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**MASTER DEED
OF
THE TWO ISLAND MARINA
HORIZONTAL PROPERTY REGIME**

~ IMPORTANT NOTICES ~

- 1. PORTIONS OF THIS MASTER DEED ARE SUBJECT TO ARBITRATION UNDER THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, §15-48-10, S.C. CODE OF LAWS OF 1976, AS AMENDED.**
- 2. IMPORTANT:** ALL ACTIVITIES AND USES ON OR OVER THE SUBMERGED LAND SUBJECT TO THIS MASTER DEED ARE SUBJECT TO THE JURISDICTION OF THE U.S. ARMY CORPS OF ENGINEERS ("USACE") AND THE OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT ("OCRM") OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, INCLUDING, BUT NOT LIMITED TO, THE REQUIREMENT THAT ANY ACTIVITY OR USE MUST BE AUTHORIZED BY OCRM. THE DOCK FACILITIES DESCRIBED IN THIS MASTER DEED WERE ORIGINALLY BUILT, MAINTAINED, AND USED PRIOR TO IMPLEMENTATION OF THE OCRM DOCK PERMITTING PROCESS (i.e. "Grandfathered") AND SUBSEQUENTLY REBUILT PURSUANT TO A PERMIT OR PERMITS ISSUED BY OCRM, FOR ITSELF AND ON BEHALF OF THE USACE. THE CURRENT PERMIT(S) IS/ARE SUBJECT TO THE TERMS AND CONDITIONS OF ALL APPLICABLE LAWS AND SUCH PERMIT(S). THE PERMIT(S) MAY BE REVOKED, SUSPENDED, OR MODIFIED AT ANY TIME IN ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED IN SUCH PERMIT(S) AND IN ACCORDANCE WITH APPLICABLE LAW.
- 3. IMPORTANT:** UPON TRANSFER OF LEGAL OR BENEFICIAL OWNERSHIP OF A UNIT (OTHER THAN TO DECLARANT), THE RECIPIENT (NEW OWNER) SHALL PAY A TRANSFER FEE TO THE TWO ISLAND MARINA PROPERTY OWNERS ASSOCIATION, INC.'S CAPITAL RESERVE FUND IN AN AMOUNT EQUAL TO 2/12ths OF THE ANNUAL ASSESSMENT IN EFFECT FOR SUCH UNIT AT THE TIME OF THE TRANSFER.
- 4. IMPORTANT:** THERE ARE SUBSTANTIAL RESTRICTIONS ON HOW A UNIT WITHIN THIS REGIME MAY BE USED, INCLUDING PROHIBITIONS ON LIVING ON BOARD A VESSEL, CERTAIN COMMERCIAL USES, AND OTHER PROHIBITED ACTIVITIES. READ CAREFULLY TO UNDERSTAND THE RESTRICTIONS.

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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED
OF THE TWO ISLAND MARINA
HORIZONTAL PROPERTY REGIME

THIS MASTER DEED OF THE TWO ISLAND MARINA HORIZONTAL PROPERTY REGIME (“*Master Deed*”) is made this day of October __, 2023 (“*Effective Date*”), by 211 MARINA, LLC, a South Carolina limited liability company (“*Declarant*”).

WITNESSETH:

WHEREAS, Declarant and 101 Palm Boulevard, LLC (“*Landlord*” or “*Grantor*”) entered into a certain ground lease (“*Ground Lease*”) as reflected in the Memorandum of Ground Lease, recorded in the Charleston County Register of Deeds on August 11, 2021 in Book 1022 at Page 315 (“*Memorandum of Ground Lease*”), whereby Landlord grants Declarant a ninety-nine (99) year lease to “locate, construct, operate, maintain, replace, or repair a Locker Unit (“*Locker Unit*”) and access gate which shall be used in conjunction with the operation, maintenance, repair, and rebuilding” of the Two Island Marina (“*Marina*”), on a portion of the property commonly known as 101 Palm Boulevard, Isle of Palms, South Carolina with a current parcel ID number 568-09-00-001, as more fully described in the attached Exhibit A (“*Property*”);

WHEREAS, in addition to the Ground Lease, Grantor granted Declarant, as grantee, certain rights and entitlements to the Property, including the rights of pedestrian ingress and egress from the Locker Unit to the Marina, as reflected in that certain Access Easement recorded in the Register of Deeds Office for Charleston County on August 11, 2021, in Book 1022 at Page 316 (“*Access Easement*”);

WHEREAS, the Locker Unit, as more fully described herein and set forth in Exhibit B, shall have certain limited common elements (“*Limited Common*”) dedicated exclusively to the Locker Unit, which Limited Common includes the dock walkway (the “*Dock*”), twenty-four (24) boat slips (“*Boat Slips*”) for the storage and/or moorage of boating vessels, and the easements and utilities serving the facility commonly known as the Two Island Marina, which Marina extends into Hamlin Creek and is more particularly depicted in the attached Exhibit C;

WHEREAS, Declarant, for itself and its successors and assigns, pursuant to the provisions of the South Carolina Horizontal Property Act, S.C. Code Ann. § 27-31-10 *et seq.* (1976), as amended, (the “*Act*”), by the execution and recording of this Master Deed, intends to form a horizontal property regime and establish easements, covenants, and restrictions to run with the Locker Unit Facility, as set forth herein.

**SUBMISSION OF CONDOMINIUM PROPERTY TO A HORIZONTAL PROPERTY REGIME AND
THE PROVISIONS OF THE ACT:**

NOW, THEREFORE, Declarant, upon execution and recording of this Master Deed, submits the Locker Unit Facility, together with all improvements thereon, as well as the rights, members, hereditaments, and appurtenances belonging to the Locker Unit Facility, or in anywise incident or appertaining, to the provisions of the Act. The Locker Unit Facility is to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved, and in any other manner utilized subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Locker Unit Facility and the division thereof into condominium ownership and all of which shall run with the Locker Unit Facility and shall be binding on all parties having or acquiring any right, title, or interest in the Locker Unit Facility or any part thereof, and shall be for the benefit of each Owner (as defined below) of any portion of the Locker Unit Facility or any interest therein, and inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I:
Definitions

The definitions contained in § 27-31-20 of the Act are incorporated into this Master Deed by this reference unless it is clear from the context that a particular definition in the Act is contradictory to a definition in this Master Deed, in which case the definition in this Master Deed shall apply. In addition, the following terms and phrases, as used in this Master Deed, shall be defined as follows, unless the context clearly indicates a different meaning therefor:

- 1.1 Access Easement means that certain Access Easement dated August 11, 2021, and recorded in the Charleston County Register of Deeds Office in Deed Book 1022 at Page 316, and all amendments, addenda, and restatements thereof.
- 1.2 Act as set forth above, means the South Carolina Horizontal Property Act, S.C. Code Section 27-31-20 et. seq. as amended from time to time. References to specific sections of the Act contained herein refer to those sections as they exist at the time of the recording of this Master Deed.
- 1.3 Annual Assessment(s) means the annual assessments imposed on Owners of Units as authorized by the provisions of this Master Deed.
- 1.4 Annual Assessment Period means the fiscal year of the Association established by the Association's Board of Directors.
- 1.5 Appurtenant Interest means: (A) the undivided interest in the Common Elements appurtenant to a Unit; (B) the interest of an Owner in any Unit acquired by the Association or its designee on behalf of all Owners, or the proceeds of the sale or lease thereof, if any; and (C) the interest of an Owner in any other right, right of membership, claim, cause of action, or asset of the Association or its Regime.
- 1.6 Area of Common Responsibility means the Common Elements.
- 1.7 Articles or Articles of Incorporation means the Articles of Incorporation of The Two Island Marina Property Owners Association, Inc., filed, or to be filed, with the Secretary of State of South Carolina. A copy of the Articles is attached as **Exhibit E**.
- 1.8 Assessment means the charges from time to time assessed against a Unit by the Association in the manner herein provided.
- 1.9 Assigned Value means the value assigned to each Unit in accordance with the attached **Exhibit D** and utilized for computing or calculating the Percentage Interest appurtenant to each Unit, which Assigned Value will not constitute the sales price of the Unit or be relied upon as a representation of the actual value of the Unit.
- 1.10 Association means Two Island Marina Owners Association, Inc., a South Carolina not-for-profit corporation created to manage the affairs of the Regime. The Association constitutes the "association of co-owners" as defined in the Act.
- 1.11 B Dock Limited Common Element means a Limited Common Element serving only, and exclusive to, Locker Units B-1 through B-9. The initial B Dock Limited Common Element is the Floating Boat Storage Device ("FBSD" sometimes referred to as "Drive On Dock") located, or to be located, within the Boat Slips which are Limited Common Elements for the Locker Units B-1 through B-9.
- 1.12 Board of Directors or Board means the Board of Directors of the Association. The Board of Directors

constitutes the “board of administration” as defined in the Act and shall be responsible for directing the operation of the Regime.

1.13 Boat Slip means a Limited Common Element immediately adjacent to the Dock and established hereunder for mooring boating vessels and which is appurtenant to, and for the exclusive use and benefit of, the Owner of a Unit assigned such Boat Slip as a Limited Common Element, together with all riparian rights and interest, except those reserved to the Association or of necessity to the Association for it to perform its obligations hereunder, subject to the OCRM and USACE right to regulate the same.

1.14 Bylaws means the Bylaws adopted by the Association to govern its administration and operation, as amended from time to time; a copy of which is attached as Exhibit F.

1.15 Common Elements means all “General Common Elements” and “Limited Common Elements” as defined in the Act, and all areas shown and designated in this Master Deed as a “Common Element”, “General Common Element”, or “Limited Common Element”, or other similar wording clearly indicating such intent, or on any recorded plat of the Property. In general, all areas and easements on or about the Locker Unit Facility are Common Elements unless otherwise designated as Units.

1.16 Common Expenses means all liabilities or expenditures made or incurred by or on behalf of the Association including, without limitation, expenses of administration, insurance, operation, and management, maintenance, repair, or replacement of the Common Elements; and other expenses declared to be Common Expenses by this Master Deed or the Bylaws.

1.17 Condominium or Condominium Ownership means the form of ownership intended by this Master Deed; that is, individual ownership of Units with a common right to share in the Common Elements.

1.18 Condominium Property or Property shall mean the Locker Unit Facility, the Units therein, and all improvements and structures erected, constructed, or contained on the Dock, which includes the twenty-four (24) Boat Slips and all Common Elements of the Regime, as well as all easements, rights, and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit, or enjoyment of the Owners, submitted to the Act under this Master Deed, as amended from time to time.

1.18 Condominium Regime or Regime means the Two Island Marina Horizontal Property Regime created by the execution and recordation of this Master Deed, as set forth in § 27-31-30 of the Act.

1.19 Declarant means Marina 211, LLC, a South Carolina limited liability company. Declarant may assign its rights as Declarant, in whole or in part, by a written assignment signed by the Declarant and the assignee which is duly recorded in the ROD Office for Charleston County, South Carolina.

1.20 Director means a member of the Board of Directors for the Association.

1.21 Dock or Dock Facility means that portion of the Common Elements comprised of the gangway, walkway, pier head, pilings, cross-members, cleats, tie-ups, and attachments thereto which constitute the Marina as depicted in **Exhibits B and C**.

1.22 Eligible Mortgagees or First Mortgagee means those holders of Mortgages secured by Units in the Regime who have priority over any other mortgages and have requested notice of certain items or information as set forth in this Master Deed.

1.23. Floating Boat Storage Device or “FBSD”, sometimes referred to as a “Drive On Dock”, means a floating assembly located within a Boat Slip or Boat Slips onto which watercraft can be driven and stored. This term includes

the flotation pieces, winch, wires, ropes, cleats, pulleys, attaching apparatus, and attendant equipment employed to attach the FBSDs to each other, as well as to a Dock. FBSDs are not allowed within the Marina without first obtaining express written permission from the Board of Directors and the OCRM.

1.24 General Common Elements means that portion of the Common Elements not specifically reserved or designated as a Limited Common Element.

1.25 Ground Lease means that certain Ground Lease dated August 6, 2021, between 101 Palm Boulevard, LLC as lessor and 211 Marina, LLC as lessee, for the Property (as defined below) and as referenced in that certain Memorandum of Ground Lease recorded in the Charleston County Register of Deeds Office on August 11, 2021 in Book 1022 at Page 315 and includes any amendments as may occur from time to time.

1.26 Guest means any Occupant or tenant of a Unit or of an Owner, and any family member, permitted guest, licensee, or invitee of such Owner or Occupant; provided, however the Board reserves the right to exclude from the Property any non-Owner as set forth in this Master Deed.

1.27 Lease or Leased or Leasing means the regular, exclusive occupancy of a Unit by any Person or Persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

1.28 Limited Common Elements means Common Elements reserved for the use of the Owner(s) of a certain Unit to the exclusion of the other Units, and that are: (A) shown and designated as a Limited Common Element, or similar wording or graphics which clearly indicate such intent in: (1) this Master Deed or (2) any recorded plat of the Property; or (B) designated as a Limited Common Element by the Declarant (during the Transition Period) or the Board of Directors. As a general matter, the expense of maintaining and repairing all Limited Common Elements shall be a Common Expense, except to the extent the acts or omissions of the Owner (including an Owner's guest or occupant) who has exclusive right to use a Limited Common Element results in the condition giving rise to the need for an expenditure of maintenance or repair.

1.29 Locker Unit or "Unit" means an "apartment," as that term is defined in the Act, and refers to the twenty-five (25) Locker Units constituting the Locker Unit Facility. The Units are real property interests as described in detail in Exhibit C. Each Unit includes an undivided Percentage Interest in the Common Elements, as set forth in Exhibit D. Each Unit is intended for the ownership and use as a storage locker, along with all rights, entitlements, and appurtenances thereto.

1.30 Locker Unit Facility means the apartment (as defined under the Act) as described in this Master Deed and depicted in Exhibits B and C and made a part hereof.

1.31 Management Agent or Managing Agent or Management Company means an entity, if any, retained by the Association as an independent contractor to supervise the use, maintenance, and repair of the Common Elements, or portions thereof, and/or to manage the business affairs of the Association.

1.32 Marina means the Locker Unit Facility, along with all the Common Elements and Limited Common Elements appurtenant thereto, which constitute the boat mooring facility commonly known as the Two Island Marina, which extends into Hamlin Creek.

1.33 Master Deed means this Master Deed, including all attached Exhibits, amendments, and or supplements duly executed and recorded in the Charleston County Register of Deeds Office.

1.34 Mortgage means a mortgage, security deed, deed of trust, or other similar security instrument granting, creating, or conveying a first security lien upon to a Unit.

- 1.35 Mortgagee or First Mortgagee means the holder of a Mortgage on a Unit.
- 1.36 Occupant means any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is the Owner, Guest, or tenant of such property.
- 1.37 OCRM means the Office of Ocean and Coastal Resource Management within the South Carolina Department of Health and Environmental Control, or any successor agency thereto as is empowered with jurisdiction over coastal resources and waterways in the State of South Carolina.
- 1.38 Owner or Unit Owner means the record owner, whether one or more Persons or entities 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 or a purchaser under an installment sales contract.
- 1.39 Parking Lot means parking areas identified in the Access Easement (as defined above). The Parking Lot constitutes a Common Element of the Regime and is used in common with the landlord under the Ground Lease subject to the terms of the Access Easement, but otherwise on a first come-first serve basis unless any such space is labeled as specifically reserved.
- 1.40 Percentage Interest means the percentage of undivided interests in the Common Elements then appertaining to each Unit, as set forth in the attached Exhibit D.
- 1.41 Person means an individual, firm, corporation, limited liability company, partnership, association, trust, or other legal entity.
- 1.42 Plans means and includes the Site Plan (Exhibit B); a Graphic Depiction of the Units and Common Elements (Exhibit C); and the Percentage Interests of all Unit Owners (Exhibit D).
- 1.43 Plat or Site Plan means the plat of survey or site plan set forth in Exhibit B and describing the Property and various elements of the Regime in graphic form as required by the Act.
- 1.44 Property means the Locker Unit Facility as described in Exhibit A and all Common Elements appurtenant thereto.
- 1.45 Regime or Marina Regime means the Two Island Marina Horizontal Property Regime, created by the recordation of this Master Deed, pursuant to § 27-31-30 of the Act.
- 1.46 Regime Instruments or Regime Documents means this Master Deed and all exhibits, amendments or supplements thereto including, but not limited to, the Plans, the Articles of Incorporation, the Bylaws, and any Rules and Regulations promulgated by the Association which pertain to the Property and the Regime. Any exhibit, schedule, or certification accompanying a Condominium Instrument and recorded or filed simultaneously therewith shall be deemed an integral part of that Condominium Instrument. To the extent permitted by law, any amendment or certification of any Condominium Instrument shall, from the time of the recordation or filing of such amendment or certification, be deemed an integral part of the affected Condominium Instrument, whether or not such amendment or certification was made in accordance with the provisions of the Act.
- 1.47 ROD means the Register of Deeds Office for Charleston County South Carolina.
- 1.48 Rules and Regulations means those standards governing the use, administration, and operation of the Marina, as more specifically described herein in this Master Deed, and as set forth in Exhibit G. The Rules and Regulations also include the Marina's Operations and Maintenance Manual required by OCRM. The Board reserves the right to adopt, add, amend, delete, replace, and or supplement the Rules and Regulations.

1.49 Transition Period means the period commencing on the date this Master Deed is recorded in the public records by Declarant and ending on the earlier of: [i] the date of the closing on the sale from Declarant to a third-party purchaser (unrelated to Declarant) of the second to last Unit in the Regime so that Declarant no longer owns more than one Unit; or [ii] three (3) years after the recording of this Master Deed.

1.50 USACE means the United States Army Corps of Engineers, or any successor agency thereto empowered with jurisdiction over coastal resources and waterways in the United States of American.

ARTICLE II:
Marina Location, Description, and Identification of the Plans

The Marina is located at 101 Palm Boulevard on the Isle of Palms in Charleston County, South Carolina, and is more particularly described in the attached Exhibit A, which is incorporated herein by this reference. For real property tax purposes, the Marina is identified by Charleston County Parcel ID numbers set forth in Exhibit A as such may be issued or revised by Charleston County from time to time. The Plat or Site Plan identifying the Marina is the attached Exhibit B, which is incorporated herein by this reference. The plans, elevations, and layouts of the Marina and its Units are shown in the attached Exhibit C, which is incorporated herein by this reference.

The declarant shall have the right to file additional plats and plans from time to time as necessary or appropriate to further describe the Regime, the Common Elements, or the Units, or to comply with the Act. Further, the Declarant shall have the right to file additional plats and plans which modify or adjust the previously filed version of the Plat and/or the Plans as deemed necessary and appropriate by Declarant.

ARTICLE III:
The Units

3.1 Creation of the Units. Each Unit will, for all purposes, constitute a separate parcel of real property which, subject to this Master Deed, may be conveyed, transferred, leased, and encumbered in the same manner as any other real property. By the recording of this Master Deed, the Locker Unit Facility is hereby divided into a total of twenty-four (24) separate Units (the "Units"). The twenty-four (24) Units are hereafter identified as A1 through A8, B1 through B12, and C1 through C4, inclusive. Each of these distinct areas are identified, depicted and/or described in the Plans or in the content of this Master Deed. Each of the Units consists of the space described in the Plans, and all Units shall include an appurtenant Percentage Interest in the Common Elements, as described in the attached Exhibit D, the terms of which are incorporated herein by this reference.

3.2 The Units. The Units are located within the Locker Unit Facility in the approximate location depicted on Exhibit B and further described as follows:

3.2.1 Unit Boundaries. The Units are shown on the Plans in Exhibit C. The Units' dimensions and area shown on the Plans are further described as follows:

A. Horizontal (upper and lower) Boundaries. The Units' horizontal (upper and lower) boundaries as extended to their planar intersections with the Vertical boundaries shall be: (i) the upper boundary shall be the horizontal plane at the lowest point of each Unit's ceiling or upper structural section; and (ii) the lower boundary shall be the horizontal plane at the highest point of each Unit's floor or lower structural section. Each Unit's upper boundary is approximately 3.75 inches above its lower boundary.

B. Vertical Boundaries. Each Unit's vertical boundaries shall be the planes formed by the unfinished interior surfaces of the Unit's side walls. Each Unit's side walls are approximately 12.875 inches apart and each Unit's front and rear walls are approximately 16.625 inches apart.

C. If any frames, walls, roof, ceiling, columns, conduits, wires, fasteners, locks, mechanical parts, or other apparatus lie partly inside of designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a Limited Common Element for that Unit, and all portions thereof serving more than one Unit shall be deemed a part of the Limited Common Elements for those Units; and all portions thereof serving all Units and/or Common Elements generally shall be deemed Common Elements.

3.2.2 Contents of the Units. Each Unit is intended to comprise the entire volume of space within the area bounded by the Unit's horizontal and vertical boundaries, together with all improvements located within those boundaries, except those improvements and other encroachments designated as Common Elements or Limited Common Elements, if any.

3.3 Actual Location and Dimensions Control. To the extent, if any, the actual location and dimensions of a Unit differ from the location and dimensions stated in this Master Deed and Exhibits, or to the extent any reconstruction or renovation of the Units results in a such a difference, the actual location and dimensions shall control and the locations and dimensions in this Master Deed shall be deemed amended to the minimum extent necessary to conform to the actual location and dimensions.

3.4 Nature of Unit Ownership. Each Unit shall be a separately designated, separately taxable, and legally described leasehold estate subject to the Act and the Regime Instruments. The Units shall be held, transferred, and conveyed subject to the terms of this Master Deed and together with an undivided Percentage Interest in the Common Elements, as set forth in Exhibit D.

3.5 Disputes concerning Unit Boundaries. Because of the structural characteristics and arrangement of the Property, disputes may arise regarding issues such as whether an area is part of a Unit, a Limited Common Element, or a general Common Element. Unit Owners shall attempt to resolve such matters in a fair and equitable manner. If a dispute arises between two (2) or more Unit Owners or between a Unit Owner and the Association as to whether a portion of the Marina constitutes a Unit, a Limited Common Element, or a general Common Element, or if a dispute arises concerning the proper allocation of any costs or expenses relating to such areas, the Board shall have the authority to determine the proper designation of the disputed element and the allocation of any costs or expenses involved, after consultation with others as it may determine to be appropriate. The determination of the Board shall be set forth in writing, shall be made in good faith, and shall not be clearly inconsistent with this Master Deed.

3.6 Unit Values. The schedule of Unit values and the total Regime value contained in the attached Exhibit D shows the Assigned Value of each Unit as of the date of this Master Deed and the respective Percentage Interest attributable to each Unit, as required by § 27-31-60 of the Act. The value of the Regime, for the sole purpose of § 27-31-60 of the Act, is equal to the total value of all Units, which includes the value of the appurtenant Percentage Interest of each Unit. A Unit's Percentage Interest shall not be altered without the unanimous consent of all Unit Owners. **THE SOLE PURPOSE FOR DETERMINING THE VALUES SET FORTH IN EXHIBIT D IS TO COMPLY WITH THE ACT AND IS NOT INTENDED TO REFLECT THE MARKET VALUE OF THE UNITS OR OF THE PROPERTY AND SHALL IN NO WAY INHIBIT OR RESTRICT FIXING A DIFFERENT VALUE OR SALES PRICE BY AN OWNER TO A UNIT IN ANY TYPE OF ACT, AGREEMENT, OR CONTRACT.**

3.7 Notice to the Association of Sale or Conveyance of Units. If an Owner sells or otherwise conveys a Unit to another Person, the selling or conveying Owner shall promptly cause to be furnished to the Association, in writing, the name, home address, and home or mobile telephone number of such purchaser or transferee and the forwarding address of the Owner transferring a Unit. The Association may require a transferor or transferee Owner to provide a copy of the deed or other instrument by which the Unit was conveyed. When any Person receives title to a Unit by devise or inheritance, or by any other method not heretofore considered, it shall be the responsibility of the Person acquiring title to notify the Association that such transfer has occurred and to provide the information set forth above.

3.8 Indenture Deed. The initial conveyance of a Unit from Declarant to an Owner other than Declarant shall utilize a form of indenture deed, whereby the grantee thereof must execute the deed to acknowledge being bound by all terms and conditions therein provided and those incorporated by reference including, but not limited to, all terms and conditions contained in this Master Deed, as amended from time to time. Subsequent transfers shall also include the indenture; provided, however, failure to use the form of an indenture deed to convey title to a Unit shall not render an Owner's title invalid. In addition, the failure to utilize an indenture deed or for the purchaser or transferee to execute the deed of conveyance to acknowledge understanding ownership will be subject to the provisions of the Master Deed shall not change the fact each Owner, upon acquiring title to a Unit, shall become a member of the Association, shall be subject to all of the rights and obligations provided in this Master Deed, as well as all easements and restrictions of record, some of which are referenced herein, and shall be subject to any and all other provisions contained in the Regime Instruments.

