are expressly described in the deed. The Owner of any Units dedicated to the Regime by Declarant as provided herein shall have the full legal rights and be obligated as allowed or required by South Carolina law.

Each present and future Unit Owner, tenant, future tenant, or any other person who might use the facilities of the Regime in any manner, including those who may lease from Declarant and/or any Unit Owner, shall comply with the provisions of this Master Deed and authorized amendments thereto, and the By-Laws, decisions and resolutions of the Association, Board of Directors or other representatives, as lawfully enacted from time-to-time, together with any lawfully adopted amendments thereto, and with Rules and Regulations regarding the use, maintenance and transfer of Units within Bluffton Village Lot 11 Regime. The acceptance of a deed to a Unit, ownership of, use of, and/or rental of any of the Units shall constitute the express agreement of the Unit Owner and all lessees that the provisions of the foregoing and any authorized amendments thereto are accepted and ratified. The failure to comply with such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief or both; provided that nothing contained herein shall limit the rights of Declarant, its successors or assigns, as set forth in this Master Deed.

Section 11. Master Association For Bluffton Village Town Center / Additional Assessments. Each Unit Owner within the Regime is automatically a member of the Bluffton Village Lot 13 Owners' Association and subject to assessments for the common expenses of the Regime, as elsewhere defined and explained in this Master Deed. In addition to membership in the Regime Association, each Unit Owner shall also be an automatic member of the Bluffton Village Town Center Owners' Association which is the organization formed for the master, overall Covenants of the Bluffton Village Town Center, of which Lot 13 is an integral part. Generally, the Lot 13 Regime Master Deed provides for the creation of the Regime and the continuing maintenance, by assessments, of the building and improvements upon Lot 13. The master Association of Bluffton Village Town Center provides for the common ownership and maintenance of the common elements of the greater Bluffton Town Center development, which common elements include the grounds, parking, landscaping, and other improvements surrounding the Lot 13 building, as shown on the Exhibit "C" as-built survey, and elsewhere within the overall development. Separate Assessments for the upkeep and repair of these other common elements, beyond the Lot 13 boundaries, are provided for under the Covenants of Bluffton Town Center. Each Unit Owner within the Regime will therefore be subject to assessments by two separate Owners' Associations, and subject to all other terms and conditions of the Covenants and Restrictions for Bluffton Village Town Center, as well as all terms and conditions of this Master Deed.

ARTICLE IV THE ASSOCIATION

Section 1. General. The affairs of the Regime shall be managed in accordance with the By-Laws attached hereto as **Exhibit "B"** and incorporated herein by and through an association of Unit Owners, the Bluffton Village Lot 13 Owners' Association, Inc., a South Carolina nonprofit corporation (the "Association") which, so long as permitted by law, shall be a South Carolina nonprofit entity. Upon its establishment and the filing of this Master Deed, the Association shall accept all such rights and assume and perform all such obligations and duties in accordance with the terms of this Master Deed.

Section 2. Allocation of Votes in the Association.

(a) The unit Owners shall have voting rights in the Association in the same percentage as the percentage of interest his Unit has in the Common Elements, which percentages are set forth in **Exhibit**

“F”, attached hereto. Said voting rights shall be exercised in accordance with such rules and procedures as may be prescribed in the By-Laws, as amended from time-to-time, or by law.

(b) Each unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit owner. Membership shall be appurtenant to and may not be separated from the ownership of each Unit and ownership of each Unit shall be the sole qualification for such membership. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record owners of the said Unit and filed with the Secretary of the Association. Further, should such Unit Owner be a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the president or vice president of the corporation and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Should such Unit Owner be a partnership, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the general partner (and if such general partner is a corporation or limited liability company, by the president or vice president of the corporation or the member as applicable) and filed with the Secretary of the Association. Should such Unit Owner be a limited liability company, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an authorized member of the limited liability company and filed with the Secretary of the Association. All such certificates shall be valid until revoked, superceded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned. The forgoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect a Unit Owner's membership.

Section 3. Management Agreement. The Association, through its Board, shall be and hereby is, authorized to enter into one or more management agreements for the maintenance, management and/or operation of the Common Elements, as it may deem necessary or desirable for the administration and operation of the Regime, specifically including one or more agreements with the Declarant hereunder, or any entity(ies) or person(s) affiliated with or controlled by the Declarant. Each Owner by acquiring or holding an interest in any Unit hereby agrees to be bound by the terms and conditions of all such agreements entered into by the Board on behalf of the Association. A copy of all such agreements shall be made available at the office of the Association for review by the Owners.

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

ARTICLE V

ASSESSMENT OF COMMON EXPENSES

Section 1. General. The Common Expenses of the Regime shall be shared by the Unit Owners in proportion to their respective percentage of ownership of the Common Elements, and any common surplus of the Association shall be owned by each of the Unit Owners in the same percentage specified for sharing Common Expenses. As provided in the By-Laws each Unit Owner shall pay the Association or its designated agent assessments regarding Common Expenses of the Regime, such assessments to be fixed established, and collected from time-to-time. Such assessments shall constitute a lien on the Unit or Units against which each such assessment is made, and no Unit Owner may exempt himself from liability for such assessments for non-use of the Common Elements of his unit. Each Unit Owner, jointly and severally, for such Unit Owner and such Unit Owner's heirs, legal representatives, successors and assigns,

by acceptance of a deed to a Unit, whether or not the covenants contained herein shall be expressed in any such deed, hereby:

- (i) acknowledges the authority of the Association to levy all assessments for Common Expenses provided for in this Master Deed or by law and covenants and agrees to pay all assessments when due; and
- (ii) acknowledges that there is hereby created a continuing charge and lien upon the Unit owned by each Unit Owner against which all assessments, fines, penalties and other charges are made to secure payment of such items and any penalties and interest thereon as provided this Master Deed and/or the By-Laws and costs of collection, including reasonable attorney's fees;
- (iii) acknowledges that such continuing charge and lien on each Unit binds the Unit in the hands of the then Unit Owner, and the Unit Owner's heirs, devisees, legal representatives, successors and assigns; and
- (iv) acknowledges that all assessments (together with interest thereon and late charges as provided in this Master Deed and/or the By-Laws and costs of collection including reasonable attorneys fees) levied against any Unit owned by the Unit Owner during the period that he/she/it is a Unit Owner shall be (in addition to being a continuing charge and lien against such Unit) a personal obligation which will survive any sale or transfer of the Unit owned by the Unit Owner; provided, however, that such personal obligation for delinquent assessments shall not pass to an Unit Owner's successor-in-title (but the lien shall still attach to the Unit except as otherwise provided herein) unless expressly assumed by such successor. The Unit Owner further acknowledges and agrees that the Unit Owner may not exempt himself/ herself/itself from liability for assessments by non-use of Common Elements, abandonment of his/her/itself Unit or for any other reason. The obligation to pay assessments is a separate and independent covenant on the part of each Unit Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action the Board takes or fails to take.

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

ARTICLE VI **USE RESTRICTIONS**

Section 1. Limited Use. All Units are restricted to use by the Owner or Owners thereof, their lessees and invitees, it being the intent of the Declarant that the Units be used only for such purposes which are consistent with and appropriate to the design of the Property and which do not adversely restrict or burden the parking areas of the Regime. The Association shall have the right to prescribe rules

and regulations concerning and affecting, among their things, the use maintenance and the rental of, operating procedures, for transfer of the Unit.

