

**Stono Watch Owners Association, Inc.**

**Community Rules & Regulations  
April 2004**

- 1. Motor Vehicles and Trailers:** Parking is limited; generally, two spaces per unit with the center parking around the pool area reserved for guests. The Board reserves the right to contact owners/occupants concerning excessive numbers of vehicles. Automobiles shall be parked in the paved parking spaces provided and not permitted on the grounds or sidewalks. All vehicles must have current license tags and be in current use. **No spaces may be used for storage of vehicles.** No boats, trailers, campers, mobile homes, school buses or commercial vehicles shall be parked on the property.
- 2. Maintenance and Use:** Each owner shall maintain and use his residence in such manner so as not to create a fire hazard, danger, or injury to occupants/guests. The owner/occupant is to preserve the exterior appearance of the unit. The grounds, decks and porches shall be used only for the purposes intended and shall not be used for hanging garments or other objects. No clothesline or drying of laundry will be permitted outside the residence or anywhere on the property. Residents should report any maintenance concerns, in writing, to the management company in a timely manner.
- 3. Pets:** The Board of Directors can promulgate necessary rules to govern allowance of pets inside the Stono Watch community. Excessive barking of a pet or other annoyances to the owners/occupants may be cause for an order by the Board of Directors to forbid the keeping of that pet on the premises. No animals (including cats) are allowed to run loose or be tethered outside the heated residence. All pets should be on a leash at all times. Please use the outer perimeter of the property to walk pets. The pet owner shall remove all pet droppings.
- 4. Alterations:** Owners and/or occupants cannot make any alterations or additions to any of the Common Elements, Limited Common Elements or exteriors without submitting written plans and receiving written approval from the Board of Directors. (Examples: enclosing a porch/deck, installing a satellite dish, propane tanks of any size, TV antenna, fencing, etc.) Alterations, which have not been approved, shall be removed at the owner's expense.
- 5. Annoyances:** No owner/occupant may make or permit any disturbing noises in the units or the Common Elements nor do anything that would interfere with the rights, comforts or other conveniences of the other owners/occupants. No owner/occupant may play any musical instrument, phonograph, radio, CD player or television set in his residence so loudly that it disturbs or annoys other owners/occupants.
- 6. Fireworks:** Shooting of fireworks in or around the condominium community is expressly forbidden.
- 7. Refuse:** Disposition of garbage and trash shall be in accordance with existing municipal requirements including securely covered containers. Trash/garbage should be put out at the curb the evening before collection. If plastic bags are used, they are to be put at the curb the morning of pick-up (raccoons) If trash is not removed by the collection agency, it is the responsibility of the owner/occupant to remove it. Empty containers should be removed from the curb and stored in the storage area in a timely manner.

**SWHA Rules and Regulations**  
**April 2004**

- 8. Signs:** No signs, advertising or notices of kind or type whatsoever, including but not limited to "For Sale" or "For Rent" signs, shall be permitted or displayed in windows of units or vehicles or in any manner as to be visible from the exterior. Small security signs may be displayed in windows but not posted in yards or on other exterior areas of residences. Commercial signs are not permitted on vehicles.
- 9. Notices:** All official notices of Stono Watch Horizontal Regime shall bear the signature of the President or Secretary of the Board. No owner/occupant shall make any written, typed or printed notices or post the same or otherwise circulate to other Owners, which support or represent to be an official act or notice of the Board.
- 10. Recreational Areas:** Anyone utilizing the Common Areas for recreational purposes shall see that such areas are left in the same condition as they were before each use. Use of the recreational facilities will be controlled by regulations issued from time to time by the Board of Directors, but in general, the use of these recreational facilities will be prohibited between the hours of 10:00 pm and 9:00 am.
- 11. Stored Items:** Floats, beach chairs, fishing equipment, etc. can not be left outside the residence or stored in any of the Common Areas. Individual storage areas are provided for each unit.
- 12. Yard Sales:** Yard sales are not permitted on the premises of the Stono Watch community.
- 13. Pool Facilities:** Rules governing the pool shall be the same as set forth for public pools by the South Carolina State Board of Health and Environmental Control. All guests should be accompanied by the owner/occupant. **Children under the age of 12 are not allowed in the pool area without an accompanying adult.** No Diving, littering or glass/bottles are allowed in the pool area. Each member and/or guest is responsible for disposing of their trash. A trash container is provided. No running, pushing, yelling or horseplay is allowed. No lifeguard is on duty-swim at your own risk. No dogs or other pets are allowed in the pool area.
- 14. Open Flame Devices:** Open flame devices (charcoal and gas grills, Tiki torches, etc.) are not allowed on any porch or deck or under any building.
- 15. Violations:** Any violation of the foregoing Rules & Regulations may result in a \$25.00 fine or special assessment to the violator in addition to other legal remedies. The Board of Directors may assess said fine repeatedly upon failure of the Owner to correct the infraction after notice.

The Board of Directors may promulgate additional rules and regulations. These Rules and Regulations and additional Rules and Regulations shall be binding upon the Owners/Occupants and their guests.

These rules are promulgated by the Board of Directors of the Stono Watch Horizontal Property Regime, and are effective as of January 12, 2000 as amended April 14, 2004.

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF CHARLESTON )

MASTER DEED OF  
 STONE WATCH HORIZONTAL PROPERTY REGIME

THIS MASTER DEED made by J & D Construction, Inc., a South Carolina Corporation, ("Grantor"), pursuant to the Horizontal Property Act of South Carolina (the "Act") for the purpose of creating a horizontal property regime (the "Regime") and establishing certain easements, covenants and restrictions to run with the land;

W I T N E S S E T H :

A. DEVELOPMENT IN PHASES.

1. PROPERTY DEVELOPED IN TWELVE (12) PHASES. The Regime shall include the property ("Property", which term shall herein mean and include the land identified in Paragraph B of this Article and all improvements and structures now existing or hereafter placed thereon and all easements, rights and appurtenances belonging thereto) described in this Master Deed and shall be developed in twelve (12) phases or stages: Property in Phase I is referred to as Phase I Property; Each Phase development shall take place on and include the land identified in paragraph B of this Article as Phase 1 through 12 Land. No additional lands shall be annexed to the regime by Grantor in conjunction with this Phase development, but nothing contained in this Master Deed shall prohibit the annexation of additional land by the Council of Co-Owners established in Article II. Grantor shall not be required to dedicate any future Phase after December 31, 1991.

