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STATE OF SOUTH CAROLINA ) AMENDED AND RESTATED MASTER DEED  
) FOR MARSH SIDE HORIZONTAL PROPERTY  
) REGIME I  
COUNTY OF BEAUFORT )

**WHEREAS**, Carolina Summit Properties, Inc. (hereinafter the "Developer") was a South Carolina Corporation having its principal place of business in Hilton Head Island, Beaufort County, South Carolina; and

**WHEREAS**, the Developer was the owner of that certain real property, more fully described in Exhibit "A" attached hereto (hereinafter the "Land"), located at Hilton Head Island, South Carolina; and

**WHEREAS**, Southeast Holding Company, Ltd. reserved certain rights and powers in the Property known as Marsh Side in that document entitled Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc., which constitute Covenants running with certain lands of Southeast Holding Company, Ltd. recorded May 3, 1984, in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 393 at Page 1427; and

**WHEREAS**, on November 2, 1984, Developer established the Marsh Side Horizontal Property Regime I (hereinafter the "Regime") by Master Deed (hereinafter the "Master Deed") recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 406 at Page 1556, which Master Deed and all Amendments thereto are incorporated herein by reference; and

**WHEREAS**, the Master Deed contains the plan of development and other matters necessary for a multi-phase Horizontal Property Regime consisting of multi-family units as required by the South Carolina Horizontal Property Act; and

**WHEREAS**, thereafter, certain Amendments to the Master Deed were recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 409 at Page 196, Deed Book 411 at Page 1600, Deed Book 416 at Page 567, Deed Book 418 at Page 426, Deed Book 420 at Page 413, Deed Book 423 at Page 517, Deed Book 425 at Page 832, and re-recorded in Deed Book 439 at Page 689, Deed Book 429 at Page 388 and re-recorded in Deed Book 439 at Page 707, Deed Book 436 at Page 1198 and re-recorded in Deed Book 439 at Page 725, Deed Book 439 at Page 676, Deed Book 446 at Page 1340, Deed Book 446 at Page 1353, Deed Book 446 at Page 1367, Deed Book 446 at Page 1540, Deed Book 464 at Page 1093, Deed Book 490 at Page 2339, Deed Book 495 at Page 2033 and re-recorded in Deed Book 513 at Page 1632, Deed Book 513 at Page 20, Deed Book 513 at Page 39, Deed Book 517 at Page 1830 and Deed Book 537 at Page 1874; and

**WHEREAS**, the Developer assigned certain of its rights to the Marsh Side Horizontal Property Regime I on February 4, 1988, said Assignment recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 495 at Page 2097 and re-recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 513 at Page 1627; and

**WHEREAS**, Southeast Holding Company, Ltd. assigned certain of its rights under the Covenants to the Marsh Side Owners' Association, Inc. on March 30, 1990, said Assignment recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 550 at Page 1235; and

**WHEREAS**, pursuant to Article XIV, Section 14.2 of the Master Deed, amendments hereto shall be proposed by the Board of Directors, notice of such included in the meeting of the Association, and adoption at a meeting of the of Association called in accordance with the By-laws and this Master Deed and upon the vote of Owners representing at least Sixty Seven (67%) percent of the total percentage interest;

**NOW, THEREFORE**, KNOW ALL MEN BY THESE PRESENTS, that the Marsh Side Owners Association, Inc. hereby submits the Amended and Restated Master Deed for Marsh Side Horizontal Property Regime I as having been approved by more than Sixty Seven (67%) percent of all Owners at a meeting of the Association held on December 1, 2012.

## ARTICLE I

### Definitions

Section 1.1 Definitions. Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20, South Carolina Code of Laws, (1976), when used in this Master Deed or any amendment hereto, shall have the meaning therein provided. The following words, when used in this Master Deed or any amendment hereto, unless the context requires otherwise, shall have the following meanings:

(a) "Act" means the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976), Sections 27-31-10 et seq., and as may be further amended from time to time.

(b) "Assessment" means the amount assessed against an Owner and his Unit, from time to time, by the Association in the manner provided herein.

(c) "Association" means Marsh Side Owners Association, Inc., being an association of, and limited to, Owners of the Units located in the Regime in the form of a non-profit, non-stock membership association which has been incorporated with the South

Carolina Secretary of State.

(d) "Board of Directors" or "Board" means the Board of Directors of the Association, and "Director" or "Directors" means a member or members of the Board.

(e) "By-Laws" means the By-Laws of the Association attached hereto as Exhibit "H", as amended from time to time.

(f) "Common Area" means all of the Regime Property after excluding the Units and Limited Common Area.

(g) "Common Expenses" means (i) all expenses incident to the administration, maintenance, repair, and replacement of the Common Area and Limited Common Area, after excluding therefrom such expenses which are the responsibility of an Owner; (ii) expenses determined by the Association to be common expenses and which are lawfully assessed against Owners; (iii) expenses declared to be common expenses by the Act or the Regime Documents; and (iv) reasonable reserves established for the payment of any of the foregoing.

(h) "Developer" means Carolina Summit Properties, Inc., a South Carolina corporation, its successors and assigns.

(i) "Land" means the certain real Property described in Exhibit "A" attached hereto.

(j) "Limited Common Area" means those areas so designated in Exhibit "D" attached hereto.

(k) "Master Deed" means this document, as amended from time to time.

(l) "Owner" means the record owner, whether one or more persons, of fee simple title in and to any Unit, excluding, however, those persons having such interest merely as security for the performance of an obligation.

(m) "Percentage Interest" means the percentage of undivided interest each Owner owns as tenant-in-common in the Common Area and Limited Common Area, and "Total Percentage Interests" means the aggregate of all the percentage interests.

(n) "Plans" means and includes the architectural plans of the Property which are filed as an attachment to the original Master Deed, said plans having been prepared by Wiggins and Associates, Inc., Architect-Planners-Designers, entitled "Marsh Side Horizontal Property Regime I", and certified by a licensed engineer and/or architect in accordance with the provisions of the Act.

(o) "Property" means the Land, the buildings, and all other improvements and structures located thereon, and all easements, rights, and appurtenances belonging thereto, submitted to the Act by this Master Deed.

(p) "Regime" means the horizontal property regime established by this Master Deed, including all appurtenances and incidents of ownership attendant therewith.

(q) "Regime Documents" means and includes this Master Deed, all Exhibits hereto, the Articles of Incorporation of the Association, the By-Laws, and the Rules and Regulations, all as amended from time to time.

(r) "Rules and Regulations" means the rules and regulations, from time to time promulgated by the Board of Directors, governing the use of the Common Area, Limited Common Area, and Units.

(s) "Site Plan" means and includes the survey of the Land and improvements attached hereto as Exhibit "B" showing the boundaries of the land and the location of the Units and amenities of the Property thereon.

(t) "Special Assessments" means those assessments levied pursuant to Article IV, Section 4.2 herein.

(u) "Trustee" means a financial institution with trust powers or other business entity commonly accepted by private institutional mortgage investors in Beaufort County, South Carolina, to act as a fiduciary for the benefit of the Association and the Owners which shall be designated by the Board of Directors to hold certain funds and provide services as provided herein.

(v) "Unit" means that part of the Property intended for independent use by an Owner situate within the Unit Boundaries designated in Exhibit "E". Each Unit is identified in Exhibit "B" by a specific number, which number shall be sufficient to identify the Unit for all purposes.

(w) "Unit Estate" means all the components of ownership held by an Owner, including the rights and interests of the Owner in and to the Unit, the rights of use of the Limited Common Area, and the undivided interest in the Common Area and Limited Common Area. Unless the context requires otherwise, all references to "Units" herein shall include the "Unit Estate".

## ARTICLE II

### Administration

Section 2.1 The Association. The administration of the Regime shall be the responsibility of the Association which shall be made up of all the Owners of Units in the Regime. The Association and the Owners shall be governed by this Master Deed and By-Laws attached hereto as Exhibit "H" and any reasonable Rules and Regulations implemented by the Board of Directors, as amended from time to time.

Section 2.2 Professional Management. Management of the Property may be conducted by a professional management company retained by the Association or an individual who, in the opinion of the Association, is capable of managing the Property; provided, however, that the Association shall not enter into any management contract with a term of longer than one (1) fiscal year and all contracts shall contain reasonable compensation and termination provisions consistent with provisions generally prevailing for management contracts relating to condominium projects located in Beaufort County, South Carolina.

Section 2.3 Agreements. The Association, acting through the authority vested in its Board of Directors, 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 authorized by law, the Master Deed, and the By-Laws of the Association.

Section 2.4 Access to Information. The Association shall make available to Owners and holders, insurers or government guarantors of any mortgage, current copies of the Regime Documents and the books, records, contractual arrangements, and financial statements of the Association. "Available" means available for reasonable inspection, upon request, during normal business hours or under other reasonable circumstances. The Association shall be entitled to charge reasonable copying costs and administrative fees necessary to make such records available. Any party entitled to the benefits of this Section 2.4 shall be permitted to designate who shall be permitted to represent said party in connection with any and all reviews of the Regime Documents and books, records, contractual arrangements, and financial statements of the Association.

Section 2.5 Financial Statements. No later than one hundred twenty (120) days after the close of any fiscal year of the Association, the Association shall cause financial statements for such fiscal year to be prepared by a certified public accountant, licensed in the State of South Carolina. Copies of these financial statements shall be provided for a charge to any party entitled to the benefits of Section 2.4 promptly upon request.

Section 2.6 Rules and Regulations. Subject to the terms of the Master Deed and By-Laws and in accordance with its' duty of care to the Association and its Members, the Board of Directors may adopt rules which modify, cancel, limit, create exceptions to, or expand both the Association's and the Members' rights to use the Property, including but not limited to, the Units, the Limited Common Areas and the Common Areas. Such rules shall be binding upon and enforced by the Association against all Owners, lessees of Owners, their families, invitees and guests regarding the use and enjoyment of Units, the Limited Common Areas, and the Common Areas. Any such rules and regulations shall become effective upon resolution of the Board of Directors and shall be furnished to Owners and lessees via U.S. Mail, hand-delivery, e-mail or such other method as is determined reasonable by the Board of Directors.

### ARTICLE III

#### Property Rights

Section 3.1 Development Plan. The Developer has constructed residential buildings and amenities substantially in accordance with the plans and specifications for construction, copies of which are on file in the office of the Association.



Section 3.2 Units.

(a) Each Owner, subject to the provisions of the Act, the Master Deed, By-laws and Rules and Regulations shall be entitled to the exclusive ownership and possession of his Unit. No Rule or Regulation shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair share use of the Common Area.

(b) No Owner may modify the Unit, the Common Area or Limited Common Area, in such a way as to alter the basic structure or configuration of the originally constructed Unit without the express written permission of the Association.

Section 3.3 Common Area and Limited Common Area.

(a) Percentage Interest. The Owners shall own the Common Area and Limited Common Area as tenants-in-common, with each Unit having appurtenant thereto the Percentage Interest in the Common Area and Limited Common Area as set forth in Exhibit "F" attached hereto; provided, however, that the use of the Limited Common Area shall be restricted as set forth in Section 3.3(e). The Percentage Interest appurtenant to each Unit has been determined by dividing the assigned value of the respective Unit, as shown on Exhibit "F", by the aggregate value of all or the Units, as shown on Exhibit "F". The value assigned to any Unit in Exhibit "F" shall not fix the market value of the Unit and shall only be utilized for the purposes of computing the Percentage Interest appurtenant to the respective Unit.

(b) Inseparability of Percentage Interests. The Percentage Interest in the Common Area and the Limited Common Area cannot be separated from the Unit to which it appertains and shall be automatically conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the Deed or other instruments.

(c) No Partition. The Common Area and Limited Common Area shall remain undivided and no right to partition the same or any part thereof shall exist except as provided by the Act, the By-Laws, and this Master Deed.

(d) Use of Common Area. The Common Area shall be used in accordance with the intended purposes without hindering the exercise of, or encroaching upon, the rights of other Owners. The Board of Directors shall, if any question arises, determine the purpose for which a part of the Common Area is intended to be used. All Owners and lessees of Owners, their families, invitees, and guests shall abide by all Rules and Regulations, from time to time in effect, governing the use of the Common Area.

(e) Limited Common Area. Ownership of each Unit shall entitle the Owner or Owners thereof to the use of the Limited Common Area adjacent and appurtenant to such Unit and so designated in Exhibit "D", which exclusive use may be delegated by such Owner to persons who reside in his Unit. The Limited Common Elements may not be altered or used for any purpose for which such area was not designed. All Owners and lessees of Owners, their families, invitees, and guests shall abide by all Rules and Regulations, from time to time in effect, governing the use of the Limited Common Area.

Section 3.4 Restrictions Regarding Areas Subject to the Jurisdiction of the Coastal Council. Notice is hereby given that all activities on or over and all uses of the submerged land or other critical areas of the Land which are subject to the jurisdiction of the Coastal

Council, as is indicated in Exhibit "A", must be authorized by the South Carolina Coastal Council. Any Owner is liable to the extent of his ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area.

#### ARTICLE IV

##### Assessments

Section 4.1 Annual Assessments. All Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association Common Expenses which shall include, among other things, liability insurance, insurance policy premiums and deductibles to cover repair and new construction work in the event of hurricane, fire, earthquake or any other such hazard. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any other authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund, and to make up any deficit in the Common Expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Owners a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the Common Expenses payable by each of them, respectively, as determined by the Board. 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. During any such fiscal year, the Board may, in its' discretion, increase

the amount of monthly installments by no greater than ten (10%) percent if necessary to cover a budget deficit due to delinquent assessments or an unanticipated increase in service costs or Common Expenses.

The failure of 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 any installment thereof for that or any subsequent year, but the assessment fixed for the preceeding year shall continue until a new assessment is fixed by the Board at a duly held Board meeting. 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 Common Elements or Limited Common Elements or by abandonment of his Unit.

Section 4.2 Special Assessments. In addition to the Annual Assessments for Common Expenses as authorized in Section 4.1 of this Article IV, the Board may levy, in any assessment year, Special Assessments for unbudgeted expenses or expenses in excess of those budgeted, applicable to that year only, provided that any such assessment shall be approved by Owners holding fifty-one (51%) percent or more of the total vote of the Association, voting in person or by proxy at a meeting duly called for this purpose. The Board may make such special assessments payable in installments over a period which may, at the Boards' discretion, extend in excess of the fiscal year in which such special assessments are adopted.

Section 4.3 Benefitted Assessments. The Board may levy benefitted assessments against particular Units for expenses incurred or to be incurred by the Association as follows:

- (a) To recover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner.
- (b) To cover costs incurred in bringing the Unit into compliance with the terms of the Master Deed, Bylaws or Rules and Regulations of the Association, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity to cure the non-compliance before levying a benefitted assessment.

Section 4.4 Date of Commencement of Annual Assessments; Due Dates. Although the Annual Assessment is calculated on a fiscal-year basis, each Owner of a Unit shall be obligated to pay to the Association or its designated agent such assessment in equal, monthly installments due on or before the first day of each month, or in such other manner as is established by the Board, during such fiscal year.

The obligations of Owners regarding the payment of monthly installments of the Annual Assessments provided for in this Article IV shall, as to each Unit, commence and be pro-rated upon the title conveyance. The first monthly payment of the Annual Assessment for each such Unit shall be an amount equal to the monthly payment for the fiscal year in progress on such commencement date, divided by the number of days in the month of conveyance and multiplied by the number of days then remaining in such month.

The Association shall, upon demand at any reasonable time, furnish to any Owner liable for such Assessment a certificate in writing, signed by an Officer of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any Assessment stated to have been paid as to any person or entity who has

relied on the certificate to his d e t r i m e n t .

Section 4.5 Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association:

(a) If an Assessment is not paid on the date when due, as herein provided, then such Assessment, together with such late charges and interest thereon and any costs of collection, shall be a charge and continuing lien on the Unit to which it relates, and shall bind such Property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the Owner to pay such Assessment, however, shall remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner will nevertheless remain as fully obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

(b) Any Assessment installment which is not received within ten (10) days of the due date thereof, or within any established grace period, shall incur a late charge of Twenty-five (\$25.00) dollars or such greater amount as may be set by the Board. All late payments, Assessments and late charges shall commence to accrue interest at the rate of eighteen percent (18%) compounded annually. In addition, in the event any Assessment installment is not received within thirty (30) days of the due date thereof, the Association shall have the right to declare the balance of the Assessment for the Annual Assessment Period on any and all such properties owned by that Owner, then in effect immediately due and payable upon written notice

to the defaulting Owner.

(c) During any period in which an Owner shall be in default in the payment of any Assessment installment levied by the Association, the voting rights, right to use the Common Areas and any facilities within the Common Areas and the provision of any services provided by the Association to the Owner may be suspended by the Board until such time as the Assessment has been paid.

(d) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue both such courses at the same time or successively. The Association shall be entitled to recover all unpaid Assessments, along with late charges and interest, reasonable attorneys' fees and all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt, to foreclose the aforesaid lien, or to pursue any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights, which may reduce any deficiency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any Unit or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the Unit after the commencement of the action and at its option the Association will be entitled to the appointment of a receiver to collect such rents. The Association will have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may be relieved from liability for the Assessment by abandonment of his Unit or

otherwise.

