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MARSH WINDS MASTER DEED

TABLE OF CONTENTS

ARTICLE I.	2
Section I. <u>Property Subject to Master Deed</u>	2
ARTICLE II	2
Section I. <u>Definitions</u>	2
ARTICLE III	5
Section 1. <u>Submission of the Property to the Act</u>	5
Section 2. <u>Building Plans</u>	6
(a) <u>Documents Included in Building Plans</u>	6
(b) <u>Information in Each Document</u>	6
Section 3. <u>Allocation of Common Interests</u>	6
Section 4. <u>Description of Marsh Winds</u>	6
(a) <u>General Description and Phasing - Phase A</u>	6
(b) <u>Phase B</u>	7
(c) <u>Phase C</u>	7
(d) <u>Phase B & C, if included</u>	7
(e) <u>Ownership in Common Elements</u>	8
(f) <u>Building 1, Phase A</u>	8
(g) <u>Building 2, Phase A</u>	8
(h) <u>Building 3, Phase B</u>	8
(i) <u>Building 4, Phase C</u>	8
(j) <u>Description of Parking Areas</u>	8
(k) <u>Limits of Units</u>	9
(l) <u>Common Area and Easements for Access to Common Area</u>	10
(m) <u>Limited Common Area</u>	10
(n) <u>Disputes Regarding What is Common Area or Unit</u>	10
Section 5. <u>Determine Common Interests</u>	10
Section 6. <u>Easements Reserved</u>	10
ARTICLE IV.	11
Section 1. <u>Administration of Regime by Association</u>	11
Section 2. <u>Membership and Voting</u>	12

THIS MASTER DEED IS RE-RECORDED TO ADD EXHIBIT "K" WHICH WAS INADVERTANTLY OMITTED.

Re-Recorded

BK M 378PG568

BK O 367PG254₂

(a)	<u>Membership</u>	12
(b)	<u>Voting</u>	12
Section 3.	<u>Association Governance; Board of Directors</u>	12
Section 4.	<u>Selection of Board of Directors</u>	13
Section 5.	<u>Rules and Regulations</u>	13
Section 6.	<u>Indemnification</u>	13
Section 7.	<u>Working Capital</u>	14
Section 8.	<u>Insurance</u>	14
(a)	<u>Type of Insurance</u>	14
(b)	<u>Other Insurance Criteria</u>	15
(c)	<u>Insurance Premiums</u>	16
(d)	<u>Insurance to Be Purchased Directly by Unit Owner</u>	16
(e)	<u>Insurance Trustee</u>	16
(f)	<u>Rights of Mortgagees Regarding and Reconstruction</u>	17
(g)	<u>Use of Insurance Proceeds if Damage Only to Units</u>	17
(h)	<u>Use of Insurance Proceeds if Damage to Units and Common Area is Less than \$20,000</u>	17
(i)	<u>Use of Insurance Proceeds if Damage to Units and Common Area is More than \$20,00</u>	18
(j)	<u>Use of Excess Funds After Reconstruction</u>	20
(k)	<u>Contract Administration During Reconstruction</u>	21
Section 9.	<u>Condemnation</u>	21
ARTICLE V.		22
Section 1.	<u>Notice of Sale or Lease</u>	22
Section 2.	<u>Acquisition by Devise or Inheritance</u>	22
Section 3.	<u>Notice Procedure</u>	22
Section 4.	<u>General Maintenance and Repair</u>	23
Section 5.	<u>Alterations or Improvements by Board</u>	24
Section 6.	<u>Maintenance and Decoration of Unit Interiors</u>	24
Section 7.	<u>Unit Mortgages</u>	25
Section 8.	<u>Encroachments</u>	25
Section 9.	<u>Real Estate Taxes and Assessments</u>	25
ARTICLE VI		26
Section 1.	<u>Regular Assessments and Budget</u>	26
(a)	<u>Fiscal Year and Annual Budget</u>	26
(b)	<u>Determining the Budget</u>	27
(c)	<u>Allocation of Assessments</u>	27

(d)	<u>When Assessments for Units Begin</u>	27
(e)	<u>Assessments for Units Owned by Declarant</u>	28
(f)	<u>Notice of Assessments</u>	28
(g)	<u>Payment of Assessments</u>	28
(h)	<u>Special Assessments</u>	28
(i)	<u>Effect of Non-Payment of Assessments</u>	29
(j)	<u>Creation of Lien and Personal Obligation for Assessments</u>	29
(k)	<u>Subordination of the Lien</u>	30
(l)	<u>Remedies</u>	30
(m)	<u>Abatement of Violations by Unit Owners</u>	30
(n)	<u>Discharge of Mechanics Liens</u>	31
(o)	<u>Attorneys Fees and Costs</u>	31
(p)	<u>Statement of Account</u>	31

ARTICLE VII 32

Section 1.	<u>Submerged Lands</u>	32
Section 2.	<u>Compliance and Conflict</u>	32
Section 3.	<u>Amendments by Association</u>	32
Section 4.	<u>Amendments by Declarant</u>	32
Section 5.	<u>Title</u>	34
Section 6.	<u>Management Agreement</u>	35
Section 7.	<u>Right of Declarant to Sell, Lease and Repair Units and Common Areas</u>	35
Section 8.	<u>Applicable Law</u>	35
Section 9.	<u>Interpretation</u>	36

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "B"
PLOT PLAN

EXHIBIT "C"
UNIT PLANS

EXHIBIT "D"
BUILDING FLOOR PLANS

EXHIBIT "E"
ELEVATIONS

EXHIBIT "F"

Re-Recorded
BK M 378PG570

UNIT SIZES AND DESIGNATIONS

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EXHIBIT "G"
PERCENTAGES OF COMMON INTERESTS

EXHIBIT "H"
RULES AND REGULATIONS

EXHIBIT "I"
ARTICLES OF INCORPORATION

EXHIBIT "J"
BYLAWS

EXHIBIT "K"
LEGAL DESCRIPTION - PHASES B AND C

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BK M 378PG571

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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED
MARSH WINDS HORIZONTAL PROPERTY REGIME
(PHASE A)

BUSHY'S LLC #1, (sometimes hereinafter referred to as "Declarant") having its principal place of business in the County of Charleston, State of South Carolina, makes and grants this MASTER DEED dated March 27, 2001 to establish a plan of condominium ownership for the Property described herein.

WHEREAS, Declarant is the fee simple owner of that certain tract of land described in Exhibit "A", hereto and incorporated herein by reference (the "Land"); and

WHEREAS, the Declarant, being about to sell and convey condominium Units located as more particularly described herein, desires to (a) establish a horizontal property regime pursuant to the Act, as defined below; (b) assure to the Owners of such Units and their heirs, successors and assigns that the use, benefit and enjoyment of the Common Area, as defined herein, will be administered in an orderly manner; and (C) subject the Property to certain restrictions, reservations, servitude, covenants, agreements, easements, liens and charge, as hereinafter set forth and

WHEREAS, there has been incorporated an Association of Unit Owners known as MARSH WINDS OWNERS ASSOCIATION, INC. for the purposes of maintaining and administering the Common Area connected with and appertaining to the condominium Units, providing for the disposition of various matters relating to the Units and their Co-owners, and such other purposes as are set forth in this Master Deed.

NOW WHEREFORE, in consideration of the premises contained herein, Declarant grants and covenants as follows:

ARTICLE I

Section I. Property Subject to Master Deed. The Property described in Exhibit "A" and Article II shall be subject to the provisions set forth in this Master Deed, which provisions shall inure to the benefit of and be binding upon the Declarant, its successors and assigns, and upon the Unit Owners and their heirs, successors and assigns, respectively.