(a) Each individual Commercial Unit shall be used for commercial, professional, general office, retail, and such other uses which:

(i) are permitted pursuant to applicable laws, rules, regulations, codes, ordinances and rules;

(ii) are permitted under the terms and provisions of the Covenants;

(iii) do not interfere with the use of the Common Elements (including, without limitation, the parking areas) by the Unit Owners, and their respective lessees and invitees; and

(iv) do not in any way: (A) violate any requirements of public authorities; (B) make void or voidable any fire or liability insurance policy then insuring the Units or Common Elements, (C) make unobtainable from reputable insurance companies authorized to do business in the State of South Carolina any fire insurance with extended coverage, or liability, or other coverage to be furnished under mortgages affecting any portion of the Property at standard rates, (D) cause, or in the Association's reasonable opinion are likely to cause, physical damage to the Common Elements, or other Units, or any part thereof, (E) constitute a public or private nuisance, (F) impair, in the sole opinion of the Association (exercised in good faith), the appearance, character or reputation of the Condominium, (G) discharge objectionable fumes, vapors, or odors, (H) impair or interfere with any of the utilities servicing the Units or the proper functioning of the mechanical systems servicing improvements to the Units, or (I) tend to impair or interfere with the use of any of the Property by, or occasion discomfort or annoyance, or inconvenience to the other Unit Owners or any of the lessees or invitees of the Unit Owners, the existence of any such impairment or interference to be determined in the sole discretion of the Board of Directors.

(b) Without limiting any other provision of this Master Deed, no Unit and no portion of the Property may be occupied or used, directly or indirectly, for the following uses without the express written consent of Declarant (which consent may be withheld for any reason or no reason and which consent, if granted, in no way is any representation of any kind by Declarant that such use is permitted under applicable zoning laws and/or by the Covenants): mini-warehouses; sexual apparatus sales; adult book store, adult only retail store, "X" rated films; topless entertainment or so-called "gentlemen's club"; bingo parlors; flea markets; businesses or activities involving unusual fire or explosive hazards; and/or businesses or activities involving the use or discharge of firearms of any type, including without limitation, BB guns or pellet guns. Further, no Unit and no portion of the Property may be occupied or used, directly or indirectly, for the following uses: businesses or activities involving noise or sound that is objectionable because of its volume, duration, intermittent beat, frequency or shrillness; uses which cause or permit noxious, disturbing or offensive odors, fumes or gases, or loud or disturbing noises or vibrations; uses which create or may create a danger to human health, safety or welfare; and uses not in compliance with all requirements of the terms of any state or federal statute or local ordinance or regulation applicable to the Property or which constitute a nuisance.

(c) No Owner shall cause or permit any hazardous substance to be used, stored, generated, or disposed of on, in, or about the Units and/or the Property (except those commonly or properly used in connection with the Owner's business in accordance with all applicable governmental laws and regulations), without obtaining Declarant's and the Association's prior written consent. If a Unit becomes contaminated in any manner as a result of any breach of the foregoing covenant or any act or omission of an Owner or any of its agents, employees or contractors, said Owner shall indemnify, defend and hold

harmless Declarant, the Association and the other Owners from any and all claims, demands, actions, damages, fines, judgments, penalties, costs (including attorneys', consultants' and experts' fees), liabilities, losses and expenses arising as a result of such contamination. This indemnification includes, without limitation, any and all costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. Without limitation of the foregoing, if an Owner causes or permits the presence of any hazardous substance on, in, or about its Unit that results in contamination, such Owner, at its sole expense, shall complete all required clean up, removal and remediation. However, such Owner shall first obtain Declarant's and the Association's written approval for any such remedial action.

(d) Except with the prior written consent of the Declarant and/or the Association obtained in each instance, no signs of any kind shall be displayed to the public view.

(e) As to Residential Units, such Units shall be utilized only for single family residential purposes, unless otherwise provided hereunder, and any home occupation activities conducted therein shall not involve business invitees, employees who are not residents of the Unit, or signage of any kind. Any such use shall be further subject to Rules and Regulations which may be adopted by the Regime or the Association in the future to assure that no adverse impacts result for other Owners. Notwithstanding the above, certain types of uses which have a commercially related component, but which are hereby deemed by the Declarant to be consistent with the character and purpose of the Regime and the greater Bluffton Village Town Center are hereby allowed hereunder. For instance, Residential Units may be utilized as a residential component of a bed and breakfast type operation, so long as any common area or public meal preparation and service is performed in an area outside of the Residential Unit and in compliance with any governmental restrictions or private covenant restrictions. Furthermore, use a Residential Unit, to be furnished as a Residential Unit, for the purpose of a showroom area for furniture sales is permitted, so long as the main sales area of such an establishment is located in an area outside the Residential Unit and in compliance with any governmental restrictions or private covenants. Declarant reserves the right to make a binding decision as to when such commercially related uses are allowed hereunder for a period of five years from the date hereof, after which the authority to make such binding decisions shall automatically revert to the Regime. Any such decisions made by the Declarant during the initial five year period of Declarant discretion shall be deemed vested and grandfathered, and cannot be altered in the future by the Regime without the express written consent of the Unit Owner(s) whose use rights are being reconsidered. Nothing contained in this paragraph is intended to circumvent any separate requirements or restrictions which may apply under Bluffton Town law or the provisions of any other government entity or agency.

(f) The Declarant hereby declares and affirms that the use restrictions described herein shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Unit and upon the Declarant and upon all future owners of Units. By acceptance of a deed, each Unit Owner acknowledges its agreement that the covenants contained in this section are of material importance, and in the event of a Unit Owner's breach (or that of its lessee or invitees) hereof, the Unit Owners and the Association will be irreparably harmed. The subject Unit Owner shall pay all costs, expenses and fines levied upon other Unit Owners by reason of the subject Unit Owner's failure to comply with the provisions of this Section. If the fire insurance rate increases as a result of a use in conflict with the other provisions of this Master Deed, the portion of the insurance premiums which has been charged because of such failure to comply shall be paid by the subject non-complying Unit Owner to the other Unit Owner(s) or the Association, as the case may be.

Section 2. Alterations in Units.

(a) Unit Owners shall not without the prior written consent of the Association cause any improvements or changes to be made to the exterior of a Building (including its roof), including but not limited to painting or other decoration, installation of electrical wiring, television antennae, machines or air conditioning units which may protrude through the walls or roof of a Building, or in any manner change the external appearance of any portion of a Building.

(b) Subject to the requirements as may apply in Article VII below, a Commercial Unit Owner may make any improvements or alterations to such Owner's Commercial Unit that comply with applicable laws and ordinances that do not impair the structural integrity of or the mechanical systems of or lessen the support of any portion of any other Unit and/or the Common Elements. The intent is to allow maximum flexibility to the Owner of each Commercial Unit to configure the interior of his/her/its Unit as such Owner desires. However, a Commercial Unit Owner may not make any improvements or alterations to his Unit that impair the structural integrity of or mechanical systems of or lessen the support of any portion of any other Unit and /or the Common Elements, or which will alter the exterior appearance of the Building.

(c) Except as allowed in Article VII below, an Owner may not change or modify the boundaries of a Unit as set forth in Article III, Section III above and as shown on the Plans. Further, any modifications permitted in Article VII below must comply with applicable municipal regulations. Where a Commercial Unit Owner owns adjoining Units, after giving notice to the Association, a Unit Owner may alter a partition wall between such adjoining Units owned by such Unit Owner to create an opening in that wall. Such alteration does not constitute a relocation of boundaries between Units as defined in Article VII below. However, such Commercial Unit Owner may not sell only one of the adjoining Units without replacing such opening in the partition wall in accordance with all applicable laws and ordinances. The opening may be extensive, so long as no load bearing wall, column or other load bearing structure is effected.

(d) Any Unit Owner altering a Commercial Unit pursuant to this Section shall: (a) provide for waivers of all mechanics lien rights which may arise as a result of the alteration; (b) provide certificates of insurance insuring against all losses commonly insured against arising out of the work naming the Association as an additional insured; (c) indemnify and hold the Association and other Unit Owners harmless from the effect of the work and the acts or omissions of anyone under such Unit Owner's direction or control; (d) minimize the disturbance of other Unit Owners and their business activities during the work; and (e) reimburse the Association for any expenses incurred by the Association, including but not limited to legal and other consulting fees.