(e) In the event a Mortgagee commences an action against an Owner, the Association, at its option, shall have the right to participate in such action to the fullest extent authorized under South Carolina Law. The Association shall be entitled to recover reasonable attorneys' fees and all costs associated with participating in such foreclosure action.

Section 4.7 Subordination of the Charges and Liens to Mortgages.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees, and costs of collection) authorized herein with respect to any Unit is subordinate to the lien of any mortgagee or his assigns placed on such Unit Estate if, but only if, all such Assessments with respect to such Unit Estate having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due data subsequent to the date such mortgage is filed for record and prior to the satisfaction, cancellation, or foreclosure of such mortgage.

(b) Such subordination is merely a subordination and shall not relieve the Owner of the mortgaged Unit Estate of his personal obligation to pay all Assessments coming due at a time when he is the Owner; shall not relieve such Unit Estate from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished against a mortgagee or such mortgagee's assignee or transferee by foreclosure); and no sale or transfer of such Unit Estate to the mortgagee or to any other person shall relieve any previous Owner from liability for any Assessment coming due before such sale or transfer.

Section 4.8 Reserves. The Board of Directors shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common



Area and Limited Common Area. The Board of Directors shall include amounts needed to maintain an adequate reserve fund in its estimation of the Common Expenses for each fiscal year and shall cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment.

## ARTICLE V

### Insurance and Casualty Losses

#### Section 5.1 Hazard Insurance.

(a) The Association shall obtain, maintain, and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy or policies of property insurance covering the entire Property, except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all, improvements and betterments made to Units by Owners at their expense; and (iii) personal property of Owners and lessees of owners, their families, invitees, and guests. Such coverage shall also insure supplies, equipment, and other personal property of the Association. All policies of property insurance shall be single-entity condominium insurance coverage. The master insurance policy shall afford, at a minimum, protection against loss or damage by fire and other perils normally covered by standard extended coverage endorsements; and all other perils which are customarily covered with respect to condominium projects similar in construction, location, and use, including all perils covered by a standard special form or its equivalent, where such is available. The policy shall be in an amount equal to one hundred (100%) percent of the current replacement cost of the Property, exclusive of land, foundations, excavation, and other items normally excluded from coverage, and "agreed value" and "inflation guard" endorsements shall also be obtained, if available. A "deductible amount" not to exceed amounts permitted in

applicable provisions of the Federal National Mortgage Association Conventional Home Mortgage Selling Contract. Supplement may be included at the discretion of the Board of Directors if a material savings in premium cost results. Generally, the deductible amount will be a Common Expense but, in its' discretion, the Board of Directors may assess any non-reimbursable expenses, such as the deductible, costs and attorneys' fees, in a manner it deems appropriate based on the type of claim, the portion of the Property damaged and/or the pro-rata share of such expenses to be paid by the Unit Owners directly affected by the damage, in proportion to the value of the respective repairs.

(b) No less than every three years, the Board of Directors shall cause to be conducted an annual insurance review for the purpose of determining the full insurable value of the entire Property, including all buildings, Units, Limited Common Area, and the Common Areas, without respect to the depreciation or improvements on the Land (with the exception of improvements) by one or more qualified persons. The information obtained from this review shall be utilized in connection with satisfaction of the insurance required hereof. If, at the time such review occurs, the Board determines the premium for renewal of the recommended full insurable value is in excess of the amount budgeted during that fiscal year, the increase in such premium shall be spread equally among all Unit Owners as a Common Expense.

(c) The name of the insured under the master policy shall be substantially as follows: "Marsh Side Owners Association, Inc., for the use and benefit of the individual Owners of Units in Marsh Side Horizontal Property Regime. Loss payable provisions shall be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's mortgagee as the interests of such parties may appear. Each Owner and his respective mortgagee, if any, shall be beneficiaries of the policy in a percentage equal to the Percentage Interests attributable

to the Unit owned by such Owner. All policies shall contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in Beaufort County, South Carolina, and which appropriately names all mortgagees or their servicers in such form as requested by such mortgagees or their servicers.

(d) All policies shall be written with a company licensed to do business in the State of South Carolina or otherwise approved to do business in the State of South Carolina by the SC Department of Insurance holding a rating of "A" or better in a financial category established by Best's Insurance Reports. If such company is available and, if not available, the best rating possible or its equivalent rating. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against the Association Owners, mortgagees, or the designees or mortgagees; (ii) by the terms of the carrier's charter, by-laws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders, or members; or (iii) the policy includes any limiting clause (other than insurance conditions) which could prevent mortgagees or Owners from collecting insurance proceeds. Policies may not be cancellable or substantially modified without at least ten (10) days prior written notice to the Association and each mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy. Policies also shall contain a "special condominium endorsement", or its equivalent, which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners, individually; the insurance is not prejudiced by any act or omission or negligence of individual Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Owner has other insurance covering

the same loss.

(e) The Association shall provide copies of certificates of insurance to Owners and/or mortgagees requesting the same for a charge not to exceed reasonable administrative and copying costs. Certificates and/or loss payee endorsements will be provided to Owners and mortgagees as soon as practical after each renewal. In addition, the Association shall cause to be provided evidence of insurance forms which provide the following: a minimum of ten (10) days notice to each mortgagee listed as a scheduled holder of a first mortgage in the insurance policy prior to cancellation, non-renewal, or any change adverse to the interests of the mortgagee; the amount of types of coverage afforded; indicate by descriptive name any special endorsements made a part of the master policy; and be executed by an authorized company representative.

(f) Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the Unit, the personal property, wall coverings, decorations, and furnishings within the Unit and the additions and improvements made by him to the Unit. Such coverage shall in no way decrease the amount which the Association, on behalf of the Owners and their Mortgagees, may realize under any insurance policy which the Association may have in force on the Property. Each Unit Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-ratio because of the master hazard policy.

As set forth in the Master Deed, an 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, costs, attorneys' fees, and the like, against the negligent Owner, and such Assessment shall be collectible just as any other Assessment.

Section 5.2 Flood Insurance. The Association shall obtain, maintain, and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy of flood insurance made available under the National Flood Insurance Program covering the Property for so much thereof as may be covered under the available policies of insurance. Coverage of such policy shall not be less than the lesser of (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property; or (ii) one hundred (100%) percent of the current "replacement cost" of all such buildings and other insurable property. Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator.

Section 5.3 Liability Insurance. The Association shall obtain, maintain, and pay the premiums, as a Common Expense, upon a policy of commercial general liability insurance coverage covering, at a minimum, all of the Common Area and Limited Common Area. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location, and use to the Property; provided, however, that such coverage shall be for at least Five Hundred Thousand and no/100 (\$500,000.00) Dollars for bodily injury, including death of persons and

property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability to the insured for property damage, bodily injury, and death of persons in connection with the operation, maintenance, and use of the Common Area, and legal liability arising out of Worker's compensation laws. All mortgagees, upon written request, may be listed as scheduled holders of first mortgages in the insurance policy. Such policy must provide that it is not cancellable or substantially modifiable, by any party, without at least ten (10) days prior written notice to the Association and each party listed as a scheduled holder of a mortgage in the insurance policy.

Section 5.4 Fidelity Bonds. The Association shall obtain, maintain, and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all Officers, Directors, Trustees, and employees of the Association and all other persons handling or responsible for funds belonging to, or administered by, the Association; provided, however, that the professional management company assisting with the administration of the Regime shall be responsible to provide its own blanket fidelity bond which meets the requirements of this Section 5.4. The total amount of the fidelity bond coverage required shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds, including reserve funds, in the custody of the Association or the professional management as the case may be, at any given time during the term of each bond; provided, however, that in no event shall the aggregate amount of such bonds be less than Five Hundred Thousand and no/100 (\$500,000.00) Dollars. Fidelity bonds shall meet the following requirements: the Association shall be named as an obligee; the bonds shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees"

or similar terms or expressions; and the bond shall provide that it may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association and all mortgagees who have requested notice of any cancellation or substantial modification of the bond.

Section 5.5 Authority to Adjust Loss. Authority to negotiate, settle, and otherwise deal in all respects with insurers and adjust all losses under policies provided for herein shall be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and mortgagees; provided, however, that all Owners and mortgagees having an interest in such loss shall be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each owner, in accepting a Deed to a Unit, expressly appoints the Directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the-Owner could act in person on all matters related to the authority granted in this Section 5.5, including executing all documents required in connection therewith on behalf of the Owner.

Section 5.6 Trustee.

(a) The Board of Directors shall, from time to time, designate a Trustee who shall serve the Association, Owners, and their mortgagees (as their interests may appear) as provided for herein. The Trustee shall be entitled to receive reasonable compensation for services rendered, which shall be a Common Expense of the Association.

(b) All insurance policies obtained by the Association shall be deposited with the Trustee. The insurance policies shall name the Association and the Trustee as loss payees. Immediately upon the receipt by the Association of any insurance proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and deliver the instrument to

the Trustee. The Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies, or for the failure to collect any insurance proceeds. Nor shall the Trustee have any obligation to inspect the Property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

(c) Among other things, the duties of the Trustee shall be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their mortgagees, and disburse the proceeds as hereinafter provided.

(d) Proceeds of insurance policies received by the Trustee shall be disbursed as follows:

(i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be paid to the Association for the benefit of all Owners and their mortgagees, if any.

(ii) If it is determined, as provided in Section 5.7, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.

(iii) Any and all disbursement of funds by the Trustee, for any purpose whatsoever, shall be made pursuant to, and in accordance with, a certificate of the Association, signed by the President and attested to by the Secretary, directing the Trustee to make the disbursements.

(iv) If the damage or destruction is to the Common Area and/or to the Limited Common Area and is to be repaired or reconstructed, said certificate shall also be signed



by, or on behalf of, the mortgagee known by the Trustee from the records of the Association to have the largest interest in, or lien upon, such Common Area and/or Limited Common Area; and if the damage or destruction is to one or more Units and is to be repaired or reconstructed, said certificate shall also be signed by the mortgagee or mortgagees having an interest in, or lien upon, such Unit or Units; provided, however, that all mortgagees requested to sign certificates shall be obligated to execute the same so long as repair or reconstruction or rebuilding is progressing in a reasonable manner. The Trustee shall not incur liability to any Owner, mortgagee, or other person for any disbursements made by it pursuant to, and in accordance with, any such certificates or written authorizations.

Section 5.7 Damage and Destruction.

(a) Immediately after all or any part of the Property covered by insurance is damaged or destroyed by fire or other casualty, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 5.7, means repairing or restoring the damaged property to substantially the same condition in which it existed immediately prior to the fire or other casualty, with each Unit, the Common Area, and the Limited Common Area having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to the Property shall be repaired unless Eighty (80%) percent of the Owners, including the Owner of a Unit which is not to be rebuilt, vote not to repair, reconstruct, or rebuild in accordance with the provisions of the Act. If not reconstructed, the indemnity shall be delivered in accordance with the provisions of paragraph

(c) of this Section 5.7. Except as otherwise provided, any such damage or destruction which renders any Unit untenable or uninhabitable, or any such damage or destruction to the Common Area or Limited Common Area, shall be repaired and reconstructed as promptly as practicable. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired, reconstructed, or rebuilt.

- (c) If the entire Property is not repaired or replaced, the insurance proceeds:
  - (i) attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Property;
  - (ii) attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and to the Owners of those Units to which Limited Common Elements were allocated, or to the lienholders, as their interests may appear;
  - (iii) remaining must be distributed to all of the Owners or lienholders, as their interests may appear, in proportion to the percentage appurtenant to the Unit.

(d) If the Owners vote not to rebuild a Unit, that Unit's allocated interest must be reallocated automatically upon the vote and the Board of Directors promptly shall prepare, execute, and record an amendment to the Master Deed reflecting the reallocations.

#### Section 5.8 Insufficient Proceeds to Repair

(a) If the damage or destruction for which the insurance proceeds are paid to the Trustee is to be repaired or-reconstructed and such proceeds are not sufficient to defray the cost thereof, the board of Directors shall levy a Special assessment against the Owners of damaged or

affected Units in sufficient amounts to provide funds to pay such excess costs of repair or reconstruction. Additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction. That portion of such Assessments levied against each Owner shall be equal to that percentage computed by dividing the Percentage Interest appurtenant to such Owner's Unit by the aggregate Percentage Interests appurtenant to all Units damaged or affected.

(b) Any and all sums paid to the Association under and by virtue of those Special Assessments provided for in Paragraph (a) of this Section 5.8, shall be deposited by the Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee shall be disbursed as provided for in Section 5.6.

## ARTICLE VI

### Condemnation

Section 6.1 General. Whenever all or any part of the Property shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof; provided, however, that the exclusive right to negotiate, settle, and otherwise deal in all respects with the condemning authority as to the taking of the Common Area and Limited Common Area shall be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a Deed to a Unit, expressly appoints the Directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Section 6.1, including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking shall be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award

made therefor shall be disbursed by the Trustee, as hereinafter provided for in this Article VI.

Section 6.2 Non-Essential Areas. If the taking does not include any portion of any Unit or any portion of the Common Area or Limited Common Area essential to the continued occupancy of any Unit, then the Board of Directors shall be permitted to replace any non-essential improvements to the extent deemed appropriate and the Trustee shall disburse the proceeds of such awards in the same manner as herein above provided for in connection with the repair, reconstruction, or rebuilding of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

Section 6.3 Essential Areas. If the taking includes any portion of a Unit, or the Common Area or Limited Common Area essential to the use of any Unit, then the award shall be disbursed, and all related matters, including, without limitation, alteration of the Percentage Interests appurtenant to each Unit, shall be handled by the Board of Directors in a just and equitable manner to all Owners; provided, however, that all action of the Board of Directors shall be pursuant to, and in accordance with, a plan approved by Owners representing at least fifty one (51%) percent of the Total Percentage Interests in a duly recorded amendment to this Master Deed. In the event that such an amendment shall not be recorded within ninety (90) days after the taking, then such taking shall be deemed to be, and shall be treated as, damage or destruction which shall not be repaired or reconstructed as provided for in Section 5.7, whereupon the Regime shall be deemed terminated.

## ARTICLE VII

### Architectural Control

Section 7.1 Approval Required for Changes. To preserve the original architectural appearance of the Property, no exterior construction of any nature whatsoever, except as

specified in the Regime Documents, shall be commenced or maintained upon any building, including, without limitation, the Limited Common Area, nor shall there be any changes, modification, or alteration of any nature whatsoever of the design and appearance of any of the exterior surfaces, or facades, nor shall any Owner paint any gate, fence, or roof, nor shall any Owner change the design or color of the exterior lights, nor shall any Owner install, erect, or attach to any part of the exterior any addition or change until after the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color, and location in relation to the surrounding structures by the Board of Directors.

## ARTICLE VIII

### Exterior Maintenance

Section 8.1 Responsibility of Association. Except as specifically provided to the contrary herein, the Association shall maintain the Common Area and Limited Common Area in first-class condition and shall repair or replace, at its expense, all parts of the Common Area and Limited Common Area as necessary. The cost of such shall be charged to the Owners as a Common Expense, subject to the provisions of Section 8.3.

Section 8.2 Access to Units. The Association shall have the irrevocable right, to be exercised by the Board of Directors or its agent, to have access to each Unit, from time to time, during reasonable hours as may be necessary for the inspection, maintenance, repair, or replacement of any of the Common Area therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area, Limited Common Area, or to other Units.

Section 8.3 Responsibility of Owner. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Article VIII is caused through the failure to properly install or maintain or by the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees, or guests, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs shall be added to, and become a part of, the Assessment to which such Owner and his Unit are subject. Each Owner shall maintain, repair, or replace, at his own expense, all portions of his Unit which may become in need thereof, including the heating and air conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior nonloadbearing walls, floors and subfloors, carpeting, drapes, windows, screens, and other items within the Unit. Further, each Owner shall, at his own expense, maintain, repair, and replace, when necessary, all electrical systems, mechanical systems, waterlines, water valves, venting systems and fans, and that portion of the air conditioning system servicing his Unit which is located outside his Unit; and each Owner shall, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat. If the Owner does not make those repairs to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof shall be assessed against the Owner and Unit owned by such Owner.

## ARTICLE IX

### Unit Restrictions

Section 9.1 Residential Purposes. All Units shall be, and the same hereby are, restricted exclusively for use as a single family dwelling unit for residential purposes. No

immoral, improper, offensive, or unlawful use shall be made of any Unit and no use or condition shall be permitted which is a source of unreasonable noise or interference with the peaceful possession and quiet enjoyment of any other portion of the Property by other Owners or lessees of Owners, their families, invitees, and guests.

Section 9.2 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Unit so as to render any such Property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Property. Woodpiles or other material shall be stored in a manner so as not to be visible from outside the Unit and so as not to be attractive to native rodents, snakes, and other animals and to minimize the potential danger from fires. No other nuisance shall be permitted to exist or operate so as to be offensive or detrimental to any other portion of the Property. No activities shall be conducted upon or adjacent to any Unit or within improvements constructed thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted and no use or condition shall be permitted which will increase any rate of insurance related to the Property. In addition, all Owners and lessees of Owners, their families, invitees, and guests shall abide by all Rules and Regulations in effect from time to time governing the use of Units.