ARTICLE II

Section 1. Definitions. Those definitions contained in Section 27-31-20 of the Act, as defined herein, are incorporated in this Master Deed unless it is clear from the context that a definition in the Act is contradictory to the following definitions, in which event the following definition shall apply except where the definition of the Act is mandatory.

(a) "Act" means the Horizontal Property Act, Section 27-31-20 et seq. of the 1976 Code of Laws of South Carolina, as amended from time to time. References to specific sections of the Act contained herein refer to the sections as designated at the time of recordation of this Master Deed.

(b) "Apartment" means a "Unit", as defined herein.

(c) "Association" means Marsh Winds Owners Association, Inc., the South Carolina not-for profit corporation whose members consist of all the persons, corporations, limited liability companies, partnerships, associations, trusts, or other legal entities, or any combination thereof, which own a Unit.

(d) "Board of Directors" means the Board of Directors of the Association.

(e) "Building" means a structure or structures, containing in the aggregate two or more Units, comprising a part of the Property.

Re Recorded

BK M 378PG573

BK O 367PG259

(f) "Co-Owner" or "Owner" or "Unit Owner" means a Person which owns a Unit.

(g) "Common Area" or "Common Elements" means "General Common Elements" as defined in the Act and more specifically defined in Article III, Section 4 of this Master Deed. It includes all of the Property and improvements thereon other than the Units.

(h) "Common Expense" means all liabilities or expenditures made or incurred by or on behalf of the Association, as more specifically defined in Article VI, Section 1 of this Master Deed.

(i) "Common Charge" means those monetary charges levied against the Unit owners to pay for the Common Expenses.

(j) "Common Interest" means the percentage of undivided interest in the Common Area appertaining to each Unit, as expressed in the Master Deed. Any specified percentage of the Common Interest means such percentage of the undivided interests in the aggregate.

(k) "Condominium" or "condominium ownership" means the form of ownership intended by the Master Deed, that is, ownership by Owners of individual Units, with a common right to share the Common Area.

(l) "Declarant" means Bushy's LLC #1, its successors and assigns. Declarant may assign its rights as Declarant upon a written assignment signed by the Declarant and the assignee and duly recorded in the R.M.C. Office for Charleston County, South Carolina. Conveyance of a deed to a Unit or the existence of a mortgage on a Unit or the Property shall not be deemed to make the grantee of such deed or mortgage a "Declarant."

(m) "Elevations" means the drawing(s) showing the external vertical characteristics of a Building or improvements on the Property, or the vertical location of Units in such

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BK O 367PG260

improvements, which drawing(s) are attached hereto and by this reference made a part hereof. (See Exhibit E.)

(n) "Floor Plan" means the plans for the Building(s) which show the dimensions, area and location of each Unit therein, which plans are attached hereto and by this reference made a part hereof. (See Exhibits C and D)

(o) "Joint Owner" means a Person which owns a Unit with any other entity and the combination of which constitutes a Unit Owner. Where a Person is a Joint Owner of a Unit, the Association may establish such rules and procedures as it deems appropriate to govern which Joint Owner or Owners has the right to act on behalf of the Unit Owner for the Unit.

(p) "Limited Common Area" and/or "Limited Common Areas" means that Common Area which is specified in this Master Deed or the Exhibits thereto as being reserved for the use of a certain Unit or number of Units to the exclusion of the other Units. (See Article III, Section 4.)

(q) "Majority of Co-owners" or "Majority of Owners" means fifty one percent (51%) or more of the Common Interests, as calculated on the basic value of the Property as a whole, computed in accordance with the provisions of Section 27-31-60 of the Act, and as shown in Exhibit "G" to this Master Deed. "Value" as shown herein is set forth for the sole purpose of the Act and does not necessarily relate to current or future property value or sales price.

(r) "Master Deed" means this Master Deed.

(s) "Operation of the Property" means and includes the administration and operation of the Property and the maintenance, repair, and replacement of, and the making of any additions and improvements to the Common Area.

(t) "Plot Plan" means the plat(s) or survey(s) of the Property showing the horizontal location of any Building or other

significant improvements on the Property, said Plot Plan being attached hereto, and by this reference made a part hereof. (See Exhibit "B".)

(u) "Person" means an individual, firm, corporation, limited liability company, partnership, association, trust or other legal entity.

(v) "Property" means the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, as described in Exhibit "A."

(w) "Regime" means the Marsh Winds Horizontal Property Regime created by the recordation of this Master Deed, as set forth in Section 27-31-30 of the Act.

(x) "Unit" means an "Apartment" as that term is used in the Act, and includes one or more rooms occupying one or more floors or a part or parts thereof, designed or intended for independent use as a single family dwelling, as set forth on the Building Plans; provided, however, that the term excludes any elements excluded pursuant to Article III, Section 4, below.

(y) "To record" means to record in accordance with the provisions of the Act, Sections 30-5-30 through 30-5-200 and 30-7-10 through 30-9-80, or other applicable recording statutes.

ARTICLE III

Section 1. Submission of the Property to the Act. Declarant, as the owner in fee simple of the Property, by recording this Master Deed, submits the Property to the provisions of the Act. In order to implement the horizontal property regime plan of ownership of the Property, Declarant covenants and agrees to and hereby does subdivide the above described Property vertically and horizontally into the freehold estates referred to herein as Units.

Section 2. Building Plans.

(a) Documents Included in Building Plans. In accordance with Section 27-31-110 of the Act, attached hereto and made a part of this Master Deed are the following documents constituting the "Building Plans."

- (a) Plot Plan (Exhibit B).
- (b) Unit Plans (Exhibit C).
- (c) Building Floor Plans (Exhibit D).
- (d) Elevations (Exhibit E).
- (e) Unit Sizes and Designations (Exhibit F)

(b) Information in Each Document. The Plot Plan shows the location of the Buildings and significant improvements in relation to the Land. The Unit Plans show Unit types, dimensions and the intended use of various spaces within the Unit. The Building Floor Plans show the location of the Units within the Buildings, the designation of each Unit, and the location of corridors, stairwells, elevators, storage areas and some of the areas which are intended as Common Area. The Elevations show the typical exterior dimensions of each type of end Unit and interior Unit. The Unit Sizes and Designations show the number of Units in each Building and the size and designation of each Unit. The Building Plans are certified by an engineer or architect licensed to practice in South Carolina.

Section 3. Allocation of Common Interests. The allocation of Common Interests among the Units is shown on Exhibit "G" incorporated herein by reference.

Section 4. Description of Marsh Winds.

- (a) General Description of Development Plan and Phasing.

Phase A of Marsh Winds, upon completion of all Units and Common Area, will consist of the Property as described in Exhibit "A"; an uncovered parking area on the Property; Two (2) Buildings, (Buildings 1 and 2) on the Property containing parking on the ground level and thirty three (33) dwelling units above the ground level. In this Master Deed, the first

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residential floor above the ground level is referred to as the "first floor". It is anticipated that all improvements will be completed at approximately the same time. In accordance with Section 27-31-100(g) of the Act, additional Buildings, land, common elements and improvements, may, in the Declarant's discretion, be constructed and be made a part of the Regime as hereinafter described. Declarant reserves the right to annex and include such additional property, improvements and Units and thereafter amend this Master Deed by its sole action for the purposes of creating Phases B and C of the Regime.

(b) Phase B, if so annexed, will include property and improvements including one (1) Building (Building 3) containing six (6) dwelling Units and a swimming pool. Should Declarant determine to so annex and include Phase B, it hereby covenants that the necessary annexation and amendment to this Master Deed and the election to proceed with Phase B shall be made not later than December 31, 2001, and the necessary annexation and amendment to the Master Deed shall be filed in the RMC Office for Charleston County, South Carolina, not later than that date.