3.9 Taxation of Units. Declarant (and each Owner by accepting a deed or other instrument of conveyance for a Unit) intends real estate taxes, assessments, and other charges of any taxing or assessing authority shall be separately assessed against each Unit and the Unit's corresponding appurtenant Percentage Interest in the Common Elements. If such taxes, assessments, or charges are taxed or assessed on the Marina as a whole, then each Owner shall pay its proportionate share thereof in accordance with the corresponding Unit's respective Percentage Interest. The Board of Directors shall determine the amount due and notify each Owner as to the real estate taxes payable for such Unit. No forfeiture or sale of the Marina as a whole for delinquent taxes, assessments, or charges shall ever divest or in any way affect the title to an individual Unit so long as the applicable tax, assessment, or charge on the Unit is currently paid in a timely manner.

ARTICLE IV: **Common Elements**

4.1 Generally. The Common Elements consist of all portions of the Marina not located within the physical boundaries of a Unit. The Common Elements shall be owned by the Owners as tenants in common. The percentages of undivided interest in and to the Common Elements attributable to each Unit (hereinafter, a "*Percentage Interest*") are set forth in the attached Exhibit D. Such Percentage Interest may be altered only by the unanimous consent of all Owners and Mortgagees set forth in a duly recorded amendment to this Master Deed. The Percentage Interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed, inherited, or encumbered, or to otherwise pass with the Unit, whether or not expressly mentioned or - 10 - escribed in a conveyance or other Instrument describing the Unit.

No Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as for Limited Common Elements and except as otherwise provided herein or in any Rules and Regulations promulgated by the Association, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no use shall enter or encroach upon the lawful rights of the other Owners. Furthermore, each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress, and egress to and from the Unit over those portions of the Marina and the Property designated for such purpose), and such easement shall be appurtenant to and shall pass with the title the Units.

Without limiting the generality of the foregoing, the Common Elements shall specifically include:

A. The Locker Unit Facility (except to the extent of the individual Units located therein as described in Section 3.2 above);

B. The Dock, including its footings, pilings, gang ways, structural members, walkways, railings, gate, fences, trash cans, electrical wires, equipment, municipal water service pipes and fixtures, and fixtures, fittings, and equipment attached to the Dock, and, in general, all devices or installations for common use by the Owners;

C. The Parking Lot, subject to the terms and conditions of the Access Easement, as identified in the Master Deed; and

D. The area identified as "Access Area" in the Access Easement, to the extent that it is necessary for the Owner of a Unit to access the Locker Unit Facility, the Marina, and any areas which are now or subsequently designated as Limited Common Elements for the Locker Unit Facility, and any water, gas or electric meter which serves the Marina.

4.2 Maintenance of Common Elements is Common Expense. Maintaining and repairing all Common Elements shall be a Common Expense, except in circumstances where the need for maintenance and/or repair is caused by the negligent or intentional conduct of an Owner or Owner's Guest or Occupant, in which case that Owner shall be responsible for such expense.

4.3 Declarant's Limited Warranty. AS TO THE WHOLE OR ANY PORTION OF THE COMMON ELEMENTS, NOW EXISTING OR HEREAFTER CONSTRUCTED OR INSTALLED, DECLARANT SHALL ASSIGN IN WRITING TO THE ASSOCIATION ALL RIGHTS, CLAIMS, CAUSES OF ACTION, AND DEMANDS WHICH IT HAS OR WHICH MY HEREAFTER ACCRUE AGAINST ALL PERSONS WHO MAY BE RESPONSIBLE FOR THE INSTALLATION, DESIGN AND OR CONSTRUCTION OF THE COMMON ELEMENTS, OR ANY PORTION THEREOF, AND THE ASSOCIATION SHALL LOOK SOLELY TO THE RIGHTS ARISING THEREUNDER AGAINST SUCH PERSONS FOR ANY ASSOCIATION REPAIR OR REPLACEMENT OF ANY PORTIONS OF THE COMMON ELEMENTS WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND THE DECLARANT DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, DECLARANT SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE FROM THE LAW OF CONTRACT, TORT, STATUTE, ADMINISTRATIVE REGULATION, OR OTHERWISE.

ARTICLE V: **Limited Common Elements**

5.1 Limited Common Elements, Generally. A portion of the Common Elements shall be considered Limited Common Elements. The Limited Common Elements appurtenant to each Unit shall be as shown on the Plans and/or described in this Master Deed, and as otherwise described by the Act. The Owner of each Unit shall have the exclusive right to use the Limited Common Elements designated as appurtenant to such Unit. Each Owner or Occupant of a Unit to which a Limited Common Element is appurtenant shall have the right to use that Limited Common Element for all purposes incident to the use and occupancy of the Unit as herein allowed without encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the title to the Unit to which the Limited Common Elements are attached.

5.2 Limited Common Elements for the Exclusive Use of the Owners. Except for the individual Units described in Section 3.2 and the Common Elements described in Article IV above, all other portions of the Marina constitute Limited Common Elements for the exclusive use of the Owners of the respective Units to which the Limited Common Elements are dedicated. Without limiting the generality of the foregoing, the Limited Common Elements intended for the Exclusive Use of the Owners include:

A. The Boat Slips (with each such Slip being a Limited Common Element to the specific Unit which bears the same identifying number as shown in the Plans); and

B. Any area shown on the Plans as a Limited Common Element and any area otherwise identified in this Master Deed as a Limited Common Element.

C. Boat Slips B1 through B11 include a Floating Boat Storage Device ("FBSD") with dimensions not greater than as specified by OCRM permit OCRM04678 on October 5, 2023. The FBSD is subject to the Declarant's Limited Warranty stated in Section 4.3 above as if fully re-stated in this provision. By accepting a deed which includes an FBSD as part of the Dock B Limited Common Element, the recipient thereof waives and releases Declarant and the Association from any claims, damages, lawsuits, or liabilities arising from the FBSD, its installation, repair, replacement, and its use. The FBSD serving the Boat Slip Owners B1 through B11 shall be a Limited Common Element exclusive to the Owners whose Units include Boat Slips B1 through B11 and the FBSD care, maintenance, replacement, and cost thereof is a common obligation and expense of such Owners except as follows: [i] care, maintenance, repair, and replacement of the winch included in the FBSD in the B1 through B11 Boat Slips is the individual responsibility of the respective Owners of the Units to which those Boat Slips are appurtenant; and [ii] care, maintenance, repair, and replacement of any other FBSD Limited Common Element necessitated by the negligent or intentional conduct of an Owner, or the Owner's Guest(s), or Occupant(s) is the individual responsibility of the Owner. When an FBSD serving Boat Slips B1 through B11 requires care, maintenance, or replacement as determined by the majority vote of the Owners of Locker Units B1 through B11, the cost thereof shall be a Specific Assessment as defined and administered by Section 7.6 Specific Assessments below. When the FBSD requires replacement, the Owners of Units B1 through B11 are required to comply with the dimensions specified in the above-mentioned OCRM permit and the Association rules applicable to FBSDs. If there is a tie vote among the Owners of Units B1 through B11, the Board shall serve as the deciding vote or the final arbiter of the dispute (notwithstanding that one or more Owners of Units B1 through B11 may also be a Director). Provided, however, notwithstanding that the FBSD is a Limited Common Element serving all the Dock B Boat Slip Owners, the right to use and occupy the individual Boat Slips B1 through B11 remains exclusive to the respective Owners of Units B1 through B11, subject only to the access easements and other rights of the Association set forth in this Master Deed.

D. Boat Slips A2, A3, and A4 are permitted by OCRM Permit OCRM04678 dated October 5, 2023, and the Board of Directors, to install an FBSD having dimensions of 15 feet width by 52 feet in length and such other specifications as are part of the Association rules and expressly approved by the Board of Directors. If an Owner of the Locker Units A2, A3, and A4 desires to install an FBSD in a Boat Slip appurtenant thereto, the Owner may do so at the Owner's own expense, including any subsequent care, maintenance, and replacement. Such Owner may attach the FBSD to the adjacent General Common Element Dock using methods and devices which must be approved by the Association in advance of installation, maintenance, and replacement. The installation, maintenance, replacement, and use of the FBSD is at the sole risk of such Owner and always subject to the dimensions stated in the above-mentioned OCRM permit, the Association rules applicable to FBSDs, and any other specifications as determined by the Board of Directors. Furthermore, any Owner installing an FBSD in Boat Slip A2, A3, or A4 shall be responsible for any damage (including attorney fees) caused to the Common Elements caused by the Owner's FBSD, along with the installation, care, repair, maintenance, replacement, and use thereof.

E. The Owners of Locker Unit A1, A5, and A6 may, at their own cost, apply to the OCRM for an addendum to OCRM Permit OCRM4678 to allow an FBSD in their respective Boat Slips. Provided, however, the FBSD dimensions for Boat Slip A1 shall not be greater than 15 feet width by 35 feet length; the FBSD dimensions for Boat Slip A5 shall not be greater than 13 feet width by 45 feet length, and the FBSD dimensions for Boat Slip A6 shall be not greater than 21 feet width by 50 feet length. A6 is subject to the further limitation that unless A6 and A8 are under common ownership, A6 may not have an FBSD unless and until the requirements of Section 5.F. below are satisfied.

Prior to making such application, each Owner shall submit the proposed application and FBSD specifications in writing to the Board of Directors for its confirmation that the desired FBSD specifications meet the Association's requirements for an FBSD and for the relevant Boat Slip. The Board of Directors shall have thirty (30) days to deliver its written objections or approval to the specifications. If the Board of Directors approves the application, the Owner may install the FBSD at the Owner's expense, including any subsequent care, maintenance, and replacement. Such Owner may attach the FBSD to the adjacent General Common Element Dock using methods and devices which must be approved by the Association in advance of installation, maintenance, and replacement. Provided, however, the installation, maintenance, replacement, and use of the FBSD is at the sole risk of such Owner and always subject to the dimensions stated in the above-mentioned OCRM permit, the Association rules applicable to FBSDs, and any other specifications as determined by the Board of Directors. Furthermore, any Owner installing an FBSD in Boat Slip A1, A5, or A6 shall be responsible for any damage (including attorney fees) caused to the Common Elements caused by the Owner's FBSD, along with the installation, care, repair, maintenance, replacement, and use thereof.

F. Declarant anticipates Locker Unit A6 and A8 will have common ownership and the Limited Common Element Boat Slips for those Units will serve one watercraft having a length that requires both Slips. Notwithstanding anything to the contrary in this Master Deed, such a use is hereby expressly allowed. Because of the configuration of Boat Slips A5, A6, and A8, an entry into Boat Slip A6 is not feasible except by crossing into the Limited Common Elements of Boat Slip A5 and/or A8. Accordingly, Locker Units A6 and A8 must have common ownership and those Units (and their respective Limited Common Elements) cannot be separately conveyed or otherwise transferred unless and until the Owner of Locker Units A6 and A8 has a specific plan approved in writing by the Board of Directors and the prospective Owners of Units A6 and A8 by which a watercraft appropriately sized to fit within Boat Slip A6 can enter and exit that Boat Slip from the waters of Hamlin Creek either [i] without crossing into Boat Slip A8 or [ii] by crossing into Boat Slip A8 but doing so with the express permission of the Unit A8 Owner. For avoidance of doubt, accessing Boat Slip A6 by crossing into Boat Slip A5 is not permitted.

G. Other than the FBSDs for Boat Slips B1 through B9 and A2, A3, and A4, along with the possibility of a FBSD for Boat Slip A1, A5, and A6, no other FBSDs are allowed.

Except as specified above regarding FBSDs, the expense of maintaining and repairing all Limited Common Elements described in this Section shall be a Common Expense shared by all Owners, unless the need for maintenance and/or repair is caused by the negligent or intentional conduct of an Owner, Guest, or Occupant, in which case that Owner shall be responsible for such expense.

5.3 Moored Vessels Exceeding Boat Slips. The allowed length and beam (width) of the Boat Slips are defined in Exhibit C. Except as provided in Section 5.2.F. regarding Boat Slips A6 and A8, no vessel may be moored in a Boat Slip in such a way that any part of the vessel or its attachments or equipment protrudes outside the boundaries of such Boat Slip.

ARTICLE VI: **The Association**

6.1 Creation of and Purpose of the Association. The Association filed its Articles of Incorporation with the South Carolina Secretary of State and a copy thereof is attached as Exhibit E and its terms are incorporated herein by this reference. The Association shall operate and manage the Regime and undertake and perform all acts and duties incident thereto in accordance with this Master Deed and the Association's Bylaws, as well as Rules and Regulations promulgated by the Association from time to time.

The Association is hereby vested with the rights, powers, privileges, and duties provided under South Carolina law, the Articles, Bylaws, and this Master Deed as are reasonable, necessary, or incidental to the proper administration

of the Regime, including the care, upkeep, surveillance, and insurance of the Marina and its Common Elements. The Association is further empowered to exercise any of the rights, powers, privileges, or duties which may, from time to time, be established by law or which may be delegated to it by the Owners. The Association has the right to grant permits, licenses, and easements for access to and over the Common Elements for utilities and other purposes reasonably necessary for the proper maintenance and operation of the Marina.

6.2 Compulsory Membership in Association. BY VIRTUE OF OWNERSHIP OF A UNIT, ALL OWNERS (EXCLUDING MORTGAGEES) ARE AUTOMATICALLY MEMBERS OF THE ASSOCIATION AND, EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN OR IN THE BYLAWS, ARE ENTITLED TO VOTE ON ALL MATTERS UPON WHICH MEMBERS OF THE ASSOCIATION ARE ENTITLED TO VOTE PURSUANT TO THIS MASTER DEED AND THE ACT, AND IN ACCORDANCE WITH THE BYLAWS. EACH UNIT IS ENTITLED TO ONE VOTE. IF A UNIT HAS MORE THAN ONE OWNER, THE UNIT IS NEVERTHELESS ENTITLED TO ONLY ONE VOTE AND THE CO-OWNERS SHALL APPOINT ONE AMONG THEM TO CAST THE VOTE AS THEY DIRECT. THE CO-OWNERS ARE NOT ALLOWED TO SPLIT THEIR VOTE OR CAST FRACTIONAL VOTES. IF THE CO-OWNERS CANNOT AGREE AMONG THEMSELVES HOW THE VOTE IS TO BE CAST, THEY SHALL BE DEEMED TO HAVE ABSTAINED FROM THE VOTE.

6.3 Control of Association by Board of Directors. The Board of Directors shall have authority to take all actions on behalf of the Association that do not require (by law, this Master Deed, or the Bylaws) a vote of the Owners.

6.4 Composition and Selection of Board of Directors. The Board shall be comprised of three (3) Directors selected by a vote of the Owners. If more than one individual owns a Unit, those Owners shall determine among themselves which individual shall have the right to exercise the Unit's vote in an election of Directors. If an entity, such as a partnership, corporation, or limited liability company, owns a Unit, the partners, shareholders, members, or other owners of such entity shall appoint one person to exercise the Unit's vote in an election of Directors. Notwithstanding the foregoing, during the Transition Period, the members of the Board shall be selected by the Declarant, as set forth in more detail herein, and the Declarant shall have the right to establish a fewer number of individuals to serve on the Board.

6.5 Indemnification of Directors and Officers. The actions and omissions of the Association's Directors and Officers taken or allowed in the course of their duties as Directors and Officers shall be indemnified by the Association to the fullest extent permitted by South Carolina law. The Association shall obtain and maintain as part of the Association's budget an insurance policy protecting the Directors and Officers in their respective capacities serving the Association.

6.6 Voting by the Board. All meeting and votes of the Board of Directors shall be carried out in accordance with the procedures and rules contained herein and in the Bylaws.

6.7 Voting with Proxies. Votes may be cast in person or by written proxy at all meetings of the Board of Directors. The holder of a proxy need not be an Owner.

6.8 Association's Right of Entry into Units. The Association shall have the right to enter into the Units (including the Limited Common Elements for each Unit) for maintenance, emergency, security, or safety purposes, which right may be exercised by the Board of Directors, as well as the Association's officers, agents, employees, and managers. Such right may also be exercised by all police officers, fire personnel, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice (no less than twenty-four (24) hours in advance) to the Owner or Occupant of the Unit.

6.9 Promulgation of Rules and Regulations. The Association, through the Board, shall have the continuing right to make and to enforce reasonable Rules and Regulations governing the use of the Marina, including the Units,

Common Elements, and the Limited Common Elements. If Rules and Regulations for the Marina have been adopted at the time of the recording of this Master Deed, such Rules and Regulations are attached as Exhibit G. Provided, however, the absence of any such Exhibit G to this Master Deed at the time of recording shall not limit the Association's right to later adopt and enforce Rules and Regulations to govern the Marina. Future adoptions or revisions/amendments to Rules and Regulations must be recorded in an amendment to this Master Deed to be enforceable against the Units and the Owners.

6.10 Right of Enforcement. The Association, through the Board, shall have the right to enforce the Master Deed and the Bylaws, and any Rules and Regulations adopted by the Board by the imposition of reasonable monetary fines and or suspension of use of the Common Elements and or voting privileges. These powers, however, shall not be construed to limit any other means of enforcing the use restrictions or Rules and Regulations. Any fines imposed in accordance with this Section shall be considered an Assessment against the Unit and collected in the manner provided for collection of other Assessments.

6.11 Easements, Permits, and Licenses. The Association, through the Board, shall have the right to grant permits, licenses, utility easements, and other easements over, through, and under the Common Elements without consulting all the Owners. The Owners shall be subject to the terms of agreement or arrangement entered into by the Association, through the Board, with regard to the grant of any such easement, permit, or license to any third party.

6.12 Right of Maintenance. The Association, through the Board, shall have the right to control, manage, operate, maintain, improve, and replace all portions of the Marina for which the Association is assigned maintenance responsibility under this Master Deed, any applicable law or ordinance, or under the Regime Instruments.

6.13 Association's Property Rights. The Association, through the Board, shall have the right to acquire, hold, encumber, and dispose of tangible and intangible personal property and real property.

6.14 Association's Rights and Obligations as to Casualty Loss. The Association, through the Board, shall have the right to deal directly with any insurance carrier and/or any governmental or quasi-governmental entity, as the case may be, if there is damage or destruction as a result of actual or threatened casualty loss, condemnation, or the exercise of rights of eminent domain, in accordance with the provisions of this Master Deed and any applicable law or ordinance.

6.15 Association's Rights and Obligations in Dealing with Governmental Entities. The Association's Board shall have the right to represent the Owners in dealing with governmental entities.

6.16 Association's Rights and Obligations in Dealing with Common Elements. The Association, through the Board, shall have the right to temporarily close and or temporarily restrict access to any portion of the Common Elements for emergency, security, or safety purposes, or for any other reasonable purpose as determined in the sole discretion of the Board, with no prior notice thereof to the Owners.

ARTICLE VII: **Assessments**

7.1 Purpose of Assessments. The Association, through the Board, shall have the power to levy Assessments as provided in this Master Deed, the Regime Instruments, and the Act. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants, as well as maintaining the Marina and other uses as may be more specifically authorized from time to time by the Board of Directors.

7.2 Creation of Lien and Personal Obligation for Assessments. Each Owner, by accepting a deed for a Unit, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (A)

Annual Assessments; (B) Special Assessments; (C) Specific Assessments; and (D) an Assessment upon purchase of a Unit (hereinafter, "**Assessment Reserve Payment**") (all of the varieties of Assessments set forth above may be collectively referred to herein as "**Assessments**"), all as herein provided. All such Assessments, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each Assessment is made. Such lien shall be superior to all other liens, except: (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; and (ii) the lien or charge of any first Mortgage made in good faith and for value (except those accruing after a Mortgagee forecloses or takes a conveyance in lieu of foreclosure). When delinquent, such lien may be enforced by suit, judgment, and/or foreclosure in the same manner as mortgages are foreclosed under South Carolina law.

Assessments are the personal obligation of each Person who was the Owner of a Unit at the time the Assessment became due and may be collected in the same manner as other debts or liens are collected under South Carolina law. Each Owner and each successor in title to the Unit shall be jointly and severally liable for all Assessments and charges due and payable at the time of any conveyance. An Owner is responsible to pay all Assessments prior to transferring a Unit and a successor in interest from an Owner is responsible to determine if the Owner paid all such Assessments prior to transferring the Owner's interest. Assessments shall be paid in such manner and on such dates as fixed by the Board. Unless otherwise provided, Annual Assessments shall be paid on January 1st of each calendar year and are deemed delinquent if not paid by January 31st of such year. Provided, however, upon written request delivered by an Owner to the Board, and upon majority approval by the Board, the Board shall have the authority to allow an Owner to pay an Annual Assessment in monthly installments; subject, however, to such terms and conditions as the Board may require. No Owner may be exempt from liability for, or otherwise withhold payment of, Assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements; the Association's failure to perform its obligations required or purportedly required under this Master Deed or applicable law; or inconvenience, discomfort, or purported or actual consequential damages arising from the Association's performance of its duties or deficiency therein. The lien provided for herein shall have priority as provided in the Act.

7.3 Allocation of Liability for Common Expenses; Calculation of Assessments. Except as otherwise provided herein, and except as specifically approved by the Directors, each Unit is hereby allocated liability for the Common Expenses in proportion to its Percentage Interest as set forth in **Exhibit D**. The Board of Directors shall have the power to specifically assess an Owner for reimbursement of Common Expenses occasioned by the conduct (including acts or omissions) of the Owner of such Unit (or his/her family members, Guests, and/or Occupants). Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future regarding any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section.

To the extent the Marina or the Association receive bills from utility providers, those bills will be prorated among, and paid by, the Owners based on their respective Percentage Interests. The prorations shall be part of the Regular or Special Assessments to the Owners, as decided by the Board of Directors. The Owners shall promptly pay to the Association or its Managing Agent as directed in such notice, within ten (10) days, their pro rata shares based on the notices supplied by the Association or its Managing Agent.

7.4 Computation of Association's Budget; Calculation and Payment of Annual Assessments.

7.4.1 Operating Budget. Prior to the beginning of each calendar year (or Association fiscal year, if different), the Board has the obligation and duty to prepare a budget covering the estimated costs of operating the Regime, including payment of Common Expenses (hereinafter, the "**Operating Budget**"), for the coming year. The Operating Budget shall become effective upon the vote of sixty-seven (67%) percent of the Directors selected to serve on the Board. Notwithstanding the foregoing, if the Board cannot agree upon an Operating Budget for the coming year, then until such time as a new Operating Budget shall have been determined as provided herein, the

Operating Budget in effect for the current year shall continue for the succeeding year.

7.4.2 Notice of Operating Budget and Annual Assessments. Approximately thirty (30) days prior to the end of the Association's fiscal year, the Board shall cause the Operating Budget and notice of the Annual Assessments to be levied against each Unit for the coming year to be delivered to each Owner, along with notice each Unit shall be assessed responsibility for paying its proportionate share of the Budget, except as specifically set forth herein.

7.4.3 Payment of Annual Assessment. Each Owner's payment of the Annual Assessment shall be payable in U.S. dollars (by cash, check, or wire transfer) and due within thirty (30) days after delivery of the Annual Assessment notice. If an Owner fails to pay its Annual Assessment within thirty (30) days after receipt of notice thereof, an administrative burden fee or fees shall also be due and owing as provided below.

7.4.4 Capital Budget and Capital Contribution. In addition to the abovementioned Operating Budget, the Board shall annually prepare a capital budget (hereinafter, the "**Capital Budget**") (the Operating Budget and Capital Budget may be referred to collectively as the "**Budget**") which shall consider the number and nature of replaceable assets, the expected life of each asset, the expected repair or replacement cost, and available reserves. The Board shall set the required capital contribution (hereinafter, the "**Capital Contribution**"), in an amount sufficient to meet the projected capital needs of the Association, as shown on the Capital Budget. The required Capital Contribution shall be fixed by the Board and included within the Budget and within the Annual Assessment. The Capital Budget shall be distributed to each Owner in the same manner as the Operating Budget, as described above.

7.4.5 Payment of Transfer Fee upon Purchase of Units. Upon transfer of legal or beneficial interest in a Unit, the transferee shall pay to the Association's Capital Reserve Fund a non-refundable transfer fee ("Transfer Fee") in the amount equal to two-twelfths (2/12ths) of the Annual Assessment then-applicable to the Unit being transferred. The contributions collected under this provision are not a pre-payment of any Annual, Special, or Specific Assessment and shall be deposited into a Capital Reserve Account ("**Capital Reserve Account**") to be held and used by the Association for such purposes as the Board deems necessary or appropriate in performing its duties under this Master Deed or allowed by applicable law.

