

**SHIP WATCH VILLAS HPR CONSTRUCTION PERMIT
AND INDEMNITY AGREEMENT**

This Construction Permit and Indemnity Agreement is entered into this ___ day of _____, 20__ by and between _____ ("Owner") and _____ ("Contractor") [if applicable], on the one hand, and Ship Watch Villas Council of Co-Owners, Inc. (the "Council"), on the other, in connection with the construction work identified below (the "Project") to be performed in Owner's Villa # _____ in the Ship Watch Villas Horizontal Property Regime (the "Regime").

In consideration of the grant of this Permit, Owner and Contractor agree as follows:

1. Owner and Contractor acknowledge receipt of and agree to abide by the terms, conditions and obligations imposed by Article IV, Section F of the Master Deed of the Regime and by the Ship Watch Villas HPR Construction Regulations (the "Construction Regulations"), copies of which are attached hereto as Exhibits A and B and are incorporated herein by reference, setting forth the manner in which Villas in the Regime may be renovated or improved.
2. Contractor represents, warrants and affirms that he is duly licensed by the State of South Carolina as a General Contractor or Residential Builder ("State License"), that he has a Town of Kiawah Island business license ("Business License"), and that the necessary building permit issued by the Town of Kiawah Island ("Town Permit") has been obtained. Copies of the State License, Business License and Town Permit are attached hereto as Exhibit C and incorporated herein by reference.
3. Owner and Contractor represent, warrant and affirm that the Construction Plans and Specifications submitted for Regime approval and attached hereto and incorporated herein by reference as Exhibit D are a complete and accurate copy of the Construction Plans and Specifications. Owner and Contractor represent, warrant and affirm that true and correct cost of the Project is approximately \$_____. Accordingly, Owner has deposited the sum of \$_____ as the security deposit mandated by Article IV, Section F of the Master Deed.
4. Owner and Contractor represent and affirm that the following subcontractors are the only subcontractors that may be called to work on the project (the "Project Contractors"): _____.
5. The required Certificates of Insurance are attached hereto and incorporated herein by reference as Exhibit E.
6. The start date for this project is _____.
7. The completion date for this project is _____.
8. Contractor hereby acknowledges and understands that failure to comply with the Construction Regulations, and with applicable provisions of the Ship Watch

Master Deed and Bylaws, could subject Owner to fines pursuant to the Ship Watch Fine Policy contained in Exhibit B and incorporated herein by reference.

- 9. Owner acknowledges, understands and agrees that Owner is ultimately responsible for any contractors, subcontractors or other personnel involved in the Project and for timely completion of the Project in accordance with applicable provisions of the Master Deed and the Construction Regulations. The conducting of work during any prohibited period will subject Owner to fines under the Fine Policy.

- 10. Owner and Contractor, jointly and severally, agree to indemnify and hold harmless the Council, the Regime and Regime management from any and all fines, claims, injuries to persons or property, demands, liabilities or damages arising out of any acts, conduct or omissions of Owner, Contractor, any subcontractor, any material supplier, and all persons or firms employed or engaged by any of them in connection with the Project. This indemnity includes, but is not limited to, (a) the costs to correct or repair any damages to the common elements of the Regime or clean any debris, dirt or stains from the common elements and (b) all damages, costs and expenses incurred by the Council and Regime management, including reasonable attorney's fees, arising from claims brought by persons aggrieved by the acts, conduct or omissions of any of the foregoing relating to the Project.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

SHIP WATCH VILLAS COUNCIL

OF CO-OWNERS, INC.:

OWNER:
 Signature: _____
 Name: _____
 Title (if applicable): _____

Signature: _____
 Name: _____
 Title: _____

CONTRACTOR:

Signature: _____
 Name: _____
 Title: _____

Address: _____
 Telephone: _____
 E-mail: _____

Effective October 1, 2016