(e) Upon completion of any subdivision of units as allowed by this Master Deed or approved by Declarant in writing and any reconfigurations to boundaries of a Unit authorized hereby, the affected Unit Owners or Declarant shall deliver to the Association a copy of the "as built" plans and specifications certified to by an architect licensed to practice in South Carolina together with such other certifications of such licensed architect as may be deemed necessary and/or required by law, as contained in any Amendment to Master deed authorized hereby.

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

Section 4. Common Elements. All occupants of Units and their guests shall have a non-exclusive right to use and enjoy the Common Elements (provided, however, Limited Common Elements may only be used by the Unit Owners of the Units benefited by such Limited Common Elements) for whom for the purpose for which they are intended (including, without limitations the right of parking and pedestrian access, and where permitted by the Association, vehicular access, ingress, to and from his Unit over those portions of the Common Elements from time-to-time designed for such purposes) subject, however, to the following provisions: (a) no such use shall enter or encroach upon the lawful rights if any other persons; (b) the right of the Association to restrict the use and govern the operation of the Common Elements by the right to impose reasonable limitations on the number of guests who may use such facilities and the hours of operation; (c) the right, hereby reserved by the Association, to suspend a Unit Owner's rights to Common Elements during the period that an assessment of the Association remains unpaid or for any other infraction of this Master Deed, or of the Articles of Incorporation, By-Laws and rules and regulations of the Association; (d) the rights of Declarant as set forth herein; and (e) the easements reserved for the Association and the Declarant.

Section 5. Right of Entry. In case of any emergency originating in or threatening and Unit, regardless of whether the Owner or his tenant, if any, is present at the time of such emergency, as determined by the Association or its designated agent, the Association or its designated agent and their employees, contractors or agents shall have the right to enter upon such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit a key to such Unit with the Association. Any entry made in the exercise of the rights granted under this Section shall not be deemed a trespass.

ARTICLE VII **SUBDIVISION AND RELOCATION OF BOUNDARIES BETWEEN UNITS**

Section 1. No Partition. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the ownership; subject, however to the right of all the Owners or the sole Owner of the Regime to waive the Regime and regroup or merge the records of the individual Units with the Real Property, provided that the individual Units are unencumbered, or, if encumbered, the creditors in whose behalf the encumbrances are recorded agree to such merger.

Section 2. Restrictions on Separation, Subdivision and Abandonment. Except as otherwise specifically allowed in this Master Deed, no Unit may be further subdivided excepted as permitted by law, by the Covenants, and with the written consent of Declarant (which consent may be withheld for any reason), unless all of the holders of Mortgages on Units and all Unit Owners have given their prior written approval, the Association shall not be entitled to seek to abandon or terminate the Regime.

ARTICLE VIII **GENERAL PROVISIONS**

Section 1. Declarant Use. So long as the Declarant owns one or more of the Units, the Declarant shall be subject to the provisions of the Master Deed and the Exhibits attached hereto; provided, however, that Declarant as in the case with any other Unit Owner, shall have the absolute right and privilege of leasing any or all of the Units owned by it on a short or long term bases for the uses permitted by this Master Deed and applicable laws, rules and regulations, and that Declarant's lessees, invitees, guests, etc., shall be entitled to all of the privileges and rights, and be subject to the requirements hereunder, of an

Owner with respect to the use of the Property excluding voting rights which shall remain with the Declarant.

Section 2. Amendments. Except as otherwise specifically allowed herein, this Master Deed may not be amended and Regime may not be revoked except by an instrument in writing filed and recorded in the office of the Register of Deeds for Beaufort County, South Carolina, which has been assented to unanimously by all the Unit Owners and by the holders of mortgages covering the Units. **Notwithstanding any other provision of this Master Deed, the Declarant, its successors and assigns, without the consent of any other Unit Owners, any holders of mortgages on any Units, the Board, the Association, or any other party, may amend this Master Deed to subdivide Unit 13A of the Building to create one additional Unit; and amend this Master Deed to make any changes which do not have a material impact on any other Unit Owners. Further, notwithstanding any other provision of this Master Deed, Declarant without the consent of any Unit Owners, the Board, the Association, or any other party may amend this Master Deed and any other documents required under Act in order to correct any scrivener's error, to correct conflicts between such documents and the Act, to address any issues of probable concern to the Regime which may not be adequately addressed, to effect compliance with the Act or any requirements of any governmental lender, insurer, guarantor, or purchaser of mortgage loans, and to enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Master Deed, as may be necessary from time-to-time. Further, prior to the conveyance of the first Unit by Declarant, Declarant may amend this Master Deed as it deems necessary in its sole discretion. By accepting a deed to any Unit, each Unit Owner expressly acknowledges and agrees to the rights of the Declarant and the Association, as applicable, to unilaterally amend this Master Deed as set forth herein.**

Section 3. Covenants Running with the Land. The provisions, covenants and conditions of this Master Deed shall run with the land and bind title to the property constituting the Regime, and shall be binding upon and insure the benefit of all Unit Owners and mortgage holders and their respective heirs, executors, legal representatives, successors and assigns.

Section 4. Insurance. The Board of Directors of the Association shall obtain and maintain those types and forms of insurance as are required by the By-Laws as set forth in **Exhibit "B"** attached hereto and made a part hereof.

Section 5. Reconstruction and Repair. In the event of casualty loss or damage to the Property of the Regime, the provisions of the By-Laws shall govern all matters pertaining to reconstruction and repair.

Section 6. Condemnation. In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no re-allocation of interests in the Common Elements resulting from such partial condemnation may be effected without the prior approval of the Unit Owners (and the eligible mortgage holders on all remaining Units), whether existing in whole or in part, having at least seventy-five (75%) percent of the votes of such remaining Units (subject to eligible mortgage holders). The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemnation authority for acquisition of the Common Elements, or part thereof. Each Unit Owner appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association (or, if applicable, any insurance trustee) for the use and benefit of the Unit Owners and their mortgages as their interests may appear.

Section 7. Interpretation. In all cases, the provisions set forth or provided for in the Master Deed shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors of the Association, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted within the confines of the Act and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Master Deed shall be the date of its filing for record in the Office of the Register of Deeds for Beaufort County, South Carolina. The captions of each Article and Section are inserted only for convenience and are to be in no way construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Master Deed shall be construed under and in accordance with the laws of the State of South Carolina.

This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control and the Declarant or the Association shall be authorized to file such amendments to the Master Deed as eliminate any apparent conflict.

Section 8. Gender and Grammar. The singular wherever used herein shall be construed to mean plural when applicable and the masculine shall be deemed to refer to the feminine and neuter gender and vice versa. The necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases, be assumed as though in each case fully expressed.

Section 9. Rights to Third Parties. This Master Deed shall be recorded for the benefit of Declarant, the Unit Owners, and their applicable mortgage holders, as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title, or interest whatsoever in the Regime, or in the operation or continuation thereof, or in the enforcement of any of the provisions hereof, except as specifically provided herein and in all events subject to the right of Declarant and the other Unit Owners to extend, modify, amend or otherwise change the provisions of this Master Deed without the consent, permission, or approval of any adjoining owner or third party.

Section 10. Non-Waiver. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 11. Right of Repurchase; Notice of Sale or Lease. In the event a Unit Owner sells, leases, or otherwise disposes of any Unit and/or improvements thereon, such Unit Owner must promptly furnish to the Association or its designated agent, in writing the name and address of such purchaser, lessee, or transferee, and the purposed consideration and terms therefore. The Association may require that this information be in specific form. Each Unit Owner by accepting a deed to a Unit acknowledges the right of repurchase set forth in the Covenants.