7.5 Special Assessments. BY ACCEPTING A DEED TO A UNIT, EACH OWNER ACKNOWLEDGES THE REGIME BUDGET AND ANNUAL ASSESSMENTS THEREUNDER (WHETHER AS INITIALLY ESTABLISHED BY THE DECLARANT OR AS LATER MODIFIED OR AMENDED BY THE BOARD) MAY BE NOT BE ADEQUATE TO FUND THE COSTS AND EXPENSES OF PREPARING THE MARINA FOR AN IMPENDING HURRICANE OR STORM OR TO PAY THE UNSCHEDULED COSTS OF CONSTRUCTION, RECONSTRUCTION, REPAIR, AND OR REPLACEMENT ARISING FROM A STORM, HURRICANE, FIRE, OR OTHER INCIDENT. Notice of any such Special Assessment shall be sent to all Owners prior to becoming effective. In such cases, the Regime may be required to levy one or more special assessments ("Special Assessment(s)") to raise the funds required to pay such excess costs and expenses. Any such determination shall be made by the Board and submitted to a vote of the Owners at a meeting duly called and noticed to the Owners for such purpose (along with any other purposes desired). Special Assessments shall not be effective until approved by a two-thirds affirmative vote of the Board and the Owners. OWNERS ARE HEREBY NOTIFIED IF THE REGIME DOES NOT APPROVE SUCH SPECIAL ASSESSMENT(S), THE VALUE OF THE UNITS MAY BE SUBSTANTIALLY AND MATERIALLY IMPAIRED.

Notwithstanding the foregoing, the Association is not required to take any particular action(s) in preparation for any hurricane or storm. In the absence of a specific budget item for such preparations, or the adoption of a specific resolution by the Board to provide such a service, each Owner is solely responsible for preparing the Owner's unit and vessel or other personal property from an impending hurricane or storm, including but not limited to removing any vessel or other property then stored in a Boat Slip and relocate the vessel or property to a location of the Owner's choosing away from the Marina.

7.6 Specific Assessments. The Board shall have the power to assess specific expenses of the Association ("Specific Assessment(s)") against one or more Units if: (A) one or more Unit receives benefits, items, or services not provided to all Units within the Regime, such as expenses related to the FBSDs serving the B Dock Boat Slips, or that are incurred upon request of an Owner for specific items or services relating to the Owner's Unit; or (B) the Association incurs costs as a consequence of the conduct of less than all Owners, and or their Guests or Occupants. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the Master Deed, the Regime Instruments, the Act, or South Carolina law; provided, the Board gives prior notice to the Owner and an opportunity for a hearing. The Board shall also have the right to bill the deductible for any insurance claim to the Owner(s) when an insurance-protected event occurs. If an insurance-protected event occurs at no fault of the Owners, or their Occupants or Guests, responsibility for payment of the deductible shall be apportioned among the Owners in accordance with their respective Percentage Interests. If an insurance-protected event occurs as a result of the act or omission one or more Owners, or their Occupants or Guests, such Owner(s) shall be responsible to pay the deductible.

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

7.7.1 Administrative Burden Fee. If an Annual Assessment or any part thereof, or any other type of Assessment or charge due to the Association, is not paid in full within thirty (30) days of when due, an administrative burden fee equal to twenty percent (20%) of the unpaid Assessment shall also then be due and owing along with the unpaid Assessment. If not paid within sixty (60) days after receipt of notice of the Assessment, the administrative burden fee shall be forty percent (40%) of the unpaid Assessment. An Assessment shall not be deemed paid until the Assessment, along with any applicable administrative burden fee, is actually collected and, in the event of an Assessment payment is rejected for insufficient funds, the Owner shall be required to reimburse the Association for any bank fees incurred by the Association or its Managing Agent because of the insufficient funds.

7.7.2 Partial Payment. If an Owner makes a partial payment of any Assessment or other charge, the amount received shall be applied in the following order, and no restrictive language on any check or draft (including notations of "Payment in Full") shall be effective to change the order of application:

- A. Any unpaid late charges, interest charges, and Specific Assessments (including, but not limited to, fines) in the order they came due;
- B. Costs of collection, including but not limited to, reasonable attorneys' fees actually incurred by the Association;
- C. Unpaid installments of a Special Assessment(s) in the order they came due;
- D. Unpaid installments of an Annual Assessment in the order they came due;
- E. Any other amounts due and owing.

7.7.3 Suit for Collection. If Assessments or other charges to the Association, or any part thereof, remain unpaid for more than thirty (30) days after the Assessment payments first become delinquent, the Association, through the Board of Directors, may institute a lawsuit to collect all amounts due pursuant to the provisions of the Master Deed, the Bylaws, the Act, and South Carolina law. In addition, the Association may suspend the Owner's and/or Occupant's right to vote and/or to use the Common Elements; provided, however, the Board may not limit ingress or egress to or from the Unit or disconnect its utilities or other essential services.

7.8 Date of Commencement of Assessments. An Owner's obligation to pay Assessments commences on the date the Unit is transferred to a Person other than Declarant. Annual Assessments will be assessed on a calendar-year basis. If the initial transfer of a Unit from Declarant to an Owner occurs on a date other than January 1st, the Annual Assessment shall be prorated on a per diem basis according to the number of days remaining in the calendar year at the time the Unit is transferred.

7.9 Statement of Account. Any Owner, Mortgagee, or any other Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to receive an Association statement stating the amount of Assessments due and unpaid, including any administrative burden fees, interest, fines, or other charges against a Unit. The Association shall respond in writing within ten (10) days of receipt of the request for a statement; provided, however, the Association may charge a reasonable fee to cover its administrative costs related to responding to such requests as a prerequisite to the issuance of such a statement. The written statement shall be binding on the Association as to the amount of Assessments due on the Unit as of the date specified therein.

7.10 Surplus Funds. Any surplus funds from the Assessments remaining after payment of Common Expenses shall, at the Board's option, be distributed to the Owners, credited to the next Assessment against the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Capital Reserve Account.

7.11 Declarant's Unsold Units. Anything contained in this Article to the contrary notwithstanding, so long as the Declarant owns any Units for sale, the Declarant may annually elect either to pay the regular Assessment for each such Unit so owned or to pay the difference between the amount of the Assessments collected on all other Units not owned by the Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than its regular Assessment.

ARTICLE VIII: **Maintenance and Repair**

8.1 General Maintenance Responsibility of Owners. Each Owner shall have the obligation to maintain and keep in good repair all portions of the Owner's Unit, including its Limited Common Elements, and to exercise reasonable care and safety in the use of the Common Elements. Without limiting the generality of the foregoing, each Owner shall have the following responsibilities:

A. To keep in a neat, clean, and sanitary condition any Limited Common Elements serving the Owner's Unit, unless such responsibility has been assigned to the Association in this Master Deed or by other action of the Board;

B. To perform the Owner's responsibilities set forth in this Section in such manner so as not to unreasonably disturb other Persons in other Units or Persons otherwise lawfully on or about the Property;

C. If an Owner, or the Owner's Occupants or Guests, causes damage or destroys another Owner's Unit, any portion thereof, or another Owner's personal property, the responsible Owner shall, at his/her/its sole cost, repair or replace the damaged or destroyed items;

D. If an Owner, or the Owner's Occupants or Guests, causes damage or destroys a Common Element, a Limited Common Element, or any portion thereof, including discharge or spillage of oils, fuel, or hazardous wastes into the Marina or its adjacent waters, the responsible Owner shall repair, replace, or remediate the damaged, destroyed, or contaminated items or impacts and do so at the Owner's sole cost and expense;

E. Promptly report to the Association or its Managing Agent any defects or need for repairs for which the Association is responsible, including but not limited to immediately reporting any discharges or spills of oil,

fuel, or any other hazardous wastes at, on, or within the Marina and or its waters (whether such discharge or spillage is by the Owner or others); and

F. Pay for the cost of repairing, replacing, or cleaning any item which is the responsibility of the Owner but which responsibility the Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, Occupant, or Guest and then charged to the Owner as a Specific Assessment or, at the Board's election, added to and become part of the Owner's next chargeable Annual Assessment.

8.2 Failure to Maintain. If the Board determines an Owner has failed or refused to discharge such Owner's obligation regarding the maintenance, repair, or replacement of items for which the Owner is responsible hereunder, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to either [i] provide necessary maintenance, repair, or replacement and or [ii] remove and relocate the vessel or personal property, with any such actions being at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board. Unless the Board determines an emergency exists, the Owner shall have fifteen (15) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within fifteen (15) days and diligently prosecute the completion thereof. If the Board determines an emergency exists or an Owner has not complied with the Association's demand, the Association shall have the right (but not the obligation) to implement some or all of the remedies set forth in the notice, including but not limited to removing and relocating the vessel or providing any such maintenance, repair, or replacement. In such a case, the actions shall be at the Owner's sole cost and expense, and such costs, including reasonable attorney fees, shall be an Assessment and a lien against the Unit. If the Association attempts to provide maintenance, repair, or replacement, the Association may retain third-party providers to perform such tasks and assess the cost thereof to the Owner. In such a case, the tasks will be performed at the risk of the Owner and neither the Association nor the third-party provider shall be responsible for damages unless the tasks were performed with gross negligence or intentional misconduct as proven in a court with competent jurisdiction over such matter or, if applicable, as determined by arbitration as otherwise provided in this Master Deed.

8.3 Maintenance Responsibility of the Association.

8.3.1 Area of Responsibility. The Association shall maintain and keep in good repair as a Common Expense the Regime's Common Elements. Provided, however, the cost of any maintenance and repair of Common Elements resulting from or including acts or omissions of the Owner, or the Owner's Occupants or Guests, shall be specifically assessed against such Owner. Likewise, the cost of any maintenance, repair, or replacement of the FBSD serving the B Dock Boat Slips shall be specifically assessed against the Unit Owners whose Units include such Boat Slips as their Limited Common Element as provided under Section 5.2.C. except to the extent, if any, the required maintenance, repair, or replacement results from the acts or omissions of a particular Owner or the Owner's Occupants and Guests.

BY ACCEPTING A DEED TO A UNIT, EACH OWNER ACKNOWLEDGES THE REGIME BUDGET AND ANNUAL ASSESSMENTS AS ESTABLISHED BY THE DECLARANT, AND AS MAY BE THEREAFTER MODIFIED OR AMENDED BY THE BOARD, MAY NOT BE ADEQUATE TO FUND REPLACEMENT OF THE DOCK FACILITIES OR OTHER CAPITAL IMPROVEMENTS OR DREDGING THE MARINA. FROM TIME TO TIME, REPLACING THE DOCK FACILITIES AND OR DREDGING THE MARINA WILL LIKELY BE NECESSARY OR DESIRABLE AND THE ASSOCIATION MAY BE REQUIRED TO APPROVE ONE OR MORE SPECIAL ASSESSMENTS AGAINST THE THEN CURRENT OWNERS TO RAISE REQUIRED FUNDS TO COMPLETE THE REPLACEMENT OR DREDGING.

Notice of any such Special Assessment shall be sent to all Owners prior to becoming effective. Any such determination shall be made by the Board and submitted to a vote of the Owners at a meeting duly called and noticed to the Owners for such purpose (along with any other purposes desired). Special Assessments shall not be effective until approved by a two-thirds affirmative vote of the Board and the Owners.

OWNERS TAKE NOTICE: IF THE REGIME DOES NOT APPROVE SUCH SPECIAL ASSESSMENT(S), THE VALUE OF THE UNITS MAY BE SUBSTANTIALLY AND MATERIALLY IMPAIRED.

Maintenance or repairs performed on or to the Common Elements by an Owner or Occupant (when such tasks are otherwise the responsibility of the Association) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association, even if the Association accepts the maintenance or repair; unless, however, the Board determines the maintenance and repair was an emergency repair undertaken in good faith by the Owner or Occupant in effort to avoid an immediate threat of significant danger to the Common Elements or persons thereabout (which danger the Association could not, in all reasonable likelihood, have timely addressed) and a reimbursement to the Owner or Occupant is justified.

8.3.2 No Liability of Association. The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other Person, or resulting from any utility failure or stoppage, rain, hail, snow, ice or weather event which may be a cause of leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance, or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to any Owner or an Owner's Occupant or Guest, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any Unit or the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant or Guest, for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments or other charges due to the Association shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Master Deed, or for inconvenience, discomfort, or consequential damages arising from the action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, or the failure or alleged failure to act.

8.3.3 Damage to Unit Owner Property as a Result of Association Repairs/Maintenance. The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. In such a case, since finished levels can have varying degrees, such repairs will be completed only to the extent of being "paint-ready." Components that may require repair or replacement, such as trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Owner or Owner's Occupant or Guest. Removal, storage, or other protective measures regarding the safe keeping of personal items are also the responsibility of the Owner or Owner's Occupant or Guest. If removal, storage, or other protective measures are not taken by the Owner or Owner's Occupant or Guest and damage occurs to personal items due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning but shall not be responsible for a detailed cleaning. The Board has sole discretion of defining what is reasonable for the level, quality, and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate the duties to Persons as are approved by the Board.

8.4 Repair and Reconstruction of Regime Property.

8.4.1 Decision of whether to Repair or Reconstruct. If damage or destruction as a result of fire or other casualty occurs to all or any part of the Marina insured by the Association, the Board of Directors or its duly authorized agent shall arrange and supervise the prompt repair and restoration of the damaged or destroyed area.

Notwithstanding the above, the Association may elect not to proceed with reconstruction and repair if so decided by the requisite number of Owners (and Mortgagees of any Units subject to a Mortgage) required by the Act.

8.4.2 Cost Estimates. Immediately after a fire or other casualty damaging or destroying all or any part of the Marina insured by the Association, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Units) to substantially their same condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may include professional fees and premiums for bonds as the Board determines to be necessary.

8.4.3 Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owners in proportion to each Owner's Percentage Interest. If there is a surplus of funds after repair and reconstruction is complete, such funds shall be common funds of the Association to be used as directed by the Board.

8.4.4 Plans and Specifications. Any reconstruction or repair shall be conducted in substantial accordance with the plans and specifications under which the Marina was constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the prior plans and specifications are approved by the Board. To the extent that proceeds from any Association insurance policies are available, the Association may reconstruct or repair damages if the Board deems such repair or reconstruction is necessary, desirable, and in the best interest of the Association as a whole, in the Board's sole discretion.

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

8.4.6 Construction Fund. The net insurance proceeds collected because of a casualty and the funds collected by the Association from Assessments against Owners because of such casualty shall constitute a construction fund which shall be disbursed by the Association to pay for the cost of reconstruction and repair in the manner set forth in this Article in appropriate progress payments to such contractors, suppliers, and personnel performing the work or supplying materials or services for the repair and reconstruction of the structure as are designated by the Board.

8.5 License for Bulkhead Maintenance, Repair, and Replacement. Ownership and repair responsibility for the shoreline bulkhead separating the Marina waters from the highland belongs to the Landlord. Nevertheless, it is in the best interest of the Association and Owners for the bulkhead to be regularly maintained and or replaced, which may require access on, over, and across various General Common and Limited Common Elements. Accordingly, in addition to the other easement rights granted by this Master Deed, the Association and each of the Owners shall from time to time on an "as needed" basis grant a license to Landlord and its third-party contractors and professionals to cross on, over, and across the Marina's General Common Elements and Limited Common Elements to perform maintenance, repairs, and replacement to the Landlord's shoreline bulkhead. Upon request by Landlord, this license includes the right to temporarily relocate the utility lines serving the Marina (and which are affixed to the bulkhead) and have one or more of the Owners temporarily remove watercraft and FBSDs from one or more Boat Slips as reasonably necessary for bulkhead repair and replacement equipment (including, if reasonably required, an equipment barge) to access the shoreline bulkhead. The license shall be granted to Landlord and its third-party contractors and professionals at no cost for up thirty consecutive days in any twelve months period, but the Association may require Landlord and its third-party contractors and professionals to provide proof of general

liability insurance and indemnify the Association and its Owners from damages and injury to Association and Owners' property when such damage/injury arises out of the third-party contractors and professionals negligence or intentional misconduct in the course of performing such maintenance, repair, and or replacement. Furthermore, any extension of the license for more than thirty days in a twelve months period shall be subject to such reasonable terms and conditions as the Association and Owners may agree upon with Landlord and its third-party contractors and professionals, which terms and conditions may include a financial reimbursement by Landlord and its third-party contractors and professionals for the reasonable costs of removing, storing, and returning watercraft and or FBSDs as are required to accommodate the maintenance, repairs, and or replacement.

ARTICLE IX:
Insurance

9.1 Insurance to be Obtained by the Association. The Association, through the Board, shall obtain and maintain insurance as required by law and as required herein. The cost of all such insurance shall be a Common Expense and all such coverage shall be issued in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of the Owners, if any. At least every three (3) years the Board shall conduct an insurance review to determine if policies in force are adequate to satisfy the Association's needs. Such insurance shall inure to the Association's benefit, the respective Unit Owners, and their respective Mortgagees, as their interests may appear.

9.1.1 Building and General Liability Insurance. The Board shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of all improvements located at the Marina at commercially reasonable rates that will provide the following:

- A. The insurer waives its rights of subrogation on claims against the Board, Association Officers, Owners, their Occupants and Guests, and their insurers;
- B. The master policy of the Regime cannot be canceled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or the Managing Agent without a prior demand in writing delivered to the Association and to all to cure the defect, and the allowance of a reasonable time thereafter within which the defect may be cured;
- C. Any "other insurance" clause contained in the master policy shall expressly exclude from its operation the individual Owners' policies;
- D. Until the expiration of thirty (30) days after the insurer gives notice in writing to the Owner and Mortgagee of any Unit, insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, their Occupants and Guests, the Board, or any of their agents, or employees; provided, however, in the case of non-payment of premiums, the insurer need only provide ten (10) days' notice;
- E. The master policy may not be canceled or substantially modified without at least thirty (30) days prior written notice to the Board and all Mortgagees; provided, however, in the case of premium non-payment, the insurer need only provide ten (10) days' notice;
- F. A construction code endorsement;
- G. An agreed value endorsement; and
- H. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals the full replacement cost.

9.1.2 Fidelity Bond/Insurance. The Board shall obtain 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, including any Managing Agent assisting with the administration of the Regime. The amount of the fidelity bond coverage will be based upon the best business judgment of the Board and will not be less than the estimated maximum funds, including reserve funds, in the custody of the Association or professional management company as the case may be, at any given time during the term of each bond. Provided, however, in no event will the aggregate amount of such bonds be less than a sum of the Association's Capital Reserve Account plus twenty percent (20%) of the total Annual Assessments. The fidelity bonds must [i] name the Association as the bond holder or protected party thereunder; [ii] contain waivers of all defenses which are based upon the assertion persons serving without compensation are not "employees" (or similar terms or expressions); and [iii] the bond may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and each Mortgagee listed with the fidelity bond issuer as a scheduled holder of a first mortgage on a Unit.

9.1.3 Directors & Officers Liability Insurance. The Association will obtain, maintain, and pay the premiums on a policy of directors' and officers' liability insurance in such amount as determined by the Board and the premiums for such insurance will be paid as a Common Expense of the Association.

9.1.4 Other Insurance. The Association will obtain, maintain, and pay the premiums on such other insurance as the Board may determine from time to time, with the cost thereof to be paid by the Association. Insurance carried by the Association shall not include part of a Unit not depicted on the Plat and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds. All insurance policies mentioned herein shall be written by an insurer authorized to do business in South Carolina and have a rating of B+ or better in the Financial Category as established by A.M. Best Company, Inc. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

9.2 Damage and Destruction to Common Elements.

A. Authority to Adjust Losses. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board. By accepting a Deed for a Unit, each Owner expressly appoints the Directors, and each of them, as the Owner's 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 adjustment of losses under the Association's insurance policies, including signing all documents required in connection therewith. The Board may appoint and retain an agent or agents to act on behalf of the Board in the filing and adjustment of all claims arising under the Association's insurance coverage. The Board or, if applicable, its agent(s), shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged property to the condition as existed prior to the damage. Any compensation payable to the agent(s) shall be disclosed to, and approved by, the affirmative vote of a majority of the Owners according to their Percentage Interests.

B. Mortgagee Participation in Adjustment. No Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related hereto, except that no Mortgagee will have any right to restrict the use of insurance proceeds otherwise available for repair, reconstruction or rebuilding the Locker Unit Facility or the Common Elements, including the Limited Common Element Boat Slips.

C. Association Insurance Not Contributory. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Any Unit Owner who obtains an individual insurance policy which insures Common Elements or Limited Common Elements shall file a copy of such individual policy or policies with the Board within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board in the event such policy is canceled.

D. Extensive Reconstruction Subject to Vote. Damage or destruction to the Marina will be repaired and or restored as nearly as practicable to the specifications and dimensions as existed prior to the damage or destruction; provided, however, damage which requires reconstruction of more than two-thirds of the Marina will only be undertaken if sixty-seven percent (67%) of the Owners (as determined by Percentage Interest) approve. If a Unit has more than one Owner, the Unit is nonetheless entitled to only one vote. Voting shall occur in person or by proxy at a meeting at which a quorum is present, duly called, for the specific purpose of disapproving such repair or reconstruction, along with other matters the Owners may consider. If the Marina is not reconstructed, all insurance proceeds will be delivered in accordance with the provisions set forth below. Except as otherwise provided, any such damage or destruction which renders any Unit unusable or any such damage or destruction to the Common Elements will be repaired and reconstructed as promptly as practicable.

E. Vote Does Not Approve Reconstruction. If the Association determines in the manner prescribed above to not reconstruct or rebuild, then:

[1] The Owners, as tenants-in-common, will own the Marina.

[2] Each Owner's undivided interest in the Marina will be a percentage equal to the Percentage Interest appurtenant to the Unit owned by the Owner.

[3] Any liens affecting a Unit will be deemed transferred in accordance with the existing priorities to be a lien against the undivided interest of the Unit's Owner.

[4] The Marina will be subject to an action for partition at the instance of any Owner, in which event the net proceeds, if any, will be deposited with the Board (or a trustee duly appointed by the Board) and to be further disbursed as provided below.

[5] The Association will proceed to satisfy all of its liabilities and convert all of its assets to cash, which will be deposited with the Board (or a trustee duly appointed by the Board) to be further disbursed as provided below.

[6] The proceeds from the sale of the Marina, the liquidation of the assets of the Association, and the insurance proceeds related to the damage or destruction will be considered one fund. After paying the reasonable expenses of the Trustee, including compensation to the trustee for such services, the funds will be used to pay the Association's expenses and outstanding liabilities, including the anticipated costs to properly terminate or amend the Master Deed, the Regime, and the Association, and thereafter, if any funds remain, distribute the funds to the Owners and their respective Mortgagees as their interest may appear in percentages equal to the Owners' respective Percentage Interests. Provided, however, an Owner's share (and, to the extent applicable under the law of priority of mortgages and assessment liens, a Mortgagee's share) may be reduced to pay any unpaid Assessments.

F. No or Insufficient Insurance Proceeds. If there are no insurance proceeds, or if the insurance proceeds are not sufficient to cover the cost of repair or reconstruction and the Owners agree to repair or reconstruct as provided above, the Board will levy one or more Special Assessments against the Owners of the damaged or affected Units in sufficient amounts to pay the cost in excess of any insurance proceeds. An affected Unit shall include a Unit with a damaged Limited Common Element. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction. That portion of the such Assessments levied against each Owner will be equal to the percentage computed by dividing the Percentage Interest appurtenant to such Owner's Unit by the aggregate Percentage Interest appurtenant to the Units damaged.

If an insured loss occurs, any required deductible shall be considered a maintenance expense to be paid by the Person(s) who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's share of the total cost of repair. Notwithstanding the foregoing, if the insurance policy provides the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to the Owner's Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Section, the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to this Master Deed.

9.2 Insurance to be Obtained by the Unit Owners. THE OWNERS ARE ADVISED THE ASSOCIATION HAS NO OBLIGATION TO INSURE THE UNITS THEMSELVES, NOR ANY OTHER PORTION OF THE REGIME NOT CONSIDERED COMMON ELEMENTS (EXCEPT AS SPECIFICALLY REQUIRED HEREIN). AS A RESULT, THE ASSOCIATION HAS NO OBLIGATION TO INSURE VESSELS, EQUIPMENT AND ATTACHMENTS FOR THE VESSELS, BETTERMENTS CONTRIBUTED BY AN OWNER, PERSONAL PROPERTY ITEMS WHICH ARE NOT COMMON ELEMENTS (INCLUDING CABINETRY, BUILT-IN FEATURES, EQUIPMENT) PERSONAL PROPERTY ITEMS BELONGING TO AN OWNER, OCCUPANT, OR GUEST.