(c) Phase C, if so annexed, will include property and improvements including one (1) Building (Building 4) containing six (6) dwelling Units. Should Declarant determine to so annex and include Phase C, it hereby covenants that the necessary annexation and amendment to this Master Deed and the election to proceed with Phase C shall be made not later than December 31, 2001, and the necessary annexation and amendment to the Master Deed shall be filed in the RMC Office for Charleston County, South Carolina, not later than that date.

(d) Phases B and C, if included, will increase the proportionate amount of the Common Expenses payable by the existing Co-Owners of Marsh Winds. Should Phases B and C be included, the percentage interest in the Common Elements of each Co-Owner in Marsh Winds shall be reduced and each of the Co-Owners of Marsh Winds and Phases B and C shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, voting rights and values shall also be determined by reference to

the percentages set forth for each Unit as shown in Exhibit G.

(e) Ownership in the Common Elements, prorata share of Common Expenses, voting rights and values, and the percentages attributable to each Unit in the event of completion of Marsh Winds Phase A or Phases A and B or Phases A, B and C are as shown in the Exhibits.

(f) Building 1 (Phase A). Building 1 will contain twelve (12) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 1 will have four (4) units. The Unit sizes and designations are shown in Exhibit C

(g) Building 2 (Phase A). Building 2 will contain twenty-one (21) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 2 will have seven (7) units. The Unit sizes and designations are shown in Exhibit C.

(h) Building 3 (Phase B). Building 3, if included, will contain six (6) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 3 will have two (2) units. The Unit sizes may vary from the unit sizes in Phase A.

(i) Building 4 (Phase C). Building 4, if included, will contain six (6) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 4 will have two (2) units. The Unit sizes may vary from the unit sizes in Phase A.

(j) Description of Parking Areas. The Property contains the vehicle parking areas for the use of Unit Owners and for guest parking summarized in (a) above. The parking areas are subject to those rules and regulations promulgated by the Association. Parking spaces shall not be reserved solely for the use of the occupants of a particular Unit nor shall they be numbered unless otherwise agreed upon by all Co-Owners and the

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Mortgagees of their Units (in which case such reserved parking spaces shall be Limited Common Elements); provided, however, the occupants of each Unit shall be entitled to the use of at least one (1) parking space and such additional parking spaces as may be determined by the Board of Directors.

(k) Limits of Units. Unless otherwise expressly stated or otherwise shown in the Building Plans, the horizontal boundary of each Unit ends at the centerline of any non-structural element which separates two Units, at the exterior side of any non-structural element which separates a Unit from Common Area, and at the exterior of exterior doors, windows and glass walls and the frames thereof. Unless otherwise expressly stated or otherwise shown in the Building Plans, the upper vertical boundary of a Unit ends at the point at which a ceiling becomes a structural element supporting a space above the Unit (e.g. the Unit contains any suspended ceiling material or panel and any spackling application, paint or other application which is not an essential element of the structural component). Unless otherwise expressly stated or otherwise shown in the Building Plans, the lower vertical boundary of a Unit ends at the point at which the floor becomes a structural element supporting the Unit (e.g. the Unit contains the carpeting, tile, wood flooring, paint, matting, etc. on top of the structural element). A Unit shall not be deemed to include perimeter walls of the Building or interior or exterior load-bearing walls, columns or similar load-bearing elements; the structural elements of floors and ceilings which support the unit or adjacent Units; pipes, wiring conduits, channels, ducts or other utility lines running through the boundaries of the Unit which are utilized for or serve more than one Unit; or personal property and assets held and maintained for the joint use and enjoyment of all the Unit Owners. A Unit shall be deemed to include (i) all other walls, columns, partitions floors and ceilings within its perimeter walls which are not load-bearing, including plaster, paint, wallpaper, or the like; (ii) carpeting, floor covering and window covering within the perimeter walls of the Unit; (iii) appliances, hardware, doors, heating and air conditioning components, built-in fixtures and similar elements which serve only the Unit; and (iv) pipes,

wiring, conduits, channels, ducts, chases or other utility lines within the perimeter walls of the Unit which serve only the Unit.

(l) Common Area and Easements for Access to Common Area

The Common Area consists of the entire Property and every part thereof, other than the Units.

(m) Limited Common Area. The Limited Common Areas are generally shown on the Building Plans and include the covered privacy deck attached to each individual Unit. The use of the Limited Common Area is restricted exclusively to the Unit to which such Limited Common Area is adjacent unless otherwise expressly stated herein or otherwise shown on the Building Plans. Unless otherwise expressly stated herein, for all purposes other than use (e.g. approval of modifications, repair, insurance, and governance), the Limited Common Area is deemed to be a part of the Common Area. [See Article VI, Section 1.(c)].

(n) Disputes Regarding What is Common Area or Unit. If a dispute arises between Unit Owners or between a Unit Owner or Unit Owners and others as to what portion of the Property constitutes a Unit, Common Area or Limited Common Area, the Board of Directors of the Association shall have the authority to determine the proper designation of the disputed area, after such consultation with others as it may determine to be appropriate, provided that such determination shall be set forth in writing, shall be made in good faith, and shall not be clearly inconsistent with this Master Deed.

Section 5. Determining Common Interests For purpose of determining the total Common Interests, the Common Interest of each Unit, and the percentages for purposes of voting on all matters requiring a vote by the Owners, the percentages as provided in Exhibit "G" shall govern from time to time:

Section 6. Easements Reserved. The Declarant reserves for itself, its successors and assigns (i) non-exclusive easements through Units, Common Area and Limited Common Area as may reasonably be required for conduits, pipes, ducts, plumbing, wiring and other facilities for furnishing utility services to

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the Common Area and to Units other than a Unit or Limited Common Area through which it passes; and, for lateral and subjacent support in every portion of a Unit which contributes to the support of the improvements; and (ii) easements in, over, across, under and upon the Property as may be required, in its sole discretion, to provide ingress and egress necessary and convenient for the construction and development of improvements on the Property, including all utility lines and facilities; and storage, staging, assembly, supervision, protection and construction during development or construction of the improvements. Declarant shall have a transferable, perpetual power and authority to grant and accept easements to and from any private entity or public authority, agency, public service district, public or private utility or other Person, upon, over, under and across the Common Area for constructing, installing, maintaining, repairing, inspecting, and replacing television antenna or television cable systems, data transmission systems, security and similar systems, landscaping, and all utility facilities and services, including, but not limited to, storm and sanitary sewer systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarant without notice to or consent by the Association. The rights of the Declarant to grant easements shall automatically be assigned to the Association upon conveyance by the Declarant of the last Unit in the Regime to another Person, other than a mortgagee.

ARTICLE IV

Section 1. Administration of Regime by Association. In order to provide for the effective and efficient administration of the Regime by the Unit Owners, a nonprofit corporation known and designated as MARSH WINDS OWNERS ASSOCIATION INC. (the "Association") has been organized. The Association shall administer the operation and management of the Regime and undertake and perform all acts and duties incident thereto in accordance with the provisions of this Master Deed, the Articles of Incorporation and Bylaws, of the Association, and the rules and regulations promulgated by the Association from time to time. A copy of the Bylaws are annexed hereto and made a part hereof as

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Exhibit "J".

Section 2. Membership and Voting

(a) Membership. The Owner of each Unit shall automatically be a member of the Association upon its acquisition of an ownership interest in title to any Unit. The Owner of a Unit shall have rights in the Association in the same proportion as its Common Interest. The membership of an Owner shall terminate automatically upon conveyance of title to the Unit, regardless of the means by which such conveyance of title occurs. No Person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled by virtue of such lien, mortgage or other encumbrance to membership in the Association or to any of the rights or privileges of such membership. In the administration or the operation and management of the Regime, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units, Common Area, and Limited Common Area, as the Board of Directors of the Association may deem to be in the best interest of the Regime.