BK R 160PC836

2. **TIME.** All development shall be completed within five (5) years from the date of the recording of this Master Deed. By the filing of this Master Deed, the Grantor is dedicating the streets, and Phases 1 & 2. It is the intention of the Grantor to dedicate Phase 3 within six (6) months from the filing of this deed and to dedicate each additional Phase every six (6) months thereafter. No Phase will be dedicated until the improvements in the phase to be dedicated are substantially complete.

3. **LOCATION OF BUILDINGS AND IMPROVEMENTS.** The location, within reasonable construction tolerances, of the buildings and other improvements in Phases 1 & 2, is shown on the plot plan labeled Exhibit "B" attached hereto and hereby incorporated by reference into this Master Deed. Should any buildings or other improvements in any phase be located other than as shown on Exhibit "B", Grantor reserves the right to file, at its own cost and expense prior to the time of recording of the first deed for any Phase dwelling unit, a revised Plot Plan showing the location, within reasonable construction tolerances, of the buildings and other improvements in each Phase as the project progresses. By the acceptance of a deed to a dwelling unit in any Phase, each Owner (as defined in Article II, Paragraph B) consents to the filing of a revised future Phase Plot Plan as part of this Master Deed.

4. **BUILDINGS.** The buildings in each Phase will, within reasonable construction tolerances, be similar in exterior appearance, but

should variations occur in any phase, Grantor reserves the right to prepare and record, at its own cost and expense, supplemental descriptions (and, to the extent necessary, supplemental exhibits) of the variations, and by the acceptance of a deed to a dwelling unit each Owner consents to such supplemental filing.

5. **COMMON ELEMENTS.** Common Elements for future Phases (Common Elements are defined and enumerated in Paragraph D and E of this Article) shall be similar in quantity and quality to the Common Elements in Phase I & 2 and will not contain any other Common Elements which will increase the proportionate amount of the Common Expenses payable by the Phase I and Phase 2 Co-Owners.

B. **LAND.** The Land (Land) owned in fee simple absolute by Grantor and hereby being submitted to the Regime:

SEE EXHIBIT "A" ATTACHED FOR DESCRIPTION  
OF LAND

C. **BUILDINGS AND DWELLINGS.** Each Phase has one (1) building. Buildings A, B, C, D, E, H, I, J & K containing four (4) units each and buildings F, G & L contain six (6) units each. For the purposes of the Act and this Master Deed, the buildings will be lettered and the apartments will be numbered. The sequential building letters may not necessarily correspond to the Phase Numbers.

- Common elements may NOT be partitioned Art IV. H
- Common elements include the LAND Art I. D
- LAND defined in Art I. B as shown on Exh A.
- Exh. A is entire Tract C.

BK R 160PC838

Each building is substantially rectangular in shape, two floors of heated and cooled interior space, and an unheated and uncooled attic. The building in the first phase (Building A) shall contain two (2) two (2) bedroom apartments or dwellings and two (2) three (3) bedroom residential apartments or dwellings. In Phase 2, the building shall contain two (2) two (2) bedroom apartments or dwellings and four (4) three (3) bedroom apartments or dwellings. In future phases, the building may have a mixture of units ranging from a building containing all three (3) bedroom apartments or dwellings to all two (2) bedroom apartments or dwellings. The size, shape, dimensions, and configurations of future phase units being graphically depicted on Exhibits ~~A~~ and ~~B~~ attached hereto and made a part hereof.

Each dwelling is designated for purposes of any conveyance, lease or instrument affecting the title by the letter of the building in which it occurs and a number for identify of the dwelling units. All units are accessible directly from the general common elements.

Each dwelling unit encompasses and includes the space of that portion of the building designated as being a separate dwelling unit on the Exhibit "C" floor plans and bounded by:

1. the upper surface of all wood subflooring; and
2. the interior surface of all wall studs, the unfinished inside surface of door and window frames; the unfinished

BK R 160839

exterior surface of doors leading to and from the dwelling; the exterior surface of window and door glass; and

3. the unfinished lower surface of all ceiling joists and furred ceiling beams.

The dwelling consequently and further including the following:

1. all window and door glass and screen;
2. all exterior doors except for their finished, exterior surface,
3. all wallboard;
4. all interior doors;
5. all interior paint and finishes, whether applied to floors, walls, ceilings, overhead beams, cabinets, or other woodwork and trim;
6. all carpet and sheet vinyl and related underlay;
7. all tile;
8. all built-in cabinets and shelves;
9. all interior lighting fixtures and the bulbs used in exterior lighting fixtures;
10. all exhaust fans and their ducts;
11. the heating, ventilating and air conditioning systems serving such dwelling exclusively;
12. all electric, telephone and other wiring and receptacle, switches, and breaker boxes contained in the floors, walls and ceilings bounding such dwelling and serving such dwelling exclusively;
13. all water, drain, sewer and vent pipes, and all conduits for wiring such dwelling exclusively;

14. all appliances located in the unit;
15. hot water heater and plumbing fixtures.

D. **GENERAL COMMON ELEMENTS.** General Common Elements include, without limitation, the land, all drives and parking areas except those; all paths, yards, gardens, trees and shrubs; irrigation system; area lighting system; the foundations, framing, exterior walls, party walls and roofs of the building; and all other portions of the property not described in Paragraph E of this Article as being a Limited Common Element.

E. **LIMITED COMMON ELEMENT.**

1. Exterior lights which have the switch inside a unit.
2. Pads on which exterior heating and air conditioning units rest are Limited Common Elements to the units which they serve.

F. **VALUES.** The Value of each two (2) bedroom unit is Seventy Seven Thousand and 00/100 (\$77,000.00) Dollars and, the value of each three (3) bedroom Dwelling is Eighty Two Thousand and 00/100 (\$82,000.00) Dollar.