Section 9.3 Animals and Pets. The Association may adopt rules designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash and muzzle controls, noise controls, unusual pets, and numbers and characteristics of pets; provided, however, any rule prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet which was being kept on the Properties prior to the adoption of such rule. Nothing in this

provision shall prevent the Association from requiring removal of any animal that presents a threat to the health or safety of residents or other pets, or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep animals, reptiles, birds or poultry of any kind for commercial or business purposes.

Section 9.4 Exterior Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals shall be placed on any portion of the Property without prior written approval of the Board of Directors.

Section 9.5 Leasing of Units. Any Owner shall have the right to lease or rent his Unit subject to reasonable Rules and Regulations implemented by the Board of Directors. The Board of Directors shall have the right to approve all leases and rental contracts. The Board of Directors shall have the further right, for cause, to cancel any lease or rental contract. All leases or rental agreements shall be in writing and shall be specifically subject to the Regime Documents. No Unit may be leased or rented for a period of less than ninety (90) days.

Section 9.6 Timesharing. Timesharing, by any means whatsoever, as defined by the Code of Laws of the State of South Carolina, and as enforced or regulated by the South Carolina Real Estate Commission, shall be strictly prohibited within the confines of this Property.

## ARTICLE X

### Easements

Section 10.1 Encroachments. If any portion of the Common Area and/or Limited Common Area encroaches upon any Unit or any Unit encroaches upon any other Unit or upon



any portion of the Common Area and/or Limited Common Area as a result of settling or shifting of a building, an easement shall exist for the encroachment and for the maintenance of the same so long as the building stands. If any building, any Unit, and/or any adjoining part of the Common Area and/or Limited Common Area shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Area and/or Limited Common Area upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Area and/or Limited Common Area due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the subject building shall stand.

Section 10.2 Utilities, Etc. There is hereby granted a blanket easement upon, across, over, and under all the Property for ingress, egress, installing, replacing, repairing, and maintaining a master television antenna system and all utilities, including, but not limited to, water, gas, sewer, telephone, and electricity. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Property and to affix and maintain utility wires, circuits, and conduits on, above, across, and under the roofs and exterior walls of the Units. In addition, the Board of Directors shall be entitled to grant additional permits, licenses, and easements over the Common Area for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Property.

Section 10.3 Other. There is hereby granted to the Association, its Directors, Officers, agents, and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Property or any part thereof in the proper performance of their respective duties.

Except in the event of an emergency, the rights under this Section 10.3 shall be exercised only during reasonable daylight hours, and, whenever practicable, after advance notice to the Owner or Owners affected thereby.

## ARTICLE XI

### Assigned Value and Unit Vote

Section 11.1 Unit and Property Values. The Schedule of Percentage Interests contained in Exhibit "F", attached hereto, shows the assigned value of each Unit as of the date of the original Master Deed and all amendments thereto, and the Percentage Interests appurtenant to such Unit for purposes of assessments. The value of the Property is equal to the total value of all Units, which includes the value of the appurtenant Percentage Interests in the Common Area and Limited Common Area.

Section 11.2 Unit Votes. Each Owner shall have voting rights in the Association. There shall be one vote per Unit.

## ARTICLE XII

### Rights Related to Mortgages

Section 12.1 Notice of Action. Upon written request to the Association from any first mortgage holder ("Eligible Mortgage Holder") or any insurer or government guarantor of a first mortgage ("Eligible Insurer/Guarantor"), identifying the name and address of the holder, insurer, or guarantor and the Unit Estate number or address, such Eligible Mortgage Holder or Eligible Insurer/Guarantor shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects any material portion of the Property or any Unit Estate on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer/Guarantor, as

applicable;

(b) Any delinquency in the payment of Assessments or other charges owed by any Owner of a Unit Estate subject to a first mortgage held, insured, or guaranteed by such Eligible Holder or Eligible Insurer/Guarantor which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) Any proposed action which would require the consent of a specified Percentage of Eligible Mortgage Holders as specified in Section 12.2 hereafter.

Section 12.2 Special Voting Rights of Eligible Mortgage Holders. To the extent required by the Act, any action with respect to the Regime, including, but not limited to, amendment of the Regime Documents, restoration or repair of the Property after partial or total condemnation or casualty loss, or termination or the legal status of the Regime under the Act, requiring the vote of the Owners shall also require the consent of the Eligible Mortgage Holders holding mortgages on Unit Estates which represent at least fifty-one (51%) percent of the aggregate Percentage Interests of Unit Estates subject to liens of mortgages of Eligible Mortgage Holders.

Section 12.3 Notice to Board; Failure to Provide Negative Response. An Owner who mortgages his Unit shall notify the Association of the name and address of his Mortgage Holder. The Association shall maintain such information in its' records. An Eligible Mortgage Holder who receives a written request to approve an action of an Owner shall be deemed to have consented to such action unless the Eligible Mortgage Holder provides a negative written response to the Association within thirty (30) days of the date of receipt by the

Eligible Mortgage Holder of the written request.

### ARTICLE XIII

#### Amendments and Termination

Section 13.1 Amendment. Amendments to this Master Deed, except as herein expressly provided to the contrary, shall be proposed by the Board of Directors or by any member of the Association in accordance with the following procedure:

(a) Notice. Notice of the subject matter of the proposed amendment or amendments shall be included in the notice of the meeting of the Association at which such proposed amendment or amendments are to be considered;

(b) Adoption. The Master Deed may be amended at any time and from time to time at a meeting of the Association called in accordance with the By-Laws and this Master Deed upon the vote of Owners and shall be set forth in an amendment once approved by a vote of Owners representing at least fifty-one (51%) percent of the Unit Owners;

(c) Recording. A copy of each amendment provided for in this Section 13.1 shall be certified by the Board of Directors of the Association as having been fully adopted and shall be effective when recorded.

Section 13.2 Termination. The Regime may be terminated and the Property removed from the provisions of the Act in the following manner:

(a) Agreement. All of the Owners may remove the Property from the Provisions of the Act by an instrument to that effect, duly recorded; or,

(b) Destruction. As set forth in Articles V and VI of this Master Deed.

## ARTICLE IV

### Miscellaneous

Section 14.1 Adherence to Provisions of Master Deed, By-Laws, and Rules and Regulations. Every Owner who rents his Unit must post inside his Unit a list of the Rules and Regulations of the Association. Any rental agency handling his rentals must further agree to abide by the Rules and Regulations and shall be responsible for informing and correcting any breaches of the policies by persons renting through its agency. Should a particular agency or person continue not to take corrective action against the renters he has contracted with or refuse to cooperate with the Association in the enforcement of its Rules and Regulations along with provisions of the Regime Documents, the Association may require the Owner to cease using the services of that particular rental agency. Refusal to do so may result in fines against the Owner in an amount to be determined by the Board of Directors.

Section 14.2 Covenants Running with the Land. All provisions of this Master Deed shall be construed to be covenants running with the Land and with every party thereof and interest therein, including, but not limited to, every Unit and the appurtenances thereto; and each and every provision of this Master Deed shall bind and inure to the benefit of all Owners and claimants of the Property or any part thereof or interest therein, and their heirs, executors, administrators, successors, and assigns.

Section 14.3 Enforcement. Each Owner and his family, lessees, invitees and guests shall comply strictly with the Covenants, Conditions, and Restrictions set forth in this Master Deed, the By-Laws and the Rules and Regulations of the Association, as the same may from time to time be lawfully amended (collectively "Regime Documents"). Failure to comply with any of the Regime Documents shall be grounds for the Board of Directors to impose sanctions,

or file an action to recover sums due, for damages or injunctive relief, or both, on behalf of the Association, or all such other remedies available at law or in equity. In addition, the rights of any Owner or lessee of an Owner, his family, invitees, or guests to use and to enjoy the Common Area and Limited Common Area may be suspended by the Board of Directors for a violation of the Regime Documents. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 14.4 Non-Waiver. No provision contained in the Regime Documents 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 14.5 Severability. Invalidation of any covenant, condition, restriction, or other provision of this Master Deed, the By-Laws, or the Rules and Regulations shall not affect the validity of the remaining portions thereof, which shall remain in full force and effect.

Section 14.6 Perpetuities and Restraints on Alienation. If any of the covenants, conditions, restrictions, or other provisions of this Master Deed shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants, of Ronald Reagan, former President of the United States, or James Earl Carter, former President of the United States.

Section 14.7 Gender and Number. The singular whenever used herein shall be construed to mean the plural when applicable, and the use of singular shall be deemed to refer to plural and vice versa so as to make the provisions hereof apply either to corporations or individuals and men or women. In addition, the use of the terms "herein" or "hereof" shall mean this Master Deed and not merely the Article, Section, or Paragraph in which such

term is utilized.

Section 14.8 Headings. All Article and Section headings are utilized merely for convenience and shall not limit or enlarge the application of the respective Articles or Sections.

Section 14.9 Captions. The captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope or the intent of any provision hereof.

Section 14.10 Conflict. This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event of any conflict between the Master Deed, By-Laws and the provisions of the Act, the provisions of the Act or the Master Deed, as the case may be, shall control.

Section 14.11 Execution of Documents. 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 shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 14.12 Notices. All notices required under the Master Deed may be hand delivered, sent via internet or facsimile, in which event notice shall be deemed to occur on the date of written acknowledgment or response by the recipient, or sent by mail to the Association at the address of the President or the Management Agent; to Unit Owners via hand delivery, sent via internet or facsimile, in which event notice shall be deemed to occur on the date of written acknowledgment or response by the recipient at the address of the Unit or at such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices from or to the Association 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 14.13 Exhibits Attached. All Exhibits to this Master Deed shall be an integral part of this instrument and are incorporated herein as if fully set forth herein verbatim:

<u>Description</u>	<u>Identification</u>
Description of Property Comprising Phases I Through XXIII, Marsh Side Horizontal Property Regime I	A
Site Plan	B
Architect's Certificate	C
Description of Limited Common Elements	D
Description of Unit Boundaries	E
Schedule of Assigned Values and Percentage Interests	F
South Carolina Secretary of State Showing Incorporation	G
By-Laws of the Association	H
Rules and Regulations	I
Form of Unit Deed	J



{Signature Page for Amended and Restated Master Deed of  
Marsh Side Horizontal Property Regime I}

WITNESSES:

MARSH SIDE HORIZONTAL  
PROPERTY REGIME I:

Shawn L. Slusne

By: Lawrence E. Melka

Its: President

Patricia L. Norris

Shawn L. Slusne

By: Mitch Hedrick

Its: Secretary

Patricia L. Norris

STATE OF SOUTH CAROLINA )

ACKNOWLEDGMENT

COUNTY OF BEAUFORT )

I, the undersigned Notary Public, do hereby certify that Lawrence Melka its  
President, and Mitch Hedrick, its Secretary, personally appeared before me this  
day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 20 day of December, 2012.

SWORN to before me this 20  
day of December, 2012.

Patricia L. Norris

Notary Public for South Carolina

My Commission Expires: My Comm Expires December 15, 2021

(SEAL)

ALL those certain pieces, parcels or tracts of land situate, lying and being in the town of Hilton Head Island, Beaufort County, South Carolina, known as Phases I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXI, XXII and XXIII of Marsh Side Horizontal Property Regime I and being more particularly shown and described by reference to the Master Deed of Marsh Side Horizontal Property Regime dated November 2, 1984, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 406 at Page 1556 and the Amendments thereto recorded in: Deed Book 409 at Page 196; Deed Book 411 at Page 1600; Deed Book 416 at Page 567; Deed Book 418 at Page 426; Deed Book 420 at Page 413; Deed Book 423 at Page 517; Deed Book 425 at Page 832, re-recorded in Deed Book 439 at Page 689 and further re-recorded in Deed Book 455 at Page 1719; Deed Book 429 at Page 388, re-recorded in Deed Book 439 at Page 707 and further re-recorded in Deed Book 455 at page 1737; Deed Book 436 at Page 1198, re-recorded in Deed Book 439 at Page 725 and further re-recorded in Deed Book 455 at Page 1755; Deed Book 439 at Page 676 and re-recorded in Deed Book 455 at Page 1770; Deed Book 446 at Page 1340; Deed Book 446 at Page 1353; Deed Book 446 at Page 1367; Deed Book 446 at Page 1540; Deed Book 464 at Page 1093; Deed Book 490 at Page 2339; Deed Book 495 at Page 2033 and re-recorded in Deed Book 513 at Page 1632; Deed Book 513 at Page 20; Deed Book 513 at Page 39; Deed Book 517 at Page 1830; and Deed Book 537 at Page 1874.

Phases I through XIX, inclusive, and portions of Phase XXIII of Marsh Side Horizontal Property Regime I are more fully shown and delineated on a plat of survey prepared by T-Square Surveying, Inc., entitled "As-Built Plat of Marsh Side Horizontal Property Regime I," dated September 25, 1984, last revised May 25, 1989, which plat is recorded in Plat Book 36 at Page 249, and Phases XX, XXI, XXII and the remaining portions of XXIII of Marsh Side Horizontal Property Regime I is more fully shown and delineated on a plat of survey prepared by Surveying consultants of Hilton Head Island, Inc., entitled "As-Built Plat of Phases XX, XXI, XXII and XXIII, A Section of Marsh Side Horizontal Property Regime I," dated May 6, 1988, last revised May 25, 1989, which plat is recorded in Plat Book 36 at Page 250.

Said property is subject to a non-exclusive easement for ingress and egress and for the use of parking areas, roadways, bicycle paths, walkways, recreational areas and other Common Areas contained therein for the benefit of all land which pursuant to the Master Deed may be added to the Regime, whether or not the same is added to Marsh Side Horizontal Property Regime I, such easement being for the benefit of the owners therein and their families, tenants, guests, invitees and licensees.

EXHIBIT "A-1"

Developer saves and excepts from the above described property and agrees to convey the same to the corporation or public body providing sewer and water service to the area, title to all water and sewer lines installed or located on said property and, likewise, retains title to all pipes, pumps, pumping stations or other equipment or facilities related thereto; together with an easement on, over, across and under those portions of the above described property lying within ten (10) feet of such lines, equipment or facilities in order to maintain, repair or replace them and to install additional lines, equipment or facilities therein from time to time. Developer further saves and excepts and reserves unto itself and its assigns and agrees to convey to Hilton Head Plantation Utilities, Inc. an easement on, over, across and under the land lying within ten (10) feet of the property lines of the above described parcels or tract of land for the purpose of installing and maintaining additional utilities and related facilities.

EXHIBIT "A-2"

“As-Built Plat of Marsh Side Horizontal Property Regime I” prepared by T-Square Surveying, Inc., Thomas B. Richardson, South Carolina Registered Land Surveyor No. 8612, dated September 25, 1984, last revised May 25, 1989, which plat is recorded in Plat Book 36 at Page 249, and the plat of survey prepared by Surveying Consultants of Hilton Head Island, Inc., entitled “As-Built Plat of Phase XX, XXI, XXII and XXIII, A Section of Marsh Side Horizontal Property Regime I,” dated May 6, 1988, last revised May 25, 1989, which plat is recorded in Plat Book 36 at Page 250.

EXHIBIT “B”

EXHIBIT "C"

Floor Plans

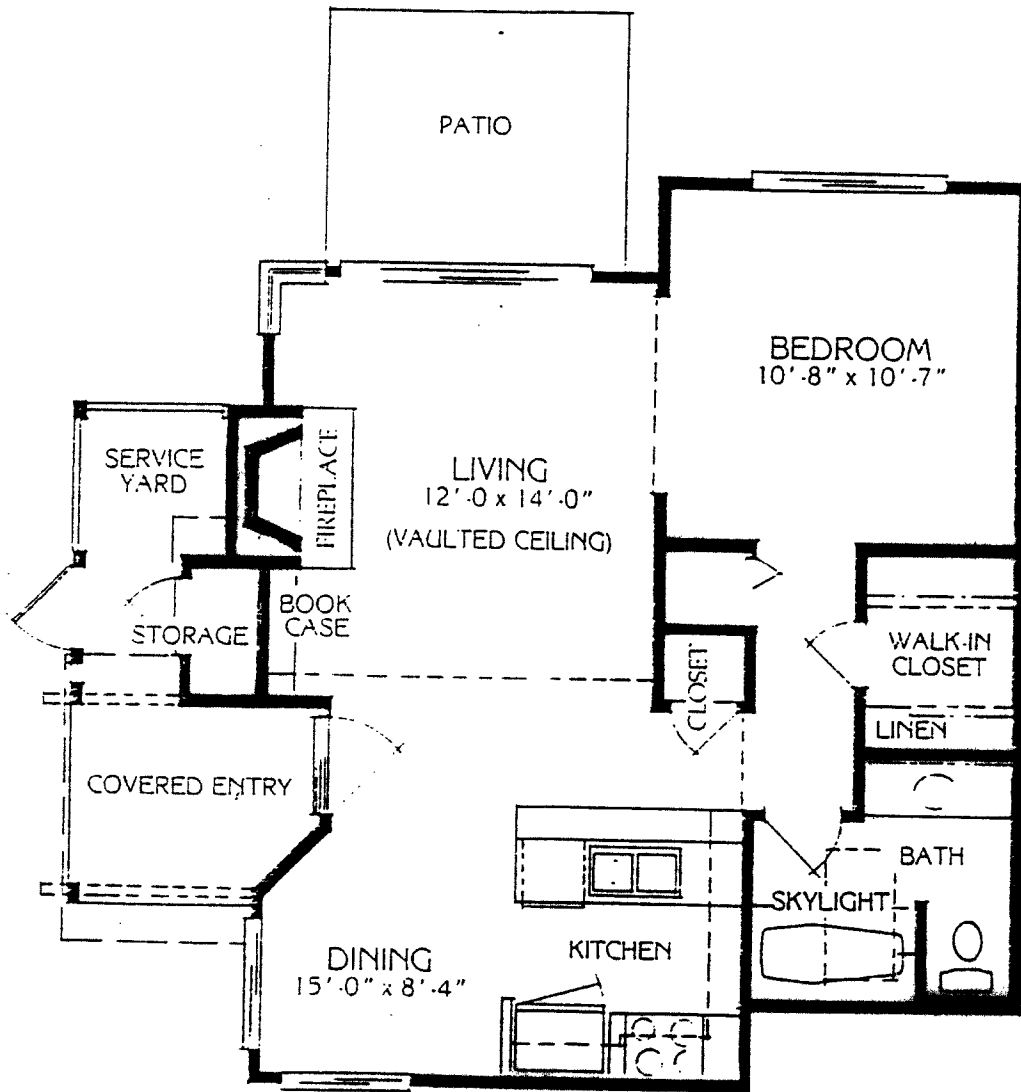
MARSH SIDE HORIZONTAL PROPERTY REGIME I

See Plat Book 32 at Page 153.