(b) Voting. The Owner of each Unit shall have the right to cast the number of votes attributable to the Common Interest of such Unit. Votes may be cast in person or by proxy at all meetings of the Association. The holder of a proxy need not be an Owner.

Section 3. Association Governance: Board of Directors. The Board of Directors of the Association (the "Board of Directors") shall function in accordance with this Declaration and the Bylaws. The Bylaws may be amended, from time to time, only as provided herein. The Board of Directors shall constitute the final administrative authority of the Association, and, unless modified by a vote of owners owning a majority of the Common Interests, all decisions of the Board of Directors shall be binding upon the Association and the Owners; provided, however,

Re-Recorded
BK M 378PG583

BK O 367PG269

that the Owners may not modify or invalidate any provision of this Master Deed or the Bylaws except by amending the applicable provision. Unless otherwise expressly stated by this Declaration or the Bylaws, all rights, titles, privileges, and obligations vested in or imposed upon the Association shall be held and performed by the Board of Directors.

Section 4. Selection of Board of Directors. Prior to Loss of the Controlling Interest (as defined below), the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, as determined by the Declarant from time-to-time. Said individuals need not be Owners of Units. Following Loss of the Controlling Interest by the Declarant, the Board of Directors shall consist of such number of individuals as may be selected in accordance with the Bylaws. "Loss of the Controlling Interest" shall occur at the earlier of (i) the conveyance by Declarant of ownership of three fourths (3/4th) of all Units (other than conveyance to a mortgagee pursuant to the terms of a mortgage or in lieu of enforcement of the terms of a mortgage), or (ii) the date on which the Declarant notifies the Unit Owners in writing that it is relinquishing the Controlling Interest.

Section 5. Rules and Regulations. The Board of Directors shall have the authority from time to time to adopt rules and regulations governing the use, administration and operation of the Property, subject to the terms of this Declaration and the Bylaws. The initial Rules and Regulations are set forth in Exhibit "I", attached hereto and incorporated herein by reference.

Section 6. Indemnification. The members of the Board of Directors, the officers of the Association as may be elected by the Board of Directors, and such other officers or employees of the Association or the Managing Agent of the Association as the Board of Directors, shall specify by written resolution from time-to-time, shall not be liable to the owners or the Association for any mistake in judgment or acts or omissions unless such act or omission was made in bad faith or was the result of gross negligence. The Association shall indemnify and

Re Recorded

BK O 367PG270

BK M 378PG584

hold harmless such non-liable Persons against all liabilities to others arising out of any action or agreement made by such Persons on behalf of the Association unless such action or agreement was made in bad faith or with gross negligence.

Section 7. Working Capital. At the time that title is conveyed to an owner by the Declarant, the Owner shall contribute to a working capital reserve established by the Association the sum of \$250.00 Dollars. Such funds shall be used solely for initial operating and capital expenses of the Regime.

Sections 8. Insurance.

(a) Type of Insurance. If such insurance is available at reasonable cost, the Board of Directors shall endeavor to obtain insurance coverage, in such amounts as it shall reasonably determine, for the Property, excepting personal property of an owner located within the Unit owned by such Owner. The insurance shall, to the extent feasible, cover the insurable interests of the Association and the owners of Units, and any mortgagees of the Association and the Owners of Units. To the extent feasible at reasonable cost, such insurance coverage shall be obtained:

(i) against loss or damage by fire, flood, earthquake or other casualty covered by standard extended coverage policies. The insurance shall be for the full insurable value thereof (based upon current replacement cost);

(ii) against such risks as vandalism, theft and malicious mischief;

(iii) for comprehensive general public liability and, if applicable, automobile liability insurance for any vehicles owned or leased by the Association, covering loss or damages resulting from accident or occurrences on or about the Property or elsewhere;

Re-Recorded

BK M 378PG585

BK O 367PG271

(iv) for worker compensation or other mandatory insurance;

(v) for fidelity insurance covering any employees or officers of the Association or Managing Agent having access to any substantial funds of the Association;

(vi) for officers and directors, providing coverage against claims brought against the Board of Directors or officers of the Association acting in such capacity; and for

(vii) such other insurance as the Board of Directors shall determine to be reasonable and desirable from time-to-time.

(b) Other Insurance Criteria. All insurance premiums shall be a Common Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds or such insurance shall be payable to, the Association. The insurance coverage shall, if feasible, provide that:

(i) the interest of the Association shall not be invalidated by any act or neglect of any Owner or any officer or member of the Board of Directors of the Association;

(ii) the coverage shall not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to the Association;

(iii) subrogation shall be waived with respect to the Association and its Board of Directors, employees and agents, and Owners, members of their household and mortgagees; and

(iv) there shall be a cross liability endorsement to cover liabilities of the Unit Owners as a group to a

Unit Owner.

(c) Insurance Premiums. The Association shall collect and enforce the payment of a share of the premium for such insurance from each Unit Owner as a part of the Common Expenses; provided, however, where the insurer allocates the insurance premium(s) among the Units based on current insured values for the Units which differ from the allocation of Common Interests among the Unit Owners pursuant to this Declaration, then each Unit Owner shall pay that portion of the premium(s) as shall be determined by the insurer or the Board of Directors to be allocable to the Unit of the Unit Owner. No Unit Owner may elect not to pay its proportionate share of the insurance obtained by the Association for the Property and the Unit

(d) Insurance to Be Purchased Directly by Unit Owner. Each Unit Owner shall purchase liability insurance for accidents occurring in its own Unit and shall be responsible for purchasing insurance on all personal property in the Unit; provided, however, that the Board of Directors, in its sole discretion, may assist the Unit Owners by obtaining information regarding personal property insurance which may be available through the insurer(s) selected by the Board of Directors for insuring of the Property.

(e) Insurance Trustee. The Board of Directors may, at its discretion, retain any bank, trust company or South Carolina law firm to act as trustee, agent or depository (the "Insurance Trustee") on its behalf for the purpose of receiving or distributing any insurance proceeds. If no Insurance Trustee is retained, the powers of the Insurance Trustee set forth in this Section 8 shall be vested in the Board of Directors. The Insurance Trustee shall receive the proceeds from the casualty insurance policies held by it, and shall hold such proceeds in trust for the Association, Unit Owners, and any mortgagees, as applicable. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of the policies, nor for the failure to collect any insurance proceeds. The fees and reasonable expenses of the Insurance Trustee shall

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be a Common Expense. Unless otherwise waived by the Board of Directors, the Board of Directors or any Insurance Trustee appointed by the Board of Directors is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association.

(f) Rights of Mortgagees Regarding Reconstruction. No mortgagee shall have any right to participate in the determination of whether property is to be rebuilt, nor shall any mortgagee have the right to require that the Insurance Trustee, the Board of Directors, or any Owner apply insurance proceeds to repayment of its loan except in accordance with the following provisions. If insurance proceeds are sufficient to pay for the cost of reconstruction and repair of all damaged portions of the Property, or if the insurance proceeds are insufficient but additional funds are committed by special assessment or any other manner within ninety (90) days after the costs of restoration and repair are determined, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan.

(g) Use of Insurance of Proceeds If Damage Only to Units. If a loss occurs only to any improvements within any Unit(s), without any loss to any improvements within the Common Area, the Insurance Trustee shall immediately pay all proceeds received because of such loss directly to the Owners of the Unit damaged, and their approved first mortgagees, if any, as their interest may appear, or to the first mortgagee only if required by any condominium rider to a mortgage, and it shall be the duty of these Owners to use such proceeds to effect necessary repair to the Unit. The Insurance Trustee may rely upon the written statement of the Association as to whether or not a loss has been incurred to the Units or Common Area or both.