OWNERS ARE HEREBY ADVISED THEY SHOULD OBTAIN, AT THEIR SOLE COST AND EXPENSE, INSURANCE COVERAGE FOR SUCH PROPERTY, PROVIDED, HOWEVER, THE OWNERS SHALL HAVE NO OBLIGATION TO OBTAIN SUCH INSURANCE AND THE ASSOCIATION SHALL HAVE NO OBLIGATION TO INQUIRE AS TO WHETHER OWNERS HAVE OBTAINED SUCH INSURANCE.

DECLARANT OR THE BOARD MAY REQUIRE, IN ITS SOLE DISCRETION, EACH OWNER OBTAIN AT THE OWNER'S EXPENSE "LOSS ASSESSMENT COVERAGE" IN AN AMOUNT NOT LESS THAN TEN THOUSAND AND NO/100 (\$10,000.00) DOLLARS TO COVER POTENTIAL ASSESSMENTS FOR DEDUCTIBLES IN THE ASSOCIATION'S INSURANCE POLICIES. IF THE BOARD REQUIRES THE OWNERS TO OBTAIN SUCH INSURANCE COVERAGE, UPON REQUEST BY THE BOARD, THE UNIT OWNER SHALL FURNISH A COPY OF SUCH INSURANCE POLICY OR POLICIES TO THE ASSOCIATION. IF AN OWNER FAILS TO OBTAIN INSURANCE AS REQUIRED BY THIS SECTION, THE ASSOCIATION MAY PURCHASE SUCH INSURANCE ON BEHALF OF THE OWNER AND ASSESS THE COST THEREOF TO THE OWNER, TO BE COLLECTED IN THE MANNER PROVIDED FOR COLLECTION OF SPECIFIC ASSESSMENTS AS SET FORTH IN THIS MASTER DEED.

9.3 Payment of Initial Insurance Reimbursement Fee. If, at the time of the closing on a Unit, Declarant or the Association has paid for an insurance policy or policies for the benefit of the entire Regime, then such new Owner shall be required, in the discretion of the Declarant or the Association, as the case may be, to reimburse Declarant or the Association, as applicable, for the Owner's pro-rata share of such insurance premium based on the Percentage Interest applicable to the Unit. Payment of such insurance reimbursement fee shall not satisfy the Owner's obligation to pay regular Assessments.

ARTICLE X: **Easements**

10.1 Easements Reserved for the Benefit of the Declarant. For so long as Declarant owns any Unit primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have the easements provided under this Article X.

10.2 Easement for Sales and Marketing Efforts. Declarant hereby reserves unto itself and its successors and/or assigns a temporary non-exclusive easement over, across, and under the Common Elements for sales and leasing activities, including the placement of signs in reasonable portions of the Common Elements and conducting other sales activities upon the Common Elements. To the extent the provisions of this Section conflict with any other provisions in this Master Deed or any Rules and Regulations concerning signage or restrictions on signage, the provisions of this Section shall control.

10.3 Easement for Improving the Marina or Related Areas. Declarant hereby reserves unto itself and its successors and/or assigns a transferable easement on, over, through, under, and across the Common Elements and Limited Common Elements for the purpose of making improvements to the Marina or any portion thereof, for the purpose of installing, replacing, repairing, and maintaining the Dock Facilities (including the FBSD serving Boat Slips B-1 through B-9 to the extent, if any, the Declarant has rights or obligations regarding the FBSD) and all

utilities serving the Regime, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

10.4 Unit Owners' Easement to Use the Common Elements. Each Owner and Occupant of a Unit shall have a right and easement of use and enjoyment in as to the Common Elements (including the right of access, ingress, and egress to and from his or her Unit over those portions of the Regime designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Unit; subject, however, to the following:

A. The rights of the Association and the Owners are subject to the terms and conditions of the Access Easement and Ground Lease;

B. The rights of the Owners of the Units to the exclusive use of any Limited Common Elements assigned to their respective Units;

C. The right of the Association to control the use and enjoyment of the Common Elements as stated in this Master Deed, including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein;

D. The restrictions imposed by the Rules and Regulations set forth in the attached **Exhibit G**, the terms of which are incorporated herein by this reference, as well as any other Rules and Regulations adopted by the Board;

E. The general terms and conditions of this Master Deed.

10.5 Utility Easements. To the extent that any utility line, pipe, wire, or conduit serving any Unit, Units, or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, maintenance, repair, and replacement of utility line, pipe, wire or conduit, with such easement to be in favor of the Unit, Units, or Common Elements served by the same and the Association.

10.6 Easement for Utility Equipment. An easement is hereby reserved in favor of each Unit for placement, maintenance, repair, and replacement of utility equipment by Declarant, the Association, and the Owners of the Unit; provided, however, that no utility equipment shall be placed on any part of the Common Elements or Limited Common Elements other than the present location unless the written approval of the Board is first obtained.

10.7 Easement for Encroachments. If any Unit, Common Element, or Limited Common Element encroaches on any other Unit or portion thereof, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of settling or shifting, an easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Unit, Common Element, or Limited Common Element stands. This easement, however, shall not relieve an Owner of liability for his or his agent's negligence, intentional acts, or willful or intentional misconduct in causing the encroachment.

10.8 Easement for Support. Each Unit, Common Element, and Limited Common Element shall have an easement of support from every other Unit, Common Element, or Limited Common Element which provide such support.

10.7 Easement for FBSD Care, Maintenance, and Replacement at B Dock. In addition to the other easement rights granted by this Master Deed, each of the Boat Slips B1 through B11 is subject to an access easement in favor of the other B Dock Boat Slip Owners to cross over and onto the B Dock Limited Common Elements to perform care, maintenance, and replacement of the FBSD. This access easement extends to the contractors and agents performing such care, maintenance, and replacement of the FBSD for B1 through B11 Unit Owners.

10.9 Nature of Easements. The easements and other rights created herein for the Owners shall be appurtenant to the Unit of that Owner, and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument of conveyance. The Owners do hereby designate the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating, confirming, or enforcing all such easements as are contemplated by the provisions hereof.

ARTICLE XI:
Use Restrictions

11.1 Compliance with Master Deed. Each Owner shall be responsible for ensuring the Owner's Guests and Occupants comply with all provisions of the Regime Instruments, including but not limited to the provisions of this Master Deed, the Rules and Regulations set forth in the attached **Exhibit G**, the terms of which are incorporated herein by this reference, and any other Rules and Regulations adopted by the Board in the future, along with the Access Easement and Ground Lease. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights that the Association may have against the Owner's Guests or Occupants as a result of such Person's violation of the provisions of the Regime Instruments, the Association may take action under this Master Deed against the Owner as if the Owner committed the violation in conjunction with the Owner's Guests or Occupants. Whether the same is documented elsewhere or not, under any such circumstances, the affected Owner shall have and enjoy a right for indemnification and/or contribution from and against the offending Person. This right shall not diminish the Owner's liability to the Association, and the Association shall also have all remedies available at law or in equity against the offending Person jointly and severally with the Owner.

11.2 OCRM and USACE Jurisdiction. The Marina and its Dock Facilities were built and are being used on the authority of one or more permits issued by OCRM and USACE. Any such permit(s) may be revoked by OCRM and or USACE at any time in accordance with the terms and conditions thereof and in accordance with applicable law. All activities on or over, and all uses of the submerged land subject to this Master Deed are subject to the jurisdiction of OCRM and USACE, including but not limited to, the requirement that any activity or use must be authorized by OCRM and or USACE. The Association has adopted an Operations & Maintenance Manual as of February 23, 2022, which may be amended from time to time by the Board as may be reasonable or necessary to comply with applicable law, regulations, and maintain or improve the Marina and its usage of the Marina waters. The Board shall provide notice to the Members of changes to the Operations & Maintenance Manual. Each Member is responsible to read the Operations & Maintenance Manual, as updated from time to time, and abide by its requirements, and to require compliance by the Member's tenants and guests.

11.3 No Commercial Usage or Time Share Programs. The Marina is a privately owned and maintained facility available only for the use and enjoyment of its Owners and their Guests/Occupants. This Master Deed, its Rules and Regulations, the Association's insurance coverage, and Dock Facilities do not contemplate or provide for commercial activity at the Marina. Accordingly, no Unit or Common Elements shall be used to operate or maintain services for renting boats, jet skis, sailing vessels, paddle boards, kayaks, charter services, fishing, shrimping, crabbing, or other commercial services or products available for hire, sale, lease to, or use by, the public. Likewise, no Unit or Common Elements may be used as, or subject to, any type of Time Share Program or Project as defined by S.C. Code Sections 27-32-10 et. seq., (1976) as amended, or any subsequent laws governing similar ownership by an Owner or which is used for, or along with, or advertised as part of, any time share exchange program which makes available the Unit or Common Elements (including any vessel moored in a Boat Slip) for public use.

11.4 No Live-Aboards. No person is allowed to live on board ("live-aboard") a vessel in the Marina. As used in this provision, "live-aboard" refers to a person living on a watercraft in the Marina for one night or longer. Anyone found to be violating this prohibition will be subject to removal and the Owner subject to enforcement actions and a per-day financial penalty as determined by the Board in its discretion.

11.5 Prohibition against Damage, Nuisance, and Noise. Without the prior written consent of the Board, nothing shall be done or kept at the Marina, or any part thereof, which would increase the rate of insurance on the Regime or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

11.6 Prohibition Against Offensive/Destructive Activities. Noxious, destructive, or offensive activities shall not be conducted upon the Regime property. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Regime at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners, their Guests, or Occupants, or in such a way as to constitute, in the sole opinion of the Board, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

11.7 Protection of Common Elements. No Owner shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Regime or any structure created or located thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto. No damage to or waste of the Common Elements or any part thereof shall be permitted by any Owner, Occupant, or Guest. Each Owner shall indemnify and hold the Association, the Board, and the other Owners harmless against all loss to the Association, the Board, and other Owners resulting from any such damage or waste caused by such Owner, Occupant, or Guests.

11.8 Vehicle Parking. Vehicle parking, whether car, truck, golf cart, bicycle, motorcycle, or otherwise, is limited as set forth in the Access Easement. Subject to the Access Easement, the Board shall have the right to reasonably designate areas on which Owners, Occupants, and or Guests may park. If any vehicle, including a golf cart, is parked on any portion of the Property in violation of the parking provisions of this Master Deed, or in violation of the Association's Rules and Regulations, or in violation of any other rules adopted by the Board, or in violation of the Access Easement, or in a fire lane, or blocking another vehicle, or obstructing the flow of traffic, the vehicle may be towed at the vehicle owner's expense. If a vehicle is towed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions in addition to, or lieu of, its authority to tow.

11.9 Rules and Regulations. The provisions of this Article XI provide general restrictions on the Use of the Units and the Common Elements within the Regime, and these use restrictions are supplemented by the provisions of the Rules and Regulations attached as Exhibit G, the terms of which are incorporated herein by this reference. As set forth elsewhere in this Master Deed, the Board may adopt additional Rules and Regulations from time to time, and the Owners shall be obligated to abide by such additional Rules and Regulations regardless of whether they are recorded as an amendment to this Master Deed in the Register of Deeds Office for Charleston County.

ARTICLE XII: **Architectural Standards**

12.1 General Architectural Guidelines. No Owner, Occupant, Guest, or any other Person may make any encroachment onto the Common Elements, or make any change, alteration, or construction thereto (including painting and landscaping), nor erect, place, or post any object, sign, antenna, equipment, light, artificial vegetation, exterior sculpture, or any other thing on the General Common Elements, or make structural changes to a Unit, or modify the plumbing or electrical systems of a Unit, or otherwise make any changes to any Common Elements, without first obtaining the written approval of the Board.

12.2 Enforcement. Any construction, alteration, change, or other work performed in violation of this Article (or in violation of any related Rules and Regulations set forth in Exhibit G or later adopted by the Board) shall be

considered a violation of the Regime Instruments. Upon written request from the Board, Owners shall, at their own cost and expense, remove such construction, alteration, change, or other work and shall restore the Property to substantially the same condition as existed prior to the construction, alteration, change or other work. Should an Owner fail to remove and restore as required hereunder and as specified in such notice, the Board shall have the right to enter the Property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration, change, or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the Unit and collected as an Assessment pursuant to the provisions of this Master Deed. In addition to the foregoing, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available at law and in equity to enforce the provisions of this paragraph and its decisions. Any construction, alteration, change, or other work upon the Common Elements made by an Owner in violation of this Master Deed shall be at such Owner's sole risk and expense. The Board may require the Owner remove the construction, alteration, change, or other work and restore the Common Elements to original condition or may require the same remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the construction, alteration, change, or other work.

ARTICLE XIII: **Condemnation**

13.1 Taking of Common Elements. If the Marina or any part thereof shall be taken or condemned by any authority having a power of eminent domain, such that only Common Elements are taken and no Unit is taken, any compensation for such taking or condemnation shall be payable to the Association as trustee (or such person or entity as the Board shall designate as trustee) for all Owners and Mortgagees affected thereby, according to the loss or damage to the Common Elements and the Units. The Association, through the Board, shall have the right to act on behalf of the Owners with respect to the negotiation and, if necessary, litigation of the issues with respect to the taking and compensation affecting the Common Elements. Such proceeds shall be used in accordance with the provisions of this Master Deed and the other Regime Instruments. Nothing herein is to be construed to prevent the Owners whose Units are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units, or personal improvements therein, exclusive of damages relating to the Common Elements. If a condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Units without such allocation, the award shall be divided between the affected Owners and the Association or trustee, as their interests may appear.

13.2 Taking of Units. If the Property or any part thereof shall be taken or condemned by any authority having a power of eminent domain, such that any Unit or a part thereof is taken, the Association, through the Board, shall have the right to act on behalf of the Owners with respect to the Common Elements as set forth in the preceding Section, and any proceeds related to the taking of Common Elements shall be payable as outlined therein. The specific Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their own Units. Any awards so made shall be distributed through the Association or Trustee, first to restore the Units and Common Elements to the fullest extent possible, attempting to rebuild or restore the Regime to its pre-existing condition, dimensions, and specifications. If the Board determines such a taking so affects the Units so the Units cannot effectively be restored or replaced substantially in compliance with their preexisting condition, the Owners shall unanimously agree to the proper disbursement of such condemnation award to the affected Owners. If the Owners cannot unanimously agree as to the proper disbursement of such condemnation award, then the Association, through the Board, shall submit the issue to binding arbitration. Said arbitration shall proceed with a single arbitrator appointed by an agreement between the parties or, in the alternative, by the Chief Administrative Judge for the Ninth Judicial Circuit of South Carolina. In such an arbitration process, the parties shall be entitled to utilize Rules 26 – 36 of the South Carolina Rules of Civil Procedure, as amended. The arbitration proceedings shall be conducted in Charleston or Charleston County, South Carolina on an expedited basis before a neutral arbitrator who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15) years, and who specializes in commercial transactions with substantial

experience in the subject matter of the subject dispute. Any attorney who serves as an arbitrator shall be compensated at a rate equal to his or her current regular hourly billing rate unless a different agreement is arranged between the parties and the arbitrator. Upon the request of any party, the arbitrator's award shall include findings of fact and conclusions of law, provided that such findings may be in summary form. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction.

13.3 If Restoration or Repair Will Not Occur. If the Board determines, upon a taking or condemnation of any portion of the Regime by any authority having a power of eminent domain, the funds obtained from the condemnation action should not be used for restoration or repair of the Marina because restoration or repair is impractical, the Board shall, with the proceeds received from such condemnation or taking, remove all necessary remains of the portions of the Marina so taken or condemned, restore the remaining portion to good and orderly condition, and equitably distribute any remaining proceeds from such condemnation or taking to the Owners affected thereby. In so doing, the following principles shall apply:

- A. The total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners on the basis of each Owner's Percentage Interest in the Common Elements;
- B. The respective amounts allocated to the taking of or injury to a particular Unit shall be apportioned to the Owner(s) of the particular Unit involved; and
- C. The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be fair in its sole discretion.
- D. Amend or terminate the Regime Documents as appropriate.

ARTICLE XIV: **Leasing of Units**

14.1 Restrictions on the Leasing of Units. Owners shall have the right to rent out their Units, so long as: (A) all lease or rental agreements are in writing; and (B) all leases or rental agreements must contain provisions which obligate the tenant(s) to abide by the provisions of this Master Deed, and all other Regime Instruments, including but not limited to the Rules & Regulations and the Operations & Maintenance Manual, or Access Easement. If any Owner leases a Unit to another individual without incorporating a provision in the written lease to advise the tenant of his or her obligation to abide by the terms of this Master Deed, all other Regime Instruments, including but not limited to the Rules & Regulations and the Operations & Maintenance Manual or Access Easement, such lease shall be deemed to contain such a provision.

14.2 Tenant's Failure to Comply. If a Unit fails to comply with the provisions of this Master Deed or any other Regime Instrument, in addition to all other remedies which it may have, the Board shall have the right to notify the Owner of such violation(s) and demand the same be remedied within fifteen (15) days, then the Owner shall immediately thereafter, at the Owner's own cost and expense, institute and diligently prosecute an eviction action against the tenant on account of such violation(s). Such action shall not be comprised or settled without the prior written consent of the Board. If the Owner fails to fulfill the foregoing obligation, the Board shall have the right, but not the duty, to institute and prosecute such actions as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. Said expense shall be deemed a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Assessments.

ARTICLE XV:
Security

From time to time the Association, acting through the Board, may provide measures or take actions which directly or indirectly improve safety at the Marina, but the Association and its Board have no obligation or requirement to do so. Each Owner, on behalf of such Owner, Occupants, and Guests, hereby acknowledges the Association is not a provider of security and shall have no duty to provide security in and to the Regime. It is each Owner's responsibility to protect such Owner's person and property, and all responsibility to provide security shall lie solely with each of the respective Owners. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

NEITHER THE ASSOCIATION, NOR THE DECLARANT, IS AN INSURER OR GUARANTOR OF SECURITY AT THE MARINA AND THEY SHALL BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE OR ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SECURITY SYSTEM OR MEASURES CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM OR MEASURE WAS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND COVENANTS TO INFORM ITS GUESTS AND OCCUPANTS THE ASSOCIATION, THE BOARD, AND DECLARANT ARE NOT INSURERS, AND EACH PERSON USING THE MARINA OR ANY PORTION THEREOF ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING UNITS AND THE CONTENTS OF UNITS, RESULTING FROM ACTS OF GOD, NATURE, AND THIRD PARTIES.

ARTICLE XVI:
Mortgagee's and Mortgagee Rights

16.1 Owners' Right to Mortgage Units. Owners shall have the right to mortgage or encumber their Units, provided that any such mortgage or encumbrance, which is not a first lien on any Unit, shall expressly and automatically be subordinate to any lien in favor of the Association. Any such second or inferior mortgage or encumbrance concerning a Unit which is not subordinate to any lien in favor of the Association shall only be placed on the Unit with the prior written approval of the Board.

16.2 Liability of First Mortgagees. Where a First Mortgagee of record or other purchaser of a Unit obtains title to a Unit pursuant to foreclosure of the Mortgage, it shall not be liable for the Unit's share of Common Expenses or Assessments which became due prior to such acquirer's acquisition of title. The unpaid share of Common Expenses or Assessments shall be deemed Common Expenses collectible from Owners of all Units, including such acquirer, its successors, and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is transferred.

16.3 Notices by Mortgagees to Association. A Mortgagee may be required to provide the Association, from time to time, in writing, current information regarding its Mortgage interest in a Unit. Such information may include, at the discretion of the Board: (A) the Unit number and address of the Unit encumbered by the Mortgage; (B) the name of the Owner of the Unit; and (C) the name, address, telephone, and facsimile number of the Mortgagee, as well as the contact Person or Persons for the Mortgagee. If the interest of the Mortgagee is terminated or the interest of the Mortgagee is lawfully assigned to another entity, the Mortgagee shall promptly notify the Association of such termination or assignment, including comparable information regarding any assignee of its interest. Failure to provide this information when the interest of the Mortgagee is lawfully assigned to another entity shall automatically terminate any rights of the Mortgagee (or its assigns) under this Master Deed that require notice to or approval by such Mortgagee, if any.

16.4 Notices by Association to Mortgagees. Upon written request to the Association, identifying the name and address of the Mortgagee and the mortgaged Unit number or address, any eligible first Mortgagee will be entitled to timely written notice of the following, provided that contact information from the Mortgagee has properly been supplied to the Association:

A. The Association must provide notice to an eligible First Mortgage of amendments proposed to the Regime Instruments if the proposed amendments relate to any of the following: (1) a change in boundaries of a Unit or the exclusive easement rights appertaining thereto; (2) the interests in the Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto; (3) the number of votes in the Association appertaining to any Unit; (4) the purposes to which any Unit or the Common Elements are restricted; (5) any amendments concerning Assessments, Assessment liens, or subordination of such liens; (6) reserves for maintenance, repair and replacement of the Common Elements; (7) insurance or fidelity bonds; (8) the rights of use of the Common Elements; (9) the responsibility for maintenance and repair of the Marina; (10) the interests in the Common Elements; (11) any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Unit; (12) establishment of self-management by the Association; and (13) any Amendment to the Regime Instruments which are for the express benefit of eligible first Mortgagees;

B. Any proposed termination of the Regime;

C. Any condemnation loss or any casualty loss which affects a material portion of the Marina or any Unit on which there is a first Mortgage held by such Mortgagee;

D. Any delinquency in the payment of Assessments or charges owed by an Owner whose Unit is subject to a first Mortgage held by such Mortgagee which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Owner of any other obligation under the Regime Instruments which is not cured within sixty (60) days;

E. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

F. Any proposed action which would require the consent of a specified percentage of Mortgagees, as specified herein; and

G. Any other notice provided for in this Master Deed. The Association may charge a reasonable fee to cover the administrative and delivery costs to the Association for providing such written notice. Such fee shall be payable, as a Specific or Special Assessment, by the Owner of the Unit subject to the Mortgage in which the Mortgagee has an interest. Failure of the Association to provide written notice to a Mortgagee shall not invalidate any action of the Association. If any request for approval or consent is sent by certified or registered mail to a Mortgagee at its address of record by the Association, the Board, the Association's Managing Agent, and no written answer is received from the Mortgagee within sixty (60) calendar days of such notice, then the approval or consent requested shall be deemed to have been given by the Mortgagee.

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

16.6 Additional Mortgagee Rights. Despite anything to the contrary in this Master Deed, its provisions governing sales and leases shall not apply to impair the right of any first Mortgagee to:

A. Foreclose or take title to a Unit pursuant to remedies contained in its Mortgage;

- B. Take a deed or assignment in lieu of foreclosure; or
- C. Sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

ARTICLE XVII:
Declarant's Reserved Rights

- 17.1 Signage and Sales Activities. Notwithstanding the restrictions on Owners' rights to erect or display signage at the Marina, for so long as Declarant owns any Unit, Declarant may approve and erect signs for the purpose of carrying on business related to the development, improvement, and sale of Units, and such signs shall not be subject to approval or regulation by the Association or by the Board. In addition, for so long as Declarant owns any Unit, Declarant may conduct marketing and sales activities upon the Common Elements of the Regime.
- 17.2 Appointment of Directors and Control of Association during Transition Period. COMMENCING WITH RECORDING OF THIS MASTER DEED AND CONTINUING UNTIL EXPIRATION OF THE TRANSITION PERIOD, DECLARANT SHALL HAVE THE RIGHT TO APPOINT ALL DIRECTORS SERVING ON THE BOARD AND OTHERWISE CONTROL AND MANAGE THE BUSINESS AND AFFAIRS OF THE ASSOCIATION INCLUDING, BUT NOT LIMITED TO, CREATING THE BUDGET, CALCULATING ASSESSMENTS, COLLECTING ASSESSMENTS, MAKING DECISIONS CONCERNING THE COMMON ELEMENTS, AND DECISIONS CONCERNING ARCHITECTURAL AND AESTHETIC ISSUES RELATED TO THE REGIME. DURING THE TRANSITION PERIOD, INDIVIDUALS APPOINTED BY DECLARANT TO SERVE AS DIRECTORS AND/OR OFFICERS OF THE BOARD NEED NOT BE OWNERS OR HAVE AN OWNERSHIP INTEREST IN ANY UNIT. IN ADDITION, NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, DURING THE TRANSITION PERIOD THE DECLARANT NEED NOT HAVE THE SAME NUMBER OF DIRECTORS TO SERVE ON THE BOARD AS IS SET FORTH IN THIS MASTER DEED OR IN THE BYLAWS.
- 17.3 Assessments on Declarant's Unsold Units. Anything contained in this Master Deed to the contrary notwithstanding, so long as the Declarant owns any Units for sale, the Declarant may annually elect either to pay the regular Assessment for each such Unit so owned or to pay the difference between the amount of the Assessments collected on all other Units not owned by the Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than its regular Assessment.
- 17.4 Alteration of Common Elements. During the Transition Period, Declarant, in its sole discretion, shall have the right to alter the Common Elements, including, without limitation, adjusting property lines to cause any part or all of the Common Elements to become a part of an adjoining parcel or Unit, increase or decrease the size of the Common Elements, add or remove Common Elements to or from the Property, annex additional property into the Regime and designate portions thereof such additional property as Common Elements, change the location of Common Elements, and grant easements through, under, over, and across portions of the Common Elements.
- 17.5 Right to Approve Easements. For so long as Declarant owns any Unit, regardless of whether the requisite number of other Owners or Directors approve the granting of an easement, the Association shall not convey or grant an easement through, under, over or across all or any portion of the Common Elements to any third party without obtaining the prior written consent of the Declarant.
- 17.6 Assignment of these Reserved Rights. Unless the transfer of a right or interest of Declarant is expressly stated in this Master Deed to occur upon the earlier happening of a defined event, any right or interest of Declarant reserved or contained in this Master Deed may be transferred or assigned by the Declarant to any Person, either separately or with other rights or interests, by written instrument executed by both Declarant and the transferee and recorded in the Register of Deeds Office for Charleston County.