Section 12. All Users of Property Subject to Master Deed. All present or future Owners, tenants, future tenants, or any other person that might use the facilities of the Property in any manner, including, without limitation, those who may lease from the Declarant, are subject to the provisions of this Master Deed and any authorized amendments thereto, and that the mere acquisition or rental of any of the Units shall signify that the provisions of this Master Deed and any authorized amendment thereto are accepted and ratified.

Section 13. Common Elements Not Severable From Units. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed

INDEX OF EXHIBITS

The Bluffton Village Lot 13 Horizontal Property Regime

- Exhibit "A" - Description of the Land
- Exhibit "B" - By-Laws of The Bluffton Village Lot 13 Horizontal Property Regime and The Bluffton Village Lot 13 Owners' Association.
- Exhibit "C" - As-Built Survey
- Exhibit "D" - Floor Plans of Units
- Exhibit "E" - Architect's Certification
- Exhibit "F" - Statutory Percentage of Interest applicable to Units per South Carolina Horizontal Property Act
- Exhibit "G" - Walkthrough Description of Units
- Exhibit "H" - Joinder of Mortgagee

EXHIBIT "A" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

DESCRIPTION OF THE LAND

All that certain piece and parcel of real property, containing 0.11 acres, more or less, located in the Town of Bluffton, Beaufort County, South Carolina, together with all improvements thereon and rights associated therewith, said parcel being designated as Lot 13 of Phase IID, on a plat entitled "A Subdivision Plat of Phase ID, Phase IIA, Phase IIC and Phase IID, Bluffton Village," said plat being prepared by Ward Edwards, Inc., certified by Donald R. Cook, S.C.P.L.S. No. 19010, dated April 25, 2002, and revised November 6, 2002, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 90 at Page 161, on December 12, 2002.

Subject to all matters of record in the Office of The Register of Deeds for Beaufort County, South Carolina, including, but not limited to that certain Declaration of Covenants, Conditions and Restrictions for Bluffton Village Town Center ("Covenants"), as recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 1517 at Page 1361, as amended from time to time, to which this Property is hereby submitted, as fully as if originally included thereunder, to include all of Phase IID of Bluffton Village Town Center, as described on the above referenced plat of record, as well as other Common Property.

Together with a non-exclusive easement over the Common Property of Bluffton Village Town Center, for all purposes reserved and granted unto Owners generally under the terms of the Covenants, to include, without limitation, rights of access for ingress, egress and other purposes as described in the Covenants, and specifically including a definite right of ingress, egress and parking over the Common Property of Phase IID (all property outside of platted lot lines or planned lot lines), upon the roads and driven and parking areas as shown on the Exhibit "C" as-built survey, and over Johnston Way and the other platted roads of Bluffton Village Town Center, to reach Highway 46 and other areas of Bluffton Village Town Center. All such rights over Common Property of Bluffton Village Town Center are subject to the terms and conditions of the covenants, including the rights of Declarant and the Association to make rules and regulations regarding the use of property and Common Property, including rules, regulations and allocations related to parking within Bluffton Village Town Center.

The Property hereby conveyed is a portion of the property previously conveyed to the within Grantor by deed from Gillian I Burr, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1308 at Page 1134.

This Master Deed was prepared by the Law Office of Lewis J. Hammet, P.A., by Lewis J. Hammet, P.O. Box 2960, Bluffton, South Carolina 29910.

Beaufort County Tax Parcel:

EXHIBIT "B" TO MASTER DEED

**BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME**

**BY-LAWS
OF
BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME
AND
BLUFFTON VILLAGE LOT 13 OWNER'S ASSOCIATION, INC.**

**ARTICLE I
PLAN OF OWNERSHIP**

Section 1. **HORIZONTAL PROPERTY REGIME.** The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located at Lot 13 of Phase IID, Bluffton Village Town Center, Bluffton, South Carolina, known as the BLUFFTON VILLAGE LOT 13 HORIZONTAL PROPERTY REGIME, that has been by recorded master deed (the "Master Deed") submitted pursuant to the provisions of the Horizontal Property Act of South Carolina, which Property shall henceforth be known as the BLUFFTON VILLAGE LOT 13 HORIZONTAL PROPERTY REGIME (hereinafter referred to as "Regime").

Section 2. **ASSOCIATION.** In conjunction with the creation of the above described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as the Bluffton Village Lot 13 Owners' Association, Inc. (hereinafter referred to as "Association") which shall, pursuant to the provisions of the aforementioned Master Deed, constitute the incorporated owner's association.

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

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

ARTICLE II
VOTING, MAJORITY OF OWNERS QUORUM, PROXIES

Section 1. **ELIGIBILITY.** Each unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit owner. There shall be one membership for each Unit owned. Transfer of the Unit, whether voluntary or by operation of law, shall terminate membership in the Association with the acquiring parties of the Unit automatically becoming a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of each Unit and ownership of each Unit shall be the sole qualification for such membership. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record owners of the said Unit and filed with the Secretary of the Association. Further, should such Unit Owner be a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the president or vice president of the corporation and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Should such Unit Owner be a partnership, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the general partner (and if such general partner is a corporation or limited liability company, by the president or vice president of the corporation or the member as applicable) and filed with the Secretary of the Association. Should such Unit Owner be a limited liability company, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an authorized member of the limited liability company and filed with the Secretary of the Association. All such certificates shall be valid until revoked, superceded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned. The forgoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect a Unit Owner's membership.

Section 2. **VOTING.** Voting shall be on each Unit's percentage interest in the Common Elements and the percentage of the vote to which the Owner is the percentage interest in the Common Elements assigned to the Unit or Units in the Master Deed. Cumulative voting shall not be utilized.

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

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

Section 5. **PROXIES.** Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Notice of any proxies may be given by facsimile (fax) transmission or by electronic mail ("E-Mail") by an Owner to the Secretary.

Section 6. **MAJORITY VOTE.** A vote of fifty-one (51%) percent vote of the Owner's interest (i.e. percentages assigned in the Master Deed) present at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III
ASSOCIATION-GENERAL MATTERS

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

Section 2. **PLACE OF MEETING.** Meetings of the Association shall be at such place, convenient to the Owners, as may be designated by the Association. Telephonic meetings are expressly authorized.

Section 3. **RECORD DATE.** The Board of Directors shall fix a record date for determining the members entitled to notice of, and members entitled to vote at, each annual or special meeting. Such record date shall be at least ten days, but not more than 40 days before the meeting.

Section 4. **ANNUAL MEETING.** The annual meetings of the Association shall be held at the call of the President once a year between **March 1 and May 15** or at such other time as a majority of the Owners may agree upon. Except as otherwise set forth herein, at such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements as set out in Section 5 of Article IV of these By-Laws. As long as the Declarant owns at least one Unit, the Board shall have three (3) members. So long as the Declarant owns one or more Units, the Declarant shall be entitled to designate two members of the Board of Directors, who need not be Unit Owners. The Owners may also transact such other business of the Association as may properly come before them.

Section 5. **SPECIAL MEETINGS.** It shall be the duty of the Secretary to call a special meeting of the Owners as directed by resolution of the Board of Directors, at the request by a majority of the Directors, or upon a petition signed by the requisite percentage of Owners as set forth under South Carolina law and having been presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, other than by consent of two-thirds (2/3) of the votes present constituting a quorum, either in person or by proxy.

Section 6. **FIRST MEETING.** The first meeting of the Association, or a consent resolution of all Owners (the "Consent Resolution"), shall be held or executed and delivered, as the case may be, within sixty (60) days from the date of the filing of the Master Deed by the Declarant.

