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BK R 626PG853

July 10, 2006

Mr. William J. Hennessy
Dodds & Hennessy
1 N. Adgers Wharf
Charleston, South Carolina 29401

Re: **Parish Place Townhouses: Units 1305, 1303, 1301 & 1299**
Mathis Ferry Road
Mt. Pleasant, South Carolina 29464

Dear Mr. Hennessy:

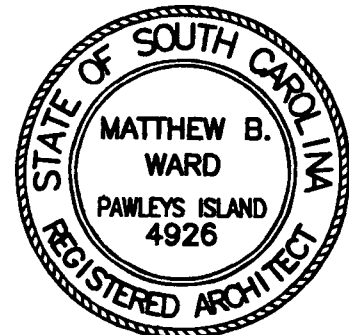
The building is a multi-family residential townhouse structure containing units 1305, 1303, 1301 & 1299. The building is a two story wood-framed on concrete slab structure clad in brick veneer and cementitious siding with fiberglass roof shingles. The building contains four (4) dwelling units labeled as shown on the architectural certification drawings. The roof system appears to consist of wood roof trusses covered with plywood and fiberglass shingles. At the time of this report, the existing shingles were being replaced with new 30-year fiberglass shingles. There was no evidence of structural weakness or failure of the foundation, walls or roof system due to excessive settlement or wind damage.

Mechanical systems for the units appear to be electric heat-pump systems with the condenser located at the rear of each unit and the air-handler located in a mechanical closet on the first floor of each unit. Several of the condenser units appear to have been replaced as there are different types present. A normal life expectancy for the units would be approximately 10 to 15 years.

The common areas contained on the property appear to include a concrete parking pad at the front of the building, a concrete walk providing access from the parking pad to the ground floor units and a rear yard area. In addition, the rear yard area contains a six-foot high wood privacy wall between each unit as shown on the certification drawings. These common areas show the wear associated with their age but appear to be in serviceable condition. A normal life expectancy of the privacy walls would be approximately 10 to 15 years. A normal life expectancy of the other common areas would be approximately 30 years and could extend further, dependant on the care and maintenance given them.

The good faith estimate of useful life shall not constitute a warranty of the licensed architect, shall not be deemed a representation of material fact or an inducement to purchase and shall not give rise to any cause of action at law or in equity against said architect.

By: Matthew B. Ward
Matthew B. Ward, Architect
SC Registered Architect # 4926



Sealed and Dated: 07-10-06

**BY-LAWS OF
THE PARISH PLACE CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
PURPOSE**

The Parish Place Condominium Association, Inc., a non-profit corporation existing under the laws of the State of South Carolina (hereinafter called the "Association"), has been organized for the purpose of administering a horizontal property regime established pursuant to the Horizontal Property Act of South Carolina (hereinafter called the "Act"), which is identified by the name The Parish Place Horizontal Property Regime (hereinafter called the "Condominium"), said Condominium being located in the Town of Mt. Pleasant, County of Charleston, South Carolina, being more particularly described in the Master Deed establishing such Condominium (hereinafter the "Master Deed"). These By-Laws shall govern the operation of the Association.

**ARTICLE II
DEFINITIONS**

All terms and phrases used herein shall have the same definition and meaning as set forth in the Master Deed and/or in the Act and as follows, unless the context otherwise requires:

- 2.1 Members:** All Co-owners of the Property.
- 2.2 Majority of Members:** Members owning fifty-one percent (51%) or more of the basic value of the Property as a whole, as set forth in the Master Deed.

**ARTICLE III
OFFICES**

The principal office of the Association shall be located at 2020 Wappoo Hall Rd., Charleston, South Carolina 29412. The Association may have other offices within and without the State of South Carolina as the Association may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, a registered agent whose office shall be located in the State of South Carolina. The registered agent may be changed from time to time by the Association.

**ARTICLE IV
MEMBERS**

Each and every Co-Owner of a Unit in the Condominium shall be a Member of this Association. Further, there shall be appurtenant to each Unit in the Condominium the number of

votes assigned in the Master Deed which shall be voted collectively by the Voting Member of that Unit as set forth in Exhibit "D" of the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Unit, such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Unit shall automatically pass and the membership of the transferee immediately terminated whether any membership certificate of voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-owner of a Unit in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association. Each and every Co-Owner of a Unit in the Condominium shall provide the Association with the name and mailing address of any Mortgagee having a lien on his or her Unit by sending written notice thereof to the Secretary of the Association.

ARTICLE V APPLICATION

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Condominium or occupying any Unit shall be and are hereby subject to all matters, set forth in these By-Laws, Rules and Regulations promulgated by the Association hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of a Unit or use of the facilities of the Condominium shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, the Act, or promulgated by the Association are accepted, ratified and shall be complied with.

ARTICLE VI MEMBER'S MEETINGS

6.1 The **annual members' meeting** shall be held at the office of the Association or at such other location as may be determined by the Association at 5:00 P.M. on the first Tuesday in December of each year, or such other time and date as shall be designated by the Association, for the purpose of electing officers, and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held on such date and time and at the same hour on the next succeeding business day. If the annual meeting is not to be held at the office of the Association (if any), the Secretary of the Association shall give to the members thirty (30) days prior written notice of the time, date and place of the annual meeting.

6.2 **Special member's meetings** shall be held whenever called by the President or by a majority of the officers. Also, upon written request from members entitled to cast thirty-three percent (33%) of the votes of the entire membership made to the Secretary of the Association stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty-five (45) days thereafter. No business, other than such business stated in the notice for a special meeting, shall be transact at said meeting.

6.3 **Notice of all members' meetings** stating the time and place and, if a special meeting, the purposes for which the meeting is called, shall be given by the President, Vice President or Secretary unless waived in writing by a member of the Association. Such notice shall be in writing to each member at his, her or its address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than thirty (30) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after a meeting.

6.4 **A quorum** at members' meetings shall consist of Co-Owners with sixty-six percent (66%) or more of the basic value of the Condominium property, as a whole, as set forth in Exhibit "D" the Master Deed. The acts approved by a majority of fifty-one percent (51%), a quorum being present, shall constitute a decision of the members and shall be binding upon the members, except where approval by a greater percentage is required by The Act, the Master Deed establishing the Condominium, the Charter of the Association or these By-Laws.

6.5 **The presiding officer** at members' meetings shall be the President.