The Value of the Property is or will be the sum of the Values of the Dwellings constituting said Property. Phase 1 and 2 of the property shall be building A (Phase 1) consisting of two (2) two (2) bedroom units and two (2) three (3) bedroom units and Building G (Phase 2) four (4) three (3) bedroom units and two (2) two (2) bedroom units so that the value of Phase 1 is Three Hundred Eighteen Thousand and 00/100 (\$318,000.00) Dollars and the value of Phase 2 is Four Hundred Eighty Two Thousand and 00/100 (\$482,000.00) Dollars. The Value then of Phases 1 and 2 is Eight Hundred



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Thousand and 00/100 (\$800,000.00) Dollars. The Value of each future Phase after Phase 2 shall depend on the mixture of two and three bedroom units and the number of units in the building. The Value of a four (4) unit building containing all two (2) bedroom units is Three Hundred Eight Thousand and 00/100 (\$308,000.00) Dollars; the Value of a four (4) unit building containing all three (3) bedroom units is Three Hundred Twenty Eight and 00/100 (\$328,000.00) Dollars; the value of a six (6) unit building containing all two (2) bedroom units is Four Hundred Sixty Two and 00/100 (\$462,000.00) Dollars; and the Value of a six (6) unit building containing all three (3) bedroom units is Four Hundred Ninety Two Thousand and 00/100 (\$492,000.00) Dollars.

The Values as are set forth herein are for the sole purpose of complying with the Act and do not necessarily reflect the market value of the Dwellings or of the property and shall in no way inhibit or restrict the fixing of a different circumstantial value or sales price to any of the Dwellings in any type of act or contract.

G. OWNERSHIP OF COMMON ELEMENTS. Ownership of the Common Elements is apportioned among and appurtenant to the Dwellings based upon the relation of the value of each Dwelling to the value of all or part of the Property, depending on the state of development.

BK R 160 PC 842

Upon the recording of the first deed in each future phase, there shall be appurtenant to each two-bedroom unit in all dedicated phases and each three-bedroom unit in all dedicated phases, a percentage interest as herein set forth below, which percentage interest shall be revised from time to time as each phase is dedicated. The percentage interest as set forth hereinbelow are estimated based on the projections of an all two-bedroom building in each phase and an all three-bedroom building in each phase, each Purchaser of any unit understanding and agreeing that these interests will be revised as each Phase is dedicated and the mixture of the units is determined.

Until the time of recording of the first Deed in all future Phases, the Grantor shall own (a) all Common Elements in future Phases, and (b) that fraction of the already dedicated Phases Common Elements equal to the total of the fractional interests appurtenant to each Dwelling owned by it in each dedicated Phase, as such total is reduced from time to time on account of the sale of Dwellings by Grantor.

As each Phase is added to the Regime, the undivided interest appurtenant to each Dwelling in all Regime Common Elements is expressed herein below in percentages.

Except as described above in conjunction with the adding of future Phases, the percentage of the undivided interest in the Common Elements appurtenant to each Dwelling shall not be separated from the Dwelling and shall be deemed to be conveyed or encumbered with the Dwelling even

BK R 160PC843

though such interest is not expressly mentioned or described in the deed or other instrument of conveyance. Such percentage shall not be altered without the acquiescence of all the Co-Owners, except by the adding of future Phases by Grantor.

The percentage of undivided interest in the Common Elements appurtenant to each Dwelling shall be determined by dividing the value of each Dwelling by the Value of the Property as a whole. According to the present plans of the Grantor, Phase 3 shall be Building H and said Building shall contain four (4) three (3) bedroom units; Phase 4 shall be Building I and said Building shall contain four (4) three (3) bedroom units; Phase 5 shall be Building F and said Building shall contain four (4) three (3) bedroom units and two (2) two (2) bedroom units. Building L shall be the last or 12th Phase and shall, if constructed, contain six (6) units, the unit mixture not yet being established.

The percentage of undivided interest in the Common Elements appurtenant to each Dwelling as of the date hereof being determined by dividing the value of each Dwelling by the value of the Property in Phases 1 and 2. The percentage interest of each Dwelling based upon present plans of the Grantor for completion of Phases 1 and 2 is 9.6250% percent per two (2) bedroom Dwelling and 10.2500% per three (3) bedroom dwelling.

Should the Grantor incorporate a third Phase into the Property as hereinafter provided in Article VII, the percentage of interest in the

BK R 160PC844

Common Elements appurtenant to each Dwelling shall be determined by dividing the Value of each Dwelling by the combined Values of Phase 1, 2 and 3. Based upon the present plans of the Grantor for completion of Phase 3 and future Phases, the percentage interest per Dwelling shall change as each Phase is added as follows:

<u>PERCENTAGE INTEREST OF EACH DWELLING</u>				
<u>AS A PHASE ADDED</u>				
<u>BUILDING</u>	<u>PHASE</u>	<u>TOTAL VALUE</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>
H	3	1,128,000.00	6.8262	7.2695
I	4	1,456,000.00	5.2885	5.6319
F	5	1,938,000.00	3.9732	4.2312

**IF ALL FUTURE UNITS ARE TWO BEDROOM**

The below percentages are based on the presumption that all units in all future Phases being two-bedroom units. The Building Letters being omitted except for Building L, it being understood that each future Phase (Phase 6 thru 11) will be any one of the Buildings B, C, D, E, J, or K.

BK R 160PC845

-	6	2,246,000.00	3.4283	3.6509
-	7	2,554,000.00	3.0149	3.2106
-	8	2,862,000.00	2.6904	2.8651
-	9	3,170,000.00	2.4290	2.5868
-	10	3,478,000.00	2.2139	2.3577
-	11	3,786,000.00	2.0338	2.1659
L	12	4,248,000.00	1.8126	1.9303

**IF ALL FUTURE UNITS ARE THREE BEDROOM**

The below percentages are based on the presumption that all units in all future Phases being three bedroom units. The Building letters being omitted except for Building L, it being understood that each future Phase (Phase 6 thru 11) will be any one of Buildings B, C, D, E, J or K.

-	6	2,266,000.00	3.3981	3.6187
-	7	2,594,000.00	2.9884	3.1611
-	8	2,922,000.00	2.6352	2.8063
-	9	3,250,000.00	2.3692	2.5231
-	10	3,578,000.00	2.1520	2.0993
-	11	3,906,000.00	1.9713	2.0993
L	12	4,398,000.00	1.7508	1.8645

The above percentages are carried out to four (4) decimals for purposes of this instrument and the true percentage of the unit may be determined by dividing the value of a unit by the value of the property.