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FILED AT 111500 ON 11/02/84

NOTE: The Plans filed as an attachment to the Master Deed contain detailed dimensions of all Units, the Common Area, and Limited Common Area

EXHIBIT "C-1"



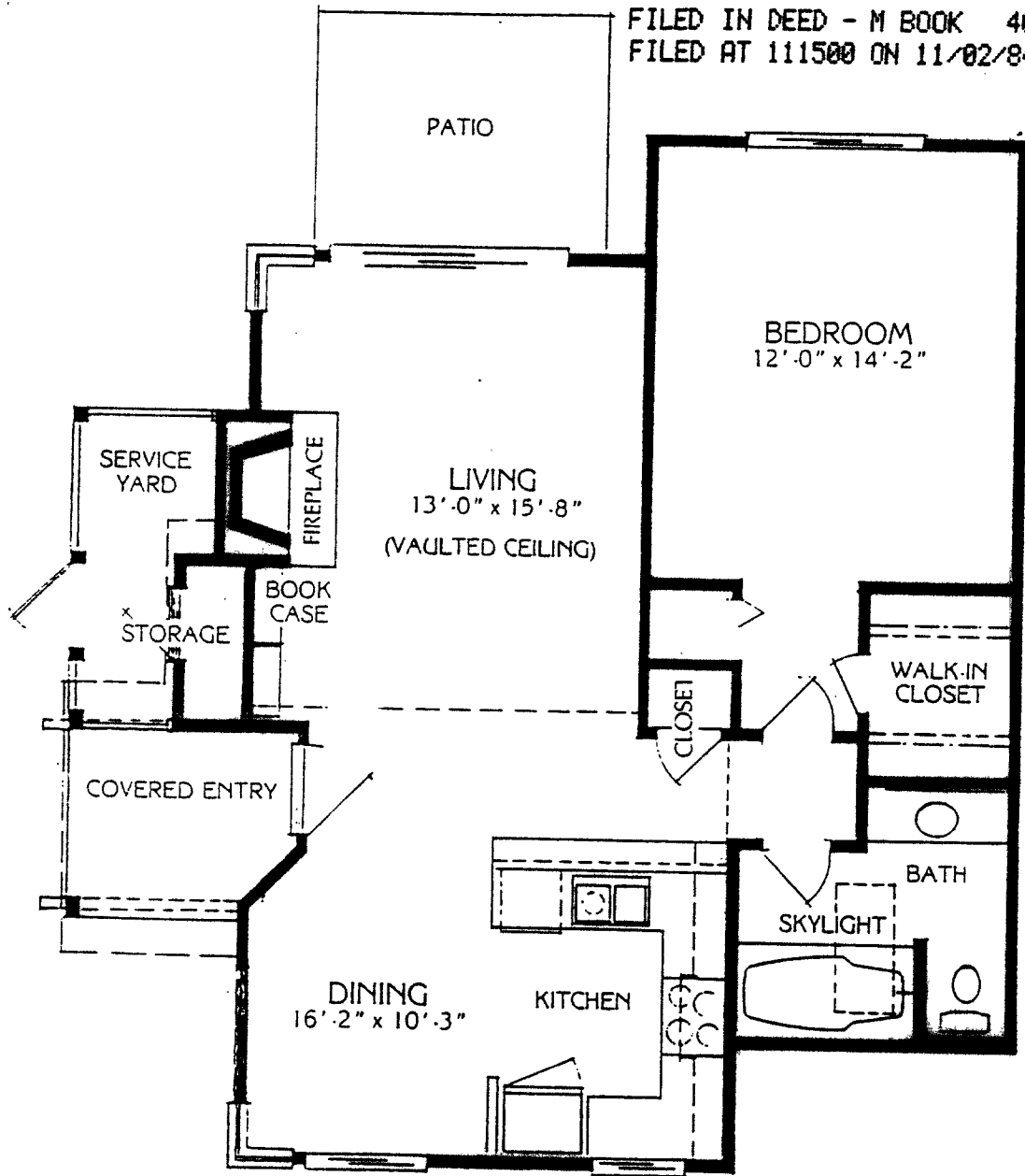
### ONE BEDROOM STUDIO

Unit Square Footage - 597 Sq. Ft.

EXHIBIT "C-2"

TYPE I

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FILED AT 111500 ON 11/02/84

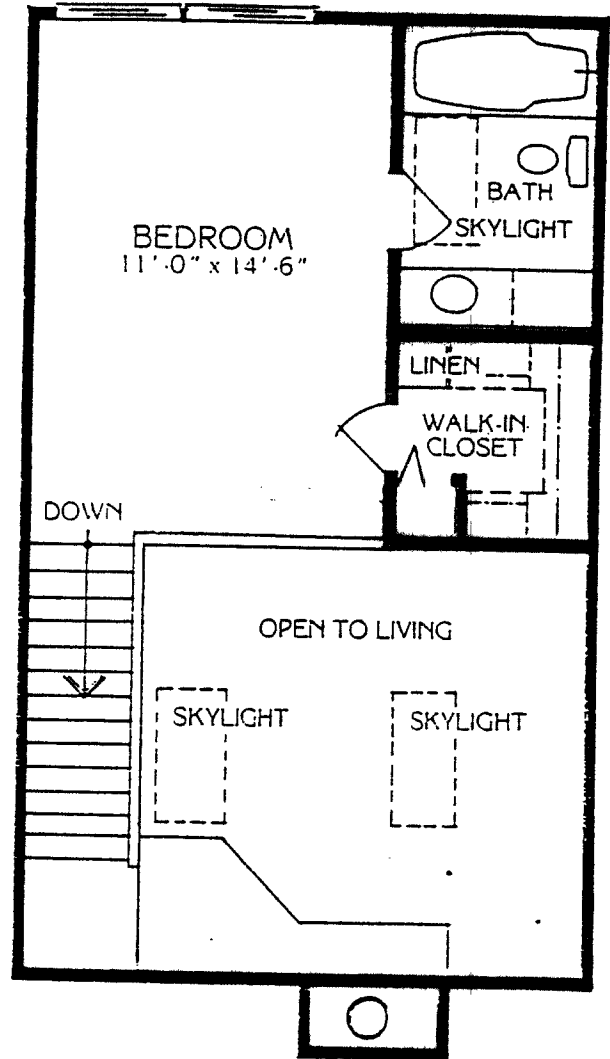
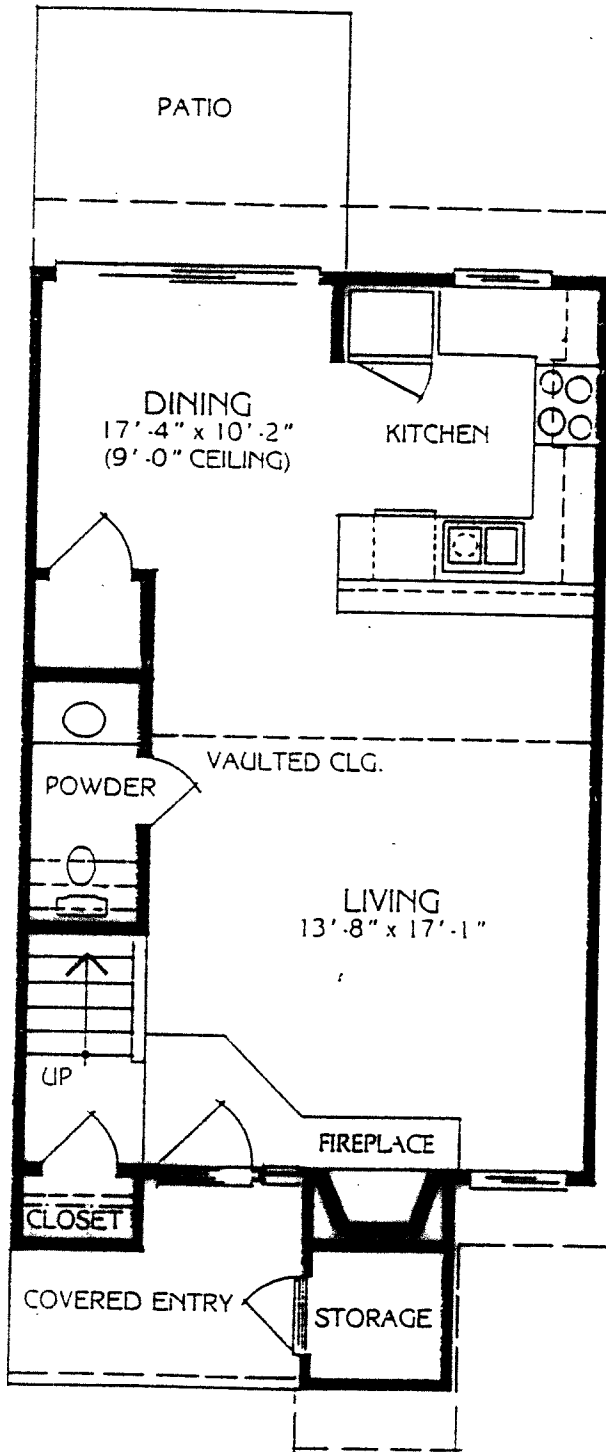


### ONE BEDROOM FLAT

Unit Square Footage - 784 Sq. Ft.

EXHIBIT "C-3"

TYPE II



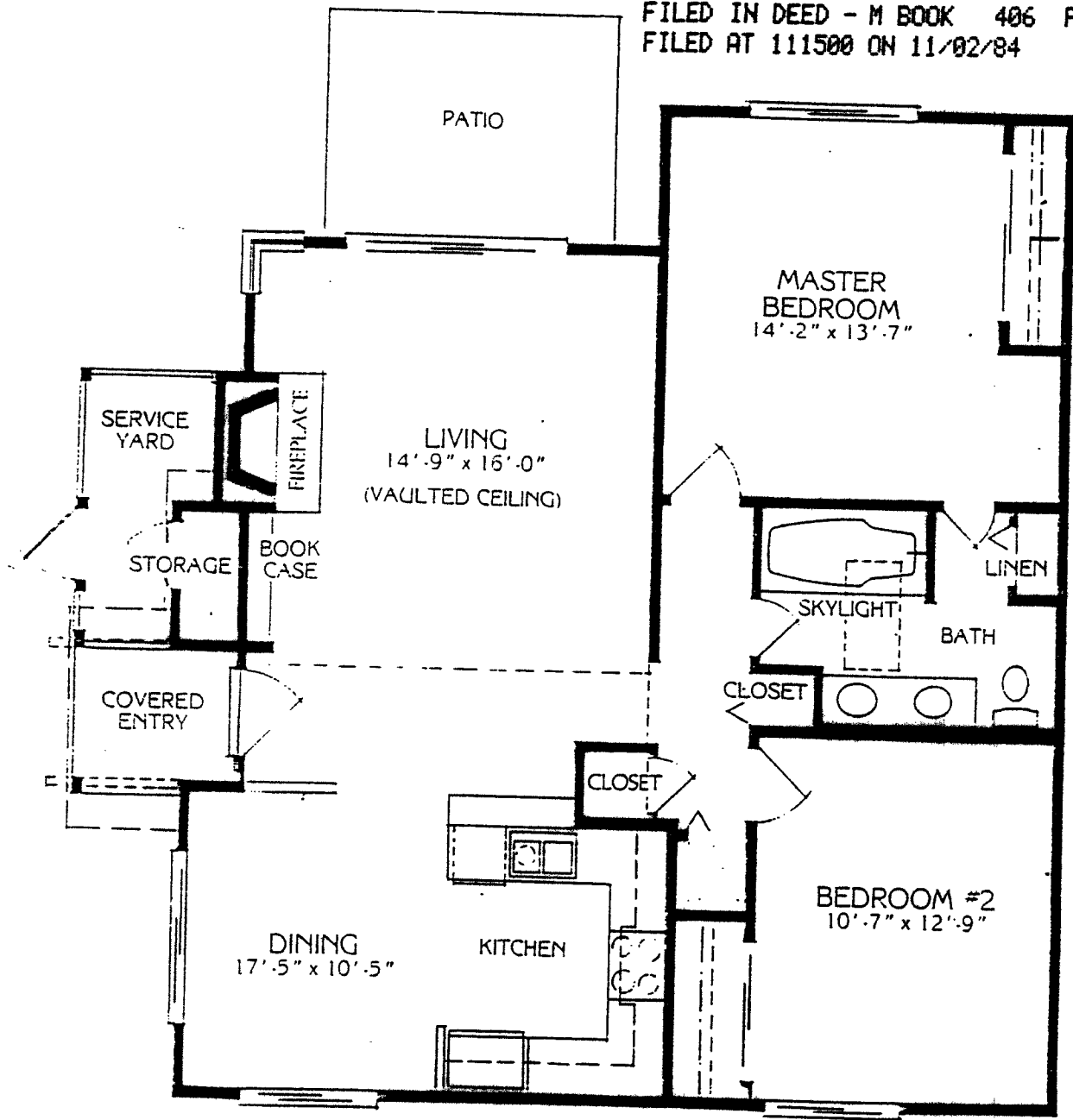
### ONE BEDROOM LOFT

Unit Square Footage - 813 Sq. Ft.