6.6 **Voting.** Each Co-owner shall have a vote equal to his, her or its percentage ownership in the Condominium property as a whole, as set forth in Exhibit "D" of the Master Deed, except that no Co-owner may vote at any meeting of the Association or be elected to serve as an officer of the Association if payment of such Co-Owner's assessment on his Unit is delinquent more than thirty (30) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election. There shall not be cumulative voting. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be one of the record owners designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. If a Unit is owned by a general partnership or limited partnership, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by all partners in the case of a general partnership and all general partners in the case of a limited partnership and filed with the Secretary of the Association. Such certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked in like manner as provided hereinabove. In the case of multiple, corporate or partnership ownership of a Unit, the vote appurtenant thereto shall not be exercised until the certificate of appointment designating the person entitled to cast the vote for the Unit has been filed with the Secretary of the Association. If such certificate is not on file, the vote of such Co-Owner(s) shall not be considered in determining the requirement for a quorum nor for any other purpose.

6.7 **Proxies.** Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid for such period as provided by law, unless a shorter period is designated in the proxy.

6.8 **Action in Lieu of a Meeting.** Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members of the Association and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or the Act.

6.9 **Adjourned Meetings.** If any meeting of members cannot be organized because a quorum has not attended, a majority present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

6.10 **Order.** The order of business at annual members' meetings and as far as practical at all other members' meetings, shall be: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver of notice; (c) Reading and disposal of any unapproved minutes; (d) Reports of officers, if any; (e) Reports of committees, if any; (f) Election of inspectors of election; (g) Election of officers; (h) Unfinished business; (i) New business which shall include adoption of a budget for the fiscal year; and (j) Adjournment.

ARTICLE VII **OFFICERS**

7.1 **Officers.** The Association shall be managed by executive officers consisting of a President, a Vice President and a Secretary/Treasurer. The initial officers shall be appointed by the Declarant and shall hold office until the first annual meeting of the Association after the expiration of the Transition Period.

7.2 **Officer Qualifications After the Expiration of the Transition Period.** All officers of the Association shall be either Co-Owners (or voting designees of a corporate Co- Owners), Mortgagees or designees of Mortgagees. Each officer must be in good standing with the Association and current in payment of all fees, assessments and common expenses. Any officer who is delinquent in the payment of any common expenses or assessments shall automatically cease to be a officer.

7.3 **Election of officers** During the Transition Period, the Declarant shall appoint all officers; thereafter election of the officers shall be conducted in the following manner:

(a) The officers to replace the initial officers appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant within thirty (30) days of conveyance of the first Unit in the Condominium to a third party. Officers elected at subsequent elections shall be elected for a term of one year, and shall be elected at the regular annual meeting of the Association. Officers shall serve until their successors are elected and qualified.

(b) Except as to vacancies provided by removal of an officer by members, vacancies occurring between annual meetings of members shall be filled at a special meeting of the Association.

(c) Any officer may be removed by concurrence of seventy-four percent (74%) of the votes of the entire membership of the Association at a special meeting of the members called for that purpose. The vacancy so created shall be filled by the members of the Association at the same meeting.

7.4 **The organizational meeting of newly-elected officers** shall be held within thirty (30) days of their election at such place and time as shall be determined at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

7.5 **Regular meetings of the officers** may be held at such time and place as shall be determined, from time to time, by a majority of the officers. Notice of regular meetings shall be given to each officer personally or by mail, telephone or telegraph, at least fourteen (14) days prior to the day named for such meeting.

7.6 **Special meetings of the officers** may be called by the President and must be called by the Secretary at the written request of a majority of the officers. Not less than fourteen (14) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7.7 **Waiver of Notice.** Any officer may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. The attendance of an officer at any meeting shall constitute a waiver of notice for such meeting unless the attendance of such meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7.8 **A quorum at officers' meetings** shall consist of a majority of the officers. The acts approved by a majority of the officers at which a quorum is present shall constitute the acts of the officers, except where approval by a greater number of officers is required by the Master Deed establishing the Condominium, the Charter of the Association, these By-Laws or the Act.

7.9 **Adjourned Meetings.** If at any meeting of the officers there is less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at a meeting as originally called, may be transacted without further notice.

7.10 **Joinder in Meeting by Approval of Minutes.** The joinder of an officer in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such officer for the purpose of determining a quorum.

7.11 **Action in Lieu of a Meeting.** Any action by the officers required or permitted to be taken at any meeting may be taken without a meeting if all of the officers shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the

minutes of the proceedings of the officers.

7.12 **The presiding officer of officers' meetings** shall be the President. In the absence the President, the Vice President present shall preside over the meeting.

7.13 **Powers and Duties of the Officers.** All of the powers and duties of the "Council of Co-Owners" existing under the Act, the Master Deed establishing the Condominium, the Charter of the Association and these By-Laws shall be exercised exclusively by the officers, its agents, contractors or employees, subject only to approval by the Co-Owners when such is specifically required by law or the Condominium Instruments. The officers shall have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such rules and regulations shall not be in conflict with the Act or the Condominium Instruments. The officers may delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the officers on such matters which may arise between meetings of the officers as the officers deem appropriate. In addition to the duties imposed by these By-Laws, the Master Deed, The Act or by any resolution of the Association that may hereafter be adopted, the officers shall on behalf of the Association:

(1) Annually on or before December 1 of each year, prepare a proposed budget for the upcoming fiscal year to include such sums as it deems necessary and adequate to provide for the Common Expenses and other related expenses of the Condominium.

(2) Make assessments against Co-owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Co-owners and establish the period of the installment payment of the annual assessment for Common Expenses.

(3) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium except the portions thereof which are the responsibility of individual Co-Owners.

(4) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Condominium Property.

(5) Collect the assessments against the Unit Co-owners, deposit the proceeds thereof in bank depositories approved by the officers and use the proceeds to carry out the administration of the Condominium Property.

(6) Make and amend the rules and regulations for the use of the Condominium and all facilities and property thereof. The initial Rules and Regulations of Parish Place Horizontal Property Regime are attached hereto as Exhibit "G".

(7) Fix, impose and remit penalties for violation of these By-Laws and rules and regulations of the Association.

(8) Open bank accounts on behalf of the Association and designate the signatories thereon.

(9) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(10) Enforce by legal means the provisions of the Master Deed, these By-Laws and the Rules and Regulations, act on behalf of the Co-owners with respect to all matters arising out of any eminent domain proceedings and notify the Co-owners of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(11) Obtain and carry insurance against casualties and liabilities, as provided in these By-Laws, pay the premiums therefor and adjust and settle any claims thereunder.

(12) Pay the cost of all authorized services rendered to the Association and not billed to Co-owners of individual Units or otherwise provided for in these By-Laws.

(13) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the Co-owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the officers for the general knowledge of the Co-owners. All books and records shall be kept in accordance with generally accepted accounting principles.

(14) At the written request of a Mortgagee, notify a Mortgagee of any default hereunder by the Co-owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding sixty (60) days.

(15) Acquire, hold and dispose of Units and mortgages the same if such expenditures and hypothecation are included in the budget adopted by the Association.

(16) Settle disputes with respect to the Condominium Property.