BK R 160 PC 846

H. PARKING. There shall be provided parking for each unit and the Board of Directors may designate parking spaces.

I. NAME. The name of which the horizontal property regime shall be known is "Stone Watch Horizontal Property Regime".

#### ARTICLE II

##### THE ASSOCIATION

A. FORMATION. Every Owner, as hereinafter defined, shall be a member of and constitute the council of co-owners (the "Association"), an association which shall be managed by a board of administrators (the "Board of Directors" elected by and from the Owners and by a professional administrator (the "Manager"), if the Board of Directors so elect. Nothing herein shall prevent the Grantor or council of Co-owners from incorporating should they desire to do so.

B. OWNER. As used herein, the term "Owner" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which owns a Dwelling.

C. BYLAWS. The association and the administration of the Property shall be governed by the bylaws (the "Bylaws") annexed hereto and marked Exhibit D. The Bylaws may be modified or amended only in the manner set forth in Article VII hereof. The Owners shall not be entitled to vote on any matter relating to the development of future Phase.

D. VOTING. On all matters relating to the Association or to the Property upon which a vote of the Owners is conducted, the Owner shall vote in proportion to their respective interests in the Common Elements. All

BK R 160<sup>PC</sup>847

action taken by a vote of the Owners shall be by the affirmative vote of a Majority of the Owners, as hereinafter defined, unless a different majority is specified in this Master Deed or in the Bylaws. The Bylaws are attached hereto and made a part hereof by express reference and marked Exhibit "D".

E. MAJORITY. Whenever used in this Master Deed, "Majority of the Owners" means the Owners of fifty-one (51%) percent or more of the basic value of the Property, as a whole, in accordance with their interests in the Common Elements.

F. BINDING EFFECT. All agreements, decisions and determinations lawfully made by the Association in accordance with the voting percentages established in the Act, this Master Deed or the Bylaws shall be deemed to be binding on all Owners.

### ARTICLE III

#### ~~COMMON EXPENSES~~

A. EXPENSES. The Owners shall bear in proportion to their respective interests in the Common Elements the following expenses "Common Expenses":

1. Expenses of administration, maintenance, repair, or replacement of the Common Elements;
2. Expenses declared to be Common Expenses by the Act, this Master Deed or the Bylaws;

3. Any Expenses (including contributions to reserve funds) agreed upon as Common Expenses or lawfully assessed against the Owners as group by the Association;
4. Insurance Premiums paid by the Council in accordance with the provisions of this Master Deed and the Bylaws.
5. Indemnification of Board of Directors, Members, and Council officers as provided in Article XI, Section D of the Bylaws; and
6. Expenses of moving garbage to area or areas convenient for collection.
7. The establishment and maintenance of a reserve fund for the periodic maintenance, repair, and replacement of improvements to common areas and those limited common areas which the Association is obligated to maintain.

During the period in which any Dwelling is not completed and ready for occupancy, the Common Expenses shall be apportioned among all Dwellings as follows: with respect to those dwellings which are completed and ready for occupancy, said Common Expenses shall be apportioned among such Dwellings, in proportion to the respective interest in the Common Elements belong to said Dwellings, and shall be borne by the Owners of such Dwellings, said Owners being either the purchaser from Grantor of the individual Dwellings (as regards the Dwellings sold by Grantor) or Grantor (as regards the Dwelling not sold by Grantor); with respect to those Dwellings which are not sold by Grantor and ready for occupancy, said proportionate share of the Common Expenses shall be borne by the Grantor until such Dwellings are completed and ready for occupancy.



**B. INCOME.** All income and revenues received by the Association shall be applied and expenses in the following order:

1. To the payment of expenses incurred in generating or collecting such income and revenues;
2. To the payment of Common Expenses;
3. To distributions to the Owners in proportion to their respective interests in the Common Elements.

**C. LIABILITY OF OWNER.** ~~No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of his dwelling.~~

**SALE OF DWELLING.** Upon the sale or conveyance of a Dwelling, all unpaid assessments against an Owner for his prorata share of the Common Expenses shall first be paid out of the sale price or by the acquirer in preference over any other assessments or charges of whatever nature, except the following:

1. Assessments, liens and charges for taxes past due and unpaid on the Dwelling; and
2. Payments due under mortgage instruments or encumbrances duly recorded.

**E. LIEN ON DWELLING.** ~~All sums assessed by the Association but unpaid for the share of the Common Expenses chargeable to any Dwelling shall constitute a lien on such Dwelling prior and superior to all other liens except only (i) tax liens on the Dwelling in favor of any assessing unit, and (ii) mortgage and other liens, duly recorded, encumbering the Dwelling.~~

BK R 16020850

~~Such lien may be foreclosed by suit by the Manager or the Board of~~  
Directors, acting on behalf of the Association, in like manner as a mortgage  
of real property. ~~In any such foreclosure, the Owner shall be required to~~  
~~pay a reasonable rental for the Dwelling after the commencement of the~~  
foreclosure action, and the Plaintiff in such foreclosure shall be entitled  
to the appointment of a receiver to collect the same. The Manager or the  
Board of Directors, acting on behalf of the Association, shall have power to  
bid in the Dwelling at any foreclosure sale and to acquire, hold, lease,  
mortgage, encumber and convey same. Suit to recover a money judgment for  
unpaid Common Expenses shall be maintainable without foreclosure or waiving  
the lien securing the same. ~~Any monthly assessment not paid within thirty~~  
~~(30) days after the due date shall be increased to include a penalty equal~~  
~~to ten (10%) percent of the amount so due. Penalties, costs, interest and~~  
~~reasonable attorney's fees for such action or foreclosure shall be added to~~  
~~the amount of such assessment.~~

F. ACQUISITION BY MORTGAGEE. Where the mortgagee of any first  
mortgage of record or other purchaser of a Dwelling obtains title to the  
Dwelling as a result of foreclosure of such mortgage or deed in lieu of  
foreclosure, such acquirer of title, his successors and assigns shall not be

BK R 160PC851

liable for the share of the Common Expenses or assessments by the Association chargeable to such Dwelling accruing after the date of recording such mortgage, but prior to the acquisition of title to such Dwelling by such acquirer. Such unpaid share of the Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Owners, including such acquirer, his successors and assigns.

G. RECORDS. The Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Property and its administration, and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. Both said book and vouchers accrediting the entries made thereon, together with this Declaration, By-Laws and rules governing the project, shall be available for examination by all the owners, lenders, holders, insurers or guarantors of any first mortgage, at convenient hours on working days that shall be set and announced for general knowledge. Upon written request, any holder of a first mortgage shall be entitled to a copy of the financial statement for the immediately preceding fiscal year.