EXHIBIT "C-4"

TYPE III





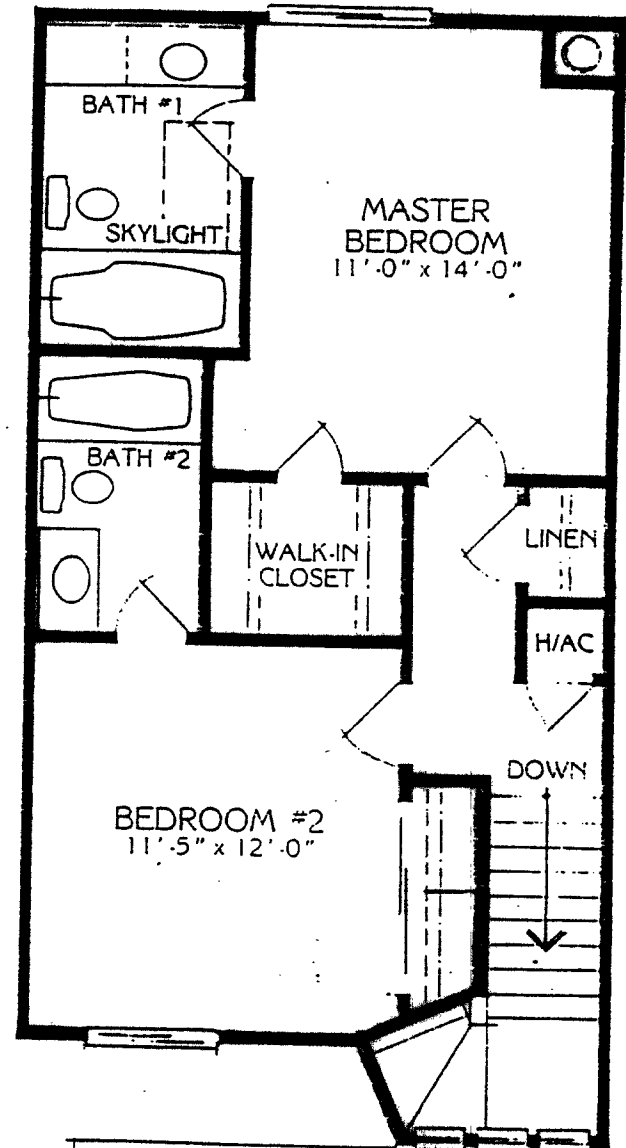
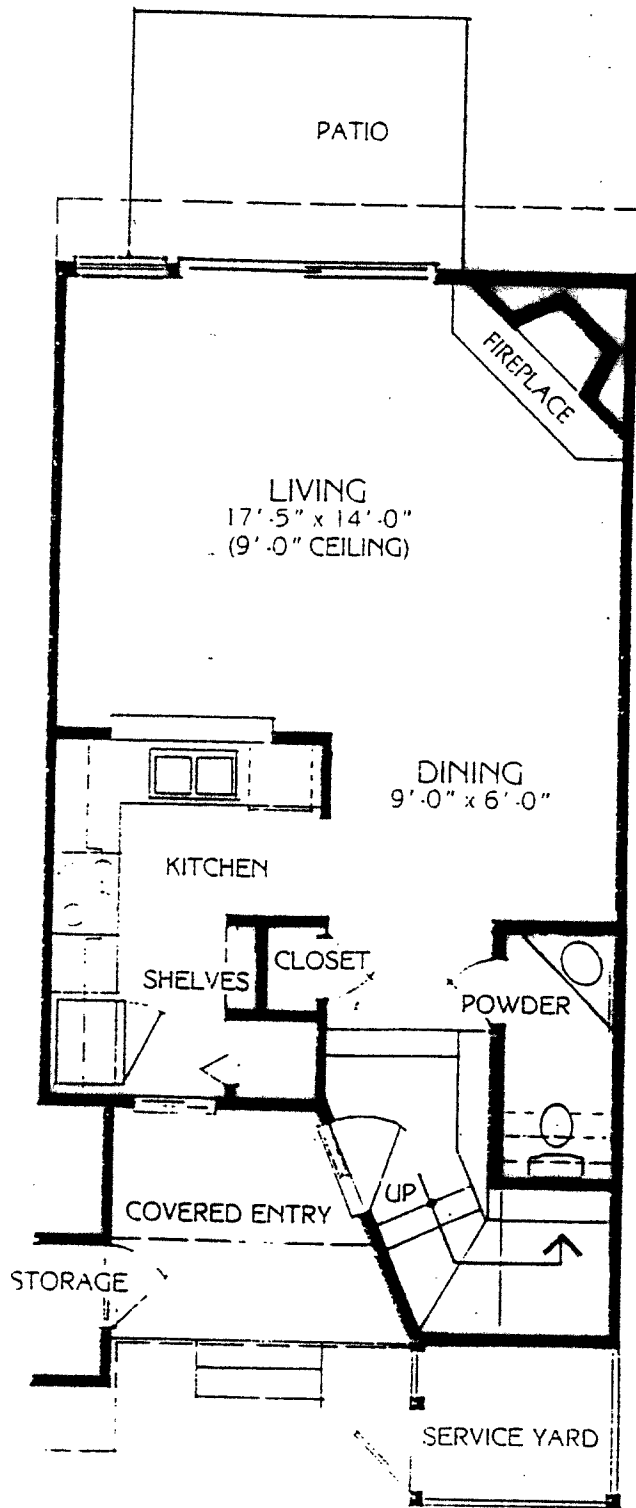
**TWO BEDROOM FLAT**

Unit Square Footage - 1028 Sq. Ft.

EXHIBIT "C-5"

TYPE IV

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FILED AT 111500 ON 11/02/84

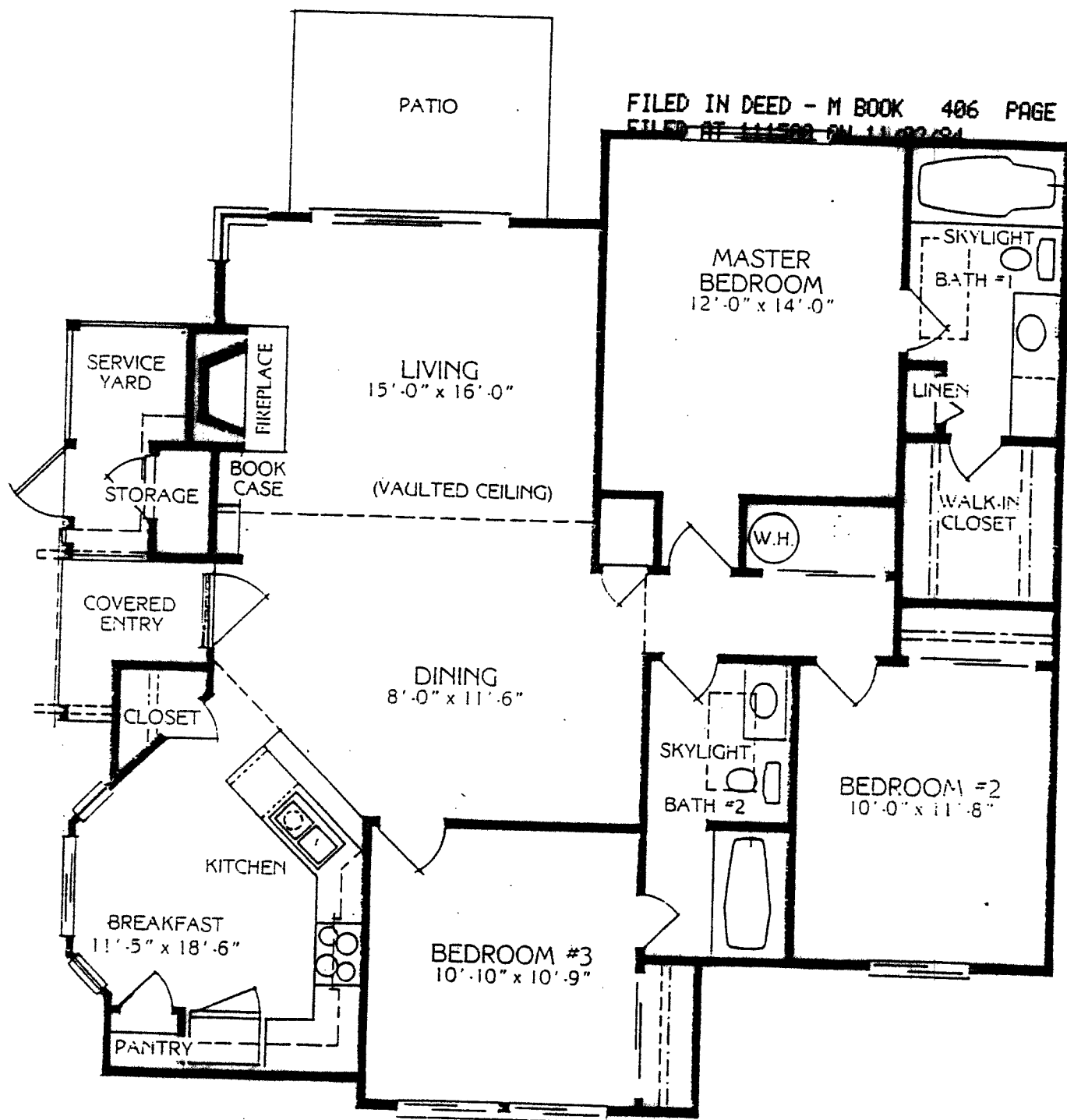


### TWO BEDROOM TOWNHOUSE

Unit Square Footage - 1120 Sq. Ft.

EXHIBIT "C-6"

TYPE V



### THREE BEDROOM FLAT

Unit Square Footage - 1263 Sq. Ft.

EXHIBIT "C-7"

TYPE VI

Description of Limited Common Area

MARSH SIDE HORIZONTAL PROPERTY REGIME I

The Limited Common Area is that portion of the Common Area comprising the patio, storage area, and entrance area adjacent to each Unit as more fully shown on the Floor Plans attached hereto as Exhibit "C".

EXHIBIT "D"

Description of Unit Boundaries

MARSH SIDE HORIZONTAL PROPERTY REGIME I

The Unit Boundaries of each Unit shall be the unfinished interior surfaces of all perimeter walls, ceilings, and floors of the Unit, and any vents, doors, windows, and such other structural elements that are originally regarded as enclosures of space; the result being that each Unit shall consist of all interior dividing walls and partitions (including the space occupied by such walls or partitions); the interior surfaces of perimeter walls, floors, subfloors, and ceilings, consisting, as the case may be, of wallpaper, paint, carpeting, tiles, and any and all other finishing materials affixed or installed as a part of the physical structure of the Unit; and all fixtures, appliances, water lines, water valves and mechanical systems and equipment installed in each Unit and the heating and air conditioning system which is intended for the sole and exclusive use of said Unit. No pipes, wires, conduits, or other public utility lines or insulations connecting a part of the overall systems designated for the service of any other Unit, nor any of the structural members of portions of the buildings, shall be deemed to be a part of any individual Unit.

EXHIBIT "E"

EXHIBIT "F"

Schedule of Assigned Values and Percentage Interests

MARSH SIDE HORIZONTAL PROPERTY REGIME I

<u>BUILDING NO. AND UNIT NO.</u>	<u>TYPE</u>	<u>ASSIGNED VALUATION</u>	<u>ASSIGNED % INTEREST</u>
A-1	I	\$75,000.00	4.1665
A A-2	V	\$75,000.00	4.1665
A-3	V	\$75,000.00	4.1665
A-4	II	\$75,000.00	4.1665
B-1	IV	\$75,000.00	4.1665
B B-2	III	\$75,000.00	4.1665
B-3	III	\$75,000.00	4.1665
B-4	VI	\$75,000.00	4.1665
C-1 C-1	IV	\$75,000.00	4.1665
C-2	V	\$75,000.00	4.1665
C-3	V	\$75,000.00	4.1665
C-4	IV	\$75,000.00	4.1665
C-5	VI	\$75,000.00	4.1665
C-2 C-6	III	\$75,000.00	4.1665
C-7	III	\$75,000.00	4.1665
C-8	VI	\$75,000.00	4.1665
C-9	IV	\$75,000.00	4.1665
C-3 C-10	V	\$75,000.00	4.1665
C-11	V	\$75,000.00	4.1665
C-12	IV	\$75,000.00	4.1665
C-13	VI	\$75,000.00	4.1665
C-4 C-14	III	\$75,000.00	4.1665
C-15	III	\$75,000.00	4.1665
C-16	VI	\$75,000.00	4.1665

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TOTALS 24 \$1,800,000.00 100.00%

"F-1"

The common element interests shown above and elsewhere in this Exhibit "F" have been rounded off to the nearest .00001% without exceeding 100%. The interest appertaining to any Unit can be determined more precisely by dividing the value of that Unit by the value of all the Units as those values are shown above.

In the event the Developer elects to expand the Regime as provided in Article XIII of the Master Deed, all Units added to the Regime shall have the following valuations:

<u>Description</u>	<u>Assigned Valuation</u>
Efficiency (Type I)	\$75,000.00
One Bedroom-Flat (Type II)	\$75,000.00
Second Floor One Bedroom Loft (Type III)	\$75,000.00
Two Bedroom-Flat (Type IV)	\$75,000.00
Two Story-Two Bedroom (Type V)	\$75,000.00
Three Bedroom-Flat (Type VI)	\$75,000.00

The Percentage Interest appurtenant to each Unit of the Regime shall thereafter be established in accordance with the following formula:

$$\frac{V_u}{A} = Pu$$

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$P_u$  = Percentage Interests of each Unit

$V_u$  = Valuation of the respective Unit as set forth in this Exhibit "F"

$A$  = Aggregate Valuation of all Units existing in the Regime and added to the Regime as provided in Article XIII of the Master Deed.

The following charts demonstrate the adjustment in the Percentage Interests assuming that Phases II through XXII are added to the Regime. (However, the exact adjustment of Percentage Interests is not subject to calculation until the exact number and size of all Units to be added to the Regime is established.) In the event that an addition of Units to the Regime results in a calculation of Percentage Interests in accordance with the above formula which do not total 100%, the amount necessary to bring such total to 100% shall be allocated by the Board of Directors.

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"F-3"



The common element interests shown above and elsewhere in this Exhibit "F" have been rounded off to the nearest .00001% without exceeding 100%. The interest appertaining to any Unit can be determined more precisely by dividing the value of that Unit by the value of all the Units as those values are shown above.

In the event the Developer elects to expand the Regime as provided in Article XIII of the Master Deed, all Units added to the Regime shall have the following valuations:

<u>Description</u>	<u>Assigned Valuation</u>
Efficiency (Type I)	\$75,000.00
One Bedroom-Flat (Type II)	\$75,000.00
Second Floor One Bedroom Loft (Type III)	\$75,000.00
Two Bedroom-Flat (Type IV)	\$75,000.00
Two Story-Two Bedroom (Type V)	\$75,000.00
Three Bedroom-Flat (Type VI)	\$75,000.00

The Percentage Interest appurtenant to each Unit of the Regime shall thereafter be established in accordance with the following formula:

$$\frac{V_u}{A} = Pu$$

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$P_u$  = Percentage Interests of each Unit

$V_u$  = Valuation of the respective Unit as set forth in this Exhibit "F"

$A$  = Aggregate Valuation of all Units existing in the Regime and added to the Regime as provided in Article XIII of the Master Deed.

EXHIBIT "F"

Schedule of Assigned Values and Percentage Interests

MARSH SIDE HORIZONTAL PROPERTY REGIME I

<u>BUILDING NO. AND UNIT NO.</u>	<u>TYPE</u>	<u>ASSIGNED VALUATION</u>	<u>ASSIGNED % INTEREST</u>
A-1	I	\$75,000.00	4.1665
A A-2	V	\$75,000.00	4.1665
A-3	V	\$75,000.00	4.1665
A-4	II	\$75,000.00	4.1665
B-1	IV	\$75,000.00	4.1665
B B-2	III	\$75,000.00	4.1665
B-3	III	\$75,000.00	4.1665
B-4	VI	\$75,000.00	4.1665
C-1	IV	\$75,000.00	4.1665
C-1 C-2	V	\$75,000.00	4.1665
C-3	V	\$75,000.00	4.1665
C-4	IV	\$75,000.00	4.1665
C-5	VI	\$75,000.00	4.1665
C-2 C-6	III	\$75,000.00	4.1665
C-7	III	\$75,000.00	4.1665
C-8	VI	\$75,000.00	4.1665
C-9	IV	\$75,000.00	4.1665
C-3 C-10	V	\$75,000.00	4.1665
C-11	V	\$75,000.00	4.1665
C-12	IV	\$75,000.00	4.1665
C-13	VI	\$75,000.00	4.1665
C-4 C-14	III	\$75,000.00	4.1665
C-15	III	\$75,000.00	4.1665
C-16	VI	\$75,000.00	4.1665

FILED IN DEED - M BOOK 406 PAGE 1625  
FILED AT 111500 ON 11/02/84

TOTALS 24 \$1,800,000.00 100.00%

"F-1"

The following charts demonstrate the adjustment in the Percentage Interests assuming that Phases II through XXII are added to the Regime. (However, the exact adjustment of Percentage Interests is not subject to calculation until the exact number and size of all Units to be added to the Regime is established.) In the event that an addition of Units to the Regime results in a calculation of Percentage Interests in accordance with the above formula which do not total 100%, the amount necessary to bring such total to 100% shall be allocated by the Board of Directors.