Section 7. **NOTICE OF MEETING.** It shall be the duty of the Secretary to mail a notice by first-class, registered mail or facsimile (fax) transmission of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at least fifteen (15), but not more than forty-eight (48) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 8. **ADJOURNED MEETING.** If any meeting (regular or special) of the Association cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if Owners holding at least 51% of the total value of the property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 9. **ORDER OF BUSINESS.** The order of business at all Annual Meetings of the Association shall be as follows:

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

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

Section 10. **MEMBERSHIP LIST.** After a record date for notice of a meeting has been fixed by the Board of Directors, a complete list of members of the Association shall be prepared by the Secretary. This membership list shall list the members of classification of membership and shall include the addresses (both post office and E-Mail) and number of votes each member is entitled to vote at the meeting. Such list shall be maintained in the office of the Association beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. **NUMBER AND QUALIFICATION.** The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of not less than three nor more than five person. As long as the Declarant owns at least one Unit, the Board shall have three (3) members. So long as the Declarant owns one or more Units, the Declarant shall be entitled to designate two members of the Board of Directors, who need not be Unit Owners. After the Declarant has conveyed all Units and is no longer entitled to designate two members of the Board of Directors, all Board members shall be Unit Owners.

Section 2. **GENERAL POWERS AND DUTIES.** The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Association or individual Owners and as authorized by the Articles of Incorporation and Section 33-31-801 (c) of the South Carolina Code.

Section 3. **SPECIFIC POWERS AND DUTIES.** In addition to the general powers and duties referenced above, duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.
- (b) Care, upkeep and surveillance of the Property (excluding interior of Units) and the Common Elements.

(c) Collection from the Owners (excluding the Declarant), at the time of the closing of the initial sale of each Unit, two (2) month's estimated Common Expense assessments for the purpose of establishing a working capital fund for the Association. These funds shall be maintained for the use and benefit of the Association. Owners are not entitled to reimbursement of the working capital fund from the Association upon the sale of their unit. (Note: Declarant shall be excluded, at its option, from this working capital fund unless Declarant subjects Unit(s) to the Regime and maintains ownership of such Units for at least two (2) years after such Units are submitted to this Regime, whereupon the working capital assessment would then be due and collectible).

(d) Establishment of the annual budget. A copy of the budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least ten (10) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the Owners present at such meeting, in person or by proxy.

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

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

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

(h) Execution of any and all legal documentation, including, but not limited to, deeds, leases, notes, mortgages, easements, maintenance agreements, management agreements, and the like relating to any Common Elements and/or Limited Common Elements of the Regime.

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

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

(k) Grant or relocate easements which are not inconsistent with the Owners' full use and enjoyment of the Common Elements.

(l) Making of repairs, additions and improvements to or alterations of, the Common Elements and repairs to and restoration of the Property in accordance with the other provisions of these Bylaws and/or Master Deed without the consent of a majority of the Owners.

(m) Establishing reasonable rules and regulations applicable to the Property.

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

Section 4. MANAGEMENT AGENT. The Declarant shall have the option to designate a management agent subsequent to the recording of the Master Deed and these By-Laws. Any management contract shall be for a reasonable term shall provide for reasonable compensation, and shall contain reasonable provisions regarding the right of the Association to terminate said contracts. There shall be no prohibition against an individual Owner including Declarant, or its affiliate being considered for the management agent position or against the Board determining to self manage the Regime.

Section 5. FIRST BOARD OF DIRECTORS. The first Board of Directors consisting of three (3) members shall be designated by the Declarant. These appointments will be temporary and will continue only until the first annual meeting of the Owners held pursuant to the provisions of these By-Laws or the execution and delivery of the Consent Resolution. At the first Annual Meeting of the Association, the initial term of office for the three (3) members of the Board shall be fixed at one (1) year. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. During the period in which the Declarant's designees constitute a majority of the Board of Directors, the Board of Directors shall not enter into a contract having a term which extends beyond one (1) year. Once the Declarant no longer has the right to designate two of the directors, the Owners, at a regular or special meeting, may vote to expand the Board to up to five (5) seats.

Section 6. VACANCIES. Vacancies in the Board of Directors caused by any reason, including resignation, removal of a member of the Board by a vote of the Association, or the sale of the Unit of a Director shall be filled by designation of the remaining Directors, and each person so designated shall be a member of the Board until a successor is elected at the next meeting of the Association.

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any annual or special meeting of the Association duly called where the notice of a meeting states that the purpose, or one of the purposes, is to remove a director, any one or more of the members of the Board may be removed with or without cause by a majority of Owners and a successor may then be designated by remaining directors, until the next regularly scheduled election. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting.

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within thirty (30) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Telephonic meetings are expressly authorized. Notice of regular meetings of the Board shall be given by the Secretary or other designated person, to each Board member, personally, or by mail, telefax, E-Mail, or telegraph, at least fifteen (15) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on seven (7) days notice to each Board Member, given personally or by mail, telephone, E-Mail, telefax or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. On the written request of at least two (2) Board members, special meetings of the Board shall be called by the President or Secretary in like manner and on like notice.

Section 11. **WAIVER OF NOTICE.** Before or at any meeting of the Board, any members of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **BOARD QUORUM.** At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. **FIDELITY BONDS.** The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 14. **COMPENSATION.** No member of the Board shall receive any compensation from the Regime for acting as such; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties. This provision shall not preclude the payment of compensation to the manager for services rendered, such compensation to be determined by the Board of Directors.

Section 15. **LIABILITY OF THE BOARD OF DIRECTORS.** To the extent authorized by the laws of the State of South Carolina, the officers and the members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, ordinary negligence, or otherwise, so long as the mistake is not the result of their own individual willful or wanton misconduct, gross negligence or bad faith. The Owners shall indemnify and hold harmless each of the officers and members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf or the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Directors, who may be related to or employed by Declarant and/or affiliates of Declarant, to contract with Declarant and affiliated entities of Declarant without fear of being charged with self-dealing. It is also intended that the liability of any Owner arising out of any contract of the officers or the Board of Directors, shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Owners in the Common Elements. To the extent possible, every agreement made by the officers or the Board of Directors or by the managing agent or by the manager on behalf of the Association may provide that the officers, the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owners liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Owners in the Common Elements.

Section 16. **JOINDER BY WRITTEN CONCURRENCE.** A member of the Board may join by written concurrence in any action taken at a meeting of the Board by signing and concurring in the minutes of that meeting, but such concurrence shall not be used for purposes of creating a quorum.

ARTICLE V
OFFICERS

Section 1. **DESIGNATION.** The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary. A person may hold more than one office as an officer of the Association.

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

Section 3. **REMOVAL OF OFFICERS.** Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. **PRESIDENT.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. **SECRETARY.** The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall authenticate the records of the Association; he shall have charge of such books and papers as the Board may direct. He shall, in general, perform all the duties incident to the office of the Secretary.

Section 7. **TREASURER.** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for the keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Treasurer.

Section 8. **INDEMNIFICATION OF OFFICERS.** Officers shall be indemnified to the extent provided for in Section 15 of ARTICLE IV.

ARTICLE VI
NOTICES

Section 1. **DEFINITION OF NOTICE.** Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board of Directors, any manager or Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, E-Mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, or by overnight courier service such as Federal Express, addressed to the Board of Directors, such manager or such Owners at such address as appears on the books of the Association. Notice shall be deemed given three (3) business days after mailing (or five (5) business days if outside of U.S.), next business day if overnight courier and upon receipt if faxed.