(17) Do such other things and acts not inconsistent with the Act or the Condominium Instruments which the officers may be authorized to do by a resolution of the Association.

(18) The officers may employ for the Condominium a "managing agent" at a compensation

to be established by the Association. The managing agent must be able to advise the officers regarding the administrative operation of the Condominium and shall employ personnel knowledgeable in the necessary areas. The managing agent shall perform such duties and services as the officers shall direct. The officers may delegate to the managing agent all of the powers granted to the officers by these By-Laws other than the powers which may not be delegated by the officers pursuant to the Act or the Condominium Instruments. The managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these By-Laws.

7.14 **The Executive officers of the Association** shall be a President, a Vice President, and a Secretary-Treasurer, and at the option of the officers, an Assistant Secretary and/or Assistant Treasurer, all of whom shall be elected annually by the members at the annual meeting of the Association. Any person may hold two or more offices except that the President shall not also be the Secretary-Treasurer or assistant. The Association may, from time to time, elect such other officers and designate their powers and duties as it shall find to be required to manage the affairs of the Association. Each officer shall hold office until his successor shall be duly elected and qualified.

7.15 The **President** shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and shall have all of the powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in his or her discretion determine appropriate to assist in the conduct of the affairs of the Association. The President or his written designee shall serve as Insurance Trustee for the Association.

7.16 The **Vice President** shall, in the absence of the President or in the event of his or her death, inability or refusal act, shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Association.

7.17 The **Secretary-Treasurer** shall record the minutes of all proceedings of the Association. The Secretary-Treasurer shall attend to the giving and serving of all notices to the members and other notices required by law. The Secretary-Treasurer shall have custody of the Seal of the Association and affix the same to instruments requiring a seal when duly signed. He or she shall also keep the records of the Association or cause such to be prepared and kept, and shall perform all other duties incident to the office of secretary of an Association and as may be required by the President. Additionally, the Secretary-Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Secretary-Treasurer shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Secretary-Treasurer.

7.18 **The compensation of all officers** and employees, if any, of the Association shall be fixed by the Association. Any officer who contracts with the Association to provide labor, material or services shall not vote on any matter regarding such employment or contract.

ARTICLE VIII
MAINTENANCE, UPKEEP AND REPAIRS

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Responsibility for the maintenance of the Property of the Condominium shall be as follows:

8.1 **Units.**

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

(1) To maintain in good, clean and sanitary condition and to repair and replace at his, her or its expense all portions of the Co-Owner's Unit other than those portions to be maintained, repaired and replaced by the Association, if any. Such shall be done without disturbing the rights of other Co-Owners. Nothing contained in this paragraph shall negate the obligation of any insurer to provide coverage for any insured loss as specified by Article X of these By-Laws.

(2) To perform normal maintenance on any Limited Common Elements appurtenant to such Co-Owner's Unit. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Unit, the Co-Owner thereof shall replace the bulb(s).

(3) Not to make or cause to be made any structural addition or alteration to its Unit without obtaining prior approval of the Town of Mt. Pleasant or applicable agencies thereof or other governmental entities having jurisdiction over such matters. Alterations to the exterior of any Unit may only be made in accordance with the terms of these By-Laws, the Master Deed and its Exhibits.

(4) To allow the Association or its representative, agent or employee to enter into a Unit for the purpose of maintenance, inspection, repair or replacement or improvement within the Unit and/or Common Elements; to determine in the case of emergency, circumstances threatening the Unit and/or Common Elements; or to determine compliance with the provisions of the Master Deed, these By-Laws or these Regulations of the Association.

(5) To promptly report to the Association any defect or need for repairs, the responsibility of which is that of the Association.

(6) To be responsible for all damage to any other Unit or to the Common Elements resulting from his failure or negligence to perform any obligations required herein.

8.2 **General Common Elements and Certain Limited Common Elements.**

The maintenance repair, replacement and operation of the General Common Elements and the limited common elements described in Paragraph 4.3(a), (b) and (c) of the Master Deed shall be the responsibility of the Association and a Common Expense; provided, however, that in case of

emergency and in order to preserve the Property or for the safety of the occupants, a Co-Owner may assume the responsibility therefor, and he or she shall be relieved of liability for such acts performed in good faith and reimbursed for his or her expense by the Association when approved by the Association.

The Association shall have the power to determine the use to be made of the General Common Elements from time to time, provided that no such use shall discriminate against a Co-Owner or otherwise contradict the provisions of the Condominium Instruments.

8.3 **Limited Common Elements.** Each Co-Owner shall maintain in good, clean and sanitary condition, and repair and replace at its expense, any Limited Common Element appurtenant to only its Unit. Except as set forth in Paragraph 8.2 above, each Co-Owner shall be responsible for its share of the cost to maintain, repair and replace any Limited Common Element appurtenant to its Unit and less than all of the Units of the Condominium (for example, Limited Common Elements appurtenant to all Units in a Building). Each Unit's share of said expense shall be divided in accordance with the percentages set forth in Exhibit "D" to this Master Deed. In the case of an emergency and in order to preserve the Limited Common Elements or for the safety of the occupants, a Co-Owner may assume the responsibility therefore, and he or she shall be relieved of responsibility for such acts performed in good faith and reimbursed for his or her expense by the other Co-Owners of Units which the particular Limited Common Element is appurtenant.

ARTICLE IX **FISCAL MANAGEMENT**

The making and collection of assessments against Co-Owners for Common Expenses shall be pursuant to the following provisions:

9.1 **Assessments.** The Association shall assess each Co-owner, for such Co-owner's proportionate share of the Common Expenses, including but not limited to the water/sewer bill for the three buildings and the cost of hazard and liability insurance, such share being the same as the undivided share of such Co-owner in the Common Elements appurtenant to his, her or its Unit specified in Exhibit "D" to the Master Deed except as set forth below. Notwithstanding anything hereunto the contrary should the Association determine an owner or owners are excessive users of the water/sewer services the Association may assess such owner(s) the reasonable cost of such services attributable to the excessive use. The Declarant may elect to exempt itself from such assessments as set forth in Paragraph 6.7 of the Master Deed. Said assessment shall be made and collected in the manner hereinafter provided.

9.2 **Accounts.** The funds and expenditures of the Association shall be credited and charged according to good accounting practices to accounts under the following classifications or combinations thereof, as shall be appropriate:

(a) **Current expenses** for the Association shall be Common Expenses and shall include

all funds and expenditures to be made within the year for which the funds are budgeted for the Association and the General Common Elements, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year may be applied to reduce the assessments for Current Expenses for the succeeding year.

(b) **Reserve for future of deferred maintenance** which shall include funds for maintenance items which occur less frequently than annually.