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"F-3"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase II is added to the Regime)

TYPE I - 2  
TYPE II - 2  
TYPE III - 0  
TYPE IV - 6  
TYPE V - 10  
TYPE VI - 0

UNITS

ASSIGNED VALUATION

D 1	\$75,000.00	2.2728%
D 2	\$75,000.00	2.2728%
D 3	\$75,000.00	2.2728%
D 4	\$75,000.00	2.2728%
D 5	\$75,000.00	2.2728%
D 6	\$75,000.00	2.2728%
D 7	\$75,000.00	2.2728%
D 8	\$75,000.00	2.2728%
D 9	\$75,000.00	2.2728%
D 10	\$75,000.00	2.2728%
D 11	\$75,000.00	2.2728%
D 12	\$75,000.00	2.2728%
D 13	\$75,000.00	2.2728%
D 14	\$75,000.00	2.2728%
D 15	\$75,000.00	2.2728%
D 16	\$75,000.00	2.2728%
D 17	\$75,000.00	2.2728%
D 18	\$75,000.00	2.2728%
D 19	\$75,000.00	2.2728%
D 20	\$75,000.00	2.2728%

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"r-4"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase III is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>-</u>	<u>2</u>
E 1	\$75,000.00	1.6667%		
E 2	\$75,000.00	1.6667%		
E 3	\$75,000.00	1.6667%		
E 4	\$75,000.00	1.6667%		
E 5	\$75,000.00	1.6667%		
E 6	\$75,000.00	1.6667%		
E 7	\$75,000.00	1.6667%		
E 8	\$75,000.00	1.6667%		
E 9	\$75,000.00	1.6667%		
E 10	\$75,000.00	1.6667%		
E 11	\$75,000.00	1.6667%		
E 12	\$75,000.00	1.6667%		
E 13	\$75,000.00	1.6667%		
E 14	\$75,000.00	1.6667%		
E 15	\$75,000.00	1.6667%		
E 16	\$75,000.00	1.6667%		

TYPE I	-	2
TYPE II	-	0
TYPE III	-	2
TYPE IV	-	6
TYPE V	-	6
TYPE VI	-	0

FILED IN DEED - M BOOK 406 PAGE 1629  
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"F-5"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase IV is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		
		TYPE I	- 2
		TYPE II	- 0
		TYPE III	- 4
		TYPE IV	- 6
		TYPE V	- 6
		TYPE VI	- 2
E 1	\$75,000.00	1.250%	
E 2	\$75,000.00	1.250%	
E 3	\$75,000.00	1.250%	
E 4	\$75,000.00	1.250%	
E 5	\$75,000.00	1.250%	
E 6	\$75,000.00	1.250%	
E 7	\$75,000.00	1.250%	
E 8	\$75,000.00	1.250%	
E 9	\$75,000.00	1.250%	
E 10	\$75,000.00	1.250%	
E 11	\$75,000.00	1.250%	
E 12	\$75,000.00	1.250%	
E 13	\$75,000.00	1.250%	
E 14	\$75,000.00	1.250%	
E 15	\$75,000.00	1.250%	
E 16	\$75,000.00	1.250%	
E 17	\$75,000.00	1.250%	
E 18	\$75,000.00	1.250%	
E 19	\$75,000.00	1.250%	
E 20	\$75,000.00	1.250%	

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"F-6"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase V is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>-</u>	<u>0</u>
G 1	\$75,000.00	1.0417%		
G 2	\$75,000.00	1.0417%		
G 3	\$75,000.00	1.0417%		
G 4	\$75,000.00	1.0417%		
G 5	\$75,000.00	1.0417%		
G 6	\$75,000.00	1.0417%		
G 7	\$75,000.00	1.0417%		
G 8	\$75,000.00	1.0417%		
H 1	\$75,000.00	1.0417%		
H 2	\$75,000.00	1.0417%		
H 3	\$75,000.00	1.0417%		
H 4	\$75,000.00	1.0417%		
H 5	\$75,000.00	1.0417%		
H 6	\$75,000.00	1.0417%		
H 7	\$75,000.00	1.0417%		
H 8	\$75,000.00	1.0417%		

TYPE I	-	0
TYPE II	-	0
TYPE III	-	2
TYPE IV	-	6
TYPE V	-	7
TYPE VI	-	1

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"F-7"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase VI is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		
		TYPE I	- 2
		TYPE II	- 2
		TYPE III	- 2
		TYPE IV	- 2
		TYPE V	- 6
		TYPE VI	- 2
G 9	\$75,000.00		.8929%
G 10	\$75,000.00		.8929%
G 11	\$75,000.00		.8929%
G 12	\$75,000.00		.8929%
G 13	\$75,000.00		.8929%
G 14	\$75,000.00		.8929%
G 15	\$75,000.00		.8929%
G 16	\$75,000.00		.8929%
G 17	\$75,000.00		.8929%
G 18	\$75,000.00		.8929%
G 19	\$75,000.00		.8929%
G 20	\$75,000.00		.8929%
G 21	\$75,000.00		.8929%
G 22	\$75,000.00		.8929%
G 23	\$75,000.00		.8929%
G 24	\$75,000.00		.8929%

FILED IN DEED - M BOOK 406 PAGE 1632  
FILED AT 111500 ON 11/02/84

"F-8"



ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase VII is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		<u>TYPE I</u>	-	<u>2</u>
G 25	\$75,000.00	.7576%	<u>TYPE II</u>	-	<u>0</u>
G 26	\$75,000.00	.7576%	<u>TYPE III</u>	-	<u>2</u>
G 27	\$75,000.00	.7576%	<u>TYPE IV</u>	-	<u>6</u>
G 28	\$75,000.00	.7576%	<u>TYPE V</u>	-	<u>8</u>
H 9	\$75,000.00	.7576%	<u>TYPE VI</u>	-	<u>2</u>
H 10	\$75,000.00	.7576%			
H 11	\$75,000.00	.7576%			
H 12	\$75,000.00	.7576%			
H 13	\$75,000.00	.7576%			
H 14	\$75,000.00	.7576%			
H 15	\$75,000.00	.7576%			
H 16	\$75,000.00	.7576%			
H 17	\$75,000.00	.7576%			
H 18	\$75,000.00	.7576%			
H 19	\$75,000.00	.7576%			
H 20	\$75,000.00	.7576%			
H 21	\$75,000.00	.7576%			
H 22	\$75,000.00	.7576%			
H 23	\$75,000.00	.7576%			
H 24	\$75,000.00	.7576%			

FILED IN DEED - M BOOK 406 PAGE 1633  
FILED AT 111500 ON 11/02/84

"F-9"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase VIII is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	TYPE I	-	2
K 17	\$75,000.00	.6579%		
K 18	\$75,000.00	.6579%		
K 19	\$75,000.00	.6579%		
K 20	\$75,000.00	.6579%		
K 21	\$75,000.00	.6579%		
K 22	\$75,000.00	.6579%		
K 23	\$75,000.00	.6579%		
K 24	\$75,000.00	.6579%		
K 25	\$75,000.00	.6579%		
K 26	\$75,000.00	.6579%		
K 27	\$75,000.00	.6579%		
K 28	\$75,000.00	.6579%		
K 29	\$75,000.00	.6579%		
K 30	\$75,000.00	.6579%		
K 31	\$75,000.00	.6579%		
K 32	\$75,000.00	.6579%		
K 33	\$75,000.00	.6579%		
K 34	\$75,000.00	.6579%		
K 35	\$75,000.00	.6579%		
K 36	\$75,000.00	.6579%		

TYPE I	-	2
TYPE II	-	2
TYPE III	-	0
TYPE IV	-	6
TYPE V	-	10
TYPE VI	-	0

FILED IN DEED - M BOOK 406 PAGE 1634  
FILED AT 111500 ON 11/02/94

"F-10"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase IX is added to the Regime)

TYPE I - 4  
TYPE II - 2  
TYPE III - 0  
TYPE IV - 4  
TYPE V - 10  
TYPE VI - 0

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	
M 1	\$75,000.00	.5814%
M 2	\$75,000.00	.5814%
M 3	\$75,000.00	.5814%
M 4	\$75,000.00	.5814%
M 5	\$75,000.00	.5814%
M 6	\$75,000.00	.5814%
M 7	\$75,000.00	.5814%
M 8	\$75,000.00	.5814%
M 9	\$75,000.00	.5814%
M 10	\$75,000.00	.5814%
M 11	\$75,000.00	.5814%
M 12	\$75,000.00	.5814%
M 13	\$75,000.00	.5814%
M 14	\$75,000.00	.5814%
M 15	\$75,000.00	.5814%
M 16	\$75,000.00	.5814%
M 17	\$75,000.00	.5814%
M 18	\$75,000.00	.5814%
M 19	\$75,000.00	.5814%
M 20	\$75,000.00	.5814%

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"F-11"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase X is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>-</u>	<u>2</u>
J 9	\$75,000.00	.5102%		
J 10	\$75,000.00	.5102%		
J 11	\$75,000.00	.5102%		
J 12	\$75,000.00	.5102%		
L 1	\$75,000.00	.5102%		
L 2	\$75,000.00	.5102%		
L 3	\$75,000.00	.5102%		
L 4	\$75,000.00	.5102%		
L 5	\$75,000.00	.5102%		
L 6	\$75,000.00	.5102%		
L 7	\$75,000.00	.5102%		
L 8	\$75,000.00	.5102%		
L 9	\$75,000.00	.5102%		
L 10	\$75,000.00	.5102%		
L 11	\$75,000.00	.5102%		
L 12	\$75,000.00	.5102%		
L 13	\$75,000.00	.5102%		
L 14	\$75,000.00	.5102%		
L 15	\$75,000.00	.5102%		
L 16	\$75,000.00	.5102%		
L 17	\$75,000.00	.5102%		
L 18	\$75,000.00	.5102%		
L 19	\$75,000.00	.5102%		
L 20	\$75,000.00	.5102%		

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"F-12"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XI is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		<u>TYPE I</u>	-	<u>2</u>
K 1	\$75,000.00	.4717%	<u>TYPE II</u>	-	<u>0</u>
K 2	\$75,000.00	.4717%	<u>TYPE III</u>	-	<u>2</u>
K 3	\$75,000.00	.4717%	<u>TYPE IV</u>	-	<u>4</u>
K 4	\$75,000.00	.4717%	<u>TYPE V</u>	-	<u>6</u>
K 5	\$75,000.00	.4717%	<u>TYPE VI</u>	-	<u>2</u>
K 6	\$75,000.00	.4717%			
K 7	\$75,000.00	.4717%			
K 8	\$75,000.00	.4717%			
K 9	\$75,000.00	.4717%			
K 10	\$75,000.00	.4717%			
K 11	\$75,000.00	.4717%			
K 12	\$75,000.00	.4717%			
K 13	\$75,000.00	.4717%			
K 14	\$75,000.00	.4717%			
K 15	\$75,000.00	.4717%			
K 16	\$75,000.00	.4717%			

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"F-13"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XII is added to the Regime)

TYPE I - 2  
TYPE II - 2  
TYPE III - 0  
TYPE IV - 4  
TYPE V - 8  
TYPE VI - 0

UNITS

ASSIGNED VALUATION

J 1	\$75,000.00	.4386%
J 2	\$75,000.00	.4386%
J 3	\$75,000.00	.4386%
J 4	\$75,000.00	.4386%
J 5	\$75,000.00	.4386%
J 6	\$75,000.00	.4386%
J 7	\$75,000.00	.4386%
J 8	\$75,000.00	.4386%
J 13	\$75,000.00	.4386%
J 14	\$75,000.00	.4386%
J 15	\$75,000.00	.4386%
J 16	\$75,000.00	.4386%
I 33	\$75,000.00	.4386%
I 34	\$75,000.00	.4386%
I 35	\$75,000.00	.4386%
I 36	\$75,000.00	.4386%

FILED IN DEED - M BOOK 406 PAGE 1638  
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"F-14"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XIII is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>TYPE II</u>	<u>TYPE III</u>	<u>TYPE IV</u>	<u>TYPE V</u>	<u>TYPE VI</u>
I 1	\$75,000.00	-	0	-	-	-	-
I 2	\$75,000.00	-	0	-	-	-	-
I 3	\$75,000.00	-	4	-	-	-	-
I 4	\$75,000.00	-	4	-	-	-	-
I 5	\$75,000.00	-	4	-	-	-	-
I 6	\$75,000.00	-	4	-	-	-	-
I 7	\$75,000.00	-	4	-	-	-	-
I 8	\$75,000.00	-	4	-	-	-	-
I 25	\$75,000.00	-	4	-	-	-	-
I 26	\$75,000.00	-	4	-	-	-	-
I 27	\$75,000.00	-	4	-	-	-	-
I 28	\$75,000.00	-	4	-	-	-	-
I 29	\$75,000.00	-	4	-	-	-	-
I 30	\$75,000.00	-	4	-	-	-	-
I 31	\$75,000.00	-	4	-	-	-	-
I 32	\$75,000.00	-	4	-	-	-	-

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"F-15"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XIV is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		
I 9	\$75,000.00	.38468	
I 10	\$75,000.00	.38468	
I 11	\$75,000.00	.38468	
I 12	\$75,000.00	.38468	
I 13	\$75,000.00	.38468	
I 14	\$75,000.00	.38468	
I 15	\$75,000.00	.38468	
I 16	\$75,000.00	.38468	
I 17	\$75,000.00	.38468	
I 18	\$75,000.00	.38468	
I 19	\$75,000.00	.38468	
I 20	\$75,000.00	.38468	
I 21	\$75,000.00	.38468	
I 22	\$75,000.00	.38468	
I 23	\$75,000.00	.38468	
I 24	\$75,000.00	.38468	

TYPE I	-	2
TYPE II	-	2
TYPE III	-	0
TYPE IV	-	4
TYPE V	-	8
TYPE VI	-	0

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"F-16"



ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XV is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>TYPE II</u>	<u>TYPE III</u>	<u>TYPE IV</u>	<u>TYPE V</u>	<u>TYPE VI</u>
N 1	\$75,000.00	-	2				
N 2	\$75,000.00	-	2				
N 3	\$75,000.00	-	0				
N 4	\$75,000.00	-	4				
N 5	\$75,000.00	-	8				
N 6	\$75,000.00	-	0				
N 7	\$75,000.00	-	0				
N 8	\$75,000.00	-	0				
N 9	\$75,000.00	-	0				
N 10	\$75,000.00	-	0				
N 11	\$75,000.00	-	0				
N 12	\$75,000.00	-	0				
N 13	\$75,000.00	-	0				
N 14	\$75,000.00	-	0				
N 15	\$75,000.00	-	0				
N 16	\$75,000.00	-	0				

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"F-17"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XVI is added to the Regime)

TYPE I - 2  
TYPE II - 2  
TYPE III - 0  
TYPE IV - 4  
TYPE V - 8  
TYPE VI - 0

UNITS

ASSIGNED VALUATION

P 1	\$75,000.00	.34245%
P 2	\$75,000.00	.34245%
P 3	\$75,000.00	.34245%
P 4	\$75,000.00	.34245%
P 5	\$75,000.00	.34245%
P 6	\$75,000.00	.34245%
P 7	\$75,000.00	.34245%
P 8	\$75,000.00	.34245%
P 9	\$75,000.00	.34245%
P 10	\$75,000.00	.34245%
P 11	\$75,000.00	.34245%
P 12	\$75,000.00	.34245%
R 1	\$75,000.00	.34245%
R 2	\$75,000.00	.34245%
R 3	\$75,000.00	.34245%
R 4	\$75,000.00	.34245%

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"F-18"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XVII is added to the Regime)

TYPE I - 2  
TYPE II - 0  
TYPE III - 2  
TYPE IV - 4  
TYPE V - 4  
TYPE VI - 0

UNITS

ASSIGNED VALUATION

R 5	\$75,000.00	.32895%
R 6	\$75,000.00	.32895%
R 7	\$75,000.00	.32895%
R 8	\$75,000.00	.32895%
R 9	\$75,000.00	.32895%
R 10	\$75,000.00	.32895%
R 11	\$75,000.00	.32895%
R 12	\$75,000.00	.32895%
R 13	\$75,000.00	.32895%
R 14	\$75,000.00	.32895%
R 15	\$75,000.00	.32895%
R 16	\$75,000.00	.32895%

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"F-19"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XVIII is added to the Regime)

TYPE I - 0  
TYPE II - 0  
TYPE III - 4  
TYPE IV - 4  
TYPE V - 3  
TYPE VI - 5

UNITS

ASSIGNED VALUATION

S 1	\$75,000.00	.3125%
S 2	\$75,000.00	.3125%
S 3	\$75,000.00	.3125%
S 4	\$75,000.00	.3125%
S 5	\$75,000.00	.3125%
S 6	\$75,000.00	.3125%
S 7	\$75,000.00	.3125%
S 8	\$75,000.00	.3125%
S 9	\$75,000.00	.3125%
S 10	\$75,000.00	.3125%
S 11	\$75,000.00	.3125%
S 12	\$75,000.00	.3125%
S 13	\$75,000.00	.3125%
S 14	\$75,000.00	.3125%
S 15	\$75,000.00	.3125%
S 16	\$75,000.00	.3125%

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"F-20"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XIX is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>		<u>TYPE I</u>	-	<u>2</u>
Q 1	\$75,000.00	.29763%	<u>TYPE II</u>	-	<u>2</u>
Q 2	\$75,000.00	.29763%	<u>TYPE III</u>	-	<u>0</u>
Q 3	\$75,000.00	.29763%	<u>TYPE IV</u>	-	<u>4</u>
Q 4	\$75,000.00	.29763%	<u>TYPE V</u>	-	<u>8</u>
Q 5	\$75,000.00	.29763%	<u>TYPE VI</u>	-	<u>0</u>
Q 6	\$75,000.00	.29763%			
Q 7	\$75,000.00	.29763%			
Q 8	\$75,000.00	.29763%			
Q 9	\$75,000.00	.29763%			
Q 10	\$75,000.00	.29763%			
Q 11	\$75,000.00	.29763%			
Q 12	\$75,000.00	.29763%			
Q 13	\$75,000.00	.29763%			
Q 14	\$75,000.00	.29763%			
Q 15	\$75,000.00	.29763%			
Q 16	\$75,000.00	.29763%			

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"F-21"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XX is added to the Regime)

<u>UNITS</u>	<u>ASSIGNED VALUATION</u>	<u>TYPE I</u>	<u>TYPE II</u>	<u>TYPE III</u>	<u>TYPE IV</u>	<u>TYPE V</u>	<u>TYPE VI</u>
T 1	\$75,000.00	-	2				
T 2	\$75,000.00						
T 3	\$75,000.00						
T 4	\$75,000.00						
T 5	\$75,000.00						
T 6	\$75,000.00						
T 7	\$75,000.00						
T 8	\$75,000.00						
T 9	\$75,000.00						
T 10	\$75,000.00						
T 11	\$75,000.00						
T 12	\$75,000.00						
T 13	\$75,000.00						
T 14	\$75,000.00						
T 15	\$75,000.00						
T 16	\$75,000.00						
T 17	\$75,000.00						
T 18	\$75,000.00						
T 19	\$75,000.00						
T 20	\$75,000.00						

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"F-22"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XXI is added to the Regime)

TYPE I - 2  
TYPE II - 0  
TYPE III - 2  
TYPE IV - 6  
TYPE V - 8  
TYPE VI - 2

UNITS

ASSIGNED VALUATION

U 1	\$75,000.00	.26595%
U 2	\$75,000.00	.26595%
U 3	\$75,000.00	.26595%
U 4	\$75,000.00	.26595%
U 5	\$75,000.00	.26595%
U 6	\$75,000.00	.26595%
U 7	\$75,000.00	.26595%
U 8	\$75,000.00	.26595%
V 1	\$75,000.00	.26595%
V 2	\$75,000.00	.26595%
V 3	\$75,000.00	.26595%
V 4	\$75,000.00	.26595%
V 5	\$75,000.00	.26595%
V 6	\$75,000.00	.26595%
V 7	\$75,000.00	.26595%
V 8	\$75,000.00	.26595%
V 9	\$75,000.00	.26595%
V 10	\$75,000.00	.26595%
V 11	\$75,000.00	.26595%
V 12	\$75,000.00	.26595%

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"F-23"

ASSIGNED PERCENTAGE INTERESTS

(Assuming Phase XXII is added to the regime)

TYPE I - 0  
TYPE II - 2  
TYPE III - 2  
TYPE IV - 0  
TYPE V - 2  
TYPE VI - 2

UNITS                      ASSIGNED VALUATION

W 1	\$75,000.00	.26041%
W 2	\$75,000.00	.26041%
W 3	\$75,000.00	.26041%
W 4	\$75,000.00	.26041%
W 5	\$75,000.00	.26041%
W 6	\$75,000.00	.26041%
W 7	\$75,000.00	.26041%
W 8	\$75,000.00	.26041%

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"F-24"



For Use By  
 The Secretary of State  
 File No. ....  
 Fee Paid. ....  
 R.N. ....  
 Date .....