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

ARTICLE VII
OBLIGATION OF THE OWNERS

Section 1. **ASSESSMENTS FOR COMMON EXPENSES.** All Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association Common Expenses, which may include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property (excluding interiors of Units) and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up and deficit in the Common Expense for any prior year. Any and all amounts allocated for general working capital, general operating reserves, and for a reserve fund for replacements shall be commercially reasonable amounts. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

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

Special assessments applicable to Limited Common Elements may be imposed by the Association against those Owners affected.

Section 2. **ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE.** The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, both the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgages. No Owner may exempt

himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Unit.

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

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board shall take prompt action to collect any common charge due from any Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Owner in paying to the Board the common charges as determined by the Board, such Owner shall be obligated to pay a late charge of one and one-half (1½%) percent per month of the delinquent amount of such unpaid common charge from the due date thereof until the date of payment if full, together with all expenses, including attorney's fees, and the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Owner, or by foreclosure of the lien on such Unit granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling.

Section 5. STATEMENT OF COMMON CHARGES. The Board shall, for a reasonable fee not to exceed Twenty-five (\$25.00) Dollars, promptly provide any purchaser, Owner, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that Unit and the liability of a purchaser of a Unit therefore shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid common charges payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of its encumbrance.

Section 6. MAINTENANCE AND REPAIR.

(a) Each Owner must perform work within his own Unit, which, if omitted, would affect the Property in its entirety or any Common Elements or in a part belonging to another Owner, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs, maintenance and replacement of the Units and of those items described in Article III, Section 10 of the Master Deed, and of all other accessories and Limited Common Elements appertaining or belonging to the Unit shall be at the expense of the Owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed (except any Limited Common Elements which shall be assessed against the Owners of the Units benefiting from such Limited Common Elements), unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the Owners as a Common Expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Owner, in which such case the expense shall be charged to such Owner.

(d) Similarly all maintenance, repair and replacement to the Limited Common Elements as defined in the Master Deed, unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the affected Owners as a limited Common Expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Owner, in which such case the expense shall be charged to such Owner.

Section 7. **WATER AND SEWER CHARGES.** If water and sewer services for the Units is supplied by the public utility to all Units through a master meter, each Owner shall be required to pay his share of the bills for water and sewage services as part of the Common Expense based upon the percentage of ownership applicable to each unit as designated in Exhibit "F" to the Master Deed. In the event that the Owners believe that the other Owners water usage is disproportionate and the Owners cannot agree upon the appropriate proration, then any Owner may request that meters be installed for each Unit and each Owner shall be responsible for the cost of obtaining and installing such meter. Water and sewer expenses would then be based on the meter readings and water and sewer charges would no longer be assessed as a Common Expense. Water service for the Common Elements, if any, shall be supplied through a master meter and the Board shall pay as a Common Expense all charges for irrigation and other common services.

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

Section 9. **USE OF COMMON ELEMENTS.** An Owner shall not place or cause to be placed in the passages, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Owners and shall be used for no other purpose than for normal transit through or use of them.

Section 10. **RIGHT OF ENTRY.**

(a) Each Owner by accepting a deed to a Unit hereby grants the right of entry to the management agent or to any person authorized by the Board in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

(b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry entails limited interference with the use of the Unit and is at a time convenient to the Owner. Any Owner and/or the Association entering a Unit for purposes of alterations or repairs shall be responsible for repairing any damage in connection therewith. In case of emergency, the right of entry shall be immediate.

Section 11. **ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS.** The violation of any rules and regulations adopted by the Board or the breach of these By-Laws, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including reasonable attorney fees, and until such expense is recovered it shall be a lien upon said Unit which lien shall be inferior to the lien of all prior mortgages.

ARTICLE VIII
INSURANCE

Section 1. **INSURANCE BY ASSOCIATION.** The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed, the following insurance, without prejudice of the right of the Owner to obtain additional individual insurance at his own expense:

(a) **HAZARD INSURANCE.** The Board of Directors shall insure the Common Elements against loss damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of said Common Elements as determined by the Board upon recommendation made by the Regime's insurer (it being understood that the Board, at its discretion, may have an appraisal made of the Property for this purpose). The Board in its discretion may obtain flood insurance in such amounts reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protections of the Common Elements. As set forth below in Section 2 of this ARTICLE VIII below, each Owner is responsible for insuring his Unit. In the event the Owner shall default with regard to such responsibility or obligation, the Association may cause the Unit(s) to be insured for fire, windstorm, lightening, and flood with extended coverage and shall have the right to assess the Owner of the Unit in question for all of the costs of same, all as described below.

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

(b) **PUBLIC LIABILITY INSURANCE.** The Board of Directors shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. If obtainable, all such policies may contain severability of interest clauses or endorsements extending coverage of liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

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

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

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

Section 2. **INSURANCE BY UNIT OWNERS.** Each Unit Owner shall be responsible for obtaining, at his sole expense, (a) insurance covering the personal property, wall coverings, decorations, and furnishings within his own Unit and the additions, replacements, and improvements made by him to the Unit; as well as (b) insurance for the Unit itself covering fire, windstorm, lightening, and flood, with extended coverage. If the individual Owner fails to obtain an insurance policy covering said individual Unit as required, the Board of Directors may obtain such insurance policy and may assess said Owner for

the cost of the insurance policy and the cost of collection on the particular policy which shall be issued in the Owner's name on his individual Unit.

As set forth above, it is the intention that each Unit be insured by the Owner so that in addition to the personal property and building insurance referenced herein, each Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit and/or Limited Common Elements, if applicable. It is intended that the insurance provisions of this Section 2, together with Section 1, satisfy the requirements of the Act, and specifically Section 27-31-240.

As set forth in Section 8 of Article of Article III of the Master Deed, the Unit Owner is responsible for any damage to his Unit or another Unit caused by his negligent action or inaction. If a claim is made against the Association's policy as a result of such negligence by an Owner, then the Board may make a determination to assess any non-reimbursable expenses, such as the deductible, attorney's fees, and the like, against the negligent Owner, and such assessment shall be collectible just as any other assessment described in Section 1 of Article VII of these By-Laws.

Section 3. **DISTINCTION ON OWNER'S COVERAGE AND REGIME COVERAGE.** As reflected above, both the Association and the Owner has certain insurance responsibilities. The Board on its own or acting through a management agent, shall have the discretion to balance competing interest of said insurers, should such an occasion arise. Each Owner shall, upon request, provide to the Board or management agent, the name and address of his insurer.

Section 4. **SUBSTITUTION OF INSURANCE TRUSTEE.** The Board of Directors, in its discretion, may decline to serve as insurance trustee and may appoint in its place any financial institution which is qualified and willing to act as such trustee and which also has offices in Beaufort County, South Carolina. Any substitute insurance trustee appointed by the Board of Directors shall succeed to all of the powers and responsibilities vested in the Board as insurance trustee under the terms of this Master Deed.

ARTICLE IX RECONSTRUCTION AND REPAIR

In event of casualty loss or damage to the Property (excluding interior improvements to a Unit), the Board of Directors shall be responsible for applying the proceeds of all casualty insurance, if any, to the repair or reconstruction of the Property in accordance with this Article IX. Reconstruction or repair shall be mandatory unless otherwise provided in the Act, as amended from time to time, or unless seventy five (75%) percent or more of the Unit Owners vote, a duly authorized meeting, not to reconstruct. In a situation where reconstruction or repair is not to be undertaken, the insurance proceeds received by the Board of Directors shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective percentage interests of ownership of the Common Elements (statutory interest). The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor if owned in common. In the event the result of suit for partition is the sale of the Property, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their percentage interests of ownership of the Common Elements (statutory interest). In the situation where reconstruction or repair is undertaken, then such Property shall be repaired as follows:

(1) Any reconstruction or repair must follow substantially the original plans and specifications of the Property as shown by the Plans referenced by the Master Deed unless all Unit Owners and their mortgagees, with the written consent of Declarant, if any, vote to adopt different plans

and specifications; provided, however, the Unit Owners must arrange for funds to be delivered to the Board for any increase in costs if different plans and specifications are approved.