9.3 Budget. The Association shall adopt a budget for each fiscal year which shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for current expenses. The Co-Owners of Units shall adopt a budget for each fiscal year which shall include funds for expenses of that year and reserves according to good accounting practices as follows:

- (a) Current expenses;
- (b) Reserves for future or deferred maintenance.

Copies of the budget and proposed assessments shall be transmitted to each Co-owner on or before the annual members' meeting during the year for which the budget is made. The proposed budget as it may be amended by motion of a Co-Owner, shall be submitted to a vote of the Co-Owners and when approved by no less than the Co-Owners owning fifty-five percent (55%) of the Common Elements as set forth in Exhibit "D", shall become the budget of the Association for the fiscal year.

9.4 Assessment Procedure.

(a) **Annually; Due Dates.** Assessments against the Co-owners for their shares of the items of the budget shall be made for each year. Such assessments shall be payable in monthly installments on the first day of each month. The Association shall have the authority to adjust the payment dates of the assessments as it shall deem appropriate. If an assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the Association provided that the accounts of the amended budget do not exceed the limitations thereon for that year. Any account which does exceed such limitation shall be subject to approval of the Co-owners heretofore required.

(b) **Assessments for Emergencies.** Assessments for emergency Common Expenses which cannot be paid from the annual assessments for common Expenses shall be made only after notice of the need therefor to the Co-owners concerned. After such notice and upon approval in writing by Co-owners owning fifty-five percent (55%) or more of the Common Elements owned by the Co-owners concerned, the assessment shall become effective, and it shall be due after thirty (30)

days notice thereof in such manner as the Association shall require.

(c) **Initial Assessments.** The Declarant, as the agent of the Association, will collect from each initial Co-owner of each Unit at an amount equal to three months of assessment. The Declarant will deliver the funds so collected to the Association to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Association may determine.

(d) **Transfer Fee.** Upon the transfer of title to a Unit in the Condominium, a transfer fee equal to three times (3x) the then current monthly regime fee per transfer shall be payable to the Association by the purchaser of a Unit.

9.5. Liability for Assessments. A Co-owner shall be personally liable for all assessments coming due while he, she or it is the owner of a Unit. The Association shall provide for the issuance, and shall issue to every prospective purchaser of a Unit, or mortgagee, upon his, her or its written request, a statement of the status of the assessment account of the seller or mortgagor. Such a certificate made by the duly authorized representative of the Association as to the status of a Co-owner's assessment account shall limit the liability of any person for whom it is made, other than the Co-owner.

9.6. Collection of Assessments.

(a) **Interest; Application of Payments.** Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall have a late charge of five percent (5%) of the installment due and if not paid on or before the thirty (30) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

(b) **Lien.** All assessments against any Co-owner shall constitute a lien against the Co-owner's Unit in favor of the Association, as provided by the Act, which lien shall become effective when a notice claiming such lien has been duly recorded by the Association in the appropriate Charleston County office. Such claim of lien shall state the description of the Unit, the name of the record owner, the amount due and the date when due. Such claim of lien shall be signed and verified by an officer or agent of the Association prior to its being recorded; and no such claim of lien shall be made by the Association unless the assessment, charge or expense, giving rise to the lien, remains unpaid for more than ten (10) days after same becomes due. Any such lien may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. The lien shall secure the payment of all assessments as described in said claim of lien and, in addition thereto, shall secure the payment of subsequent assessments which come due after the filing of the claim of lien and prior to the satisfaction of such lien by foreclosure or otherwise, including late charges and interest

thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. The right of the Association to foreclose a lien as aforesaid shall be in addition to any other remedy, at law or in equity, which may be available to it for the collection of the annual assessment and expenses related to the collection thereof, including the right to proceed personally against any delinquent owner for the recovery of a judgment "in personam". Any personal judgment against any such delinquent Co-owner may include all unpaid subsequent assessments which come due after the institution of such suit and prior to such Order of Judgment, including interest thereon at the highest rate permitted by law, together with all costs and reasonable attorney's fees incurred by the Association incident to the collection of Such assessments.

(c) **Rental Pending Foreclosure.** In any foreclosure of a lien for assessments, the Association shall, pending foreclosure, be entitled to the appointment of a receiver who shall collect a reasonable rental for the use of the Unit subject to the lien, which rental shall be applied to the obligations of the Co-owner.

ARTICLE X **INSURANCE**

Insurance to be Maintained by the Association.

10.1 Hazard Insurance. The Association shall obtain property insurance on the General and Limited Common Elements insuring against all risks of direct physical loss commonly insured against by horizontal property regime. The total amount of insurance after application of any deductibles shall be not less than full replacement cost, or actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies, if such coverage is available at regular rates. If such coverage is not available at regular rates then the coverage shall be the best available at regular rates as determined by a majority of the co-owners. The Association shall to obtain whenever reasonably available an inflation guard endorsement, reasonable construction code endorsements, and an agreed amount endorsement each year to the master policy and the amount of coverage shall in no event be less than the agreed value. Any hazard insurance policy should when reasonably available also meet the following requirements:

(a) The named insured shall be the Association, as Trustee for the use and benefit of the Co-Owners and lien holders. All insurance proceeds shall be payable to the Association;

(b) The insurer waives any right to claim by way of subrogation against the Association, its officers, the Managing Agent (if any) or the Co-Owners, and their respective agent, employees, guests and, in the case of the Co-Owners, the members of their households;

(c) Each policy shall provide that the insurance shall not be affected or diminished by any acts or omissions of any Co-Owner when such act or omission is not within the control of the

Association;

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(d) The insurance shall not be affected or diminished by reason of any other insurance carried by any Co-Owner or mortgagee covering the same loss;

(e) Each policy shall contain the standard mortgage clause, except that any loss otherwise payable to the named mortgagee shall be payable as provided in ("a") above.

(f) Each policy shall contain provisions designating the interests of various mortgagees to specific Units and other property of the Condominium covered by the master policy;

(g) Such policy shall contain a provision that it cannot be cancelled, invalidated or suspended due to the conduct of any Co-Owner (including his invitees, agents and employees) or of any member, officer or employee of the Association or the Managing Agent (if any) without a prior demand in writing that the Association or the Managing Agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand;

(h) Such policy shall contain a provision that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the Association, the Managing Agent, if any, and all mortgagees of record.

(i) All policies of insurance shall be written by reputable companies licensed to do business in the State of South Carolina.

10.2 Flood Insurance. Should the property subsequently be determined to be in an A or V flood zone the Association shall properly obtain and maintain flood insurance in the highest amount available that is underwritten by FEMA.

10.3 President as Trustee. The President of the Association shall hold any insurance proceeds in trust for Co-Owners and lien holders as their interests may appear. Subject to the provisions of subsection 10.1, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements, and Co-Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements have been completely repaired or restored, or the Condominium is terminated. The remaining proceeds, if any, shall be disbursed or retained as reserves a determined pursuant to the terms and conditions of these By-Laws.