(h) Use of Insurance Proceeds If Damage to Units and Common Area Is Less Than \$20,000. If a loss of \$20,000.00 or less occurs to improvements within one or more Units and to improvements within contiguous Common Area (including Limited Common Area), or to improvements within the Common Area alone,

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BK O 367PG274

the Insurance Trustee shall pay the proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association will promptly contract for the necessary repairs to the improvements within the Common Area and within the damaged Units; provided however, that if the necessary repairs to the improvements with the damaged Units are repairs which can be accomplished without detrimentally affecting other Owners or the Common Area, then the Association may allow the Owner of the Unit to contract directly for the repair of the improvements, within the Unit. Unless the Board of Directors shall determine that the insurance proceeds are sufficient to repair all of the damage to the Common Area and within the Units, the proceeds shall be applied first to repair the improvements within the Common Area, and the balance of the funds shall be apportioned to repair improvements within the damaged Units, in proportion to the loss sustained to improvements within all the damaged Units, as estimated by the insurance carrier. In such event, the Owners of Units containing damaged improvements shall be subject to a special assessment and shall contribute to the Association the remaining funds necessary to repair the improvements within their Units. If any Owner(s) of Units containing damaged improvements refuses to pay such assessment, then the majority of Owners of Units so damaged may proceed with the reconstruction at the expense of all Owners benefited thereby.

(i) Use of Insurance Proceeds If Damage to Units and Common Area Is More Than \$20,000. If a loss of more than \$20,000.00 occurs to improvements within one or more Units and to improvements within contiguous Common Area (including Limited Common Area), or to improvements within the Common Area alone, the Insurance Trustee shall hold all insurance proceeds and any and all other funds paid as hereinafter provided in trust, and shall distribute the same as follows:

(i) The Board of Directors of the Association shall cause to be obtained detailed estimates and/or bids for the cost of rebuilding and reconstructing the damage and for the purpose of determining whether insurance proceeds are sufficient to pay for the same.

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(ii) if the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements within the Common Area and within the Units, or upon the collection of the necessary funds that are described in subparagraph (iii) of this paragraph, then:

(1) If the casualty loss necessitates reconstruction of more than two-thirds in value of the improvements on the Property, as determined by the Board of Directors, then the insurance proceeds shall be disbursed, prorata, in accordance with their respective Common Interests, to the Owners and their respective mortgagees, and in such proportions as the Board of Directors in its sole discretion may determine. This paragraph may be waived, altered or amended with the consent of such percentage of the Owners as are required to amend this Declaration.

(2) If the casualty loss necessitates reconstruction of two-thirds or less in value of the improvements on the Property, as determined by the Board of Directors, then the damaged improvements shall be completely repaired and restored.

(iii) If the insurance proceeds are not sufficient to repair or replace all the improvements within the Common Area and within the Units so that special assessments shall be required to complete repair or replacement, then:

(1) If the casualty loss necessitates reconstruction of more than two-thirds in value of the improvements on the Property, as determined by the Board of Directors, then the insurance proceeds shall be disbursed, prorata, in accordance with their respective Common Interests, to the Owners and their respective mortgagees, and

Re-Recorded
BK M 378PG590

BK O 367PG276

in such proportions as the Board of Directors in its sole discretion may determine. This paragraph may be waived, altered or amended with the consent of such percentage of the Owners as are required to amend this Declaration.

(2) If the casualty loss necessitates reconstruction of two-thirds or less in value of the improvements on the Property, as determined by the Board of Director, then the Board of Directors shall meet and shall determine the amount of and terms of a special assessment against the Units and the owners thereof to obtain the necessary funds to repair the improvements. Such assessment need not be uniform as to all Units but may be in accordance with such factors as the Board of Directors of the Association shall consider to be fair and equitable under the circumstances, whereupon the Board of Directors of the Association, having determined the amount of such assessment, shall immediately levy such assessment setting forth the date of payment of the same, and the funds received shall be delivered to the trustee and disbursed as provided in the preceding paragraph. If any Owner or Owners of Units containing damaged improvements refuses or refuse to pay such assessments, then the majority of Owners of Units so damaged may proceed with reconstruction at the expense of all Owners benefited thereby.

(j) Use of Excess Funds After Reconstruction. If funds remain in the hands of the Insurance Trustee after complete repair and reconstruction and after the Insurance Trustees fee and other fees or costs have been paid, such funds shall be distributed (i) first, to the Unit Owners who made contributions in proportion to their contributions, until all contributions (and such interest thereon, if any, as the Board of Directors determines is appropriate and reasonable) have been repaid, and

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BK O 367PG277

(ii) second, to the Unit Owners in proportion to their Common Interests.

(k) Contract Administration During Reconstruction.

(i) The Insurance Trustee or Board of Directors as appropriate, shall endeavor to require all payees to deliver paid bills and waivers of mechanics liens and execute any affidavit required by law or by the Association, or any approved first mortgagee named on a mortgage endorsement. The Board of Directors shall negotiate and obtain one or more contractors willing to do the work on a fixed price basis, or some other reasonable terms under the circumstances, which said contractor shall post performance and payment bonds. The Insurance Trustee shall disburse the insurance proceeds and other funds held in trust in accordance with the proceed payments specified in the construction contract between the Association and the contractor.

(ii) Any repair, rebuilding, or reconstruction shall be substantially in accordance with the architectural plans and specifications for the original Building or as the Building was last constructed, or according to plans approved by the Board of Directors.

Section 9. Condemnation. If the Property or any part hereof shall be taken or condemned by any authority having a power of eminent domain, any compensation therefore shall be payable to such bank, trust company or law firm authorized to do business in South Carolina as the Board of Directors shall designate as Trustee for all Unit Owners and mortgagees affected thereby, according to the loss or damages to their respective Units, and, to the extent feasible shall be used promptly by the Board of Directors for restoring or replacing such improvements on the remaining Property. In so doing, the Board of Directors shall follow the concepts and procedures set forth in the preceding Section 8, as applicable. If the Board of Directors determines that such restoration or replacement is impractical, the Association shall, with the proceeds received from such condemnation or taking,

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BK M 378PG592

BK O 367PG278

remove all necessary remains of such improvements so taken or condemned, restore the site thereof to good and orderly condition. and equitably distribute any remaining proceeds from such condemnation or taking to the Unit Owners or mortgagees affected thereby, according to the loss or damage to their respective Units.

ARTICLE V

Section 1. Notice of Sale or Lease. If an Owner sells, leases or otherwise conveys a Unit, the conveying or leasing Owner shall promptly furnish to the Association, in writing, the name and address of such purchaser, lessee, or transferee; if a lease, the term of the lease and the forwarding address of the conveying or leasing Owner. The Association may require a conveying or transferee Owner to provide a certified copy of the instrument by which the Unit was obtained.

Section 2. Acquisition by Devise or Inheritance. 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 such Person to notify the Association that such transfer has occurred and to provide the information set forth in Section 1. above.

Section 3. Notice Procedure. Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and (a) personally delivered or (b) sent postage or delivery charges prepaid either (i) 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 or (ii) if within the United States, by First Class United States mail, in which case notice shall be deemed to occur three (3) calendar days after date of postmark, or (iii) by any recognized express delivery service which provides evidence of delivery, in which case notice shall be deemed to occur on the date of delivery.

All notices to Owners shall be delivered or sent to such address as has been designated in writing to the

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BK O 367PG279

Association, or if no address had been so designated, at the addresses of such Owner's respective Unit.

All notices to the Association shall be delivered or sent in care of the Association at:

Marsh Winds Owners Association
2393 Folly Road
Folly Beach, SC 29439

or to such other address as the Association may from time to time notify the owners and the Declarant.