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

(3) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, after application of any available reserve funds, the deficiency shall be paid as a special assessment by the Owners in accordance with the Exhibit "F" percentage interests (statutory interests) with the exception that the costs reconstruction of Limited Common Elements shall be charged to the Owners of the Units benefiting from such Limited Common Elements.

(4) The insurance proceeds received by the Board of Directors, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

(5) In the event of a casualty, loss, or damage to a Unit, it is understood that the Unit Owner is maintaining such insurance and will be responsible for reconstruction. Any such reconstruction must be in accordance with the Plans as referenced in the Master Deed, and such reconstructed Unit must comply with all applicable laws, rules, regulations and ordinances. During reconstruction, the Unit Owner shall carry requisite insurance including, but not limited to, builder's all risk insurance and shall include the Association as an additional named insured.

ARTICLE X **INSURANCE TRUST**

In the event of casualty loss to the Property (excluding loss to interior improvements of a Unit), all insurance proceeds indemnifying the loss or damage shall be paid to the Board of Directors as insurance trustee. The Board of Directors, acting as insurance trustee (unless the Directors elects not to serve as insurance trustee as set forth above), shall receive and hold all insurance proceeds in trust for the purposes stated in ARTICLE IX and this ARTICLE X, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following share:

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

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

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

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

ARTICLE XI **AMENDMENTS**

Section 1. **REQUIREMENTS FOR AMENDMENTS.** Except as otherwise reserved or expressly provided in the Master Deed and except as provided in the Master Deed for an amendment or amendments to admit the Future Phase Property to the Regime, if appropriate, and except where a greater percentage is expressly required, either herein, in the Maser Deed or by Horizontal Property Act, these By-Laws may be amended only with consent of the Owners of Units to which at least seventy-five (75%) percent of the votes in the Association are allocated.

Section 2. **MATERIALITY OF AMENDMENTS.**

Notwithstanding the foregoing, Declarant may amend these By-Laws without the consent of any Unit Owner, the Board, or the Association if it is for the purpose of correcting errors or for clarification purposes.

ARTICLE XII **MISCELLANEOUS MATTERS**

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

Section 2. **DEFINITIONS.** All defined terms contained herein shall have the definitions as set forth in these By-Laws and/or the Master Deed. Any terms not defined herein shall have the meanings as set forth in the Master Deed or as set forth in the Act.

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

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

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

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

Section 7. CONFLICT. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended and the South Carolina Non-Profit Corporation Act of 1994. In the event of any conflict between these By-Laws and the provisions of such Statutes and/or the Master Deed, the provisions of such Statutes and/or the Master Deed, as the case may be, shall control.

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

EXHIBIT "C" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

AS-BUILT SURVEY

Incorporated herein by reference is that certain plat entitled "An As-Built of Lots 11 and 13, Johnston Way, Phase IID, Bluffton Village," prepared by Ward Edwards, Inc., Donald R. Cook, Jr., S.C. P.L.S. No. 19010, which is dated November 11, 2003 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book ~~98~~ at Page 156.

EXHIBIT "D" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

FLOOR PLANS

Incorporated by reference and attached hereto as Exhibit "D" to the Master Deed of Bluffton Village Lot 13 Horizontal Property Regime are a number of items (the "Plans"), the purpose of which is to depict the floor plans of the Units within the Building and to provide descriptive detail as the other common elements of the Bluffton Village Lot 13 Horizontal Property Regime. Set forth below is a schedule of the attachments comprising the Plans:

<u>Description</u>	<u>Sheet Nos.</u>
First Floor Plan-Residential	Sheet 1
Second Floor Plan-Residential	Sheet 2
Front Elevation	Sheet 3
Rear Elevation	Sheet 4
Right Side Elevation	Sheet 5
Left Side Elevation	Sheet 6
Ground Level, Commercial Floor Plan	Sheet 7

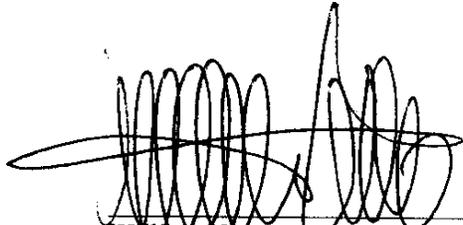
The above Plans for the Building were prepared by William Vitto, S.C. Architect Registered No. ~~3952~~. Said plans are recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book ~~90~~ at Page 156.

EXHIBIT "E" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

ARCHITECT'S CERTIFICATE

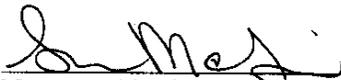
This is to certify that Bluffton Village Lot 13 Horizontal Property Regime consisting of one Building, consisting of Unit numbers 13A (Commercial Unit, divisible into 13A and 13B) and Commercial Units 13C and 13D, together with Residential Units 13E through 13H, is built substantially in accordance with the Plans which are recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 97 at Page 156 and which are incorporated by reference and attached to this Master Deed at Exhibit "D", except for minor variations which are customary in projects of this nature. The undersigned further certifies that the Plans show graphically the dimensions, area, and location of each condominium unit therein and the dimension, area and location of common elements affording access to each condominium unit as required under Section 27-31-110 of the Code of Laws of South Carolina, 1976.



William Vitto, Architect
S.C. Registration No. 3982

I, the undersigned Notary Public, do hereby certify William Vitto personally appeared before me and acknowledged due execution of this Certificate this 2 day of ~~March~~, 2004.

April



Notary Public for South Carolina
My Commission Expires: 11/10/2013

EXHIBIT "F" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

PERCENTAGE OF INTEREST OF UNITS

STATUTORY PERCENTAGE INTEREST. The percentage of title and interest appurtenant to each Unit and the Unit owners title and interest in the Common Elements (both General and Limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the Association is based on the proportionate value of each Unit to the value of the total Property as set forth below.

For purposes of the Act and pursuant to the terms of the Master Deed, the percentage interest appurtenant to each Unit of the Regime shall be established in accordance with the following formula:

$$\frac{V}{A} = P$$

- "P" - Percentage Interest of each Unit.
- "V" - Valuation of the respective Units as set forth in this Exhibit "F" to the Master Deed
- "A" - Aggregate Valuation of all Units existing in the Regime as provided in Article III of the Master Deed

CHART ONE

UNIT TYPES/STATUTORY VALUES. The Units of the Regime have the following statutory value for purposes of the Act:

<u>Residential Units</u>	<u>Statutory Value</u>
13E	\$250,000.00
13F	\$250,000.00
13G	\$250,000.00
13H	\$250,000.00
<hr/>	
Total:	\$1,000,000.00
<u>Commercial Unit(s)</u>	<u>Statutory Value</u>
13A	\$500,000.00
13C	\$250,000.00
13D	\$250,000.00
Total:	\$1,000,000.00

CHART TWO

STATUTORY PERCENTAGE INTEREST. Based upon the above values, the percentage of undivided interest in the Common Elements appurtenant to each Unit in of the Regime is set forth below:

<u>Unit</u>	<u>Phase 1 Percentage Interest</u>
13A	25.0%
13C	12.5%
13D	12.5%
13E	12.5%
13F	12.5%
13G	12.5%
13H	12.5%
Total	100.00%

*If Unit 13A is further subdivided by Declarant, its successors and assigns, into Commercial Units 13A and 13B, the above Percentage Interest of 25% for Unit 13A shall be allocated between the subdivided units, potentially creating up to 4 total Commercial Units which would then have a value of 12.5% each.