H. UNIFORM RATE OF ASSESSMENT. ~~All annual assessments shall be fixed by the Board of Director's, however, without a majority vote of the members of the Association, the annual assessment may not be increased more than five (5%) percent in any one (1) year.~~ The assessment shall be collected on a monthly basis.

I. REGIME WORKING CAPITAL. At the time title is conveyed to a Co-owner by the Grantor, each Co-owner shall contribute to the working capital reserve One Hundred Fifty and 00/100 (\$150.00) Dollars. Such funds shall be used solely for initial operating and capital expenses of the Property. Initial contributions to working capital shall not be considered as advance payment of regular assessments.

ARTICLE IV

EASEMENTS, COVENANTS AND RESTRICTIONS

A. USE OF PROPERTY. Each Owner shall be entitled to the exclusive ownership and possession of his Dwelling and may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of other Owners. The Board of Directors shall resolve any question regarding the intended use of the Common Elements.

B. UTILITY EASEMENTS. There shall be an appurtenant to each Dwelling a non-exclusive easement for use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Dwelling and situated in any other Dwelling. Each Dwelling shall be subject to an easement in favor of other Dwellings for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated in such Dwelling and serving such other Dwellings. Phase I shall be subject to a perpetual, non-exclusive easement in favor of future Phases for construction, use and maintenance of all water, sewer and gas pipes and all electric power, telephone and television wires reasonably necessary or appropriate to any use of future

Phases permitted by applicable laws and ordinances. Such easements shall include the right to connect to and use such existing pipes or wires which are owned or maintained by a public or private utility company or a governmental body. Grantor further reserves to itself and to the Board of Directors, the right to grant easements to public or private utility companies or governmental bodies for the purpose of installation and maintenance of general utilities and drainage.

C. EASEMENT TO GRANTOR. The Property shall be subject to a non-exclusive easement in favor of the Grantor, its contractors, subcontractors and agents, for construction of the Dwellings and other improvements on the Property for exhibition and sale of the Dwellings.

D. ENCROACHMENTS. If any portion of the Common Elements now encroaches upon any Dwelling, or if any Dwelling now encroaches upon any other Dwelling or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as result of (i) settling of a Dwelling or Dwellings; (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the Association; (iii) repair or reconstruction of a Dwelling or Dwellings following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings; or (v) construction of Dwellings in future Phases a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

**E. RIGHT OF ACCESS.** The Association shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Dwelling from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Dwelling.

**F. MAINTENANCE OF COMMON ELEMENTS.** The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed and the Bylaws.

**G. PROHIBITED WORK.** No Owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easements or hereditaments without in every such case unanimous consent of all other Owners affected being first obtained.

**H. PARTITION.** The Common Elements shall remain undivided and no Owner or any other person shall bring any action for partition or division of any part thereof, unless the Property has been removed from the provisions of the Act in the manner therein provided. Any Covenant to the contrary shall be null and void.

ARTICLE V

INSURANCE

The Association shall insure the Property against risks, without prejudice to the right of each Owner to insure his Dwelling on his own account and for his own benefit.

ARTICLE VI

REPAIR AND RESTORATION

A. RECONSTRUCTION. In case of fire or other disaster, the indemnity from any insurance obtained by the Manager or the Board of Directors shall, except as herein provided, be applied to reconstruct the Property. Reconstruction shall not be compulsory where it comprises the whole or more than two-thirds (2/3rds) of the Property. In such case, and unless otherwise unanimously agreed upon by the Owners, the indemnity shall be delivered prorata to the Owners entitled to it in accordance with the provisions made in the Bylaws or in accordance with the decision of three-fourths (3/4ths) of the Owners if there is no Bylaw provision. Should it be proper to proceed with the reconstruction, the provisions for such eventuality made in the Bylaws shall be observed, or, in lieu thereof, the decision of the Association shall prevail.

B. COSTS. ~~Where the Property is not insured or where the insurance indemnity is insufficient to cover the costs of reconstruction, the rebuilding costs shall be paid by all the Owners directly affected by the damage, in proportion to the value of their respective Dwellings, or as~~

may be provided in the Bylaws; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed with the reconstruction at the expense of all the Owners benefited thereby, upon proper resolution setting forth the circumstances in the case and the cost of the work, with the intervention of the Association. The provisions of this paragraph may be changed by the unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

## ARTICLE VII

## AMENDMENTS

30  
A. BY OWNERS. This Master Deed and the Bylaws may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3rds) of the total interest in the Common Elements subject to the following conditions:

1. ~~No amendment by the Owners shall alter the dimensions of dimensions of a Dwelling or the percentage of the interest in the Common Elements appurtenant thereto without the consent of the Owner of such Dwelling; and~~
2. No amendment by the Owners shall be effective prior to four (4) years after delivery of the first deed of conveyance, without the consent of the Grantor so long as Grantor retains twenty five (25%) percent ownership of the total projected project.

B. BY GRANTOR. Grantor reserves unto itself and its successors and assigns, including any purchasers at any foreclosure sale of Property, the right to amend this Master Deed, the Bylaws, the Plat and the Plans at



any time prior to December 31, 1991, without the consent of the other Owners for the following purpose:

1. To add additional phases to the property, as all phases for the purpose of this deed are equal in value, the future phases will be identified as they are added, up to a maximum of phases. The location of each future phase shall be at the sole discretion of the Grantor.
2. To describe by number, type, location, dimensions, etc., buildings and Dwellings hereafter constructed as part of the Property;
3. To re-allocate the interest in the Common Elements appurtenant to each type of Dwelling following addition of any Phase.
4. To comply with requirements, rules or regulations of any statute or ordinance, Veterans Administration, Department of Housing and Urban Development, FNMA, a Mortgage Lender or a Title Insurance Company.
5. Except as set forth in Subsection 1, 2 and 3 immediately above, this Master Deed may not be amended or merged with a successor condominium Regime without the written consent of the Veterans Administration, Department of Housing and Urban Development and FNMA.