ARTICLE XVIII:
Amendments

18.1 Amendments to Master Deed by Declarant. Notwithstanding any other provision of this Master Deed or any provision contained in the Bylaws or other Regime Instruments, during the Transition Period, Declarant may amend or supplement this Master Deed without the consent of the Association, any Owner, any easement grantee, or any Mortgagee if, in Declarant's opinion, based on advice of legal counsel, such Amendment is necessary to: (A) correct any scrivener's error; (B) bring any provision of the Master Deed into compliance or conformity with the provisions of any applicable governmental statute, rule, regulation, or any judicial determination that a provision of this Master Deed is unenforceable; (C) enable any reputable title insurance company to issue title insurance coverage with respect to any Unit subject to this Master Deed; (D) enable any Mortgagee to make mortgage loans on a Unit with reasonable terms; (E) enable any insurer to provide insurance required by this Master Deed or to allow any insurer to provide reasonable and customary insurance desired by a Unit Owner but not mandated by the terms of this Master Deed; or (F) clarify any provision of this Master Deed or eliminate any conflict between provisions of this Master Deed. Despite the foregoing, Declarant shall not be entitled to amend the Master Deed to increase the Percentage Interest of any Owner, increase the purchase price of any Unit, or materially and adversely affect the rights of any Owner without first obtaining the express written permission of all affected Owner(s).

18.2 Amendments to Master Deed by Association. Except as otherwise authorized herein, this Master Deed may be amended only by the consent of sixty-seven (67%) percent of the Owners and Mortgagees set forth in a duly recorded amendment to this Master Deed

18.3 Termination of Condominium.

A. By Agreement. The Owners may remove the Property from the provisions of the Act and the Regime by an instrument to that effect duly recorded in the Register of Deeds Office for Charleston County, which contains the signatures of one hundred (100%) percent of the Owners, provided that One Hundred (100%) Percent of the holders of all liens affecting any of the Units (including eligible first Mortgagees) consent by recorded instruments that their liens are either satisfied as a matter of public record or transferred to an undivided interest in the Property.

B. By Damage, Destruction, or Condemnation. If the Marina, or any part of it, is damaged, destroyed, or taken by condemnation to an extent the Owners vote does not approve restoring the Marina, the Regime and Regime Instruments shall be terminated, and its affairs concluded. In such a case, the Owners' decision will be evidenced by the Board's certificate as to the facts causing the termination, which certificate shall be appended to, or made part of, the instrument terminating the Regime and recorded in the Charleston County Register of Deeds Office.

C. Mortgagee Consent. Notwithstanding anything contained herein to the contrary, any action to terminate the legal status of the Regime must be approved by the first Mortgagees representing at sixty-seven (67%) percent of the votes of Units subject to mortgages.

D. Owners Become Tenants-in-Common. Upon the removal of the Property from the provisions of the Act and the Regime, the Owners shall be deemed to own the Property as tenants-in-common, with undivided interests in the same percentages as the Percentage Interests previously owned by each Owner in the Common Elements.

ARTICLE XIX:
Dispute Resolution

19.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Declarant, Association, Owners, and any Person not otherwise subject to the Regime Instruments who agrees to submit to this Article (hereinafter, collectively, the "**Bound Parties**") agree to encourage the amicable resolution of disputes

between and among themselves involving the Regime Instruments or the Property, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances, and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime Documents or the Property, including without limitation, claims, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement thereof (hereinafter, collectively, the "**Claims**"), except for Exempt Claims, as defined herein, are subject to the procedures set forth in Section 19.3.

19.2 Exempt Claims. The following (hereinafter, collectively, the "**Exempt Claims**") are exempt from the provisions of Section 19.3:

- A. Any suit by the Association against any Bound Party to enforce any Assessments or other charges hereunder;
- B. Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association until the matter may be resolved on the merits pursuant to Section 9.3 below;
- C. Any suit between Owners which does not include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Regime and the Property;
- D. Any alternative dispute resolution mediation or arbitration between an Owner and the Declarant pursuant to the real estate purchase and sale agreement between them or with respect to the Unit constructed and sold to the Owner pursuant thereto;
- E. Any suit in which an indispensable party is not a Bound Party;
- F. Any suit otherwise barred by an applicable statute of limitation; and
- G. Any suit involving a matter which is not an Exempt Claim under (A) or (B) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 19.3. Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 19.3, but there is no obligation to do so.

19.3 Mandatory Procedures for Non-Exempt Claims. Any Bound Party having a Claim (hereinafter, a "**Claimant**") against a Bound Party involving the Regime Instruments or the Regime, or all or any combination of them (hereinafter, a "**Respondent**"), other than an Exempt Claim under Section 19.2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the procedures set forth in Exhibit I, and then only to enforce the results hereof.

19.4 Restriction on Expense of Limitation. Notwithstanding any contrary provision contained in this Master Deed, in no event may the Association commence any action or proceeding against any Person, seeking equitable relief, or seeking either an unspecified amount of damages or damages in excess of Twenty-Five Thousand and NO/100 (\$25,000.00) Dollars; or any action or proceeding where the estimated cost of legal fees exceeds Five Thousand and NO/100 (\$5,000.00) Dollars, unless the following conditions are satisfied: (A) The decision to commence such action or proceeding shall be made at an annual or special meeting of the Association; (B) A budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all Owners at least ten (10) days prior to such meeting; and (C) At such meeting, Owners representing an aggregate ownership interest of sixty-seven (67%) percent or more of the Common Elements shall approve the decision to commence the action, and the proposed budget for such action or proceeding, and shall concurrently approve the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget. The Association shall be authorized to expend funds for such proceeding in excess of the amount

contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (A), (B) and (C) of this Section. The procedural requirements set forth in this Section, however, shall not apply to any action to collect or otherwise enforce Assessments and any related fines, late charges, penalties, interest, or costs and expenses, including reasonable attorneys' fees, in an amount of Twenty-Five Thousand and NO/100 (\$25,000.00) Dollars or less, or any such action where the estimated cost of legal fees is less than Five Thousand and NO/100 (\$5,000.00) Dollars. All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with this Section shall be funded by means of a Special Assessment pursuant to the provisions of this Master Deed, and in no event may the Association use reserve funds or contingency funds, reallocate previously budgeted operating funds, or incur any indebtedness in order to pay any costs and expenses incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Owner or Owner(s), that particular Owner or Owner(s) shall be exempted from the obligation to pay the Special Assessment(s) levied in order to pay the costs and expenses of such action or proceeding. The monetary thresholds stated in this Section shall increase by the greater of three (3%) percent or the CPI Index each year on the anniversary of the filing of this Master Deed.

19.5 Miscellaneous Alternative Dispute Resolution Provisions. Any conflict or discrepancy between the terms and conditions set forth in this Article and the procedures set forth in Exhibit I and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein and Exhibit I will control. All periods of time set forth herein or calculated pursuant to provisions of this Section will be strictly adhered to, TIME BEING OF THE ESSENCE.

ARTICLE XX: **Declarant's Right of First Refusal**

20.1 Declarant's Right of First Refusal. By accepting a deed for a Unit, each Owner agrees ownership of a Unit shall be subject to the provisions of the attached Exhibit H, which grants to Declarant, or its assignee, a right of first refusal ("**Right of First Refusal**") to purchase any Unit until expiration of the Transition Period. Regardless of whether a deed conveying a Unit refers to this Right of First Refusal, it shall run with the title to the Units and shall be deemed conveyed along with title to a Unit until this Right of First Refusal expires as stated above. Declarant shall have the right to assign its Right of First Refusal regarding any Unit.

During the Transition Period, Declarant shall have a right and option to purchase any Unit offered for sale by the Owner, with Declarant's option to be at the price and on the terms and conditions of any bona fide written offer ("**Offer**") for the Unit which is acceptable to the Owner. Upon receipt of an Offer, Owner shall promptly submit a true and complete copy of the Offer to Declarant and Declarant will have fifteen (15) calendar days after Declarant's actual receipt of the Offer in which to exercise Declarant's purchase option by giving the Owner written notice of exercise. If Declarant fails to respond to the Offer within the 15 days period, Declarant will be deemed to have waived the purchase option as to that Unit. If Declarant responds by declining to exercise the option, Declarant will execute and deliver to the Owner an instrument (in a recordable form) confirming waiver of the repurchase option as to that Unit. If Declarant does not exercise its option and the sale to a third party is not consummated on the terms and conditions stated in the Offer within 180 days of the date the Offer was received by Declarant, the repurchase option contained in this Section will again be imposed on any sale by the Owner. If Declarant elects to purchase the Unit, the transaction will be concluded within the later of [i] the closing date stated in the Offer or [ii] thirty (30) calendar days following Declarant's written notice to the Owner exercising the purchase option.

ARTICLE XXI: **Notices**

21.1 Notice Procedure. Whenever notice is required or permitted under this Master Deed, it shall be in writing and: (A) personally delivered; or (B) sent with postage or delivery charges prepaid: (1) by United States mail, certified, return receipt requested, in which case notice shall be deemed to occur on the certified date of delivery or

rejection of delivery; (2) if within the United States, by First Class or Priority United States mail, in which case notice shall be deemed to occur four (4) calendar days after the postmark date; or (3) by any dependable delivery service that provides evidence of delivery, in which case notice shall be deemed to occur on the certified date of delivery. Notices by other methods, such as facsimile or e-mail transmission, shall be valid if the recipient thereof acknowledges receipt in writing.

21.2 Notice Addresses.

A. Notice to Owners. All notices to Owners shall be sent to such address as has been provided, in writing, from time to time, by the Owner to the Association, or if no address has been so provided to the Association or no current address is known, then at the address of the Owner of the Unit on the property tax records of Charleston County, South Carolina, or at any other address that would constitute a valid address for service of process. The initial address on file with the Association shall be the address each Owner listed on his or her contract to purchase a Unit. If more than one "Purchaser" or "Buyer," as defined in such purchase agreement, is listed therein, the first listed address shall be used for purposes of this Article.

B. Notice to Declarant. All notices to Declarant shall be sent to *Marina 211, LLC, P.O. Box 211, Sullivan's Island, SC 29482* or to such other addresses as have been provided, in writing, from time to time, by the Declarant to the Association.

C. Notice to Association. All notices to the Association shall be sent to *Two Island Marina Property Owners Association, Inc., P.O. Box 211, Sullivan's Island, SC 29482* or to such other addresses as have been provided, in writing, from time to time, by the Association to the Owners.

D. Notice to Mortgagees. All notices to Mortgagees shall be sent to such address as has been provided, in writing, from time to time, to the Association in accordance with the provisions of this Master Deed, or to any other address and by any procedure that would constitute a valid address for service of process.

ARTICLE XXII:
Miscellaneous Provisions and Rules and Interpretation

22.1 Applicable Law; Interpretation. This Master Deed and all of the Regime Instruments shall be construed in accordance with the laws of the State of South Carolina. In all cases, the provisions set forth or provided for in this Master Deed shall be construed together, provided that such interpretation is reasonable. The provisions of the Master Deed shall also be liberally interpreted and, if necessary, be extended or enlarged by reasonable implication as to make them fully effective.

22.2 Effective Date. The effective date of this Master Deed shall be the date of its filing for record in the Register of Deeds Office for Charleston County, South Carolina.

22.3 Captions and Headings. The captions and headings used herein as to the contents of various portions of the Master Deed are inserted only for convenience and are not to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular provisions to which they refer.

22.4 Gender. In construing the provisions of this Master Deed and the Bylaws of the Association, the use of the masculine gender shall be deemed to refer to the feminine and neuter genders as well, and vice versa. In addition, use of the singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to any Person, as defined herein, shall in all cases be assumed where reasonably required.

22.5 Waiver. No provision contained in this Master Deed or any other of the Regime Instruments shall be deemed

to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number or degree of the violations or breaches which may have occurred.

22.6 Severability. The invalidity of any provision of this Master Deed or the Bylaws of the Association shall not be deemed to impair or affect, in any manner, the validity, enforceability, or effect of the remaining provisions thereof. In the event that any provision of any one or more of the Regime Instruments are deemed to be invalid by the proper authority, all of the other provisions thereof shall continue in full force and effect.

22.7 Conflict with Laws. This Master Deed is intended to comply with the Act and, to the extent reasonable, shall be so construed. If any provision of this Master Deed clearly conflicts with a mandatory provision of the Act or applicable law, the provisions of the Act or applicable shall apply and control. If such conflict invalidates any provision of this Master Deed, such invalidation will not affect any of the other provisions contained herein, and the other provisions shall remain in full force and effect.

22.8 Compliance. Every Owner and Occupant shall comply with this Master Deed, the Bylaws, and the Rules and Regulations. Failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to the Association's enforcement powers.

22.9 Indemnification. To the fullest extent allowed by the South Carolina Nonprofit Corporation Act, and in accordance therewith, the Association shall indemnify every current and former officer, director, and committee member against any and all expenses, including, but not limited to, attorneys' fees, imposed upon or reasonably incurred by any officer, director, or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then-Board of Directors) to which such officer, director, or committee member may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith.

The officers, directors, and committee members shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association, and the Association shall indemnify and forever hold each such officer, director, and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available in the Board's opinion.

To the extent permitted by law, each Owner shall release, and hold harmless each current and former officer, director, committee member and employee from all claims, causes of actions, liability and damages arising by reason of such Person's actions or inactions relating to the Association and the Regime, unless such Person's conduct constitutes gross negligence or intentional misconduct. In the event that an Owner institutes litigation against the Association, such Owner shall reimburse and indemnify the Association and such other designated Persons for all costs and expenses incurred as a result of the Owner's litigation, including reasonable attorney's fees unless there is a final court order that rules the Owner is the prevailing party in such litigation.

22.10 Successors and Assigns. This Master Deed shall be binding upon and shall inure to the benefit of Declarant, the Association, and each Owner, and the heirs, personal representatives, successors, and assigns of each of them, except as otherwise expressly provided herein.

22.11 Persons Subject to Regime Instruments. All Owners, Mortgagees, Occupants, and Guests shall be subject to, and shall comply with, the Regime Instruments as they now exist and as they may be amended, from time to time. Acceptance of a deed or the exercise of any incident of Ownership or the entering into of a lease of a Unit

constitutes an agreement the Regime Instruments are accepted and ratified by the Owner, Occupant, and Guests. Acceptance of a mortgage constitutes an agreement the Regime Instruments are accepted by the Mortgagee. All Regime Instruments are, and shall be deemed as, covenants running with the Unit and shall bind any Persons having, at any time, any interest or estate in the Unit as though the provisions of this Article had been recited in full in every deed, conveyance, lease, or mortgage.

ARTICLE XXIII:
Exhibits

The following exhibits are attached, and their terms are incorporated into this Master Deed by reference as if they were fully set forth in the text of this Master Deed:

- | | |
|-----------|--|
| Exhibit A | Legal Description of the Property |
| Exhibit B | Site Plan |
| Exhibit C | Graphic Depiction of the Units and Common Elements |
| Exhibit D | Schedule of Assigned Values and Percentage Interests |
| Exhibit E | Articles of Organization for the Association |
| Exhibit F | Bylaws for the Association |
| Exhibit G | Rules and Regulations of the Regime |
| Exhibit H | Declarant's Right of First Refusal |
| Exhibit I | Mandatory Procedures for Non-Exempt Claims |

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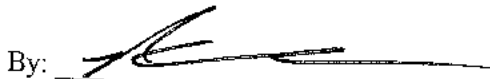
IN WITNESS WHEREOF, the Declarant has set its Hand and Seal this day of October 25, 2023 to this Master Deed of The Two Island Marina Horizontal Property Regime.

SIGNED, SEALED, AND DELIVERED  
IN THE PRESENCE OF:

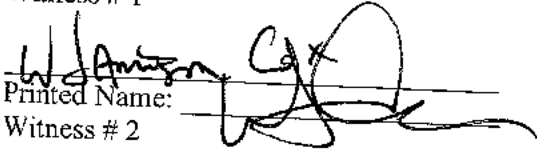
211 MARINA, LLC  
a South Carolina limited liability company



Printed Name: Onnisra Blisbe  
Witness # 1



By: Pierce Cauthen  
Its: Authorized Agent



Printed Name: W. Jamison Cox  
Witness # 2

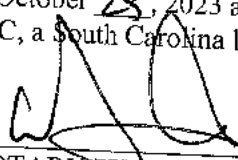
~~~~~

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

) Acknowledgment

I, the undersigned notary, a Notary Public for the State of South Carolina, do hereby certify that Pierce Cauthen personally appeared before me this day of October 25, 2023 and acknowledged the due execution of the foregoing instrument on behalf of 211 Marina, LLC, a South Carolina limited liability company, as its authorized agent.



NOTARY PUBLIC FOR SOUTH CAROLINA

Date of Notary Expiration: 6/1/2025

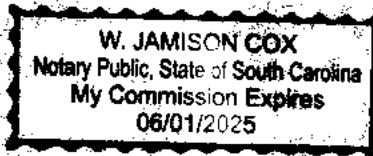


Exhibit A
(Legal Description)

All those certain pieces, parcels, or units of land comprising the Premises under that certain Ground Lease dated August 6, 2021, between 101 Palm Boulevard, LLC, as landlord, and 211 Marina, LLC, as tenant, a memorandum of which was recorded August 11, 2021, in the Charleston County Register of Deeds Office in Book 1022 at Page 315. Said Premises includes, but is not limited to, that certain Locker Unit Facility and all Units therein along with the "Dock Walkway Attachment Area" as approximately depicted on page 2 of this Exhibit "A". The Locker Pad is approximately three (3) feet in width by five (5) feet in length and is one hundred ninety-three and 24/100 feet (193.24') South 38 degrees, 15 minutes, 21 seconds West from the Iron Pipe Found ("IPF PK Nail") located at N 345664.78 E2365628.58. The Dock Walkway Attachment Area is approximately five (5) feet in side-to-side width by three (3) feet in front-to-back depth and is located at the highland edge of the north side (also known as the creek side) of landlord's Property (as described below) at the point where Tenant's Dock Walkway for the Two Island Marina attaches to landlord's Property. If the actual locations or dimensions of the Premises differ from the locations or dimensions described herein, or if the actual locations of the Premises are subsequently changed, the actual locations control.

The Premises are a portion of all that lot, piece, or parcel of land, with buildings and improvements thereon, situate, lying and being on the Isle of Palms, near the entrance to Charleston Harbor, in the County of Charleston, and State of South Carolina, known, numbered and designated as **Lot 1**, on a Plat of Section of the Isle of Palms, showing location of Points A, B and C and basis of location made by J.T. Kollock, Inc. and recorded in **Plat Book E** at **page 13**, Register of Deeds Office for Charleston County, South Carolina.

DERIVATION: The Premises above-described are a portion of that certain property conveyed to 101 Palm Boulevard, LLC by deed of Richard S.W. Stoney dated March 25, 2014, and recorded March 27, 2014, in **Book 0395 at Page 833** in the Register of Deeds Office for Charleston County, SC, and thereafter leased to 211 Marina, LLC, by 101 Palm Boulevard, LLC pursuant to that certain Ground Lease dated August 6, 2021, a Memorandum of which was recorded in the Charleston County Register of Deeds Office on August 11, 2021, in Book 1022 at Page 315.

~~~~~  
*[For convenience only and not as part of the legal description, the above-described property is commonly described as a portion of 101 Palm Boulevard, Isle of Palms, SC which presently carries County TMS parcel ID #568-09-00-001]*

**Exhibit B**  
(Site Plan)

CONDOMINIUM IN EXISTENT FOR  
TWO ISLAND BAYVIEW HORIZONTAL  
PROPERTY RESERVE  
101 PALMS BLVD  
BREACH INLET AREA  
ISLE OF PALMS  
CHARLESTON COUNTY  
TAG # 588-08-00-001  
LOCKER UNIT LOCATION  
DATED PREPARED: JULY 7, 2023  
SURVEYED: SEPTEMBER 6, 2021

TO SULLIVAN'S ISLAND  
BRIDGE OVER BREACH INLET

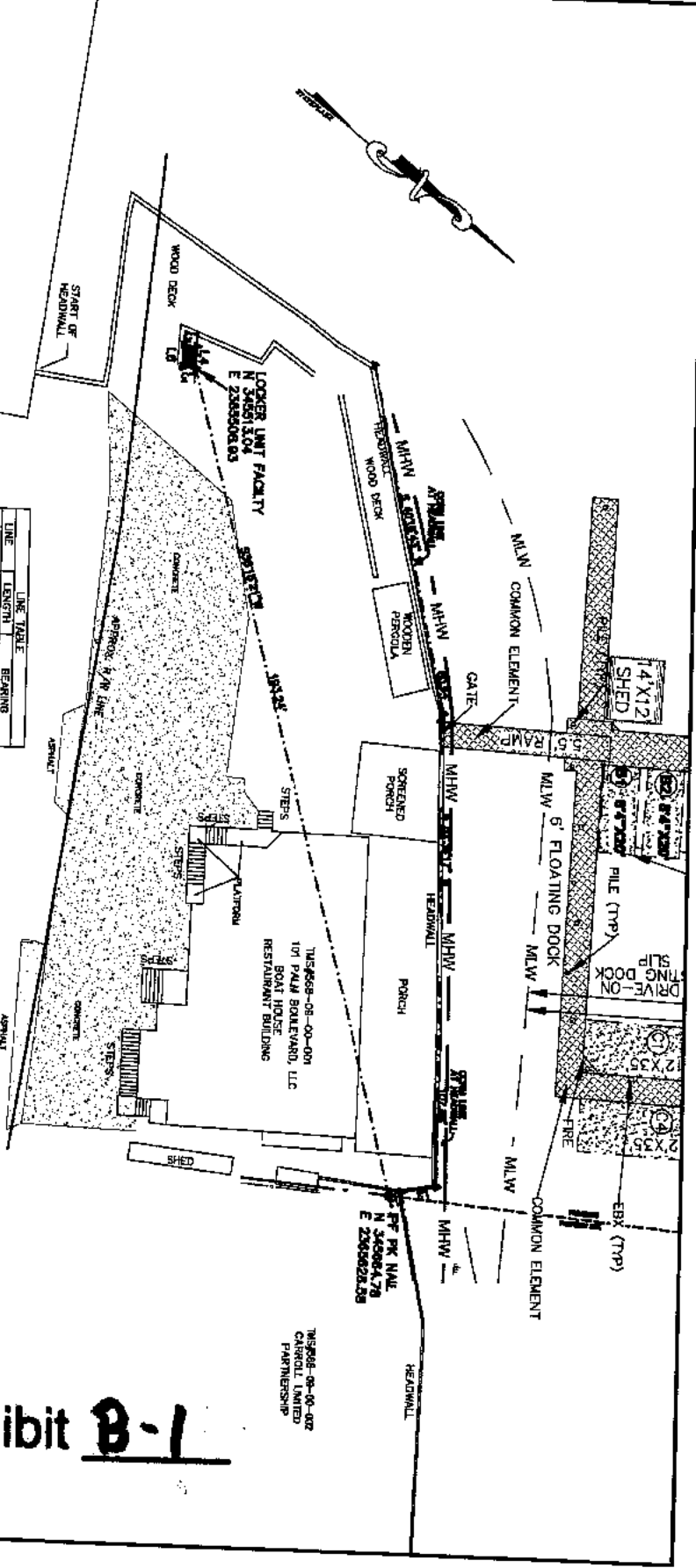
| LINE | LENGTH | BEARING     |
|------|--------|-------------|
| L3   | 3.00   | S54°20'00"E |
| L4   | 5.00   | N85°29'58"E |
| L5   | 3.00   | S54°20'00"E |
| L6   | 5.00   | N85°29'58"E |