10.4 Liability Insurance. The Association shall maintain comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Association but not less than \$1,000,000.00 for any single occurrence, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Limited and General Common Elements. Each policy shall contain a provision that requires at least ten (10) days notice to the Association and all Co-Owners before the policy may

be cancelled or substantially modified. The cost of such insurance shall be a Common Expense.

10.5 Fidelity Bonds. Upon the approval of fifty-one percent (51%) of the members of the Association, the Association may require fidelity bonds covering all officers and employees who handle or are responsible for funds held or administered by the Association, naming the Association as obligee, in an amount equal to the maximum funds that will be in the custody of the Association, but in no case less than an amount equal to the sum of three (3) months assessment on all Units plus the amount of the Association's reserve funds. Any such bond shall contain a provision that requires at least thirty (30) days written notice to the Association before the bond may be cancelled or substantially modified. Personnel of any management agent must be covered by a fidelity bond of such agent of comparable coverage.

10.6 Other Insurance. The Association may obtain and maintain:

- (a) workmen's compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);
- (b) directors, if any, and officers liability insurance; and
- (c) such other insurance as the Association may determine or as may be requested from time to time by a majority vote of the members.

10.7 Premiums upon insurance policies purchased by the Association (if any), shall be paid by the Association as a Common Expense.

10.8 The **Insurance Trustee** is hereby irrevocably appointed agent for each Co-Owner to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon payment of claims.

Insurance to be Maintained by the Co-owners.

10.9 Each Co-owner may and is encouraged to maintain hazard and flood insurance on their individual unit and its contents as the master policies obtained by the regime do not provide insurance for the same. A co-owner may obtain "excess" hazard insurance coverage provided the same does not negatively impact the coverage provided by the master policies.

10.10 The Association shall not be liable to the Co-owners or Mortgagees for any uninsured damage sustained to and individual unit or its contents.

ARTICLE XI
CONDEMNATION

11.1 Partial Taking Without Direct Affect on Units. If part of the Property shall be

taken or condemned by any authority having the power of eminent domain, such that no Unit nor any part thereof is taken, and no part of the Limited Common Area to which a Unit has exclusive use is taken, then all compensation and damages for and on account of the taking of the Common Areas, exclusive of compensation for consequential damages to certain affected Units, shall be payable to the Association as Trustee for all Unit Owners and mortgages according to the loss or damage to their respective interests in such Common Areas. The Association shall have the right to act on behalf of the Unit Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Areas, without limitation on the right of the Unit Owners, or any Mortgages of any one or more Units, to represent their own interest. Such proceeds shall, subject to the prior rights of such Mortgagees, be used in accordance with the provisions of the Master Deed. Nothing herein is to prevent Unit Owners whose Units are specifically affected by the taking or condemnation proceedings from joining in such proceeding and petition on their own behalf for consequential damages relating to loss of value of the affected Units, or personal improvements therein, exclusive of damages relating to Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Unit Owners, but by its terms includes an award for reduction in value of Units without such allocation, the award shall be divided between the affected Unit Owners, subject to the rights of Mortgagees of such Units.

11.2 Partial or Total Taking Directly Affecting Units. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Unit or part thereof (including a Limited Common Area) is taken, the Association shall act on behalf of the Unit Owners with respect to Common Areas as in Paragraph 11.1 above, without limitation on the right of any mortgagees of any one or more Units to represent their own interests, and the proceeds shall be payable as outlined therein. The Unit Owners directly affected by such taking and their respective mortgagees shall represent and negotiate for themselves with respect to the damages affecting their respective Units (including the taking of the Limited Common Area). The awards so made shall, subject to the prior rights of Mortgagees, be used and distributed by the Association first to restore the units and common facilities on the remaining land of the Condominium in the same manner as provided for restoration under Article XII of the Master Deed to the extent possible. If the Building and improvements of the Condominium are taken to the extent that the Unit(s) and/or other improvements affected cannot be reconstructed or restored substantially in accordance with the Building Plans, the members of the Association shall be polled in writing, in person or via United States Mail as to whether the Condominium shall be waived or the affected property reconstructed or restored. The Condominium may only be waived in accordance with the provisions of the Act and the Master Deed and its Exhibits.

ARTICLE XII

RECONSTRUCTION OR REPAIR AFTER CASUALTY

12.1 In the event of fire or other disaster or casualty resulting in damage to the Building(s) or Common Elements of the Condominium which the Association shall determine to be seventy-five percent or less of the then total value of the property of the Condominium (excluding land), the net

proceeds of all insurance collected shall be made available for the purpose of restoration or replacement. When such insurance proceeds are insufficient to cover the cost of such reconstruction or replacement, the balance of such costs may be obtained from the appropriate reserve for replacement funds, if any, and/or shall be deemed a Common Expense and assessed against the Co-owners in the case of damage to Common Elements, and against the Co-owners who own the damaged Units in the case of damage to Units. Such assessments on account of damage to Common Elements shall be in proportion to the Co-owner's share in the Common Elements as specified in Exhibit "D" to the Master Deed. Assessments against Co-owners for damage to Units shall be in proportion to the costs of reconstruction and repair of their respective Units.

12.2 In the event the Building(s) and improvements of the Condominium are damaged or destroyed to an extent which is more than seventy-five percent of the then total value of the property of the Condominium (excluding land) as determined by the Association, the members of the Association shall be polled in writing, in person or via United States Mail as to whether the Condominium shall be waived or the damaged property reconstructed and repaired. The Condominium shall be waived unless within thirty (30) days after the mailing of such notices the Co-owners of seventy-four percent (74%) of the Common Elements of the Condominium, as well as all of the record owners of such encumbrances, agree in writing to repair and reconstruct the Building and improvements in the Condominium. If the election is to reconstruct or replace, payment of the costs thereof shall be made as provided for in subsection (1) of this Article XII. If the decision is to waive the Condominium and not to reconstruct and replace, all sums recovered from insurance shall be paid over to the Co-owners in the proportion in which they own the Common Elements as specified in Exhibit "D" to the Master Deed and to their respective mortgagees as their interests may appear. Notwithstanding anything herein to the contrary the Condominium may only be waived in accordance with the provision of Act and Master Deed and its Exhibits.

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

12.4 Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

12.5 Any reconstruction or repair must be substantially in accordance with the plans and specifications referenced in the Master Deed and the Exhibits thereto, or if not, then according to such other plans and specifications approved by the Association; provided, however, that such other action may be taken only if approved by a majority of the mortgagees of Units; and if the damaged

property is a Building, also by the Co-owners who own at least sixty-six percent (66%) of the Common Elements appurtenant to that Building, including the Co-owners of all damaged Units in that Building. The approvals herein required shall not be unreasonably withheld.