TOTAL VALUE. The total value of the Regime is \$2,000,000.00

NOTE: THESE VALUATIONS ARE FOR PURPOSES OF THE SOUTH CAROLINA HORIZONTAL PROPERTY ACT ONLY, AND ARE NOT A FUNCTION OF ACTUAL MARKET VALUE.

EXHIBIT "G" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

WALKTHROUGH DESCRIPTION OF UNITS

RESIDENTIAL UNITS:

Two Bedroom Unit (Type A):

Each Unit contains a total of approximately 1895 square feet of heated space, located on two floors of the building (the second and third floors). The first floor of the Unit has 915 square feet, including powder room, utility room, kitchen, dining and living room, with a covered terrace (Limited Common Element) off the living room on the front of the building. The second story of the Unit (third floor of the building) has 980 square feet, including a master bedroom, master bathroom, second bedroom, second bathroom, and closets. The layout and actual dimensions are more particularly shown on the floor plans attached hereto as Exhibit "D".

Each Type A Unit is accessed from an exterior door on the ground floor (rear) of the building, leading to a Limited Common Element stairway to the second floor of the building, where a Limited Common Element foyer area exists to serve the entrance doors of two Units (a Type A Unit and a Type B Unit). The Unit is accessed from the foyer door, into a dining area of approximately 12 feet by 12 feet. Toward the front of the building, one enters the living room area (15'5" x 25'), which in turn leads, through interior doors at the front of the Unit, to a Limited Common Element covered terrace of approximately 14'6" x 9'4". From the Unit entrance door (into the dining area), the kitchen is located toward the rear of the Unit, against the exterior side wall, with a utility area off the kitchen, to the rear, and a hallway adjacent to the kitchen, leading to a powder room at the rear of the building and a stairway leading to the second floor of the Unit.

The second level of the Unit is accessed off the stairway, into a hallway. The hallway leads to the secondary bathroom immediately across the hallway, and secondary bedroom and closet, located at the rear of the building. If one proceeds toward the front of the Unit from the second floor entrance stairway, a utility closet is located off the hallway, followed by the master bathroom, two closet areas, and a walk in closet, followed by the master bedroom itself at the front of the Unit.

Reference is hereby made to the Architect's floor plans for more exact dimensions and details, as well as the actual building plans, both of which are available for inspection through the Regime.

Two Bedroom Unit (Type B):

Each Unit contains a total of approximately 1860 square feet of heated space, located on two floors of the building (the second and third floors). The first floor of the Unit has 930 square feet,

including powder room, utility room, kitchen, dining and living room, with an open terrace (Limited Common Element) off the living room on the front of the building. The second story of the Unit (third floor of the building) has 930 square feet, including a master bedroom, master bathroom, second bedroom, second bathroom, and closets. The layout and actual dimensions are more particularly shown on the floor plans attached hereto as Exhibit "D".

Each Type B Unit is accessed from an exterior door on the ground floor (rear) of the building, leading to a Limited Common Element stairway to the second floor of the building, where a Limited Common Element foyer area exists to serve the entrance doors of two Units (a Type A Unit and a Type B Unit). The Unit is accessed from the foyer door, into a dining area of approximately 12 feet by 12 feet. Toward the front of the building, one enters the living room area (15'6" x 26'), which in turn leads, through interior doors at the front of the Unit, to a Limited Common Element open terrace of approximately 15'3" x 7'6". From the Unit entrance door (into the dining area), the kitchen is located toward the rear of the Unit, against the center wall of the building, with a utility area off the kitchen, to the rear, and a hallway adjacent to the kitchen, leading to a powder room at the rear of the building and a stairway leading to the second floor of the Unit.

The second level of the Unit is accessed off the stairway, into a hallway. The hallway leads to the secondary bathroom across the hallway, toward the rear of the building, and secondary bedroom and closet, located at the rear of the building. If one proceeds toward the front of the Unit from the second floor entrance stairway, a utility closet is located off the hallway, followed by the master bathroom, a closet area, and a walk in closet, followed by the master bedroom itself at the front of the Unit.

Reference is hereby made to the Architect's floor plans for more exact dimensions and details, as well as the actual building plans, both of which are available for inspection through the Regime.

COMMERCIAL UNITS:

All Commercial Units are located, or to be located, on the ground floor of the building, with at least one door leading to the exterior of the building at the front of the building and at least one door leading into the building at the rear center of the building for the two center Commercial Units (potentially two Units, if subdivided as allowed under the Master Deed). These two central rear doors have Limited Common Element service areas on the exterior of the building. The Commercial Units located adjacent to the exterior side walls of the building have a rear entrance door on the side of the building, near the rear. All Commercial Units have a service/utility area located at the rear of the Unit, just inside the rear door. A lavatory/toilet area is located toward the front, adjacent to the service/utility area. The lavatory/toilet area is stubbed out for fixtures in the area, providing for at least one such area for each of the potentially four total Commercial Areas. Commercial Units are originally constructed as unfinished space, to be finished by initial tenants or Owners. One central water meter serves the entire commercial ground floor area, and Declarant reserves the right to install individual meters in the future or to require such installation by Owners. Reference should be had to the Exhibit "D" floor plans for specific Unit dimensions and layout, and to building plans, both of which are available for inspection through the Regime or Declarant. This walkthrough description is applicable to a fully subdivided ground floor (4 total Units), with the understanding that the ground floor is presently a large Unit, Commercial Unit 13A, and two smaller Units, Commercial Units 13C and 13D. See the Master Deed and floor plans for further detail.

EXHIBIT "H" TO MASTER DEED

BLUFFTON VILLAGE LOT 13
HORIZONTAL PROPERTY REGIME

STATE OF SOUTH CAROLINA))
COUNTY OF BEAUFORT)) JOINDER OF MORTGAGEE

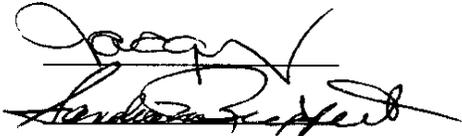
WHEREAS, SunTrust Bank, as successor in interest to Lighthouse Community Bank ("Mortgagee"), is the owner and holder of a first mortgage in the original face amount of \$1,950,000.00; which mortgage is a lien upon the real property described on Exhibit "A" to the Master Deed of the **BLUFFTON VILLAGE LOT 13 HORIZONTAL PROPERTY REGIME**; and

WHEREAS, said mortgage is that mortgage in the original principal sum of \$1950,000.00 dated April 8, 2003 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, Book 1744 at Page271;

NOW, KNOW ALL MEN BY THESE PRESENTS, that Mortgagee joins in the Master Deed of the **BLUFFTON VILLAGE LOT 13 HORIZONTAL PROPERTY REGIME** and the provisions of the Horizontal Property Act of South Carolina for the sole purpose of consenting to the creation by the Declarant of the **BLUFFTON VILLAGE LOT 13 HORIZONTAL PROPERTY REGIME**, and the continued existence thereof. Mortgagee makes no representations or warranties as to the validity of the documents creating the Regime nor the development and physical construction of any Buildings or Units within the Regime. The lien of this Mortgage shall continue in full force and effect as to the Units of said Regime and their respective interest in the common elements.

WITNESSES:

SUNTRUST BANK, successor in interest to
Lighthouse Community Bank



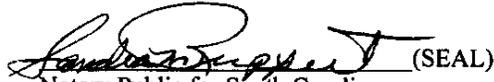
By: W. E. Apple, Sr.
Its: Senior V.P.

STATE OF SOUTH CAROLINA))
COUNTY OF BEAUFORT)) ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that SunTrust Bank, by its duly appointed officer, on behalf of the corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 27th day of February, 2004.

SANDRA M. RUPPERT
NOTARY PUBLIC
State of South Carolina
My Commission Expires:
October 12, 2008


(SEAL)
Notary Public for South Carolina
My Commission Expires: _____