C. BY BOARD OF DIRECTORS. If this Master Deed, Bylaws, the Plat and the Plans, as the same may hereafter be amended from time to time, do not accurately described the Property, including all Dwellings, constructed or being constructed as of December 31, 1991, the Board of Directors shall be empowered to amend this Master Deed, the Bylaws, the Plat and the Plans at any time after December 31, 1991, without the consent of the Owners or

Grantor as may be required to describe accurately the Property, including all Dwellings then constructed or being constructed. Any such amendment by the Board of Directors shall be presumed to describe the Property accurately, and Grantor shall have no right to commence construction of new Dwellings or to commence any other work upon the Property if not described in or authorized by this Master Deed following such amendment. Such power to amend shall include the power to amend this Master Deed to state the actual value of the Property based upon the values as hereinabove set forth of the Dwellings constructed thereon and also to state the percentage of interest in the Common Elements appurtenant to each type of Dwelling as determined by dividing the value of such type of Dwelling as hereinabove set forth by the value of the Property as a whole.

D. **POWER OF ATTORNEY.** Each Owner shall be deemed by his acceptance of this deed to a Dwelling to have consented to the powers of amendment herein reserved by Grantor pursuant thereto. Each owner shall further be deemed by his acceptance of a deed to a Dwelling to have appointed Grantor his attorney-in-fact to give, execute and record the consent of said Owner to any and all amendment to this master Deed which Grantor may wish to execute pursuant to the powers herein reserved.

E. **RECORDING.** No amendment to this Master Deed shall be effective unless and until recorded in accordance with the Act.

## ARTICLE VIII

## GRANTOR

A. RIGHTS AS OWNER. Grantor is the initial Owner of each Dwelling and shall be entitled to exercise all rights appurtenant thereto until such time as Grantor has conveyed title to the Dwelling to another person. Dwellings in Phases 1 and 2 shall be deemed in existence as of the date hereof and the Dwellings in future Phases shall be deemed in existence at such time as Grantor amends this Master Deed to incorporate such Phase or Phases into the Property, regardless in each case whether construction of the Dwellings has been commenced or completed.

B. RIGHTS AND POWERS. Until five (5) years after delivery of the first deed of conveyance, or until Grantor has sold and closed seventy five (75%) percent of the total projected project, whichever shall first occur, Grantor shall be entitled to exercise, without the consent of the Owners, all powers granted to the Owners or to the Board of Directors by the Act, this Master Deed, or the Bylaws, and any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved by Grantor. Grantor shall be entitled to withhold approval of any such action for any reason. See Article VII, Section B, for reservation of rights in Grantor not affected by this paragraph.

C. RIGHT FOLLOWING DESTRUCTION OF PROPERTY. In the event that the Property is more than two thirds (2/3rds) destroyed by fire or other

disaster and the Owners determine in the manner hereinabove provided in Article VI not to reconstruct the Property, then, the provision in Article VI to the contrary notwithstanding, the share of the proceeds of any sale of the Property as a whole which are distributed to Grantor, including any portion of such proceeds which are applied to payment of liens against the interest of Grantor in the Property, shall not exceed the sum of (i) insurance proceeds, if any, received by the Manager or the Board of Directors as trustee for the Owners on account of damage to or destruction of any Dwelling owned by Declarant and (ii) the value after the fire or other disaster of any Dwelling owned by Grantor, including the value of the interest in the Land and other Common Elements appurtenant to such Dwelling. Grantor shall be deemed to have waived the right to receive any amount in excess of the sum determined as hereinabove provided, and any such excess amount shall be distributed among the Owners in proportion to their respective interests in the Property.

D. SUCCESSORS. The term "Grantor" as used in this Master Deed and in the Bylaws shall be deemed to include any person who succeeds to the title of Grantor to any portion of the Property by sale or assignment of all the interest of Grantor in the Property, if the instrument of sale or assignment expressly so provides, or by exercise of a right of foreclosure or power of sale granted in or conveyed by any mortgage given by Grantor and

duly recorded prior to the recording of this Master Deed. Any such person shall be entitled to exercise all rights and powers conferred upon Grantor by the Act, this Master Deed or the Bylaws.

ARTICLE XI

MISCELLANEOUS

A. APPLICATION. All Owners, tenant of Owners, employees of Owners and Tenants or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act and to this Master Deed and Bylaws.

~~B. COMPLIANCE. Each Owner shall comply strictly with the Bylaws and with administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed or in the deed to the Dwelling of such Owner. Failure to comply with any of the same shall be ground for an action to recover sums due, or damages or injunctive relief, or both, maintainable by the Manager or the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved Owner.~~

C. WAIVER. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

~~D. CONFLICTS. This Master Deed is executed to comply with the~~

~~requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall control.~~

E. SEVERABILITY. The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or affect of the remainder hereof.

F. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Master Deed or the intent of any provisions hereof.

G. GENDER AND NUMBER. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

H. TERMINATION. All the Owners or the sole Owner of the Property may waive the horizontal property regime and regroup or merge the records of the Dwellings with the Common Elements, provided that the Dwellings are unencumbered, or, if encumbered, that the creditors on whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the Property owned by the debtors.

#### ARTICLE XII

#### LENDER'S NOTICES

Upon written request to the Owner's Association, identifying the name and address of the holder, insurer or guarantors and the unit number or

address, any such eligible mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

A. CONDEMNATION OR CASUALTY LOSS. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.

B. DELINQUENCIES. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which its holds the mortgage.

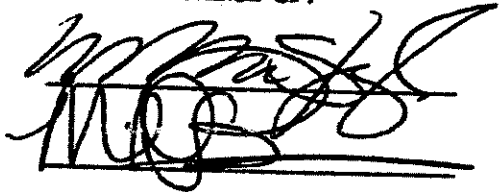
C. INSURANCE. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners' association.

D. CONSENT OF MORTGAGE HOLDER. Any proposed action that requires the consent of a specified percentage of mortgage holders.

IN WITNESS WHEREOF, Hidden Cove, a South Carolina General Partnership, has caused these presents to be executed by its proper Partners this 19<sup>th</sup> day of December, 1988.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

J & D CONSTRUCTION, INC., A South  
Carolina Corporation



BY John H. Tilton (SEAL)  
Its: President  
BY Michael W. Smith (SEAL)  
Its: Secretary

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

PERSONALLY appeared before me W. Brooks Sykes  
and made oath that (s)he saw the within named J & D Construction, Inc., A  
South Carolina Corporation, by the above named Sykes, sign, seal and, as  
its act and deed, deliver the within written instrument, and that (s)he with  
MICHAEL J. BUCKETT witnessed the execution thereof.