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

(a) If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$100,000, then the reconstruction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of twenty percent (20%) of the mortgagees which are beneficiaries of an insurance policy, the proceeds of which are included in the reconstruction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(b) If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is more than \$100,000, then the reconstruction fund shall be disbursed in payment of such costs in the manner required by the Association and upon approval of an architect qualified to practice in South Carolina and employed by the Association to supervise the work.

(c) The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Co-owner shall be paid to the Co-owner, or if there is a mortgagee endorsement as to such Unit, then to the Co-owner and the mortgagee jointly, who may use such proceeds as they may determine.

(d) It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the reconstruction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution of a beneficial Co-owner which is not in excess of assessments paid by such Co-owner into the construction fund shall not be made payable to any mortgagee.

(e) Notwithstanding the provisions herein, the President may delegate his authorities and responsibilities hereunder as insurance trustee to an independent insurance trustee, who shall not be required to determine whether or not sums paid by Co-owners upon assessments shall be deposited by the Association with the insurance trustee, nor to determine whether a disbursement is to be made from the reconstruction fund nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name or names of the payee and the amount to be paid; provided that when a mortgagee

is herein required to be named as payee, the insurance trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Co-owner; and further provided that when the Association or mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the reconstruction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association prior to disbursement in payment of costs of reconstruction and repair.

(f) If the Association elects not to repair any substantial damage to the Common Elements, the Association shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the condominium and the balance of any insurance proceeds received on account of such damage shall be distributed among all Unit owners in proportion to their respective Common Element interests. If the Condominium shall be terminated pursuant to the Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided among all Unit owners in proportion to their respective Common Element interests as stated in Exhibit "D" to the Master Deed, after first paying out of the share of each Unit owner, to the extent sufficient therefor, the amount of any unpaid liens on the Unit in the order of priority of such liens.

ARTICLE XIII **MORTGAGES**

13.1 Notice to Association. A Co-owner who mortgages his Unit shall notify the Secretary of the Association or the Association's Managing Agent, if any, of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association or its Managing Agent, if any.

13.2 Notice of Default, Casualty or Condemnation. When giving notice to any Co-owner of a default in paying an assessment for Common Expenses (which remains uncured for ten (10) days) or any other default, the Association may but shall not be required to simultaneously or subsequently send a copy of such notice to the mortgagee of such Unit. Each mortgagee shall also be promptly notified of any casualty when required by these By-Laws, of all actions taken under Articles XI and XII and of any taking in condemnation or by eminent domain and actions of the Association with respect thereto.

13.3 Notice of Amendment of Condominium Instrument. The Association shall give notice to all mortgagees at least ten (10) days prior to the date on which the Unit owners, in accordance with the provisions of these By-Laws, materially amend the Condominium Instruments.

13.4 Notice of Change in Managing Agent. The Association shall give notice to all mortgagees requesting such notice at least ten (10) days prior to changing the Managing Agent, if it employs any such agent.

13.5 Mortgagees' Approvals.

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(a) **Super Majority Vote.** Unless at least seventy-four percent (74%) of the Co-owners and their mortgagees have given their prior written approval, the Association shall not unless otherwise permitted by the Master Deed:

(i) (except following destruction or condemnation) change any Unit's Common Element interest except as provided in the Act, the Master Deed and its Exhibits;

(ii) (except following destruction or condemnation) partition, subdivide, abandon, encumber, sell or transfer the Common Elements of the Condominium (except for the granting of utility easements, etc. pursuant to the Act, the Master Deed and its Exhibits);

(iii) (except following destruction or condemnation) by act or omission withdraw the submission of the Property to the Act, except as provided by the Act, the Master Deed and its Exhibits;

(iv) modify the method of determining and collecting assessments or allocating distributions of casualty insurance proceeds or condemnation awards; or

(v) use hazard insurance proceeds for losses to the Condominium for any purpose other than repair replacement or restoration except as otherwise provided in these By-Laws.

(b) **Majority Vote.** Unless at least fifty-one percent (51%) of the mortgagees and at least seventy-four percent (74%) of the Co-owners have given their prior written approval, the Association shall not unless otherwise permitted by the Master Deed:

(i) following destruction or condemnation, change any Unit's Common Element interest except as provided in the Act, the Master Deed or its Exhibits;

(ii) add any material provisions of the Condominium Instruments which establish, provide for, govern or regulate any of the following:

(1) voting;

(2) assessments liens or subordination of such liens;

(3) reserves for maintenance, repair and replacement of the Common Elements (or Units if applicable);

(4) insurance or fidelity bonds;

(5) rights to use of the Common Elements;

- (6) maintenance responsibility;
- (7) boundaries of any Unit;
- (8) the interests in the Common Elements or Limited Common Elements;
- (9) convertability of Units into Common Elements or of Common Elements into Units;
- (10) imposition of any right of first refusal or similar restriction on the right of a Co-owner to sell, transfer, or otherwise convey the Unit; or
- (11) any provisions which are for the express benefit of mortgagees.

(12) **Non-Material Amendments; Presumptive Approval.** Any addition or amendment to the Condominium Instruments shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A mortgagee who is notified of additions or amendments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

13.6 Other Rights of Mortgagees. All mortgagees or their representatives shall have the right to attend and to speak at meetings of the Association. As provided elsewhere in the Condominium Instruments, all such mortgagees shall have the right to examine the Condominium Instruments, Rules and Regulations and books and records of the Condominium, to receive any annual reports filed by Declarant and to require the submission of annual financial reports and other budgetary information.

ARTICLE XIV
NON-LIABILITY AND INDEMNITY OF OFFICERS.

14.1 No officer of the Association shall be liable for acts, defaults, or neglects of any other officer or member or for any loss sustained by the Association or any Co-owner, unless the same shall have resulted from the officer's own willful or negligent act or omission.

14.2 Every officer and agent of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon such officers in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he or she may be involved as a party or otherwise by reason of being or having been an officer or agent of the Association whether or not he or she continues to be such officer or agent at the time of incurring or imposition of such

costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or gross neglect in the performance of duties. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

ARTICLE XV
ALTERATIONS AND MODIFICATIONS

15.1 Neither the Association nor any Co-owner shall make any structural modifications or alterations to his, her or its Unit, or make any additions thereto which would jeopardize the safety or soundness of such Unit or a Building, or adversely affect any of the Common Elements, or impair any easement, unless otherwise permitted by the Master Deed or its exhibits. A copy of plans for all such work, prepared by an architect licensed to practice in the State of South Carolina, shall, if requested, be filed with the Association prior to the start of the work.