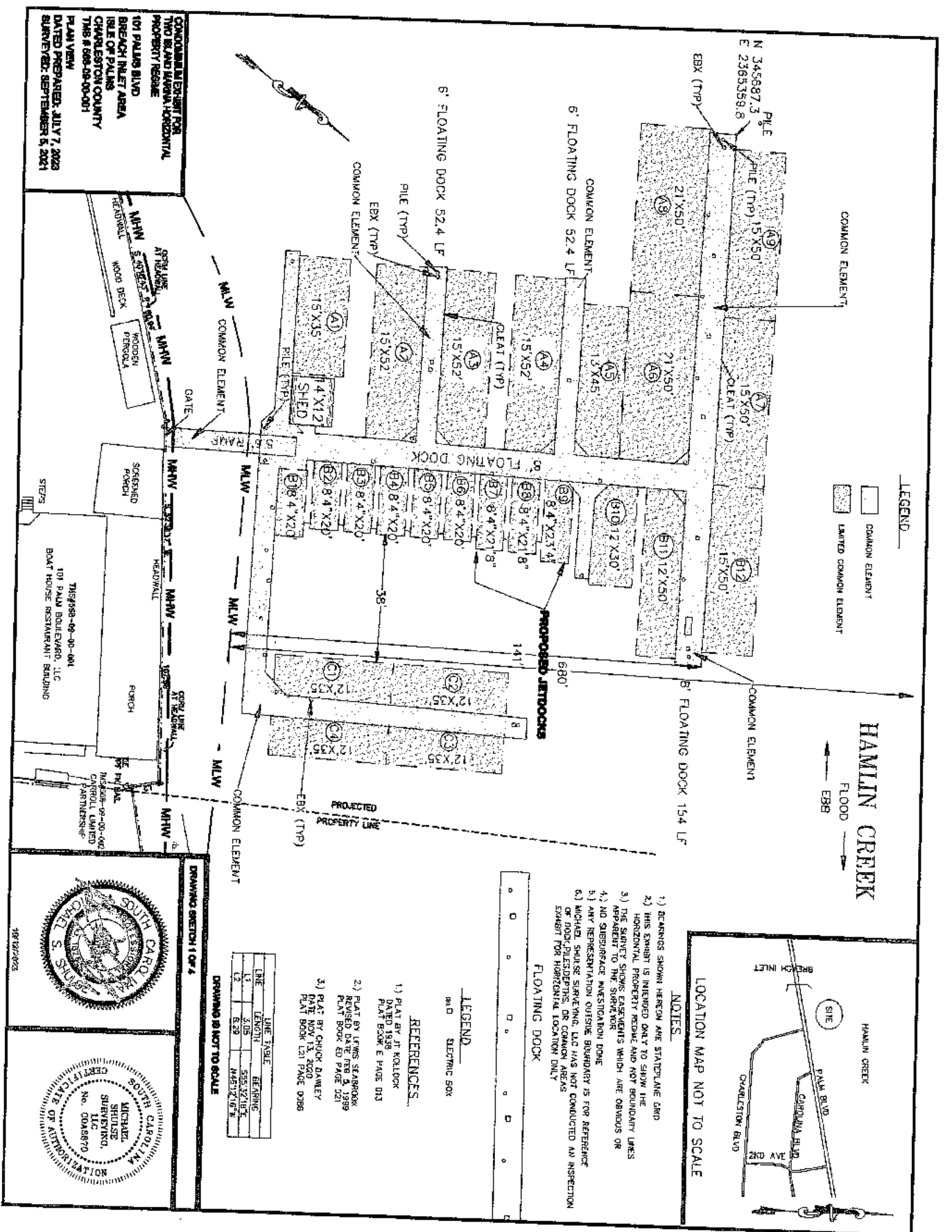
PALM BLVD VARIABLE WIDTH R/W

DRAWING IS NOT TO SCALE

DRAWING SKETCH 4 OF 4

**Exhibit B-1**





CONDOMINIUM DEVELOPMENT FOR  
THIRD BEACH MARINA, HORIZONTAL  
PROPERTY REGIME  
101 PALM BLVD  
BEACH PALM AREA  
CITY OF PALM BEACH  
CHARLESTON COUNTY  
TRNS # 088-08-00-001  
PLAN VIEW  
DATED PREPARED, JULY 7, 2003  
SURVEYED, SEPTEMBER 15, 2001

APPROXIMATE  
WOODEN  
PERGOLA  
SCREENED  
PORCH  
STEPS  
101 PALM BLVD  
BOAT HOUSE RESTAURANT BUILDING  
THE #989-00-00-001  
BOAT HOUSE RESTAURANT BUILDING  
MICHIGAN  
SHRINE  
SHERIDAN,  
LLC  
NO. 00AS870  
NOT A PROFESSIONAL ARCHITECTURAL  
DRAWING

**DRAWING SHEET 1 OF 4**  
**DRAWING IS NOT TO SCALE**

| LINE | LENGTH | BEARING    |
|------|--------|------------|
| 1    | 4.05   | S55°20'E   |
| 2    | 5.39   | N45°17'5"E |

**LEGEND**  
□ COMMON ELEMENT  
▨ LIMITED COMMON ELEMENT

**LEGEND**  
○ ELECTRIC BOX

**REFERENCES.**  
1) PLAT BY J. KOLLER,  
DATED 1938  
PLAT BOOK E PAGE D13  
2) PLAT BY LIONS STARBUCK,  
REVISED DATE FEB. 3, 1989  
PLAT BOOK ED PAGE D21  
3) PLAT BY CHUCK DANLEY,  
DATE MAY 19, 1990  
PLAT BOOK LN PAGE D186

**LINE TABLE**

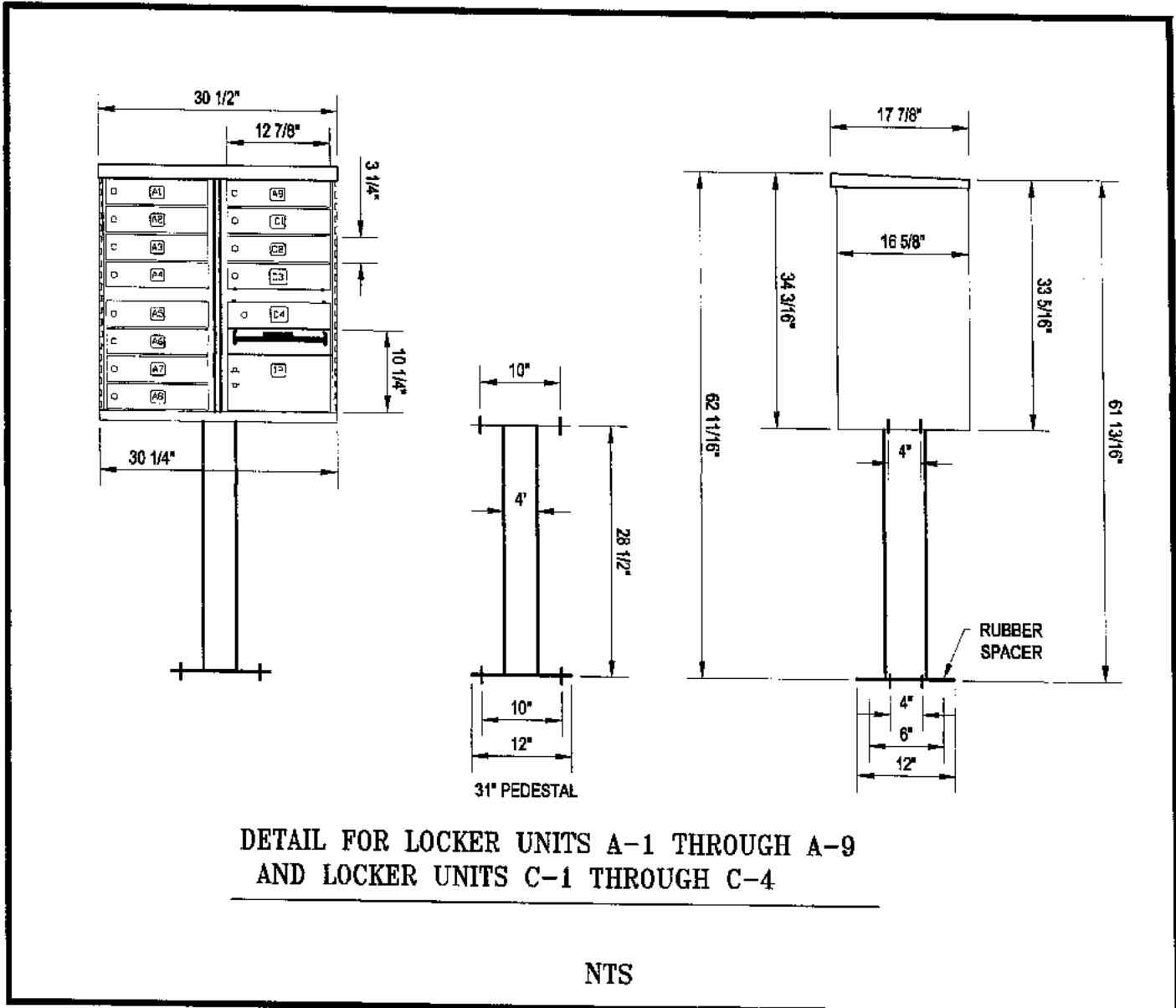
**NOTES**  
1) DRAWINGS SHOWN HEREON ARE STATE PLANE AND  
2) THIS EXHIBIT IS INTENDED ONLY TO SHOW THE  
HORIZONTAL PROPERTY REGIME AND NOT BOUNDARY LINES  
3) THE SURVEY SHOWS EASEMENTS WHICH ARE OBTAINED OR  
APPARENT TO THE SURVEYOR  
4) NO GUESSTIMATE INVESTIGATION DONE  
5) ANY REPRESENTATION OUTSIDE BOUNDARY IS FOR REFERENCE  
6) MICHAEL SHRINE SURVEYING, LLC HAS NOT CONDUCTED AN INSPECTION  
EXHIBIT FOR HORIZONTAL LOCATION ONLY

**LOCATION MAP NOT TO SCALE**

LOCATION MAP NOT TO SCALE

LOCATION MAP NOT TO SCALE

**Exhibit C**  
*(Graphic Depiction of the Units and Common Elements)*



DETAIL FOR LOCKER UNITS A-1 THROUGH A-9  
AND LOCKER UNITS C-1 THROUGH C-4

NTS

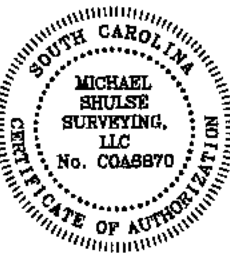
CONDOMINIUM EXHIBIT FOR  
TWO ISLAND MARINA HORIZONTAL  
PROPERTY REGIME  
  
101 PALMS BLVD  
BREACH INLET AREA  
ISLE OF PALMS  
CHARLESTON COUNTY  
TMS # 588-09-00-001  
  
PLAN VIEW  
DATED PREPARED: JULY 7, 2023  
SURVEYED: SEPTEMBER 5, 2021

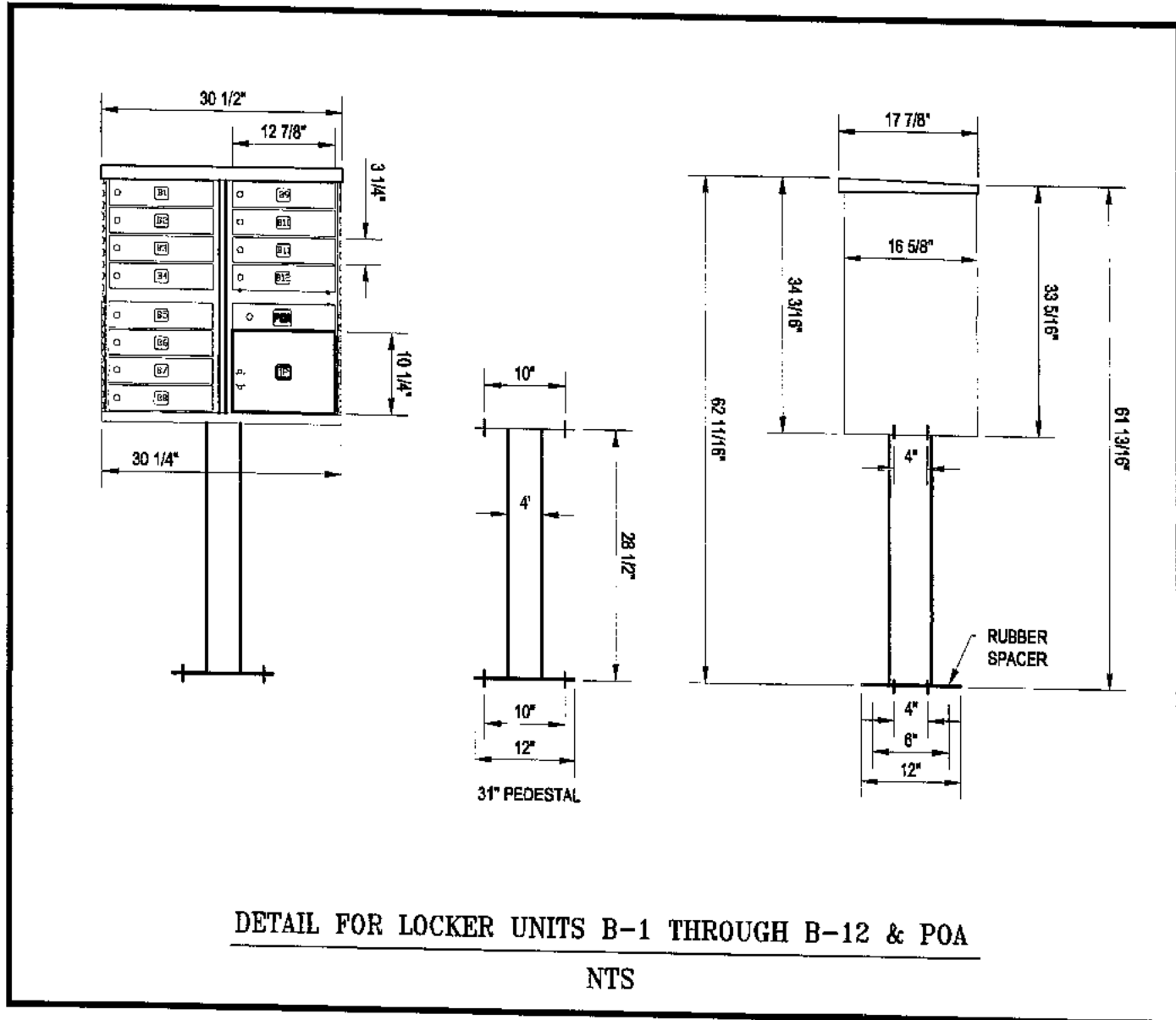
Exhibit C-1

DRAWING SKETCH 2 OF 4



10/12/2023





CONDOMINIUM EXHIBIT FOR  
TWO ISLAND MARINA HORIZONTAL  
PROPERTY REGIME

101 PALMS BLVD  
BREACH INLET AREA  
ISLE OF PALMS  
CHARLESTON COUNTY  
TMS # 688-09-00-001

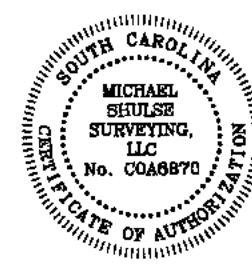
PLAN VIEW  
DATED PREPARED: JULY 7, 2023  
SURVEYED: SEPTEMBER 5, 2021

# Exhibit C-2

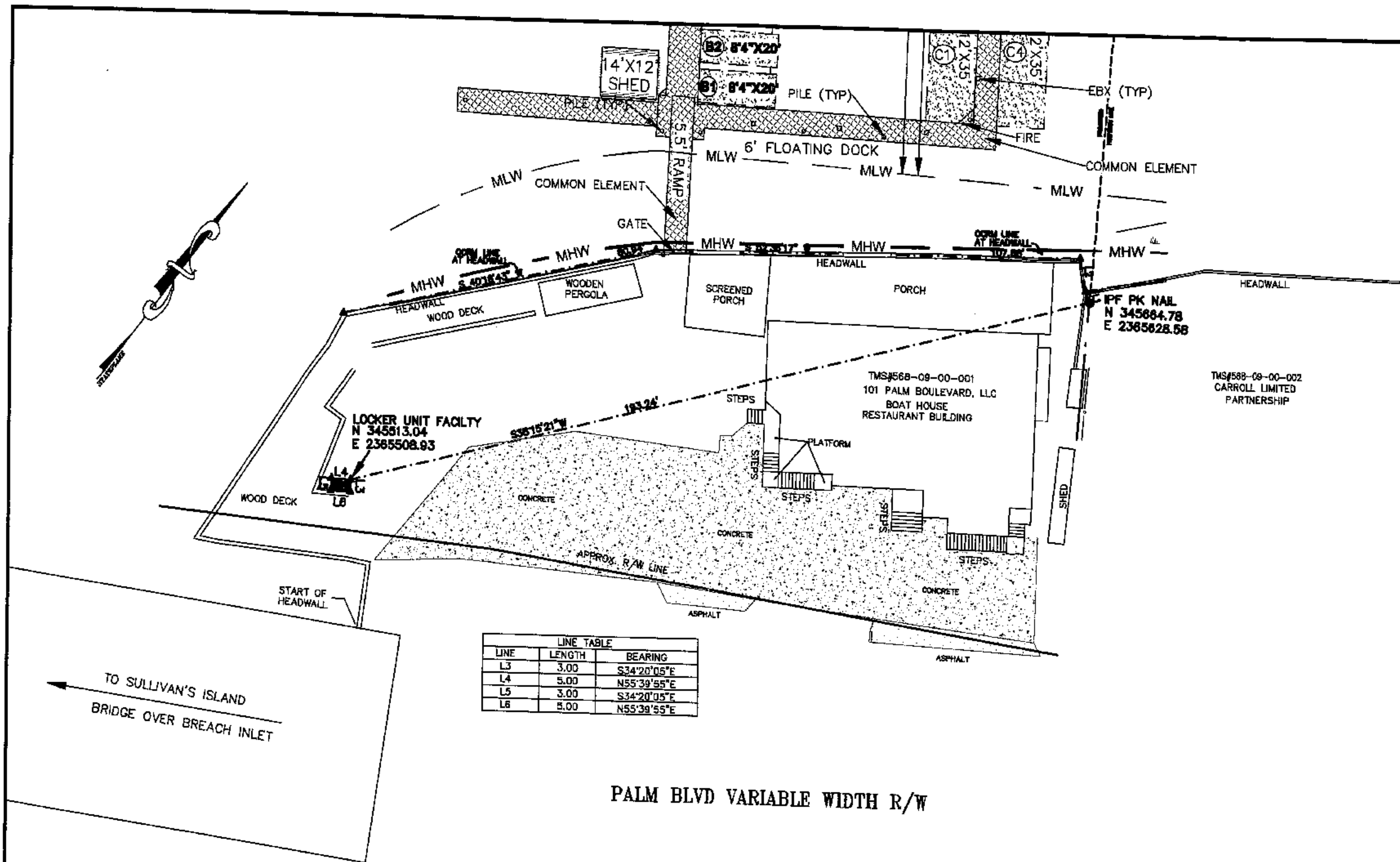
DRAWING SKETCH 3 OF 4



10/12/2023







| LINE TABLE |        |             |
|------------|--------|-------------|
| LINE       | LENGTH | BEARING     |
| L3         | 3.00   | S34°20'05"E |
| L4         | 5.00   | N55°39'55"E |
| L5         | 3.00   | S34°20'05"E |
| L6         | 5.00   | N55°39'55"E |

TO SULLIVAN'S ISLAND  
BRIDGE OVER BREACH INLET

PALM BLVD VARIABLE WIDTH R/W

CONDOMINIUM EXHIBIT FOR  
TWO ISLAND MARINA HORIZONTAL  
PROPERTY REGIME  
101 PALMS BLVD  
BREACH INLET AREA  
ISLE OF PALMS  
CHARLESTON COUNTY  
TMS # 588-09-00-001  
LOCKER UNIT LOCATION  
DATED PREPARED: JULY 7, 2023  
SURVEYED: SEPTEMBER 5, 2021

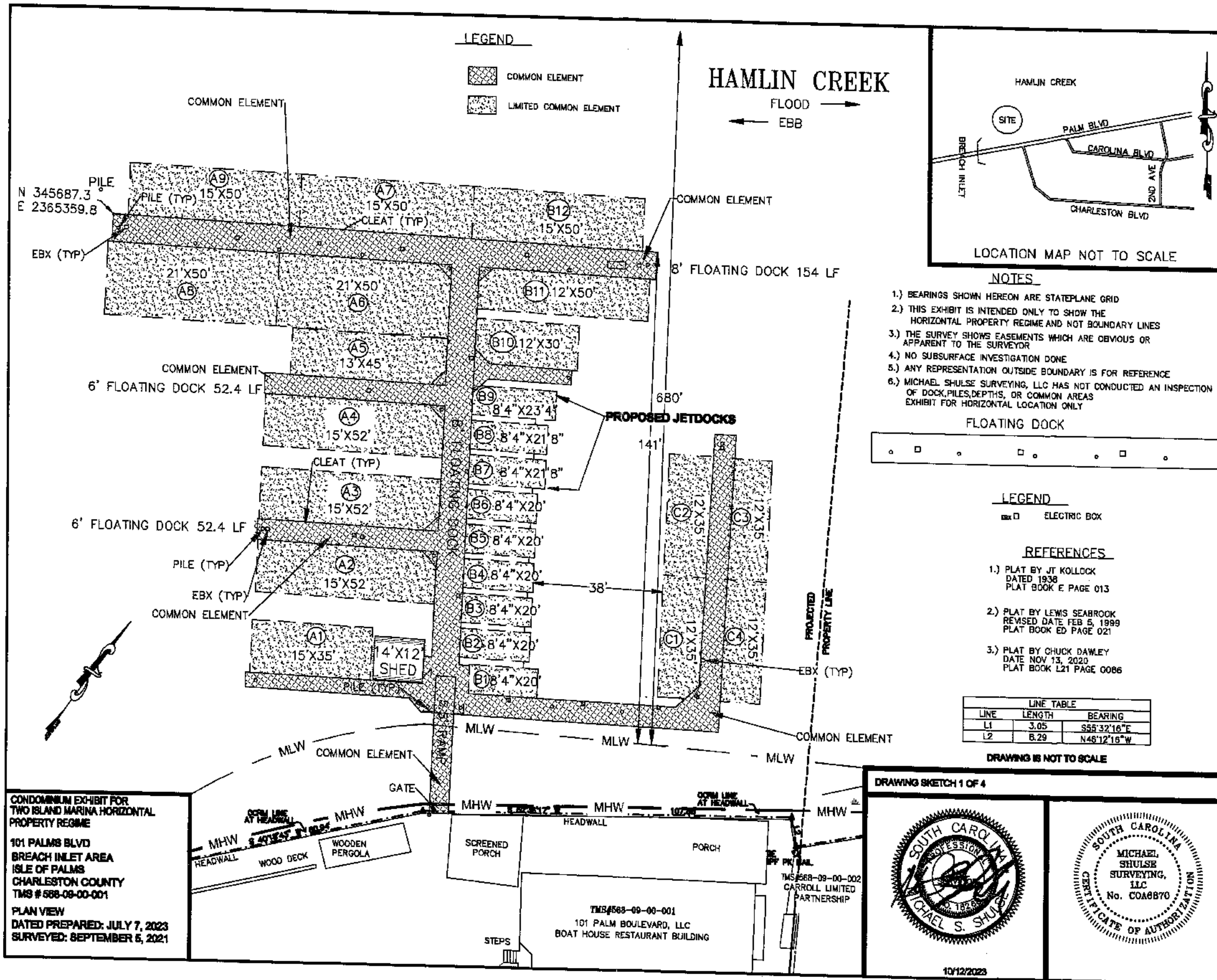
Exhibit C-3

DRAWING IS NOT TO SCALE

DRAWING SKETCH 4 OF 4

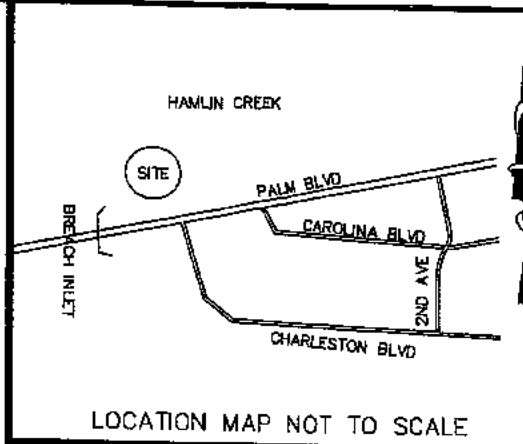


10/12/2023

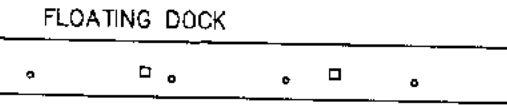


**LEGEND**  
 [Cross-hatched box] COMMON ELEMENT  
 [Dotted box] LIMITED COMMON ELEMENT

**HAMLIN CREEK**  
 FLOOD →  
 ← EBB



- NOTES**
- 1.) BEARINGS SHOWN HEREON ARE STATEPLANE GRID
  - 2.) THIS EXHIBIT IS INTENDED ONLY TO SHOW THE HORIZONTAL PROPERTY REGIME AND NOT BOUNDARY LINES
  - 3.) THE SURVEY SHOWS EASEMENTS WHICH ARE OBVIOUS OR APPARENT TO THE SURVEYOR
  - 4.) NO SUBSURFACE INVESTIGATION DONE
  - 5.) ANY REPRESENTATION OUTSIDE BOUNDARY IS FOR REFERENCE
  - 6.) MICHAEL SHULSE SURVEYING, LLC HAS NOT CONDUCTED AN INSPECTION OF DOCK, PILES, DEPTHS, OR COMMON AREAS EXHIBIT FOR HORIZONTAL LOCATION ONLY