W. Brooks Sykes (SEAL)

SWORN to before me this  
19<sup>th</sup> day of Dec, 1988.

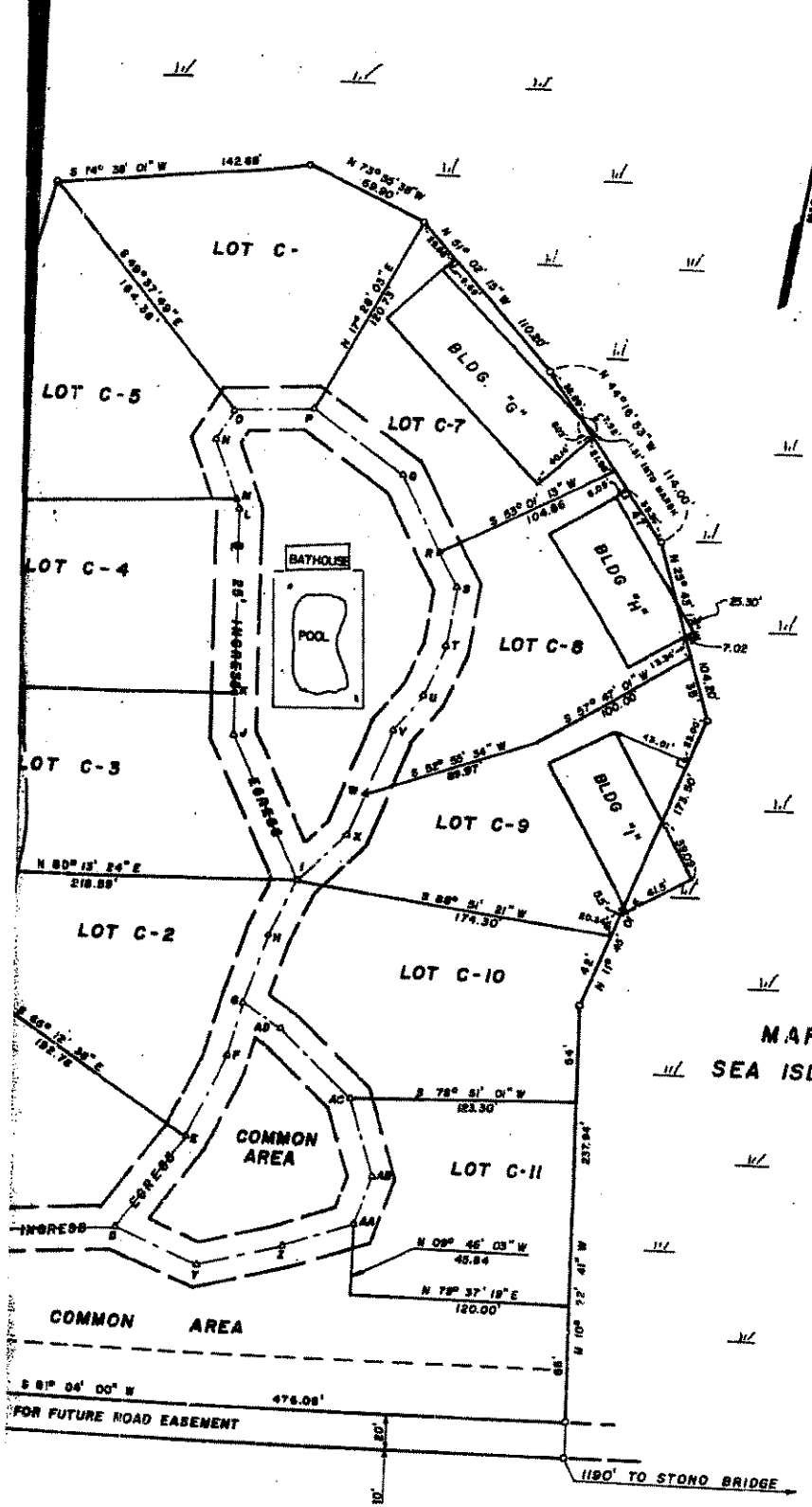
MJD (SEAL)  
Notary Public for South Carolina  
My Commission Expires: 1/31/89.



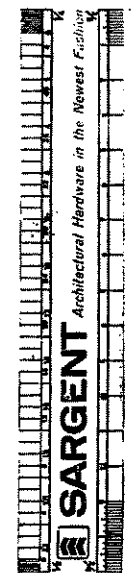
**EXHIBIT "A" - MASTER DEED  
STONE WATCH HORIZONTAL PROPERTY REGIME**

All that piece, parcel or tract of land in Charleston County, South Carolina, shown and designated as "Tract "C" 6.42 AC. Highland" on a plat entitled: "Plat of Headquarters Island Plantation Subdivision, City of Charleston, Johns Island, Charleston Co., South Carolina: by Alpha Surveying, Inc., dated October 1, 1980, revised July 11, 1984, and revised April 10, 1985, and recorded on July 9, 1985, in Plat Book BE at Page 139 in the HMC Office for Charleston County, South Carolina.

LANDS OF SEA ISLAND MORTGAGE CORPORATION



DOCUMENT CONTAINES  
USE MANUEL SEARCH

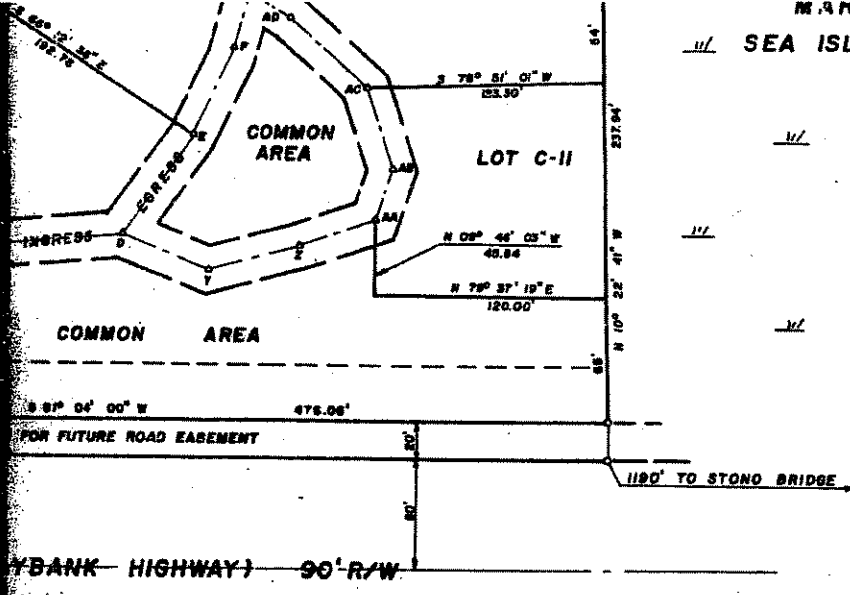


NOTE: POOL & BATHHOUSE NOT ACCURATELY LOCATED AT THIS TIME.