**Declaration and Petition for Incorporation**

APPLICATION MUST BE TYPEWRITTEN  
 DO NOT FILE IN DUPLICATE

The undersigned declarants and petitioners	
NAME	STREET ADDRESS AND CITY
P. Carlton Knoll	165 Evian Hilton Head Island, SC 29928
George G.L. Palmer	18 Green Heron Road Hilton Head Island, SC 29928

**\*\*continued on reverse side**

being two or more of the officers or agents appointed to supervise or manage the affairs of Marsh Side Owners Association, Inc.  
Association, Inc.  
a non-profit / corporation  
 which has been duly and regularly organized for the purposes hereinafter to be set forth, do affirm and declare:  
 That at a meeting of the aforesaid organization, held pursuant to the by-laws or regulations of the said organization, they were authorized and directed to apply for incorporation.  
 That the said organization holds, or desires to hold, property in common for a Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members, otherwise than as above stated, or for the insurance of life, health, accident or property, and that the three days' notice in the Beaufort  
Gazette a newspaper published in the County of Beaufort  
 has been given that the aforesaid Declaration would be filed.

The said Declarants and Petitioners further declare and affirm:  
 FIRST. Their names and residences are as above given  
 SECOND. The name of the proposed Corporation is Marsh Side Owners Association, Inc.  
 THIRD. The place at which it proposes to have its headquarters or to be located is \_\_\_\_\_  
 \_\_\_\_\_ at the City of \_\_\_\_\_  
 \_\_\_\_\_

FOURTH. The purpose of the said proposed Corporation is to provide an entity pursuant to the  
Horizontal Property Act of South Carolina, South Carolina Code of Laws  
(1976), Section 27-31-10 to 27-31-300 (the "Act"), to provide for the  
administration of Marsh Side Horizontal Property Regime (the "Regime")  
located upon the land which is more fully described in the Master Deed.  
 FIFTH. The names and residences of all Managers, Trustees, Directors or other officers, are as follows:

NAMES	TITLE	ADDRESS
P. Carlton Knoll	President and Director	165 Evian Hilton Head Is., SC 29928
George G.L. Palmer	Secretary and Director	18 Green Heron Road Hilton Head Is., SC 29928
Steven G. Nienow	Treasurer and Director	59 Rookery Way, Hilton Head Island, SC 29928

SIXTH. That they desire to be incorporated in perpetuity  
 SEVENTH. That the attached Declaration and Petition for Incorporation be incorporated herein.

Marsh Side Owners Association, Inc.  
(Organic Name of Association)

A Certificate of Incorporation, with all rights, powers, privileges and immunities, and subject to all the limitations and liabilities conferred by Title 33, Chapter 33, 1976 Code, and Acts amendatory thereto, to provide for the incorporation of Religious, Educational, Social, Fraternal or Charitable Churches, Lodges, Societies, Associations, or Companies, and for amending the Charter of any such corporation and to be tested.

(Sign here) P. Carlton Knoll  
 P. Carlton Knoll  
George G.L. Palmer  
 George G.L. Palmer  
Steven G. Nienow  
 Steven G. Nienow

Date NOV 2 1984

EXHIBIT "C-1"

INSTRUCTIONS

FILING FEES—Churches, Religious Organizations, Religious Societies, Religious Institutions and Volunteer Fire

Departments ..... \$3.00
Other Non-profit Corporations ..... \$15.00

All fees are payable to the Secretary of State.

Two petitioners are all that is required.

State the purpose of your organization tersely in general terms. Do not attempt to include therein matter that should go into your by-laws, or specifically ask for certain powers granted under the law to all corporations-such as the right to buy and hold property, to have a common seal, etc.

\*\* continued from page one: Steven G. Nienow, 59 Rookery Way, Hilton Head Island, SC 29928 SHOULD ASSOCIATION BE OTHER THAN A CHURCH, HAVE THE SHERIFF ENDORSE THE PETITION.

THE AFFIDAVIT BELOW MUST BE COMPLETED BEFORE THE CHARTER WILL BE ISSUED.

AFFIDAVIT EXECUTED AS A PART OF THE DECLARATION AND PETITION FOR INCORPORATION OF A PROPOSED CORPORATION NAME Marsh Side Owners Association, Inc.

STATE OF SOUTH CAROLINA

COUNTY OF Beaufort

FILED IN DEED - M BOOK 406 PAGE 1650 FILED AT 111500 ON 11/02/84

The undersigned P. Carlton Knoll and George G.L. Palmer and Steven G. Nienow

do hereby certify that they are the officers or persons signing the petition for incorporation of a non-profit corporation having no capital stock, that all the facts in the petition are true and correct and that the corporation will not operate for a profit for itself or any of its members.

Handwritten signatures of P. Carlton Knoll, George G.L. Palmer, and Steven G. Nienow with printed names below.

Sworn to before this 2ND

day of NOVEMBER 19 84

Notary Public for South Carolina My commission expires 10/13/91

NOTICE: IF IT IS FOUND THAT THE CORPORATION IS OPERATED FOR PROFIT, THIS MAY BE GROUNDS FOR REVOCATION OF CHARTER.

The undersigned, Sheriff of Beaufort County, South Carolina, hereby approves this Declaration and Petition for Incorporation.

Date: \_\_\_\_\_, 1984 Sheriff of Beaufort County

DECLARATION AND PETITION FOR INCORPORATION

OF

MARSH SIDE OWNERS ASSOCIATION, INC.

The undersigned, for the purpose of forming a corporation not for profit under South Carolina Code of Laws (1976), as amended, Sections 33-31-10, et. seq., certify as follows:

ARTICLE I

Definitions

Section 1.1 Reference to Master Deed. Terms used in this Declaration, unless the context requires otherwise or unless otherwise specified herein, shall have the same meaning as in the recorded Master Deed of Marsh Side Horizontal Property Regime I attached hereto as an Exhibit.

ARTICLE II

Name

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Section 2.1 Name. The name of the corporation shall be Marsh Side Owners Association, Inc. (the "Association").

ARTICLE III

Purpose

Section 3.1 General. The purpose for which the Association is organized is to provide an entity pursuant to the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976) Section 27-31-10 to 27-31-300 (the "Act"), to provide for the administration of Marsh Side Horizontal Property Regime I (the "Regime"), located upon the Land which is more fully described in the Master Deed.

EXHIBIT "G-3"

Section 3.2 No Profit Motive. The Association shall hold all funds and the title to all properties and the proceeds thereof in trust for the Owners in accordance with the provisions hereof and the Regime Documents and is not organized for the purpose of profit or gain to its members, otherwise than as above stated, or for the insurance of life, health, accident, or property.

Section 3.3 Distributions. The Association shall make no distributions of income to its members, Directors, or Officers; provided, however, this provision shall not prohibit or prevent the distribtuon of any and all assets held in trust for the Owners as provided herein or in the Master Deed.

Section 3.4 Notice. Three (3) days' notice in The Beaufort Gazette, a newspaper of general circulation published in the County of Beaufort, State of South Carolina, has been given that this Declaration would be filed.

ARTICLE IV FILED IN DEED - M BOOK 406 PAGE 1652  
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Powers

The powers of the Association shall include and be governed by the following provisions:

Section 4.1 General. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms hereof.

Section 4.2 Regime Documents. The Association shall have all of the powers and duties set forth in the Act except as limited hereby or the Regime Documents, and all of the powers and duties reasonably necessary to operate the regime as set forth in

EXHIBIT "G-4

the Regime Documents and as it may be amended, from time to time, including, but not limited to, the following:

(a) To make and collect Assessments against Owners to defray the costs, expenses, and losses of the Regime.

(b) To use the proceeds of Assessments in the exercise of its powers and duties.

(c) To maintain, repair, replace, and operate the Project.

(d) To purchase insurance upon the Project and insurance for the protection of the Association and its members.

(e) To reconstruct improvements after casualty and to further improve the Project.

(f) To make and amend reasonable Rules and Regulations respecting the use of the property of the Regime.

(g) To enforce by legal means the provisions of the Act, and the Regime Documents for the use of the property of the Regime.

(h) To contract for the management of the Regime and to delegate to such management agent all powers and duties of the Association, except such as are specifically required by the Master Deed to have approval of the Board of Directors or the membership of the Association.

(i) To employ personnel to perform the services required for the proper operation of the Regime.

Section 4.3 Limitations. The powers of the Association shall be subject to, and shall be exercised in accordance with, the provisions of the Master Deed and the By-Laws.

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EXHIBIT "G-5"

ARTICLE V

Members

Section 5.1 General. The Association shall not take steps which will serve to facilitate the transactions of specific business by its members or promote the private interest of any member or engage in any activity which would constitute a regular business or the kind ordinarily carried out for profit, and no part of the net earnings of the Association shall inure to the benefit of any private individual.

Section 5.2 Members. The members of the Association shall consist of all of the record Owners of Units.

Section 5.3 Change of Membership. Change of membership in the Association shall be established by the recording, in the public records of Beaufort County, South Carolina, of a Deed or other instrument establishing a record title to a Unit in the Project and in the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby shall become a member of the Association. The membership of the prior Owner shall be thereby terminated.

Section 5.4 Assignment of Interest. The share of a member in the funds and assets held in trust by the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his Unit.

Section 5.5 Voting. The members of the Association shall be entitled to vote on all matters in accordance with their Percentage Interests.

FILED IN DEED - M BOOK 406 PAGE 1654  
FILED AT 111500 ON 11/02/84

EXHIBIT "G-6"

ARTICLE VI

Directors

Section 6.1 General. The affairs of the Association will be managed by a Board consisting of the number of Directors as shall be determined by the By-Laws, but not less than three (3) Directors and, in the absence of such determination, shall consist of three (3) Directors.

Section 6.2 Election. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

Section 6.3 Term of Initial Directors. The first election of Directors shall be held on December 1, 1984. The Directors herein named shall serve until the first election of Directors and any vacancies in their number occurring before the first election shall be filled by the remaining Directors.

Section 6.4 Initial Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

P. Carlton Knoll  
165 Evian  
Hilton Head Island, SC 29928  
George G.L. Palmer  
18 Green Heron Road  
Hilton Head Island, SC 29928  
Steven G. Nienow  
59 Rookery Way  
Hilton Head Island, SC 29928

FILED IN DEED - M BOOK 406 PAGE 1655  
FILED AT 111500 ON 11/02/84

EXHIBIT "G-7

ARTICLE VII

Officers

Section 7.1 General. The affairs of the Association shall be administered by Officers elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, which Officers shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President and Chairman of the Board:	P. Carlton Knoll 165 Evian Hilton Head Island, SC 29928
Secretary:	George G.L. Palmer 18 Green Heron Road Hilton Head Island, SC 29928
Treasurer:	Steven G. Nienow 59 Rookery Way Hilton Head Island, SC 29928

ARTICLE VIII

Indemnification FILED IN DEED - M BOOK 406 PAGE 1656  
FILED AT 111500 ON 11/02/84

Section 8.1 General. In accordance with, and to the extent permitted by, the laws of the State of South Carolina made and provided, every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a Director or Officer of the Association, or any settlement thereof, whether or not he is a Director or Officer at the time such expenses are incurred,

EXHIBIT "G-8"



except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

#### ARTICLE IX

##### By-Laws

Section 9.1 General. The first By-Laws of the Association shall be those attached to the Master Deed as Exhibit "H" and may be altered, amended, or rescinded in the manner provided for in the Master Deed.

#### ARTICLE X

##### Amendments

FILED IN DEED - M BOOK 406 PAGE 1657  
FILED AT 111500 ON 11/02/84

Section 10.1 General. Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

(a) 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.

(b) A resolution approving a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express

EXHIBIT "G-9"

their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

(c) Approval of an amendment must be by not less than sixty-seven (67%) percent of the votes of the entire membership of the Association.

(d) A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Beaufort County, South Carolina.

#### ARTICLE XI

##### Term

Section 11.1 General. The term of the Association shall be perpetual; provided, however, that the Association shall be terminated by the termination of the Regime in accordance with the provisions of the Master Deed.

#### ARTICLE XII

##### Subscribers

FILED IN DEED - M BOOK 406 PAGE 1658  
FILED AT 111500 ON 11/02/84

Section 12.1 General. The names and residences of the subscribers to this Declaration are as follows:

P. Carlton Knoll  
165 Evian  
Hilton Head Island, SC 29928

George G.L. Palmer  
18 Green Heron Road  
Hilton Head Island, SC 29928

Steven G. Nienow  
59 Rookery Way  
Hilton Head Island, SC 29928

Section 12.2 Authorization. The subscribers to this Declaration certify that they have been duly authorized by the Owners as the membership of the Association to execute this document for the purposes herein stated.

EXHIBIT "G-10"

ARTICLE XIII

Principal Office


Section 13.1 Location. The principal office of the Association shall be located at Marsh Side Horizontal Property Regime I, Hilton Head Island, South Carolina.

WHEREAS, the undersigned request that the Secretary of State issue to the aforesaid Association a Certificate of Incorporation with all rights, powers, privileges, and immunities and subject to all of the limitations and liabilities conferred by South Carolina Code of Laws (1976), as amended, Section 33-31-10, et. seq.

IN WITNESS WHEREOF, the subscribers have hereto affixed their signatures on November 2, 1984.

  
P. Carlton Knoll

  
George G. L. Palmer

  
Steven G. Nienow

Hilton Head Island,  
South Carolina

FILED IN DEED - M BOOK 406 PAGE 1659  
FILED AT 111500 ON 11/02/84

EXHIBIT "G-11"

AMENDED AND RESTATED BY-LAWS

OF

MARSH SIDE OWNERS ASSOCIATION, INC.

ARTICLE I

General

Section 1.1 Definitions. The terms used in these Amended and Restated By-Laws (hereinafter referred to as "By-Laws"), unless the context requires otherwise or unless otherwise specified herein, shall have the same meaning as the recorded Amended and Restated Master Deed of Marsh Side Horizontal Property Regime I (hereinafter referred to as "Master Deed") to which these By-Laws are annexed.

Section 1.2 Applicability. These By-Laws are adopted pursuant to the Act and shall govern the operation of the Regime by the Association. These By-Laws shall be binding upon all Owners and lessees of Owners, their families, invitees, and guests.

Section 1.3 Conflicts with the Act. These By-Laws are set forth to comply with the Act and the Master Deed and in the event any of the provisions hereof conflict therewith, the provisions of the Act and/or the Master Deed shall control.

Section 1.4 Incorporation of Master Deed by Reference. The provisions of the Master Deed, to the extent required by the Act to be set forth in the By-Laws, shall be deemed to be incorporated herein and all such provisions of the Master Deed shall be deemed By-Laws provisions for purposes of satisfying the requirements of the Act.

EXHIBIT "H"

## ARTICLE II

### Name, Location, and Membership

Section 2.1 Name. The name of the Association is Marsh Side Owners Association, Inc.

Section 2.2 Location. The principal office of the Association shall be located within the Property at Hilton Head Island, Beaufort County, South Carolina, but meetings of the Board of Directors may be held at any other location designated by the Board of Directors in accordance with the provisions of these By-Laws.