All notices to Declarant shall be delivered or sent in care of Declarant at:

Bushy's LLC #1
708 Houston Drive.
Monroe, NC 28001

or to such other address as Declarant may from time to time notify the Association.

All notices to mortgagees shall be delivered or sent to such addresses as such mortgagees specify in writing to the Association.

Section 4. General Maintenance and Repair.

(a) All maintenance of and repairs to any Unit (other than maintenance of and repairs to any Common Area contained therein which are not necessitated by the negligence, misuse or neglect of the Owner of such Unit or such Owner's invitees or licensees), including internal installations for the sole benefit of such Unit, such as telephones, air conditioners, heating elements, plumbing lines and fixtures, electric fixtures doors, windows, lamps. etc.. shall be made by the Owner of such Unit. All maintenance and repair shall be performed promptly and diligently

by each Owner obligated to do the same. Each Owner shall be responsible for all damages to any Unit and/or the Common Area caused by his failure to maintain or make repairs. An Owner shall reimburse the Association or another Owner, as applicable, for any expenditures incurred in repairing or replacing any Common Area or other Unit damaged through his neglect, including any deductible paid by the Association or the other Owner prior to receipt of any insurance proceeds for such damage.

(b) All maintenance, repairs and replacements to the Common Area and Limited Common Area, whether located inside or outside of the Units (other than maintenance of and repairs to the Common Area contained herein which are necessitated by the negligence, misuse or neglect of the Owners of such Unit or such Owners invitees or licensees) shall be made by the Association and be charged to all the Unit Owners as a Common Expense.

(c) The Association shall have access to each Unit and Limited Common Area from time to time during reasonable hours, as determined by the Board of Directors, for the maintenance, repair or replacement of any Common Area, or for making emergency repairs therein to prevent damage to the Common Area or to another Unit.

Section 5. Alterations or Improvements by Board. Additions, alterations, or improvements included within the Association budget or costing Five Thousand (\$5,000.00) Dollars or less may be performed by the Board of Directors without approval of the Unit Owners, and the cost thereof shall constitute part of the Common Expense. Additions, alterations or improvements not included within the approved budget and costing more than Five Thousand (\$5,000.00) Dollars must be approved by the Board of Directors and by a vote representing fifty one (51%) percent of the Common Interests of the Unit Owners.

Section 6. Maintenance and Decoration of Unit Interiors. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Unit Owner may decorate, and shall maintain, such interior surfaces in good condition, at his sole expense.

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BK O 367PG281

Such use, decoration and maintenance, including the covering of the interior surfaces of windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulation, of the Association. The interior surfaces of all windows forming part of the perimeter wall of a Unit shall be cleaned by the Unit Owner. Decorating of Common Area (other than interior surfaces within the Units as above provided), and any redecorating of Units made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Area by the Association, shall be furnished by the Association as part of the Common Expense.

Section 7. Unit Mortgages Each Unit Owner shall have the right, subject to the provisions hereof, to make a separate mortgage or encumbrance on his Unit. No Unit Owners shall have the right to make or create, or cause to be made or created, any mortgage, encumbrance or other lien on or affecting the Property or any part hereof, except his Unit.

Section 8. Encroachments. If any Unit shall encroach upon any Common Area for any reason not caused by the purposeful or negligent act of the Unit Owner(s), or agents of such Owner(s), then an easement appurtenant to such Unit shall exist for the continuance of such encroachment on the Common Area for so long as such encroachment shall naturally exist. If any portion of the Common Area shall encroach upon any Unit then an easement shall exist for the continuance of such encroachment of the Common Area into any Unit for so long as such encroachment shall naturally exist.

Section 9. Real Estate Taxes and Assessments. It is intended that real estate taxes, assessments and similar charges shall be separately assessed against each Unit Owner for his Unit and his Common Interest in the Common Area, as provided in the Act. If, for the year in which this Master Deed is recorded, such taxes, assessments or charges are not separately taxed to each Unit Owner, but are taxed or assessed on the Property as a whole, then each Unit owner shall pay his proportionate share thereof in accordance with his respective Common Interest. The Board of

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BK M 378PG596

Directors of the Association shall determine the amount due and notify each Unit Owner as to the real estate taxes payable by such Owner.

ARTICLE VI

Section 1. Regular Assessments and Budget. Assessments shall be computed and assessed against all Units as follows:

(a) Fiscal Year and Annual Budget. The fiscal year of the Association shall be the calendar year. Unless otherwise determined by the Board of Directors, the Board or Directors shall prepare or cause to be prepared by December 1, an operating budget (the "Budget") for the next fiscal year setting forth the estimated Common Expenses and anticipated revenues of the Association for such fiscal year, and any projected deficit or surplus from the preceding fiscal year. The Budget, once approved by the Board of Directors, shall serve as the basis for assessments to all Owners (the "Assessments") for such fiscal year and the primary guideline under which the Association shall be projected to be operated during such fiscal year. If the Board fails for any reason to adopt a Budget for the fiscal year, then until such time as it is adopted, the Budget and Assessments in effect for the current year shall automatically be increased effective the first day of the fiscal year in the same proportion as any percentage increase of the then current calendar year over the preceding calendar year, in the Consumer Price Index (All Urban Consumers, United States City Average, All Items), or its successor index, as determined by the Board of Directors. Such adjusted Budget shall be the Budget for the succeeding year, until a new Budget is adopted. Within ninety (90) days following the close of the Associations fiscal year, or such later date as the Board of Directors determines is warranted the Board of Directors shall cause an un-audited financial statement of the Association (the "Annual Report") to be prepared by a public accountant licensed to practice in the State of South Carolina. Upon request, a copy of the Annual Report shall be provided to any Owner of any Unit.

(b) Determining the Budget. The Budget and the Assessments shall be based upon annual estimates by the Board of Directors of the Association's revenues and its cash requirements to pay all estimated expenses and costs arising out of or connected with the use, maintenance and operation of the Common Area and the operation of the Association. Such estimated expenses and costs may include, among other things, the following: expenses of management, including compensation for any management agent; taxes and special assessments; insurance premiums; repairs and maintenance; wages and personnel expenses for Association employees, utility charges, legal and accounting fees; any deficit remaining from a previous period, creation of one or more reasonable contingency reserves and/or sinking funds; any principal and interest payments due for debts of the Association, and any other expenses, costs and existing or projected liabilities which may be incurred by the Association. Such expenses and costs shall constitute the Common Expenses.

(c) Allocation of Assessments. Except as expressly stated below, the Owner of each Unit shall pay that percentage of the Assessments as the Owner's Common Interest bears to all Common Interests. (see Exhibit G) A different allocation may apply for (i) property insurance premiums to the extent that the insurance premium(s) are based on an allocation of current insured values for the Units which differs from the allocation of Common Interests (see Article IV, Section 8(c)), (ii) any Special Assessments allocable to specific Unit Owners, and (iii) any costs of constructing, repairing or maintaining any improvement to a Limited Common Area (such as privacy decks, screens, windows, awnings, panels, tiles, etc) which is not part of the original improvements in or to the Limited Common Area, but have been added by a current or previous Owner of the Unit.

(d) When Assessments for Units Begin. Assessments for new Units shall commence on the first day of the calendar month following the date that (i) a final certificate of occupancy has been issued for the Unit (if a new Unit) and (ii) the Building containing the Unit has been subjected to this Master Deed. The applicable Assessment for such Unit shall be pro-rated and shall

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BK M 378PG598

BK O 367PG284

be payable for the balance of the current fiscal year.

(e) Assessments for Units Owned by Declarant.