15.2 There shall be no alterations or further improvements of the General Common Elements by the Association or any Co-owner without prior approval of sixty-six percent (66%) of the Co-owners of the entire Condominium and, if to a building, one-hundred (100%) percent of the co-owners of such building. Any such alteration or improvement shall not interfere with the rights of any Co-owners without their consent. The cost of such alteration or further improvement shall be assessed to the Co-owners of the Units in the proportions which their shares in the Common Elements bear to each other.

15.3 There shall be no alterations or further improvements of the Limited Common Elements of a Building without prior approval in writing by the Co-owners of sixty-six percent (66%) or more of the Limited Common Elements of that Building. Any such alteration or further improvement shall not interfere with the rights of any Co-owners without their consent. The cost of such alterations or further improvement shall be assessed to the Co-owners of the Units in the proportion which their respective shares in the Limited Common Elements of that Building as specified in Exhibit "D" to the Master Deed.

ARTICLE XVI
FAILURE TO COMPLY WITH CONDOMINIUM INSTRUMENTS

16.1 Each Co-owner, tenant and occupant of a Unit shall be governed by and shall comply with the terms of the Master Deed, these By-Laws, any Rules or Regulations adopted thereunder and said documents as they may be amended from time to time. Failure to comply therewith shall entitle the Association and/or other Co-owners to relief including but not limited to an action to recover sums due for damages or injunctive relief, or both, which actions may be maintained by the Association, or in a proper case by an aggrieved Co-owner.

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

16.3 In any proceeding arising because of an alleged default by a Co-owner under any provisions of the Master Deed or these By-Laws, or any Rules and Regulations adopted by the Association, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

16.4 The failure of the Association or any person to enforce any covenant, restriction or other provision contained in the Act, the Master Deed, these By-Laws, and the Rules and Regulations adopted pursuant hereto and said documents as they may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XVII AMENDMENTS

1. Notwithstanding anything herein to the contrary these By-Laws may be amended at any time by the Declarant during the Transition Period; and thereafter in the following manner:

2. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

3. A resolution for the adoption of the proposed amendment shall be presented to a meeting of the members of the Association. Such approval shall be by Co-owners representing at least seventy-four percent (74%) of the Common Elements of the Condominium as specified in Exhibit "D" to the Master Deed, unless unanimous approval of all Co-Owners is required by the Master Deed or if such amendment only affects one (1) Building, the approval of the Co-Owners of sixty-six percent (66%) of the Limited Common Elements appurtenant to that Building must be obtained.

4. **Proviso.** Provided, however, that no amendment shall discriminate against any Co-owner nor against any Unit or class or group of Units unless the Co-owners so affected shall consent, which consent shall not be unreasonably withheld. No amendment shall be made which is in conflict with the Act, the Charter of the Association, the Master Deed establishing the Condominium, or the provisions in these By-Laws for the protection of mortgagees.

5. **Execution and Recording.** A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the office of the Register of Mesne

ARTICLE XVIII
MISCELLANEOUS

18.1 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Charter and By-Laws of the Association, the Master Deed establishing the Condominium, or with the laws of the State of South Carolina.

18.2 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by its officers. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Association.

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

18.4 Seal. The seal of the Corporation shall consist of two concentric circles between which is the name of the Association, and in the center of which is inscribed "Seal".

The foregoing were adopted as By-Laws of The Parish Place Condominium Association, Inc., a non-profit corporation existing under the laws of the State of South Carolina, at the first meeting of its members on May 23, 2007.

WITNESSES:





**THE PARISH PLACE
CONDOMINIUM ASSOCIATION, INC.**

BY: 

Deborah M. Wertan
Secretary

EXHIBIT A

OK R 626PG878

All that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in the Town of Mt. Pleasant, In Christ Church Parish, in the County of Charleston, State of South Carolina, known and designated as Lot 9, Block 1, on a plat bearing the legend: "Plat Showing Parish Place, Charleston County, S.C., Property of Queensborough, Inc.," by C. Roger Jennings, RLS, dated May 20, 1969, which plat is duly recorded in the RMC Office for Charleston County, in Plat Book Z at Page 31.

All that lot, piece or parcel of land, situate, lying and being in the Town of Mt. Pleasant, in Christ Church Parish, in the County of Charleston, State of South Carolina, known and designated as Lot 10, Block 1, on a plat bearing the legend: "Plat Showing Parish Place, Charleston County, S.C., Property of Queensborough, Inc.," by C. Roger Jennings, RLS, dated May 20, 1969, which plat is duly recorded in the RMC Office for Charleston County in Plat Book Z at Page 31.

ALL that lot, piece or parcel of land, situate, lying and being in the Town of Mount Pleasant, in Christ Church Parish, in the County of Charleston, State of South Carolina, known and designated as Lot Eleven (11), Block 1, on a plat bearing the legend "Plat showing Parish Place, Charleston County, South Carolina, property of Queensborough, Inc." by C. Roger Jennings, R.L.S. dated May 20, 1969, which Plat is duly recorded in the RMC Office for Charleston County in Plat Book Z at Page 31.

RULES AND REGULATIONS
OF
THE PARISH PLACE CONDOMINIUM ASSOCIATION, INC.

The Parish Place Condominium Association, Inc. the (the "Association"), acting through its officers, has adopted the following Rules, Restrictions and Regulations ("Regulations").

1. Rules and Regulations. The Association may from time to time adopt or amend rules and regulations governing and restricting the use and maintenance of Common Areas, both General and Limited Common Areas provided, however, that copies of the rules and the regulations shall be furnished each Owner prior to the time the same shall become effective.

2. Owners Responsibility. The rules and regulations contained hereinafter shall be in effect until changed to or amended by the Association and shall apply to and be binding upon any Owner and tenants, lessees or guests. The Owner, tenants, lessees and guests shall obey the rules and regulations at all times and shall use their best efforts to see that they are observed in full by their families, guests, invitees, servants and persons over whom they may exercise control and supervision.

3. Residential Use. All Units shall be used for private residential purposes exclusively, except such temporary non-residential uses as may be permitted by the Board of Directors from time to time. Furthermore, no Unit may be occupied by more than the permitted number of heads of households and their family pursuant to county and state zoning regulation and law. No improper, offensive or unlawful use shall be made of the Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of such Property shall be the same as the responsibility for the maintenance and repair of the Property concerned.

4. Obstruction. The entrances, passages, corridors, stairways, and parking areas and other Common Areas or Limited Common Areas of the Project shall not be obstructed, encumbered or used for any purpose other than ingress and egress to and from the Project and/or Units and other purposes for which they are intended and no carriages, bicycles, mopeds, wagons, carts, chairs, benches, tables, toys or other objects, or things regardless of the nature thereof shall be left or stored therein.