**LEGEND**  
 [Square with dot] ELECTRIC BOX

- REFERENCES**
- 1.) PLAT BY JT KOLLOCK DATED 1938 PLAT BOOK E PAGE 013
  - 2.) PLAT BY LEWIS SEABROOK REVISED DATE FEB 5, 1999 PLAT BOOK ED PAGE 021
  - 3.) PLAT BY CHUCK DAWLEY DATE NOV 13, 2020 PLAT BOOK L21 PAGE 0086

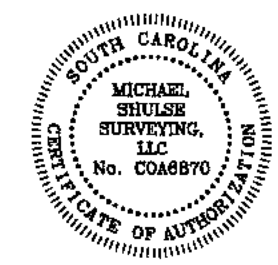
**LINE TABLE**

| LINE | LENGTH | BEARING     |
|------|--------|-------------|
| L1   | 3.05   | S55°32'16"E |
| L2   | 8.29   | N46°12'16"W |

DRAWING IS NOT TO SCALE

CONDOMINIUM EXHIBIT FOR TWO ISLAND MARINA HORIZONTAL PROPERTY REGIME  
 101 PALMS BLVD  
 BREACH INLET AREA  
 ISLE OF PALMS  
 CHARLESTON COUNTY  
 TMS # 588-09-00-001  
 PLAN VIEW  
 DATED PREPARED: JULY 7, 2023  
 SURVEYED: SEPTEMBER 5, 2021

DRAWING SKETCH 1 OF 4



10/12/2023

Exhibit **C-4**

**Exhibit D**  
(Schedule of Assigned Values and Percentage Interests)

| <u>Unit #</u> | <u>Assigned Value*</u> | <u>Percentage Interest</u> | <u>Length (in feet) of Boat Slip**</u> | <u>Number of Association Votes</u> |
|---------------|------------------------|----------------------------|----------------------------------------|------------------------------------|
| A1            | 4,750                  | 4.75                       | 15' x 35'                              | 1                                  |
| A2            | 7,000                  | 7.00                       | 15' x 52'                              | 1                                  |
| A3            | 7,000                  | 7.00                       | 15' x 52'                              | 1                                  |
| A4            | 7,000                  | 7.00                       | 15' x 52'                              | 1                                  |
| A5            | 5,000                  | 5.00                       | 13' x 45'                              | 1                                  |
| A6            | 5,500                  | 5.50                       | 21' x 50'                              | 1                                  |
| A7            | 6,750                  | 6.75                       | 21' x 50'                              | 1                                  |
| A8            | 5,500                  | 5.50                       | 12' x 50'                              | 1                                  |
| A9            | 6,750                  | 6.75                       | 15' x 50'                              | 1                                  |
| B1            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B2            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B3            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B4            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B5            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B6            | 1,500                  | 1.50                       | 8'4" x 20'                             | 1                                  |
| B7            | 1,600                  | 1.60                       | 8'4" x 21'8"                           | 1                                  |
| B8            | 1,600                  | 1.60                       | 8'4" x 21'8"                           | 1                                  |
| B9            | 1,750                  | 1.75                       | 8'4" x 23'4"                           | 1                                  |
| B10           | 3,250                  | 3.25                       | 12' x 30'                              | 1                                  |
| B11           | 5,500                  | 5.50                       | 12' x 50'                              | 1                                  |
| B12           | 6,750                  | 6.75                       | 15' x 50'                              | 1                                  |
| C1            | 3,800                  | 3.8000                     | 12' x 35'                              | 1                                  |
| C2            | 3,800                  | 3.80                       | 12' x 35'                              | 1                                  |
| C3            | 3,800                  | 3.80                       | 12' x 35'                              | 1                                  |
| C4            | 3,800                  | 3.80                       | 12' x 35'                              | 1                                  |
| <b>TOTAL</b>  | <b>100,000</b>         | <b>100.00</b>              | <b>11,049'</b>                         | <b>25</b>                          |

\*The basis for determining value is for the sole purpose of complying with the Act and does not necessarily reflect the market value of the Unit or of the property of the regime and shall in no way inhibit or restrict the fixing of a different value or sales price by a Unit Owner to his, her or its Unit in any type of acts or contracts.

\*\*The identifying number of each Unit corresponds to its Limited Common Element Boat Slip number.

**Exhibit E**  
(Articles of Incorporation for the Association)

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

Filing ID: 231006-1626434

Filing Date: 10/06/2023

Oct 06 2023  
REFERENCE ID: 1452011

STATE OF SOUTH CAROLINA  
SECRETARY OF STATE

  
SECRETARY OF STATE OF SOUTH CAROLINA

ARTICLES OF INCORPORATION  
Nonprofit Corporation – Domestic  
Filing Fee \$25.00

Pursuant to S.C. Code of Laws Section 33-31-202 of the 1976 S.C. Code of Laws, as amended, the undersigned corporation submits the following information

1. The name of the nonprofit corporation is

Two Island Marina Property Owners Association, Inc.

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is  
103 Palm Boulevard, Unit 3-B

(Street Address)

Isle of Palms, South Carolina 29451

(City, State, Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

Pierce Cauthen

(Name)

I hereby consent to the appointment as registered agent of the corporation.

(Agent's Signature)

3. Check "a", "b", or "c", whichever is applicable. Check only one box.

- a.  The nonprofit corporation is a public benefit corporation.
- b.  The nonprofit corporation is a religious corporation.
- c.  The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b" whichever is applicable

- a.  This corporation will have members.
- b.  This corporation will not have members.

5. The principal office of the nonprofit corporation is  
103 Palm Boulevard, Unit 3-B

(Street Address)

Isle of Palms, South Carolina 29451

(City, State, Zip Code)

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

Oct 06 2023  
REFERENCE ID: 1452011

Two Island Marina Property Owners Association, Inc.

*Mark Hammond*  
SECRETARY OF STATE OF SOUTH CAROLINA

Name of Corporation  
ation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a"**.

a.  Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

[Empty box for name of selected entity]

OR

b.  If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporation or to one or more of the entities described in (a) above.

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

[Empty box for name of selected entity]

7. If the corporation is mutual benefit corporation complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a.  Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b.  Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

[Empty box for distribution details]

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows [See S.C. Code of Laws Section 33-31-202(c)].

[Empty box for optional provisions]

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

Oct 06 2023

REFERENCE ID: 1452011

  
SECRETARY OF STATE OF SOUTH CAROLINA

Two Island Marina Property Owners Association, Inc.

Name of Corporation

9. The name and address of each incorporator is as follows (only one is required, but you may have more than one).

Pierce Cauthen

(Name)

103 Palm Boulevard, Unit 3-B

(Business Address)

Isle of Palms, South Carolina 29451

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Pierce Cauthen

(Name - only if names in articles)

Signed as Filer: W. Jamison Cox

(Signature of Director)

(Name - only if names in articles)

(Signature of Director)

(Name - only if names in articles)

(Signature of Director)

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

Oct 06 2023

REFERENCE ID: 1452011

  
SECRETARY OF STATE OF SOUTH CAROLINA

Two Island Marina Property Owners Association, Inc.

Name of Corporation

11. Each incorporator listed in #9 must sign the articles

Signed as Filer: W. Jamison Cox

(Signature of Incorporator)

(Signature of Incorporator)

(Signature of Incorporator)

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:  
\_\_\_\_\_



CERTIFIED TO BE A TRUE AND CORRECT COPY

AS TAKEN FROM AND COMPARED TO ORIGINAL ON FILE IN THIS OFFICE  
Business Name: TWO ISLAND MARINA PROPERTY OWNERS ASSOCIATION, INC.

Oct 06 2023

REFERENCE ID: 1452311

### Signature Page for a Secretary of State Business Filing

Completed, scanned, and attached to any business filing where one of the following is true.

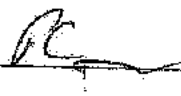
*Mark Hammond*  
SECRETARY OF STATE OF SOUTH CAROLINA

- **The filer signs the digital form on behalf of official signee.**
- **An attorney's signature is required. (Articles of Incorporation for Corporation and Benefit Corporation)**

#### Official Signatures

(Officer, Incorporator, Director, Agent, Partner, etc)

Required for forms where the signee is not present upon online submission and a filing party is providing a digital signing on their behalf. If the provided space is not enough, please attach multiple pages.

|                                                                                                                              |                           |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <u>PIERCE CAUTHEN</u>                                                                                                        |                           |
| Name                                                                                                                         | Date                      |
| <u>/s/ PIERCE CAUTHEN, as Incorporator</u>  |                           |
| Signature                                                                                                                    | Title / Position          |
| _____<br>Name                                                                                                                | _____<br>Date             |
| _____<br>Signature                                                                                                           | _____<br>Title / Position |
| _____<br>Name                                                                                                                | _____<br>Date             |
| _____<br>Signature                                                                                                           | _____<br>Title / Position |
| _____<br>Name                                                                                                                | _____<br>Date             |
| _____<br>Signature                                                                                                           | _____<br>Title / Position |
| _____<br>Name                                                                                                                | _____<br>Date             |
| _____<br>Signature                                                                                                           | _____<br>Title / Position |

Scan and Upload this document to the Business Filing System during the filing process.  
File must be PDF format.

**Exhibit F**  
(Bylaws for the Association)

**BY-LAWS  
OF  
TWO ISLAND MARINA PROPERTY OWNERS ASSOCIATION, INC.**

Adopted: October 25, 2023

**ARTICLE I  
COVENANTS AND DEFINITIONS**

**Section 1.1. Master Deed.** In the event of any conflict between the terms and provisions of these Bylaws and the Master Deed of the Two Island Marina Horizontal Property Regime as recorded in the Register of Deeds Office for Charleston County, SC, as amended and or supplemented from time to time (the "**Master Deed**"), the terms and provisions of the Master Deed shall control.

**Section 1.2. Definitions.** All terms not otherwise defined herein shall have the meaning ascribed to them in the Master Deed.

**Section 1.3. Name.** The name of the corporation is **Two Island Marina Property Owners Association, Inc. ("Association")**

**Section 1.4. Nonprofit Status.** The Association is organized as a nonprofit corporation under the South Carolina Nonprofit Corporation Act. The Association is a mutual benefit corporation and shall have perpetual duration and succession.

**Section 1.5. Purposes.** The purpose for which the Association is organized, as stated in its Articles of Incorporation, is to serve as a property owners association for the marina known as The Two Island Marina located at 101 Palm Boulevard, Isle of Palms, South Carolina and to conduct any lawful activities related to such purpose.

**ARTICLE II  
OFFICES AND POWERS**

**Section 2.1. Registered Agent and Office.** The Association's initial registered agent and its initial registered office shall be as identified in the Association's Articles of Incorporation filed with the South Carolina Secretary of State.

**Section 2.2. Additional Offices.** The Association may also have offices at such other places, both within and without the State of South Carolina, as the Board of Directors may from time to time determine or as the business of the Association may require.

**Section 2.3. Corporate Powers.** In furtherance of the purposes of the Association, it shall possess all powers and authority granted to corporations under Title 33 of the Code of Laws of South Carolina, 1976, as amended, the Master Deed and these Bylaws.

## ARTICLE III MEMBERS

**Section 3.1. Membership.** The Association shall have the following two (2) classes of membership: Class "A" Members and Class "B" Members, as described in the Master Deed. The terms of the membership described in the Master Deed, including, without limitation, voting rights and rights to use the Common Area, are incorporated herein by reference.

**Section 3.2. Meetings of Members.** Subject to Article IV, an annual meeting for the election of Directors and for the transaction of such other business as may properly come before such meeting shall be held in the month of October in each year, or in such other month as may be designated by the Board of Directors, at such date and hour as may be fixed from time to time by the Board of Directors and stated in the notice of such meeting, unless such notice is waived as provided by law, the Articles of Incorporation or these Bylaws. If such annual meeting is not held as herein provided for, it may be held as soon thereafter as may be convenient. Such subsequent meetings shall be called in the same manner as hereinafter provided for special meetings of the Members. Meetings of the Members may be called by the President or a majority of the Directors and, after Turnover (as hereinafter defined), shall be called by the President or Secretary at the request in writing of Members holding at least two (2) votes. Such request shall state the purpose(s) of the proposed meeting. The initial annual meeting of the Members may be called by the Association's incorporator.

**Section 3.3. Notice of Meetings.** Written notice of the place, date and hour of the annual and any special meetings shall be given personally or by mail to each Member entitled to vote thereat not less than ten (10) nor more than thirty (30) days prior to the meeting. The notice shall state the purpose or purposes for which the meeting is called and by or at whose direction it is being issued. Members may waive notice of meetings.

**Section 3.4. Quorum.** Unless otherwise provided in the Master Deed, Members who hold in aggregate thirty percent (30%) of the total vote of the membership, present in person or represented by proxy, shall be necessary to have, and shall constitute, a quorum for the transaction of business at all meetings of the Members. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the required quorum is not present at the second meeting, a third meeting may be called subject to the same notice requirements, and all those present at the third meeting shall constitute a quorum.

**Section 3.5. Voting.** Unless otherwise provided herein, in the Articles of Incorporation, or in the Master Deed, when a quorum is present, a majority of the total of votes cast in person or by proxy at a duly called meeting of the Association shall be the vote required to adopt and make decisions. As described in the Master Deed, each Unit shall have one vote. If a Unit has more than one owner, each co-owner is deemed a Member of the Association for purposes of asserting a Member's rights and complying with a Member's obligations. In such a case the co-owners shall appoint one among them to cast their single Member vote as they jointly direct. The co-owners are not allowed to split their single Member vote or cast fractional Member votes. If the co-owners cannot agree among themselves how their single Member vote is to be cast, they shall be deemed to have abstained from the vote.

**Section 3.6. Proxies.** Members may vote by limited proxy, but not by general proxy. Every proxy must be executed in writing and dated by the Member or by the Member's attorney-in-fact.

A proxy shall be valid for eleven (11) months from the date thereof, unless otherwise expressly stated in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

**Section 3.7. Action by Written Consent.** Whenever by any provision of law the vote of the Members at a meeting thereof is required or permitted to be taken in connection with any corporate action, the meeting and vote of Members may be dispensed with if Members holding eighty percent (80%) of the voting power consent to the action in writing and written notice of such Member approval is delivered to the Members (if any) who did not consent to such action. If written notice is required, Member approval is effective ten (10) days after such written notice is given.

**Section 3.8. Meetings by Telephone or Similar.** The Members may participate in a meeting by means of conference telephone or similar communications equipment by means of which all Members participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person by such Member at such meeting.

**Section 3.9. Turnover.** In accordance with these Bylaws and the Master Deed, the Declarant shall turn over control of the Association to the Members at the appropriate time (the "**Turnover**"). The Turnover shall occur on the earliest of the following conditions:

- (a) Three (3) months after the Class "B" membership shall cease and be converted to Class "A" membership; or
- (b) such earlier date as determined by the Class "B" Member in its sole discretion.

The Declarant shall continue to be able to appoint one (1) member of the Board of Directors if the Declarant holds for sale in the ordinary course of business at least one (1) Unit within the Regime. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote all its voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association, or selecting the majority of the members of the Board of Directors.

**Section 3.10. Conduct of Meetings.** The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting, record in a minute book all resolutions adopted at the meeting, and record of all transactions occurring at the meeting.

**Section 3.11. Majority.** As used in these By-laws, the term "majority" shall mean those votes of Members, or other group as the context may indicate, totaling more than fifty percent (50%) of the total number of Members eligible to vote.

## ARTICLE IV

### **BOARD OF DIRECTORS**

**Section 4.1. General Powers.** Except as otherwise provided by law or in the Articles of Incorporation, the property, affairs and business of the Association shall be managed by or under the direction of the Board of Directors (the "Board"). The number of Directors of the Association shall be not less than three (3) nor more than five (5).

#### **Section 4.2. Election or Appointment of Directors; Nomination.**

(a) Election or Appointment. Until Turnover, the Declarant shall have the right to appoint all the members of the Board of Directors. The Association's incorporator shall initially appoint three (3) persons who shall serve as the initial Board of Directors. The Declarant shall continue to be able to appoint one (1) member of the Board of Directors if the Declarant holds for sale in the ordinary course of business at least one (1) Unit within the Regime. After Turnover, except as provided above or otherwise provided herein, all the elected Directors shall be elected by the Class "A" Members at-large. Except with respect to appointed Directors, all Directors shall be Members.

To effectuate the Turnover, the Declarant shall call for an election which shall be held within the timeframe set forth in Section 3.9. On the date specified by the Declarant, the following shall occur: (a) the existing Directors shall resign; and (b) five (5) Directors elected by the Members shall take office. The Declarant may, in its sole and absolute discretion, permit the Members to elect a portion of the Directors earlier than the Turnover.

After Turnover, the Board shall consist of a total of five (5) Directors. At the Turnover meeting, the five (5) nominees receiving the most votes will be elected to serve on the Board of Directors until the expiration of their term. The three (3) nominees receiving the most votes will serve for a three (3) year term, and the last two (2) nominees with the most votes will serve for a two (2) year term. Except for the first elected Board of Directors, the term for all Board of Directors will be three (3) years. Elections by Members shall be by sealed ballot in accordance with policies and procedures adopted by the Board of Directors. After Turnover, ballots shall be tallied at the annual meeting.

(b) Nomination of Directors. Immediately prior to the Turnover and each year thereafter, the Board of Directors will appoint a nominating committee consisting of three (3) Members who are not on the Board (the "**Nominating Committee**"). The Nominating Committee will review and approve candidates for inclusion on the ballot to be mailed to Members. A Member may nominate himself as a candidate for the Board at a meeting where the election is to be held.

The names of any nominees approved by the Nominating Committee, after having been certified by the Secretary, or any other officer, that they are qualified for election and have been nominated in accordance with the provisions of these Bylaws and the policies adopted by the Nominating Committee, shall be included in any ballot mailing to the Members. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members through inclusion of a brief resume with the ballot package. The Nominating Committee may develop a standard resume form and dictate maximum resume length, which shall be uniform for all candidates. Family members or persons residing in the same household of candidates seeking nomination may not sit on the Nominating Committee. If sufficient candidates are available, the Nominating Committee shall approve a minimum of two candidates for each position on the Board. Write in candidates are also permitted.

**Section 4.3. Resignation.** Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect on receipt thereof by any such officer.

**Section 4.4. Removal of Directors.** Any Director appointed may be removed, either with or without cause, only by the party entitled to appoint the Director. Any Director elected by the

Members may be removed at any time, either with or without cause, by the affirmative vote of a majority of the Members then entitled to vote. Any vacancy on the Board of Directors resulting from any such removal may be filled in the manner provided in Section 4.5 of this Article.

**Section 4.5. Vacancies.** If any vacancy shall occur on the Board of Directors with respect to an elected Director by reason of death, resignation, removal or otherwise, a successor shall be elected by the Board to fill the vacancy for the remainder of the term of such Director. If any vacancy shall occur on the Board of Directors with respect to an appointed Director by reason of death, resignation, removal or otherwise, a successor shall be appointed by the party entitled to appoint the Director to fill the vacancy for the remainder of the term of such Director.

**Section 4.6. Annual and Regular Meetings.** As soon as practicable after the annual meeting of Members, an annual meeting of the Board of Directors shall be held for the appointment of officers and for the transaction of such other business as may properly come before the meeting. No notice shall be required for any such meeting if held immediately after the adjournment and at the site of the meeting of Members. If not so held, notice shall be given in the same manner as required for special meetings of the Board of Directors. Additional regular meetings of the Board of Directors may be held without notice at such times and places as the Board may from time to time determine by resolution duly adopted at any meeting of the Board.

**Section 4.7. Special Meetings.** A special meeting of the Board of Directors may be called at any time by the President and shall be called by the President or the Secretary on the written request of at least one-half of the Directors then in office, and shall be held at such time and place as may be fixed by the President or such Directors in such request, as the case may be, provided that the time so fixed shall permit the giving of notice as provided in Section 4.8 of this Article IV.

**Section 4.8. Notice of Special Meetings.** Notice of the time and place of each special meeting of the Board of Directors shall be sent to each Director by mail, facsimile, electronic mail, or telephone, addressed to the Director at his address as it appears on the records of the Association, or telephoned or delivered to the Director personally at least two (2) days before the day on which the meeting is to be held and the method used for notices of such special meeting need not be the same for each Director being notified. Unless otherwise provided by law or by these Articles of Incorporation or these Bylaws, such notice need not state the purposes of the meeting.

**Section 4.9. Presiding Officer and Secretary.** Each meeting of the Board of Directors shall be presided over by the President or, in his absence or disability, by such person as may be designated from time to time by the Board of Directors. The Secretary, or in his absence or disability, an assistant Secretary, or in his absence or disability, such other person selected by the Board of Directors, shall act as Secretary of each meeting of the Board of Directors.

**Section 4.10. Quorum.** At all meetings of the Board of Directors, the presence in person or by conference telephone of a majority of the total number of Directors constituting the entire Board, whether then in office or not, shall be necessary and sufficient to constitute a quorum for the transaction of any business by the Board of Directors at such meeting, except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws. At any meeting of the Board of Directors, no action shall be taken (except adjournment, in the manner provided below) until after a quorum has been established, except as otherwise provided by law, the Articles of Incorporation or these Bylaws. Except as otherwise provided by law, the Articles of Incorporation or these

Bylaws, the act of a majority of Directors who are present at a meeting at which a quorum previously has been established, or at any adjournment of such meeting (provided that a quorum previously shall have been established at such adjourned meeting) shall be the act of the Board of Directors, regardless of whether or not a quorum is present at the time such action is taken. In determining the number of Directors who are present at the time any such action is taken, any Director who is in attendance at such meeting but who, for just cause, is disqualified to vote on such matter, shall not be considered as present at the time of such action for the purpose of establishing the number of votes required to take action on any matter submitted to the Board of Directors, but shall be considered as present for purposes of determining the existence of a quorum.

In the event a quorum cannot be established at the beginning of a meeting, a majority of the Directors present at the meeting, or the Secretary of the Association, if there be no Director present, may adjourn the meeting from time to time until a quorum be present. Notice of such adjournment need be given only as the Board of Directors may from time to time prescribe.

**Section 4.11. Regulations.** The Board of Directors shall adopt such rules and regulations for the conduct of its meetings and for the management of the property, affairs and business of the Association as it may deem proper and consistent with law, the Articles of Incorporation, these Bylaws and the Master Deed.

**Section 4.12. Compensation.** Directors shall not be compensated for their services but may be reimbursed the reasonable expenses incurred in the administration of Association affairs.

**Section 4.13. Participation in Meeting by Conference Telephone.** Any members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 4.13 shall constitute presence in person at such meeting.