Declarant and Affiliates of Declarant shall pay Assessments on Units owned by them in the same manner as other Unit Owners. Until the end of the first full calendar year of operation of the Association, the Declarant may, in its sole discretion, also elect to contribute to the Association some or all of any amount by which the actual expenditures of the Association exceed the Assessments collected by the Association during such period.

(f) Notice of Assessments.

Unless the Board of Directors elects a longer payment period, the Assessments shall be due and payable monthly in advance. Unless otherwise determined by the Board of Directors, the Association shall, by December 5, furnish to each Unit Owner a copy of the Budget for the forthcoming fiscal year and a statement of the amount of the periodic Assessment payable by such Owner. After a Unit owner has been notified of the amount of the periodic Assessment, no further notice of the Assessment due shall be required.

(g) Payment of Assessments.

Unless otherwise expressly approved by the Board of Directors, Assessments shall be due and payable prior to the first day of the period to which they apply.

(h) Special Assessments.

In addition to the regular Assessments authorized above, the Board of Directors may levy during any fiscal year one or more Special Assessments which cumulatively do not exceed Two Hundred Dollars (\$200.00) per one percent (1%) interest in the cumulative Common Interests. In addition, the Board of Directors may levy one or more Special Assessments to cover the cost of any unbudgeted property taxes or assessments or, in the event of an insured loss or event, any deductible amount under the insuring policy. Any other Special Assessment levied by the Board of Directors shall have the approval of Units representing a majority of the Common Interests. Meetings of Owners for the purpose of considering a Special Assessment shall be held only after written notice by the

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BK O 367PG285

Association to the Owners of the Units, in accordance with the notice procedure set forth in Article V, Section 3. The meeting shall occur no earlier than seven (7) days after the date of mailing or delivery. The notice shall state generally the purpose and amount of the proposed Special Assessment. Owners may be represented at such meetings by written proxy, which proxy may be held by any Person Special Assessments shall be payable by the date determined by the Board of Directors, but no earlier than fourteen (14) days after notice of such Assessment shall have been given to the Owner in accordance with Article V Section 3.

(i) Effect of Non-Payment of Assessment. Any Assessment (including any Special Assessment) which is not paid to the Association when due by an Owner shall be delinquent. The Board of Directors may levy an administrative charge not to exceed five percent (5%) of the amount due, plus interest of one (1%) percent per month of the unpaid Assessment from the date when due. Such charges shall be added to and collected in the same manner as the Assessment. The Board of Directors may, in its discretion, waive all or any portion of such charges or interest if it determines in its sole discretion, that the failure to pay the Assessment or charge when due was caused by circumstances beyond the control of the Owner. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

(j) Creation of Lien and Personal Obligation for Assessments. Assessments, including Special Assessments, interest and charges thereon, and costs of collection thereof (including reasonable attorneys' fees and expenses) shall be (i) the personal obligation of the Person who was the Owner of such Unit at the time when the assessment fell due and, unless expressly agreed by the Board of Directors of the Association, also of any subsequent Owner; (ii) a charge on the Unit to which such assessments are applicable and (iii) a continuing lien upon each Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Section, the Association may, but shall not be required to, prepare a written notice of lien setting forth the amount of the unpaid Assessment or Special Assessment,

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BK M 378PG600

BK O 367PG286

the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or any managing agent of the Association and may be recorded in the R.M.C. Office for Charleston County. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced as set forth in this Master Deed or otherwise permitted by law.

(k) Subordination of the Lien; Mortgagee Rights. The lien of the Assessment provided for herein shall be subordinate to the lien of any unpaid taxes and any recorded mortgage on the applicable Unit. Sale or transfer of any Unit shall not affect the lien of the Assessments. However, pursuant to Section 27-31-210(b) of the Act, if a mortgagee of any mortgage of record or other purchaser of a Unit obtains title at a foreclosure sale, the Person acquiring title shall not be liable for Assessments allocable to the Unit which accrued after the date of recording of the mortgage and prior to the acquisition of title at the foreclosure sale. Such unpaid Assessments shall be deemed Common Expenses collectible from all Unit Owners, including the Person acquiring title, its successors and assigns, in accordance with their respective Common Interests.

(l) Remedies. The Association may bring an action at law against the delinquent Owner personally for the collection of any delinquent Assessment or Special Assessment, or foreclose the lien against the delinquent Owner's Unit in the same manner in which a mortgage on real property may be foreclosed in the State of South Carolina. The Association shall have the right to bid in at any foreclosure sale, and, upon conveyance to the Association, thereafter hold, lease, mortgage, or convey the subject Unit.

(m) Abatement of Violations by Unit Owners. All Units shall be utilized, resided in and operated in accordance with the provisions of this Master Deed, the Bylaws, and the rules and regulations promulgated from time-to-time by the Association. The violation or breach of any such provision shall

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give the Board of Directors the right (which right may be delegated to any management agent of the Association), in addition to other rights set forth in this Master Deed or permitted by law, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

(n) Discharge of Mechanics Liens. The Board of Directors may cause to be discharged any mechanics lien or other encumbrance which in the opinion of the Board of Directors may constitute a lien against the Common Area. Where less than all of the Owners are responsible for the existence of said lien, the Owners responsible, as determined by the Board of Directors, shall be jointly and severally liable for the amount necessary to discharge the same, and for all related costs and expenses, including attorney's fees and court costs, incurred by reason of the lien.

(o) Attorneys Fees and Costs. In any suit or action brought by the Declarant or the Association to enforce any of the provisions of the Declaration or the Bylaws, the Declarant or the Association shall be entitled to recover from any other party to the suit or action which is subject to this Declaration its costs and disbursements and reasonable attorneys' fees and expenses in such suit or action and any appeal thereof.

(p) Statement of Account. Upon payment of a reasonable fee determined by the Board of Directors and upon written request of any Owner, mortgagee, lessee, prospective mortgagee, or prospective purchaser or lessee of a Unit, the Association shall issue a written statement (which shall be conclusive upon the Association) setting forth the following:

(i) The amount of unpaid annual Assessment or Special Assessment, if any, applicable to such Unit.

(ii) The amount of the current annual Assessment and any current Special Assessment and the date or dates upon which any payment thereof shall become due.

(iii) The amount of any credit for advance payments of annual Assessments or Special Assessments.

ARTICLE VII

Section 1. Submerged Lands. In accordance with Section 27-31-100(f) of the Act, as it exists on the date of recordation of this Master Deed, all activities on or over and all use of any submersed lands or other critical areas within the Property are subject to the jurisdiction 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 the South Carolina Department of Health and Environmental Control. Each Unit Owner is liable to the extent of his ownership for any damages to, any inappropriate use of and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area within the Property.

Section 2. Compliance and Conflict. This Master Deed is intended to comply with the Act. If any provision of this Master Deed conflicts with a mandatory provision of the Act, the provisions of the Act will apply and control. If such invalidates any provision of this Master Deed, such invalidation will not affect any of the other provisions contained herein, and they shall remain in full force and effect.

Section 3. Amendments by Association. Amendments to this Master Deed, other than those authorized by Section 4, below, shall be adopted, upon the vote of at least two-thirds (2/3rds) of the Common Interests, in accordance with the procedure set forth in the Bylaws; provided, however, that no amendment which imposes a greater economic or legal burden on Declarant than exists under the current provisions of this Master Deed shall be valid unless it is approved, in writing, by Declarant.