5. Persons. No person shall play or loiter in the public areas of the Project.

6. Storage. All personal property of an Owner shall be stored in their respective Residential Unit. No structures of a temporary character, trailers, tents, shacks, barns

or other outbuildings shall be erected by any Owner or occupant on any portion of the Common Area. The patios shall not be used for storage of any kind including but not limited to carriages, bicycles, mopeds, wagons, carts, toys or other objects. Patio furniture appropriate for outdoor use and properly maintained shall be allowed in patio areas.

7. Articles. No garbage cans, supplies, bottles, or other articles shall be placed in the corridors, on the balconies, decks, patios, stairways, any Common Area or Limited Common Area of the Project, nor shall lines, cloths, or clothing, be exposed on any part of the windows, doors or balconies, decks, patios, or be exposed on any part of the Common Areas or Limited Common Areas unless written permission is obtained from the Association. Garbage cans shall be stored in the designated area and the lid closed and not filled over capacity. Garbage cans shall not be placed at the curb earlier than the night before pick up and shall be returned to the designated area no later than 7:30pm on the day of pick up.

8. Debris. Common Areas or Limited Common Areas shall be kept free of rubbish, debris, garbage or unsightly material.

9. Safety. Owners shall take reasonable precautions not to permit anything whatsoever to fall from his or her Unit nor shall he or she sweep or throw from the Unit or other part of the Project any dirt or substance into the corridors, halls, balconies, decks, patios or other similar areas in the Condominium.

10. Trash. Refuse, rubbish and garbage shall be disposed of in a manner provided for and not placed outside in the corridors, hallways, balconies, decks, patios or stairways, etc. at any time or for any reason.

11. Windows. The Owners of any Unit shall, at his or her own expense, clean repair and maintain both interior and exterior surfaces of all windows. The window treatments visible from outside the unit must be white mini-blinds approved by the association. No flags, sheets, towels, or other materials not specifically designed for window covering shall be used for window coverings in the individual Units.

12. Employees of the Association. Employees of the Association (if any) shall not be sent out of the Project by Owners at any time for any purpose other than at the direction of the Association. Neither shall employees of the Association come in and service or repair or replace items that are the responsibility of the Owner of a Unit while working for the Association.

13. Fire Equipment. Each Unit shall maintain in working order standard residential Fire prevention and fire fighting equipment.

14. Parking. The parking spaces, and facilities shall be used exclusively for parking of automobiles except upon written consent of the Association. Owners and tenants shall park in the Limited Common Area parking spaces assigned to their unit with overflow parking in the General

Common Area. Vehicles shall be parked only in appropriate spaces. Vehicles shall be subject to such reasonable rules and regulations as the Association may adopt. Except as herein provided, no trailers, tractors, campers, wagons or trucks that exceed three-quarter ton or other commercial type motor vehicles shall be parked within the Project except vehicles while loading and unloading. No repair work on motor vehicles shall be allowed in the parking spaces except emergency repairs. Only legally registered and operating vehicles are permitted on the grounds of the Project.

15. Noises. No Owner, his family, servants, employees, agents, visitors, guests, invitees, licenses, tenants or lessees shall make or permit any disturbing noises in the Common Area or Limited Common Area or his or her Unit. Nor shall any such person do or permit to be done anything that will interfere with the rights, comfort or convenience of the remaining Unit Owners or occupants. No Owner or occupant shall play any musical instrument, phonograph, radio, television, or sound amplifier in such a manner or volume so as to disturb or annoy any other Unit Owner or occupant. Wired stereo systems on the porch of any Unit is prohibited.

16. Pets. Pets shall be kept or maintained on or about the Project only if the Owner is granted a conditional license to maintain not more than two (2) pets by the Association. Such a license will be granted subject to the following conditions and reservation:

a. **Acceptable Pets:** Unless the Association grants a waiver of this condition, the only pets to be permitted on the Project property shall be dogs which are under thirty-five (35) pounds when fully grown and cats, small birds and fish.

b. It shall be the responsibility of the Owner to pay for any and all cost involved in restoring to the original new condition any damage caused to the Project property by a pet.

c. An Owner shall be financially responsible for any personal injury or personal property damage caused to any Owner, tenant, guest, employee of the Association, or to any member of the public as a result of the Owner's maintenance of a pet.

d. Pets must be carried in arms or on a leash when taken outside of a Unit.

e. Pets must not be curbed near the buildings, walkways, shrubbery, gardens, planting areas or public space. Each Owner shall be responsible for cleaning up or removing from the Property any pet waste.

f. Guests, tenants and visitors of an Owner shall not be permitted to bring any pets onto the Project property other than those allowed in Section 9.16a and at no time shall the total number of pets associated with any one unit exceed two (2).

g. The Association may, upon their sole determination, revoke or terminate the above conditional license if a pet is either vicious or is annoying other Unit Owners or occupants or is

otherwise a nuisance.

17. Advertising. No ads, signs, posters, or advertisement of any kind shall be posted on the walls, windows or doors in the interior or exterior of a Unit or the Common Area or Limited Common Area of the Project. Notwithstanding the above prohibitions, signs offering the Unit for rent or sale may be posted on the interior or exterior of a Unit or the Common Area or Limited Common Area in a form and in such location as approved by the Association. Nothing herein shall be construed as limiting the signage of the Developer offering the property for sale or rent.

18. Leasing of Units. Units may be rented according to the following provisions:

- a. No lease may be for a period less than one-hundred and eighty (180) days.
- b. Copies of all leases and reasonable contact information for each tenant or occupier shall be deposited with the Association.
- c. Tenants shall abide by the Association's rules and regulations and failure to do so shall result in the immediate eviction of the offending tenant or tenants.
- d. The lease for any Unit within the Project shall contain provisions to the effect that the rights of the tenant to use and occupy the Unit shall be subject to and subordinate in all respects to the provisions of this Master Deed and the By-Laws and to other reasonable rules and regulations imposed by the Association.

19. Air Conditioning Units. No Owner shall install or cause to be installed window units or wall air conditioning units without the approval of the Association.

20. Hazard. Nothing shall be done or maintained in any Unit or upon any Common Area or Limited Common Area which will increase the rate of insurance on any Unit or the Common Areas or Limited Common Areas, or result in the cancellation thereof, without the prior written approval of the Association. Nothing shall be done or maintained in any Unit which would be in violation of any law.

21. Commercial Activities. No Unit or Common Area or Limited Common Area shall be used for commercial activities of any charter.

22. Wiring. No Satellite dish, radio, television, or CB installation or other wiring shall, hereafter, be installed on the exterior of the Building without the consent of the Association. Any installation or wiring made without consent is liable to be removed without notice and at the cost of the Owner for whom such wiring was installed.

23. Awnings. No blinds, shades, glass, jalousies, ironwork, screen, awning, panels, flags, or covering shall be affixed or attached to the outside of the building or the exterior windows,