**Section 4.14. Written Consent in Lieu of Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent or consents thereto shall be signed by all Directors then in office.

**Section 4.15. Waiver of Notice by Directors.** Whenever any notice is required to be given by law, the Articles of Incorporation or these Bylaws to a member of the Board of Directors, a written waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in any written waiver of notice unless so required by law, the Articles of Incorporation or these Bylaws. A Director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the Director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 4.16. Assessments.** The Board of Directors shall, on an annual basis, levy assessments against all the Members in accordance with the Master Deed. Assessments shall be levied for the purposes set forth in the Master Deed. Assessments shall be binding legal obligations on Members and shall be enforceable by the Association as provided in the Master Deed.



## ARTICLE V NOTICES

**Section 5.1. Form; Delivery.** Whenever, under the provision of law, the Articles of Incorporation or these Bylaws, notice is required to be given to any Member, personal notice shall not be required unless specifically provided. All notices or requests required shall be in writing. Notice to any Member shall be considered delivered and effective upon personal delivery, or three (3) days after posting, when sent by Certified Mail, return receipt requested, to the address of such Member on file in the records of the Association at the time of such mailing. Notice to the Board of Directors, the Association, the Architectural Control Committee, or the manager, if any, shall be considered delivered and effective upon personal delivery, or three (3) days after posting, when sent by Certified Mail, return receipt requested, to the Association, the Board of Directors, or the Architectural Control Committee, at such address as shall be established by the Association from time to time by notice to the Members and if to the manager, if any, at its principal place of business. General notices to all Members or any classification thereof need not be certified but may be sent regular first-class mail or e-mail.

## ARTICLE VI OFFICERS

**Section 6.1. Designations.** The officers of the Association shall be chosen by the Board of Directors. The Board shall appoint a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board may appoint from time to time. All officers shall exercise the powers and perform the duties as shall from time to time be determined by the Board. Any number of offices may be held by the same person.

**Section 6.2. Term of Office; Removal.** Each officer of the Association shall hold office until his successor is chosen and shall qualify. Any officer elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors. Removal from office shall not prejudice the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Office vacancies may be filled for the unexpired portion of the term by the Board.

**Section 6.3. Compensation.** The Association officers shall not be compensated for their services, but their expenses reasonably incurred for Association business may be reimbursed.

**Section 6.4. President.** The President, subject to the direction of the Board of Directors, shall have general charge of the business affairs and property of the Association and general supervision over its other officers and agents. In general, he shall perform all duties incident to the office of President and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing thereof shall be expressly delegated by the Members or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

**Section 6.5. Vice Presidents.** In the event that the Board of Directors appoint a Vice President, or Vice Presidents, then the Vice President, or the Vice Presidents in the order designated or appointed, shall, in the absence of the President or in the event of his disability or refusal to act, perform the duties and exercise the powers of the President, and shall generally assist the President and perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

**Section 6.6. Secretary.** The Secretary shall attend all meetings of the Board of Directors and of the Members and shall record all the votes and proceedings of the meetings in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of the Members and shall keep a register of the post office address of each Director and each Member. The Secretary shall have custody of the seal of the Association, and he, or an assistant Secretary, shall have authority to affix the same to any instrument requiring it. When so affixed, the seal may be attested by the Secretary's signature or by the signature of such assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing of it by their signature.

**Section 6.7. Assistant Secretary.** The assistant Secretary, if any (or the assistant secretaries, in the order designated or appointed) shall, in the absence of the Secretary or in the event of his disability, perform the duties and exercise the powers of the Secretary, and perform such other duties and have such other powers as the Board may prescribe from time to time.

**Section 6.8. Treasurer.** The Treasurer shall have custody of the corporate funds and other valuable effects and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the President or Board of Directors. The Treasurer shall disburse the Association's funds as may be ordered by the Members, taking proper vouchers for such disbursements, and shall render to the President and the Board, whenever they may require it, an account of all transactions he made as Treasurer and the financial condition of the Association.

**Section 6.9. Assistant Treasurer.** The assistant Treasurer, if any, (or the assistant Treasurers, in the order designated or elected) shall, in the absence of the Treasurer or in the event of his disability, perform, the duties and exercise the powers of the Treasurer, and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board.

## **ARTICLE VII** **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**Section 7.1. Statutory Indemnification.** The Association shall indemnify any Director or officer of the Association to the fullest extent permitted by law.

## **ARTICLE VIII** **COMMITTEES**

**Section 8.1. Ad Hoc Committees.** The President, subject to the approval of the Board of Directors, may, from time to time, appoint such ad hoc committees, with such powers and composition as the President, with the approval of the Board of Directors, shall determine.

**Section 8.2. Powers of Committees.** The several committees shall act only as committees and the individual members thereof shall have no power or authority to act on behalf of the Board of Directors or the Association. All committees shall be advisory only and shall report to and be under the supervision of the Board of Directors. Committee members may be removed, with or without cause; upon majority vote of the Board of Directors.

**Section 8.3. Committee Meetings.** All meetings of any committee of the Association shall be open to all Members. Provided, however, a Member's participation in a committee meeting may be reasonably limited by the chair of the meeting if deemed necessary by the chair for the orderly and efficient conduct of the committee's business.

**Section 8.4. Architectural Control Committee.** The Architectural Control Committee shall be organized and governed by the Master Deed. The Association does not have the right to appoint the Architectural Control Committee prior to the closing of the initial retail sale of all Lots to be developed within the Regime to persons other than Declarant.

## **ARTICLE IX** **DISCIPLINE**

**Section 9.1. Enforcement.** The Board of Directors or its delegate shall have the power to: (a) impose reasonable fines, not to exceed the maximum amount permitted by law per violation, which shall constitute an automatic and continuing lien upon the Unit of the violating Owner; (b) preclude contractors, subcontractors, agents and other invitees of an Owner or occupant, to the extent permitted by law, from working within the Regime for violation of any duty imposed under the Master Deed, these Bylaws or the rules and regulations; (c) suspend an Owner's use of the Common Areas and use by his family or guests; provided, however, nothing herein or in the Master Deed shall authorize the Association or the Board of Directors to limit an Owner's or occupant's ingress and egress to or from the Owner's Unit; and (d) suspend the vote allocated to a Class "A" Member. In the event that any occupant of a Unit violates the Master Deed, these Bylaws or the rules and regulations, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, if the fine is not paid by the occupant within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association. Fines may be levied on a daily or periodic basis for continuing violations, each such day or period being deemed a separate violation. To the extent authorized by law, fines shall be considered benefit assessments. The Board's failure to enforce any provision of the Master Deed or Bylaws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

**Section 9.2. Notice.** Prior to imposition of any sanction hereunder which involves a fine or exclusion from access to use of any portion of the Regime for a period in excess of fourteen (14) days, the Board of Directors or its delegate shall serve the accused with written notice describing (a) the general nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors for a hearing, and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within the fourteen (14) day notice. A hearing shall not be required for suspension for failure to pay amounts owed to the Association in a timely manner.

**Section 9.3. Hearing.** If a hearing is requested within the allotted fourteen (14) day period, the sanction shall, unless the Board determines otherwise for health, safety or welfare, be stayed pending the hearing, which shall be held before a committee comprised of at least three (3) members appointed by the Board who are not officers, Directors or employees of the Association, or the spouse, parent, child, brother or sister of an officer, Director or employee of the Association. The committee shall set the date and time of the hearing which shall be within ten (10) days of the receipt of the notice requesting a hearing. Hearings shall be informal and provide the accused an opportunity to explain or resolve his acts or omissions. The Association shall not be required to provide any evidence or testimony at a hearing. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. Proof of proper notice shall be placed in the records of the Association. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the hearing. The minutes of any meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

**Section 9.4. Additional Enforcement Rights.** Notwithstanding anything to the contrary contained herein, the Association may elect to enforce any provisions of the Master Deed, these Bylaws or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. To the maximum extent permissible in any such action, the violator shall pay all costs, including reasonable legal fees incurred by the Association.

## ARTICLE X MISCELLANEOUS

**Section 10.1. Fiscal Year.** The fiscal year of the Association shall be the calendar year, beginning on January 1<sup>st</sup> and ending on December 31<sup>st</sup> of each year.

**Section 10.2. Contracts, Checks, Bank Accounts, Etc.** The Board is authorized to select such banks or depositories as it shall deem proper for the assets of the Association. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by the President or Secretary or by such other members of the Board or officers of the Association as may be designated by resolution of the Board of Directors.

**Section 10.3. Corporate Seal.** The Association may have a corporate seal but is not required to do so unless so required from time to time by South Carolina law.

**Section 10.4. Amendments.** Until the Turnover, the Declarant may amend these Bylaws in its sole and absolute discretion. Prior to Turnover, Members shall have no right to amend these Bylaws. After the Turnover, amendments to these Bylaws shall require the affirmative vote of a majority of the Board of Directors and a majority of the Members; provided, however, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to the Bylaws shall be effective upon adoption and recordation in the Register of Deeds Office for Charleston County, South Carolina. No amendment may remove, revoke or modify any right or privilege of Declarant without written consent of Declarant or its assignee.

**Section 10.5. Investments.** The Association shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a Director or trustee is or may hereafter be permitted by law to make or any similar restriction.

**Section 10.6. References to Gender and Number Terms.** In construing these Bylaws, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa. Plural terms shall be substituted for singular and singular for plural in any place where context so requires.

**Section 10.7. Headings.** The Article and Section headings in these Bylaws are inserted for convenience only and are not part of these Bylaws.

\* \* \*

I, Pierce Cauthen, President and Secretary of Two Island Marina Property Owners Association, Inc., certify as of the date stated below that the foregoing By-Laws are the true and correct By-Laws of the Association as adopted October 25, 2023.

Dated: October 25, 2023



\_\_\_\_\_  
President of the Association and Secretary of its Board of Directors

Exhibit G  
(Rules and Regulations of the Regime)

**RULES AND REGULATIONS OF  
TWO ISLAND MARINA PROPERTY OWNERS ASSOCIATION, INC.**

GENERAL

1. **Two Island Marina Property Owners Association, Inc.** (the "Association"), acting through its officers, has adopted the following Rules and Regulations ("Regulations").
2. Whenever in these Regulations reference is made to "Owner(s)", that term means the Owner of any Unit within the Two Island Marina Horizontal Property Regime and includes all family members, guests, employees, visitors, tenants, occupants, invitees, or Owner. Wherever in these Regulations reference is made to "tenant," such term shall be limited to the tenant of an Owner for a Unit in the Condominium. Wherever in these Regulations refer to the Association, the reference includes the Association and its managing agent ("Managing Agent") (if any) when the Managing Agent is acting on behalf of the Association. Unless the context otherwise requires, all other definitions in the Master Deed and in the South Carolina Horizontal Property Regime Act S.C. Code 27-31-10, et. seq., as amended (the "Act") are incorporated into these Regulations by this reference.
3. The Owners shall comply with all the Regulations hereinafter set forth governing the Regime and its Common Elements, grounds, parking areas and any other appurtenances.
4. The Owners shall keep their Units clean, sanitary and free from offensive odors and from insects, vermin and other pests.
5. Each Owner shall maintain life and fire safety equipment at his/her Unit or within the Owner's watercraft at the Marina as required by applicable law, or as required by the Association if the installation of such equipment will have a materially beneficial effect upon the availability or cost of any hazard insurance required by the Bylaws of the Association to be maintained by the Association and if the cost of such installation is reasonable in the relation to the beneficial effect upon the availability or cost of any such insurance.
6. The Association reserves the right to alter, amend or modify these Regulations with the consent or approval of the Association as required to alter, amend or modify the Bylaws.

RESTRICTIONS

1. No part of a Unit or the General or Limited Common Elements shall be used for any illegal purpose.
2. All persons using the Marina must comply with the Marina's Operations and Maintenance Manual ("OMM"), as amended from time to time. A copy of the OMM is attached to, and made a part of, these Rules and Regulations. A copy of the OMM shall be posted at the Marina's Locker Unit Facility. Any amendments to the OMM are automatically incorporated into these Rules and Regulations. Each person using or entering the Marina is hereby charged with knowledge, acceptance, and compliance with the OMM. All emergencies shall be addressed in the manner required under the OMM.
3. No fuel, oil, wastewater, waste, trash, or debris shall be released or dumped into the Marina's waters. Any fuel, oil, and or wastewater must be safely removed from the Marina and disposed into proper containers or receptacles accordingly to applicable law. All garbage and trash must be placed in proper receptacles as designated by the Association as a "garbage receptacle storage area" on the General Common Elements.
4. There shall be no obstruction of the General Common Elements except as expressly approved in writing by the Association's Board of Directors (the "Board"). Nothing shall be stored on the General Common Elements without the prior written consent of the Association except as expressly provided herein or in the Bylaws.

5. Nothing shall be done or kept in any of the General or Limited Common Elements, which will increase the rate of insurance for the Marina or contents thereof without the prior written consent of the Association. No Unit owner shall permit anything to be done or kept in the Owner's Unit or on the General Common or Limited Common Elements which will result in cancellation of insurance on the Marina or contents thereof obtained by the Association (if any) or which would be in violation of any public law, ordinance, or regulations. No gasoline or other explosive or flammable material may be kept in any area other than in the fuel tank of a vessel moored at the Marina. No waste shall be committed on the Common Elements.

6. The Association is not responsible for loss or theft of personal property items. Articles of personal property may not be stored in the General Common Elements without the approval of the Association. Articles of personal property may not be left unattended in public areas of the Marina or passageways, or elsewhere on the General Common Elements. No bicycles, scooters, baby carriages or similar vehicles or toys or other personal articles shall be allowed to be or remain in any of the General Common Element areas or Limited Common Areas or the sidewalk in front of The Carroll Building except those areas designated for such use by the Association.

7. Except as specifically set forth otherwise, each Owner shall keep his Unit and any Limited Common Element appurtenant to its Unit in a good state of preservation, repair and cleanliness.

8. Nothing shall be done in any Unit or on the General or Limited Common Elements which may impair the structural integrity of the Marina and its Dock Facilities, nor shall anything be altered or constructed on or removed from the General Common Elements, except upon the prior written consent of the Association.

9. No noxious or offensive activity shall be carried on in any Unit or on the General or Limited Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to any other Owner or Occupant. No Owner shall make or permit any disturbing noises or odors at the Marina or do or permit anything, which will interfere with the rights, comforts, or convenience of any other Owner or Occupant. All Owners shall keep the volume of any radio, television or musical instrument sufficiently reduced at all times so as not to disturb any other Owner or Occupant.

10. No industry, business, trade, sales or leasing business, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation or otherwise, shall be conducted, maintained, or permitted on any part of the Marina. Provided, however, this Rule is not a prohibition on an Owner leasing the Owner's Unit as long as there is a written rental agreement whereby the tenant is required as a condition of the rental agreement to abide by the Master Deed, including but not limited to these Rules & Regulations and the Operations & Maintenance Manual, as amended from time to time.

11. No signs, decals, posters, pictures, ornaments, or other items shall be affixed to or hung from the exterior of a Unit or on the General or Limited Common Elements, except such items as are expressly approved in writing in advance by the Board.

12. Jet skis and similar motor-powered personal watercraft shall not be moored, maintained, or stored at the Marina. For purposes of this Rule, personal watercraft means a vessel classified as a "personal watercraft" by the South Carolina Department of Natural Resources or any successor agency. This Rule does not prohibit a jet ski or personal watercraft from temporarily tying up at the Marina in an emergency wherein the immediate personal safety of the operator/passenger(s) is in danger.

13. Swimming from the Marina's bulkhead, docks, ramp, or boats is not permitted.

14. Only a licensed electrician specifically authorized by the Association may open, adjust, terminate, add to, repair, or otherwise work on Marina electrical services, electrical boxes, and outlets.

15. Pets must be on leash at all times. Owners are responsible for cleaning up after their pets.

16. Grills and open flame devices are prohibited in the Units, the General Common Elements, and Limited Common Elements.

17. Boat trailers and golf car trailers are not permitted in the General Common Elements parking lot without first obtaining the Association's express permission.

18. Any Floating Boat Storage Device ("FBSD") must conform to any approvals provided by the Board of Directors, any permit requirements from the South Carolina OCRM, and the Association's rules for FBSDs.

Any violation of these Regulations shall be reported to the Association's Board using the contact information provided on the Marina Message Board located at the Locker Facility.



## Exhibit H

### Declarant's Right of First Refusal

1. Establishment of Declarant's Right of First Refusal. For so long as Declarant owns one or more Units in the Regime, each Owner, and ownership of each Unit, shall be subject to this Right of First Refusal. As a result, during that period of time, no Owner nor any successor in title to a Unit may transfer or convey any interest in the Unit to any third party without giving Seller the right to repurchase the Unit upon the terms and conditions set forth below.

2. Required Notice. If an Owner or any successor in title to a Unit desires to transfer title to the Unit under circumstances that trigger Declarant's Right of First Refusal, the party proposing to transfer title shall deliver to Declarant written notice of such intent, together with a copy of the contract for the sale of the Unit to a third party (hereinafter, the "Third Party"). The Unit shall be offered for sale to Declarant with the same terms as set forth in the Third Party's contract, including the same purchase price (hereinafter, the "Repurchase Price"). Any such transfer of title without notice to the Declarant as required herein shall be null and void. Declarant shall have ten (10) days after receipt of such written notice to elect whether to exercise its Right of First Refusal. The deed from Declarant to the Owner shall provide that, if Declarant fails to make an election within the prescribed ten (10) day period, Declarant's Right of First Refusal shall be deemed waived. If Declarant is deemed to have waived its Right of First Refusal, the Owner shall have the right to sell the Unit to the Third-Party subject, however, to all covenants and limitations contained in this Master Deed. In the event that Declarant elects not to exercise its Right of First Refusal and the Owner thereafter does not consummate the proposed sale to Third Party, the terms and Limitations of this Right of First Refusal shall again be imposed upon any other prospective sales Of the Unit by the Owner until Declarant no longer owns any Unit in the Regime.

3. Declarant's Exercise of its Right of First Refusal. If Declarant elects to exercise its Right of First Refusal, it shall do so by delivering written notice of election to the party proposing the transfer within ten (10) days of receipt of notice from the prospective transferor that a sale of the Unit is desired, as set forth herein. Upon election by Declarant to exercise its Right of First Refusal, the closing where the Declarant repurchases the Unit shall take place within seventy-five (75) days after the date of the receipt of Declarant's notice of its intent to exercise the Right of First Refusal. The exact date, time, and location of the closing on the repurchase by the Declarant under such circumstances shall be selected by the Declarant. Reconveyance of the Unit to the Declarant shall be by limited warranty deed (subject to the same exceptions to title set forth in the deed of conveyance to the Owner). On or before the closing of the repurchase by Declarant, the Owner of the Unit shall be required to pay any and all outstanding assessments or other charges due and owing under the Master Deed and shall cure or cause to be cured all title defects or title exceptions not existing at the time the Unit was initially purchased from Declarant. If the title proposed to be reconveyed to Declarant is subject to any defect not permitted by this Article, Declarant, in addition to all other rights and remedies which it may have at law or in equity, may remove such defect(s) and deduct all costs and expenses incurred in doing so (including, but not limited to, reasonable attorneys' fees) from the amount of the repurchase price. Upon reconveyance, Declarant shall pay to the Owner the Repurchase Price in funds immediately available in the Charleston or Charleston County, South Carolina area. Ad valorem taxes and assessments shall be prorated in accordance with the terms for prorations as outlined in this Agreement.

4. Declarant's Failure Exercise Of its Right of First Refusal. The failure of Declarant to exercise its Right of First Refusal with a particular Owner or successor in title shall not constitute a waiver of Declarant's Right of First Refusal with regard to other Owners, other successors in title, or with regard to other Units in the Regime.

5. Exclusions. Declarant's Right of First Refusal shall not apply to transfer of title to the Unit to a spouse of an Owner, transfer of title to the Unit to a direct lineal descendant of an Owner, transfer of title to the Unit to a trust whose beneficiaries are solely the spouse and direct lineal descendants of an Owner, transfer of

title to the Unit to any entity which an Owner owns, directly or indirectly, not less than a fifty-one (51%) percent interest, transfer of title to the Unit to a person acquiring title pursuant to a foreclosure sale, or transfer of title to the Unit to a person acquiring title by means of sale in lieu of foreclosure. An Owner shall give Declarant at least ten (10) calendar days' notice prior to any of the transfers detailed within this Section, together with sufficient documentation to establish that the transfer satisfies one of these exclusions.

6. Survival. The provisions set forth in this Article shall survive the closings on all of the Units within the Regime.

## Exhibit I

### Mandatory Procedures for Non-Exempt Claims

Any party bound to this Master Deed and having a claim (hereafter a "Claimant") against another party bound to this Master Deed (hereafter a "Respondent") shall comply with the following procedures:

1. Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (hereinafter, the "Notice"), stating plainly and concisely:

A. The nature of the Claim, including applicable date, time, location, Persons involved, Respondent's role in the Claim, and the provisions of the Regime Instruments or other authority out of which the Claim arises;

B. What Claimant wants Respondent to do or not do to resolve the Claim; and

C. That Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

2. Negotiation. Each Claimant and Respondent will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, not later than thirty (30) days following the Notice, unless otherwise agreed by the Parties. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint an attorney licensed to practice law in the State of South Carolina to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes his or her efforts will be beneficial to the Parties. Such an attorney will have been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments and will not have a conflict of interest with any of the Parties.

3. Final and Binding Arbitration. If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (hereinafter, the "*Termination of Negotiation*"), a Claimant will have thirty (30) days within which to submit the Claim to binding arbitration under the auspices and the Commercial Arbitration Rules of the American Arbitration Association, and in accordance with the substantive and procedural laws of the state of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

A. Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within the ten (10) day period, or on or before any later day set by them by which to select an arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Charleston County, SC before a neutral person who is a member of the South Carolina Bar, who has been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments, and who has no conflict of interest with any party. The arbitrator may award any remedy or relief that a South Carolina court could order or grant, including, without limitation, specific performance of any obligation created under the Regime Instruments, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or any other damages not measured by actual damages of the Prevailing Party, as defined herein, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Regime Instruments.

B. If Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim; provided, however, nothing herein will release or discharge Respondent from any liability to a Person not a party to the foregoing proceedings, or the mandatory requirements of this Section with respect to any subsequently arising new dispute or claim by Claimant which is identical or similar to the Claim previously deemed abandoned hereunder.

C. This Section constitutes an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (hereinafter, the

"Award") is final and binding on the parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

4. Allocation of Costs of Resolving Claims.

A. Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described herein, including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of any attorney appointed by the Board pursuant to Section 3(B), whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Board is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses.

B. Arbitration Costs. If the Claim proceeds to arbitration pursuant to Section 3, the Prevailing Party, as defined herein, will receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of selection of the arbitrator under Section 3 to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of any attorney appointed by American Arbitration Association pursuant to Section 3, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

[1] Not less than five (5) days prior to the first day of the proceeding, a party or parties may file and serve on the other party(ies) an offer of settlement, and within three (3) days thereafter the party(ties)served may respond by filing and serving such party(ies) its own offer of settlement. An offer of settlement will state it is made under this Section and will specify the amount which the party(ies) serving the settlement offer are willing to agree constitutes a settlement of all claims in dispute, including the Claim and all counterclaims.

[2] An offer of settlement is considered rejected by the recipient unless a written acceptance is served on the party(ies) making the offer prior to the first day of the proceeding.

[3] If an offer of settlement is rejected, it may not be referred to for any purpose in the proceeding but may be considered solely for the purpose of awarding fees, costs, and expenses of the proceeding under Section 3(B), and as provided in this Section.

[4] If Claimant makes no written offer of settlement, the amount of the Claim made or asserted by Claimant during the action is deemed to be Claimant's final offer of settlement hereunder.

[5] If Respondent makes no written offer of settlement, the final offer of settlement by Respondent will be the amount asserted during the action to be due in satisfaction of Claimant's Claim, otherwise Respondent's offer of settlement is deemed to be zero.

[6] If Respondent asserts a counterclaim, then offers of settlement shall take into consideration such counterclaim in the manner provided. Furthermore, any Award shall also consider such counterclaim.

[7] The party(ies) whose offer, made or deemed made, is closer to the Award granted in the proceeding is considered the Prevailing Party hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of fees, costs, and expenses of arbitration.

5. Enforcement of Resolution. If the parties resolve any Claim through negotiation in accordance with Section 2 and any party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any party thereafter fails to comply with the Award, then any other party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 19.3 of the Master Deed. In such event, the party taking action to enforce the agreement or Award is entitled to recover from the noncomplying party (or if more than one noncomplying party, from all the parties jointly and severally) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.