Section 4. Amendments by Declarant. Notwithstanding any other provision herein or in the Bylaws, Declarant may amend this Master Deed without the consent of the Association, any Owner,

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any easement grantee, or any mortgagee if, in Declarants opinion, such amendment is necessary to (i) bring any provision of the Master Deed into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which is in conflict with this Master Deed; (ii) enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Master Deed; (iii) enable any mortgagee to make mortgage loans on any Unit or other improvements subject to this Master Deed; (iv) enable any governmental agency or private mortgage insurance company to insure mortgages on the Units subject to this Master Deed; (v) enable any insurer to provide insurance required by this Master Deed; (vi) comply with any regulation of a Federal Home Loan Bank Board, Veterans Administration, Department of Housing and Urban Development and/or the Federal Housing Administration or (vii) clarify any provision or this Master Deed or eliminate any conflict between provisions of this Master Deed. In addition to the foregoing provisions of this Article, the Declarant has reserved the right to annex additional sections and amend the Master Deed for the purpose of annexing additional sections in the manner set forth in the Master Deed and the Exhibits which right is reserved unto it, its successors and assigns. Future improvements will be consistent with the initial improvements in terms and quality of construction and in structure type. No approval shall be required of any Co-Owner(s) or Mortgagee(s) or other creditor or person holding any interest whatsoever in the Regime for the Declarant or its successors and assigns to exercise such right of annexation.

All amendments hereto shall be recorded and certified as required by The Act. No amendment(s) shall change any Unit, any Regime Unit or the proportionate share of the Common Expenses or Common Surplus attributable to each Unit, nor the voting rights of any Unit, except upon addition of additional phases as herein provided, unless all Co-Owners of the Regime and all Mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Mortgagee or change the provisions of this Master Deed with respect to Mortgagees without

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BK M 378PG604

BK O 367PG290

the written approval of all Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors, heirs and assigns, without written approval and consent of the Declarant, or its successors, heirs or assigns.

Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and arrangement of all Regime Units and to alter the boundaries between Regime Units as long as the Declarant owns all the Regime Units so altered; however, no such change shall increase the number of Regime Units nor alter the boundary of the Common Elements except the party wall between any Regime Units, without amendment of this Master Deed in the manner herein set forth. If the Declarant shall make any changes in Regime Units as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed with a survey and plot plan attached reflecting such authorized alteration of Regime Units and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Regime Units. Such survey shall be certified in the manner required by the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Charleston County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements within any Phase must be completed within fourteen (14) months of the inclusion of that Phase within the Regime; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other conditions(s) beyond the Developer's control.

Section 5. Title. Every Unit Owner shall promptly cause to be duly recorded with the R.M.C. Office for Charleston County the deed or other document conveying the Unit to such Owner. Upon request of the Board of Directors, the owner shall file a true copy of such evidence of title with the Board of Directors or its

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designee.

Section 6. Management Agreement. Any agreement for management of the Association or the Common Area, or any other contract providing for services of the Declarant or any affiliate of the Declarant shall not exceed three (3) years and shall be on terms which are reasonably comparable to those which would be available from another entity of equal qualifications. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee of not less than ninety (90) days written notice.

Section 7. Right of Declarant to Sell, Lease and Repair Units and Common Areas. So long as Declarant or any affiliate of Declarant shall own any Unit, whether by reacquisition or otherwise, the Declarant or affiliate shall have the absolute right to lease, sell or transfer any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. This provision of the Master Deed may not be suspended or superseded by any amendment unless consented thereto, in writing, by the Declarant. Declarant shall have the right to transact on the Property any business necessary to consummate sales of Units, including, but not limited to the right to maintain models, have signs, employees in the office, use the Common Area and to show Units. Declarant may assign this commercial usage right to such other persons or entities as it may choose. Declarant has the further right, but not the obligation to continue to make repairs and improvements to Common Areas without cost to the Association.

Section 8. Applicable Law. This Master Deed and the Bylaws shall be construed in accordance with the laws of the State of South Carolina. Any provisions of the Act which are required to be incorporated herein but which are not specifically set forth herein shall be deemed to be incorporated herein by reference. In all cases, the provisions set forth or provided for in this Master Deed shall be construed together and given that interpretation which, in the opinion of Declarant or the Board of

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Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be extended by implication so as to make them fully effective. The captions herein as to the contents of various portions of the Master Deed are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular provisions to which they refer. The effective date of this Master Deed shall be the date of its filing for record in the R.M.C. office for Charleston County, South Carolina.

Section 9. Interpretation. 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 as though in each case fully expressed.

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IN WITNESS WHEREOF, the Declarant has hereunto set its Hand and Seal this 27th day of March, 2001.

WITNESSES:

BUSHY'S, LLC #1*a South
Carolina limited liability company

Elsie B. Ward
[Signature]

By: Creative Floor Covering and
Design, Inc., a North Carolina
corporation, Member/Manager

By: *[Signature]*
Donald C. Potter, Jr.
President

Elsie B. Ward
[Signature]

By: Idol SC, Inc., Member
a South Carolina corporation
Member/Manager

By: *[Signature]*
H. Wayne Idol, President

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

PERSONALLY APPEARED before me the undersigned witness who swore that he/she saw the within named Bushy's LLC #1*by its duly authorized officer(s), sign, seal and as its act and deed, deliver the within Master Deed and that he/she together with the other witness above subscribed, witnessed the execution thereof.

SWORN TO BEFORE ME THIS
27th day of March, 2001

[Signature]
Notary Public
My Commission Expires: 9-29-07

Elsie B. Ward
Witness



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EXHIBIT "A"

MARSH WINDS HORIZONTAL PROPERTY REGIME

LEGAL DESCRIPTION - PHASE A

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EXHIBIT "A"

BK O 367PG295

ALL that piece, parcel or lot of land together with the building and improvements thereon situate, lying and being in the City of Folly Beach and on the West side of South Carolina Highway 171 generally known as the Folly Road and which tract of land measures and contains approximately 1.28 acres and has more particularly been designated as Tract A as shown on a plat by Harold J. LeaMond, P.E. and L.S., designated as "Plat of the Subdivision of 1.85 acres into Tracts A and B, Folly Beach, Charleston County, S.C." which plat is dated September 16, 1982 and recorded in Plat Book AW, page 16 in the RMC Office for Charleston County.

THE within Tract A is subject to an easement twelve feet in width heretofore granted to Mariner's Cay Development Corporation along the south lot line for the purpose of maintaining a planting strip.

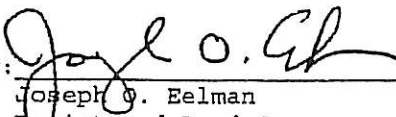
TMS #328-00-00-016

The aforesaid real property and the particular improvements thereon, which are hereby committed (and the location of such improvements) are shown and described on the attached surveys, plot plans and building plans, which are incorporated in the description by reference and which constitute, together with this description, Exhibit "A" to the Master Deed of MARSH WINDS HORIZONTAL PROPERTY REGIME. The improvements in Phase A consist of two (2) Buildings within which thirty-three (33) condominium units are located as shown and described upon the aforesaid parts to this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each Condominium Unit has appurtenant to it an undivided interest in the Common Elements as shown and described on the attached surveys, plot plans, building plans and descriptions, and as described in the Master Deed to which this is an Exhibit. All areas not contained within the Units and Buildings as the term "Unit" is defined in the aforesaid Master Deed, constitute Common Elements. Improvements which constitute Common Elements are the streets and driveways, sidewalks, parking areas, all corridors and halls providing access or such halls and corridors, and all other improvements not contained within or part of any condominium Unit(s). Improvements which constitute Limited Common Elements include the covered privacy decks attached to each individual Unit.

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This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record, including those contained within the Master Deed and Exhibits thereto, as shown on this Exhibit and all others of record. BK D 367PG296

I hereby certify that the meets and bounds narrative of the above parcels describe a true and accurate survey of the premises, and the location of Common Elements as shown on the site plan.

By: 
Joseph O. Eelman
Registered Land Surveyor
No. 16492-B

Dated: March 27, 2001