Section 2.3 Membership. Each Owner of a fee or undivided fee interest in any Unit shall be a member of the Association, excluding persons who hold such interest under a Deed to secure debt, mortgage, or deed of trust. Membership in the Association shall be confined to such Owners and shall be appurtenant to, and inseparable from, Unit ownership. Such Owner or Owners of each Unit shall designate, in writing and delivered to the Secretary, one member of the Association from among such Owners or Owners of such Unit, or a member of the immediate family of such Owner or Owners, and such member shall represent the Owner or Owners of such Unit in connection with the activities of the Association and shall exercise the voting rights thereof. No such designation may be given to a tenant or resident of a Unit except upon prior written approval of the Board of Directors. Such designation shall be valid until revoked in writing delivered to the Secretary or until such Owner sells his Unit, whichever event shall first occur. No Owner shall be required to pay any consideration whatsoever for his membership.

## ARTICLE III

### Meetings of Members

Section 3.1 Place of Meeting. Meetings of the Association shall be held at the Property or such suitable place, convenient to the members, as may be designated by the Board of Directors.

Section 3.2 Annual Meeting. Annual meetings shall be held within thirty (30) days of the close of the fiscal year or as reasonably set by the Board of Directors. Only the business stated in the notice of meeting may be transacted at an annual meeting.

Section 3.3 Special Meetings. Special meetings of the Association may be called at any time by the President, by resolution of the Board of Directors, or upon the receipt by the Secretary of a petition signed by members holding greater than ten (10%) percent of the Total Percentage Interests. The call of a special meeting shall be by notice, stating the date, time, place, purpose, and order of business of such special meeting. Only the business stated in the notice of meeting may be transacted at a special meeting.

Section 3.4 Notice of Meeting. The Secretary shall give notice 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 member not less than ten (10) days nor more than fifty (50) days before the date of such meeting. Notice may be given in the manner set forth herein. Any member may waive notice of the meeting in writing either before or after the meeting. Attendance of a member at a meeting, either in person or by proxy, except for the purpose of stating, at the beginning of the meeting, any objection to the transaction of business, shall constitute waiver of notice and any objection of any nature whatsoever as to the transaction of any business at such meeting. Notice

given to one tenant-in-common, joint tenant, or tenant by the entirety shall be deemed notice to all such Owners.

Section 3.5 Order of Business. The order of business at each annual meeting shall be as follows:

- (a) Roll call and certification of proxies
- (b) Proof of notice or waiver of notice
- (c) Reading of Minutes of preceding meeting
- (d) Reports of Officers, if any
- (e) Reports of Committees, if any
- (f) Election of Directors
- (g) Unfinished business
- (h) New business
- (i) Adjournment

In the case of special meetings, items (a) through (d) shall be applicable and thereafter, the agenda shall consist of the items specified in the notice of the meeting.

Section 3.6 Quorum. At all meetings, regular or special, a quorum shall consist of the presence in person or by proxy of members holding not less than twenty-five (25%) percent of the total vote of the Association. If a quorum shall not be present at any meeting, the Members who are present at such meeting may adjourn the meeting to be reconvened at a date not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At any such reconvened meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.7 Voting Rights. The Association shall have one class of voting membership which shall consist of all Owners of Units in the Regime. There shall be one (1) vote per Unit. No member who is suspended shall be entitled to vote in the affairs of the Association nor shall such suspended member be counted for purposes of determining the number of eligible votes or establishing a quorum.

Section 3.8 Proxy. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary in the manner designated in the notice.

Section 3.9 Majority Vote. Acts authorized, approved, or ratified by a majority vote cast, in person or by proxy at a properly convened meeting, shall be the acts of the Association and shall be binding for all purposes.

Section 3.10 Action Without Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the action so taken shall be signed by all persons who would be entitled to cast votes of membership of the Association at a meeting and such consent is filed with the Secretary of the Association and is inserted into the Minute Book thereof.

#### ARTICLE IV

##### Board of Directors, Number, Powers, Meetings

Section 4.1 Number. The business and affairs of the Association shall be governed by a Board of Directors (herein sometimes referred to as the "Board"), made up of nine (9) Members who shall be members of the Association. Each Director shall be at least twenty-one (21) years of age and any "qualified" Director may be elected. For purposes of these By-laws, "qualified" is defined as a member in good standing. Each Director shall hold office until his



death, resignation, retirement, suspension, disqualification, or his successor is elected and qualifies.

Section 4.2 Powers. The Board of Directors shall direct the affairs of the Association and, subject to any restrictions imposed by law, the Master Deed, the By-Laws or the Rules and Regulations, may exercise all of the powers of the Association. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Master Deed, these By-Laws or the Rules and Regulations as it may deem necessary or appropriate in the exercise of its powers.

Section 4.3 Election and Term of Office. The Directors of the Association shall be elected at the Annual Meeting and serve staggered terms of three (3) years.

Section 4.3 Vacancies. Vacancies on the Board of Directors, as set forth in Section 4.1 above, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 4.4 Removal of Directors.

(a) At any regular or special meeting of the Association duly called, one or more of the Directors may be removed with or without cause by a majority of the total vote of the Association and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by an Owner or Owners shall be given an opportunity to be heard at such meeting.

(b) Any Director elected by the Owners may be removed for cause by a majority of the other Directors present at a regular or special meeting of the Board at which a

quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. Grounds for removal shall include, without limitation:

- (i) having three (3) consecutive unexcused absences from Board meetings;
- (ii) failure to perform the duties of a Director;
- (iii) violating any code of conduct for a Board Member reasonably adopted by the Board;
- (iv) disclosing confidential information of the Association or the Board that is not authorized by the Board or the governing documents;
- (v) engaging in inappropriate, illegal or improper conduct or behavior that adversely affects the Association's orderly conduct of business; or,
- (vi) having an irresolvable or unreported conflict of interest.

Section 4.5 Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such time and place, but not less frequently than semi-annually, as may be fixed, from time to time, by resolution of the Board. Notice of regular meetings of the Board shall be given to each Director, as set forth herein at least three (3) days prior to the day of such meeting.

Section 4.6 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, which notice shall state the date, time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two (2) Directors.

Section 4.7 Waiver of Notice. Before or at any meeting of the Board of Directors any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the date, time, and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.8 Quorum. At all meetings of the Board of Directors, a majority of the then qualified Directors shall constitute a quorum for the transaction of business and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.9 Compensation. No Director shall receive compensation for any service he may render to the Association, nor shall the Association make any loan, directly or indirectly, to a Director; provided, however, that a Director may be reimbursed for travel, lodging, and other out-of-pocket expenses incurred by him in the performance of his duties.

Section 4.10 Action by Board Without a Meeting. The Board of Directors shall have the right to take any action which it could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Section 4.11 Telephonic Participation. One or more Directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time and those Directors so participating shall be present at such meeting.

Section 4.12 Liability of Directors. In accordance with, and to the extent permitted by, the laws of the State of South Carolina , no Director shall be liable to any Owner for injury or damage caused by such Director in the performance of his duties unless due to the willful misfeasance or malfeasance of such Director. Furthermore, in accordance with the laws of the State of South Carolina each Director shall be indemnified by the Association against all liabilities and expenses, including attorney's fees, reasonably incurred and imposed upon him in connection with any proceeding to which he may be a party or in which he becomes involved by reason of his being or having been a Director of the Association, whether or not he is a Director of the Association at the time such expenses and liabilities are incurred, except in such cases where the Director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. Such indemnity shall be subject to the approval by the members of the Association only when such approval is required by the laws of the State of South Carolina. .

## ARTICLE V

### Officers

Section 5.1 Number and Election. There shall be elected annually by and from the Board of Directors a President (who shall also be Chairman of the Board), a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be filled by the same person. The

Directors may also elect, from time to time, such other Officers as in their judgment may be needed, which Officers need not be Directors.

Section 5.2 Removal and Vacancies. Except as herein provided to the contrary, the Officers shall be elected annually and hold office at the pleasure of the Board. A vacancy in any office may be filled by the Board at its next meeting. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 5.3 Duties. The duties of the Officers shall be as follows:

(a) President. The President shall be the Chief Executive Officer and shall preside at all meetings of the Board of Directors and the Association, shall see that orders and resolutions of the Board are carried out, shall appoint committees consisting of members of the Association as in his opinion are necessary, shall co-sign with the Treasurer all promissory notes and similar documents, if any, and shall perform such other duties as may be designated to him by the Board. The President shall have all general powers and duties which are incident to the office of President of a business corporation organized under the laws of the State of South Carolina and control the management of the Association in accordance with such laws and these By-Laws.

(b) Secretary. The Secretary shall record the votes and keep the minutes of all meetings in a Minute Book wherein all resolutions and proceedings of the Board and Association validly adopted shall be recorded and proceedings of the Board and the Association; keep appropriate current records showing the members of the Association together with their addresses and designating those members entitled to vote; keep custody of and attest the seal of the Association; and perform such other duties as may be required of him by the Board or

incident to the office of Secretary of a business corporation organized under the laws of the State of South Carolina.

(c) Treasurer. The Treasurer shall be responsible for the funds of the Association, except to the extent a professional management company collects and disburses funds. The Treasurer shall co-sign with the President all promissory notes and similar documents, shall maintain full and accurate fiscal accounts and records, and shall perform such other duties as may be designated by the Board of Directors or incident to the office of Treasurer of a business corporation under the laws of the State of South Carolina.

Section 5.4 Compensation. No Officer shall receive compensation for any service he may render to the Association nor shall the Association make any loan, directly or indirectly to an Officer; provided, however, that an Officer may be reimbursed for reasonable travel, lodging, and other out-of-pocket expenses incurred by him in the performance of his duties. This does not preclude the Board of Directors from employing persons to perform services from time to time required by the Association, who shall receive compensation.

Section 5.5 Liability of Officers. In accordance with, and to the extent permitted by, the laws of the State of South Carolina, no Officer shall be liable to any Owner for injury or damage caused by such Officer in the performance of his duties unless due to the willful misfeasance or malfeasance of such Officer. Furthermore, in accordance with, and to the extent permitted by, the laws of the State of South Carolina, each Officer shall be indemnified by the Association against all liabilities and expenses, including attorney's fees, reasonably incurred and imposed upon him in connection with any proceedings to which he may be a party or in which he becomes involved by reason of his being or having been an Officer of the Association at the times such expense and liabilities are incurred, except in such cases where the Officer is

adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. Such indemnity shall be subject to approval by the members of the Association only when such approval is required by the laws of the State of South Carolina.

## ARTICLE VI

### Compliance

Section 6.1 Association Compliance with Master Deed and By-Laws. The Association, through the Board of Directors and Officers, shall comply with all provisions of the Master Deed and By-Laws regarding the operation and administration of the Regime, including, but not limited to:

- (a) Establishing an Annual Assessment by estimating the Common Expenses to be incurred during each fiscal year; collecting the Annual Assessments for the purposes as set forth in the Master Deed; collecting Working Capital Assessments; and, in general, causing the Association to have sufficient funds to perform the obligations imposed upon it by the Act, the Master Deed, and these By-Laws;
- (b) Causing the Property to be maintained in good condition and repair with adequate security;
- (c) Regulating the use and enjoyment of the Property to promote the enjoyment thereof by all parties entitled to the benefits therefrom;
- (d) Causing the Association to comply with all obligations related to insurance coverage contained in applicable provisions of the Federal National Mortgage

Association Conventional Home Mortgage Selling Contract Supplement and as specified in the Master Deed;

(e) Causing the Association to provide all documents and to undertake all activities specified in the Master Deed for the benefit of mortgagees;

(f) Causing personnel necessary for the proper operation of the Regime to be employed; and

(g) Entering into all other contractual arrangements deemed necessary or appropriate by the Board of Directors to permit the Regime to comply with the requirements of the Act, Master Deed, or these By-Laws.

Section 6.2 Member Compliance. Every Member or occupant of a Unit, their families, lessees, invitees and guests, shall comply with the Master Deed, By-Laws and Rules and Regulations of the Association. Failure to comply shall be grounds for fines, sanctions, an action to recover sums due for damages or injunctive relief, or for any other remedy available at law or in equity by the Association.

Section 6.3 Employment of Professional Condominium Manager. The Board of Directors may employ a professional management company or employee management agent in accordance with the provisions of the Master Deed, who shall have such powers and responsibilities as deemed necessary or appropriate by the Board of Directors to permit, at a minimum, the collection of all Assessments, payments of recurring expenses, attending to proper maintenance, and operation of the Property on a day-to-day basis.



## ARTICLE VII

### Financial Matters

Section 7.1 Availability of Funds. The Board of Directors shall cause the Association to establish reasonable reserves for working capital, deferred maintenance and replacement to promote the operation of the Regime on a sound financial basis.

Section 7.2 Collection of Assessments. The Board of Directors shall use all reasonable efforts to collect Assessments from Owners on a current basis and shall pursue all Owners for delinquent Assessments in a vigorous manner except to the extent that it is unlikely that the Association will be able to recover a material portion of the Assessment after deducting the costs incurred in connection with the collection thereof.

Section 7.3 Records of Receipts and Expenditures. The Association shall keep accurate books and records, including, but not limited to, a ledger book with detailed accounts, in chronological order, of the receipts and expenditures affecting the Property and its administration and specifying the maintenance and repair expenses of the Common Area and all other expenses incurred by the Association.

Section 7.4 Record of Assessments. An Assessment Roll shall be maintained in which there shall be an account for each Unit. Such an account shall designate the name and address of the Owner, the amount of each Assessment against the Owner, the date and amount in which Assessments come due, the amount received on the account from time to time, and any balance due from the Owner. Upon request, the Association shall issue a certificate utilizing the Assessment Roll as a status of the Owner and the Unit with respect to the payment of Assessments to any party having an interest in the Unit.

Section 7.5 Review of Financial Statements. No later than one hundred twenty (120) days after the close of any fiscal year of the Association, the Association shall cause reviewed financial statements for such fiscal year to be prepared by a certified public accountant, licensed in the State of South Carolina.

Section 7.6 Access to Information. The Association shall make available to Owners and holders, insurers, or government guarantors of any mortgage, information concerning the Regime as provided for in the Master Deed.

Section 7.7 Depository. The depository for the Association shall be such bank or banks as shall be designated from time to time, by the Board of Directors and in which monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by check signed by such persons as are authorized by the Board of Directors.

Section 7.8 Fidelity Bonds. Fidelity bonds shall be required of all parties having access to funds of the Association in accordance with the provisions of the Master Deed.

Section 7.9 Fiscal Year. The fiscal year of the Association shall be the calendar year.

## ARTICLE VIII

### Association Seal

Section 8.1 Description. The Association shall have a seal, in circular form, having within its circumference the words "Marsh Side Owners Association, Inc./South Carolina/1984".

## ARTICLE IX

### Parliamentary Rules

Section 9.1 Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Act, the Master Deed, or these By-Laws.

## ARTICLE X

### Amendments

Section 10.1 By-Laws. These By-Laws may be amended by a vote of fifty-one (51%) percent of the votes cast in person or by proxy at a duly constituted meeting of the Association. Amendments shall be set forth in an amendment to the Master Deed and duly recorded. Each Owner, by accepting a Deed to a Unit, expressly agrees to be bound by and benefit from any such amendment.

Section 10.2 Master Deed. The Master Deed may be amended by a vote of Owners representing at least fifty-one (51%) percent of the Unit Owners.

Section 10.3 Additional Consent. Anything to the contrary contained in the Master Deed or By-Laws notwithstanding, no amendment to the Master Deed or the By-Laws shall discriminate against any Owner or against any Unit or class of Units unless the Owners so affected shall consent in writing thereto.

## ARTICLE XI

### Rules and Regulations

Section 11.1 Promulgation. The Board of Directors shall promulgate Rules and Regulations in accordance with the authority granted in the Master Deed to regulate the use and enjoyment of the Property by all parties. Copies of all amendments to the Rules and Regulations shall be mailed to all Owners promptly upon adoption of such amendments and complete copies of the Rules and Regulations shall be made available to Owners and lessees of Owners upon request.

## ARTICLE XII

### Notices

Section 12.1 Notices. All notices required under these By-Laws may be hand delivered, sent via internet or facsimile, in which event notice shall be deemed to occur on the date of written acknowledgement or response by the recipient, or sent by mail to the Association at the address of the President or the Management Agent; to Unit Owners via hand delivery, sent via internet or facsimile, in which event notice shall be deemed to occur on the date of written acknowledgment or response by the recipient at the address of the Unit or at such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice fo changes of address which shall be deemed to have been given when received.

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*{Signature Page to Follow}*

{Signature Page for Amended and Restated By-Laws of  
Marsh Side Owners Association, Inc.}

WITNESSES:

MARSH SIDE HORIZONTAL  
PROPERTY REGIME I:

Shawn L. Shum

By: Lawrence E. Melton  
Its: President

Patricia L. Norris

Shawn L. Shum

By: Mitch Hedrick  
Its: Secretary

Patricia L. Norris

STATE OF SOUTH CAROLINA

)  
)  
)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT

I, the undersigned Notary Public, do hereby certify that Lawrence Melton its  
President, and Mitch Hedrick its Secretary, personally appeared before me this  
day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 20 day of December, 2012.

SWORN to before me this 20  
day of December, 2012.

Patricia L. Norris

Notary Public for South Carolina

My Commission Expires: \_\_\_\_\_ My Comm Expires December 15, 2021

(SEAL)