MARSH LANDS OF  
SEA ISLAND MORT. CORP.

1/24

864  
21



ING THE SUBDIVISION OF  
STONO WATCH AT  
ERS ISLAND PLANTATION  
JOHNS ISLAND, CITY OF  
SOUTH CAROLINA

1986

SCALE: 1" = 50'



LINE	BEARING	DISTANCE
1	N 46 13 33 W	100.00
2	N 89 02 44 W	100.00
3	N 78 04 32 W	100.00
4	N 14 04 32 W	100.00
5	N 85 04 32 W	100.00
6	N 00 41 19 W	100.00
7	N 14 14 32 W	100.00
8	N 98 19 31 W	100.00
9	N 10 18 24 W	100.00
10	N 89 18 24 W	100.00
11	N 89 18 24 W	100.00
12	N 77 14 32 W	100.00
13	S 84 04 32 W	100.00
14	S 89 04 32 W	100.00
15	S 89 04 32 W	100.00
16	S 89 04 32 W	100.00
17	S 89 04 32 W	100.00
18	S 89 04 32 W	100.00
19	S 89 04 32 W	100.00
20	S 89 04 32 W	100.00
21	S 89 04 32 W	100.00
22	S 89 04 32 W	100.00
23	S 89 04 32 W	100.00
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27	S 89 04 32 W	100.00

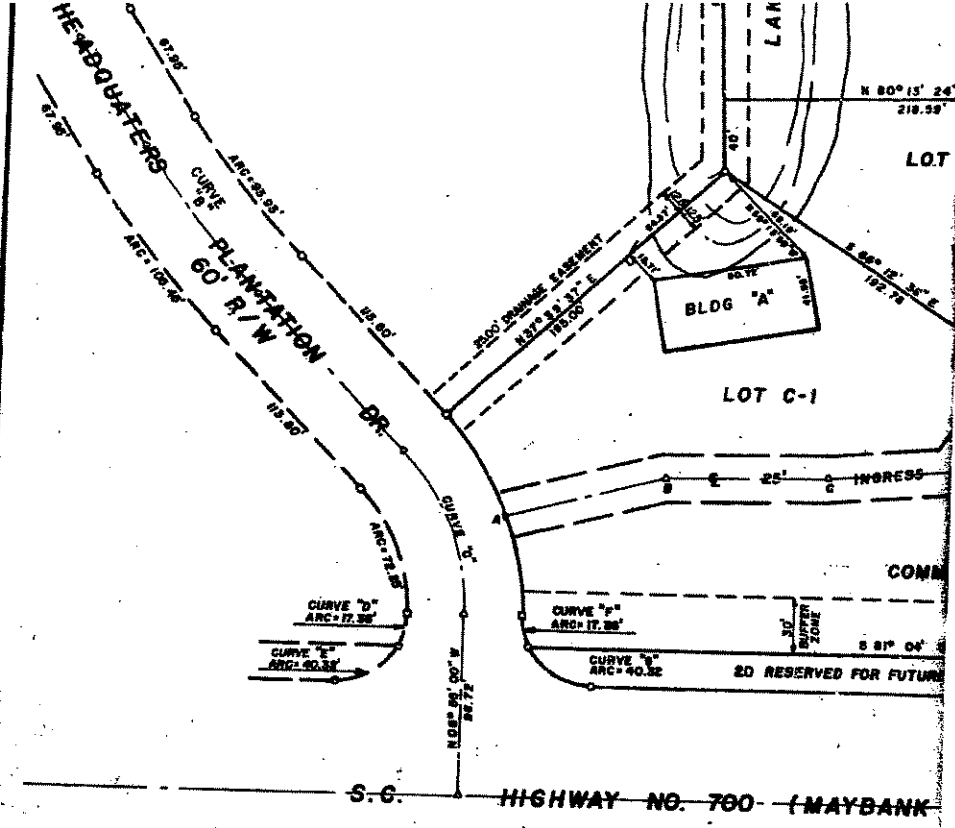
PLAN  
B to  
D Stono Watch  
Property Regime

CURVE DATA

CURVE	BEARS	RADIUS	LENGTH	TANGENT	CHORD
1	89° 02' 44"	100.00'	100.00'	100.00'	100.00'
2	14° 04' 32"	100.00'	100.00'	100.00'	100.00'
3	85° 04' 32"	100.00'	100.00'	100.00'	100.00'
4	00° 41' 19"	100.00'	100.00'	100.00'	100.00'
5	14° 14' 32"	100.00'	100.00'	100.00'	100.00'
6	98° 19' 31"	100.00'	100.00'	100.00'	100.00'



86  
3/4



REFERENCE:  
 1. TMS 345-00-00-01  
 2. PLAT BY ALPHA SURVEYING, INC  
 DATED OCT 1, 1980  
 REVISED APRIL 10, 1986

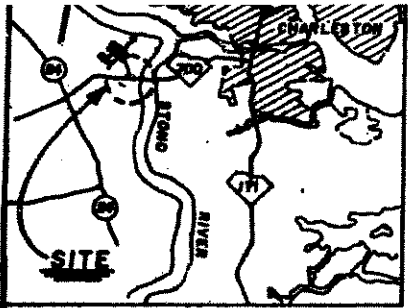
**PLAN SHOWING  
 TRACT C, STO  
 HEADQUARTERS  
 SUBDIVISION, JO  
 CHARLESTON, SC  
 DATE: DECEMBER 16, 1986**



Plot Plan  
 EXHIBIT B  
 MASTER DEED  
 HORIZONTAL PL

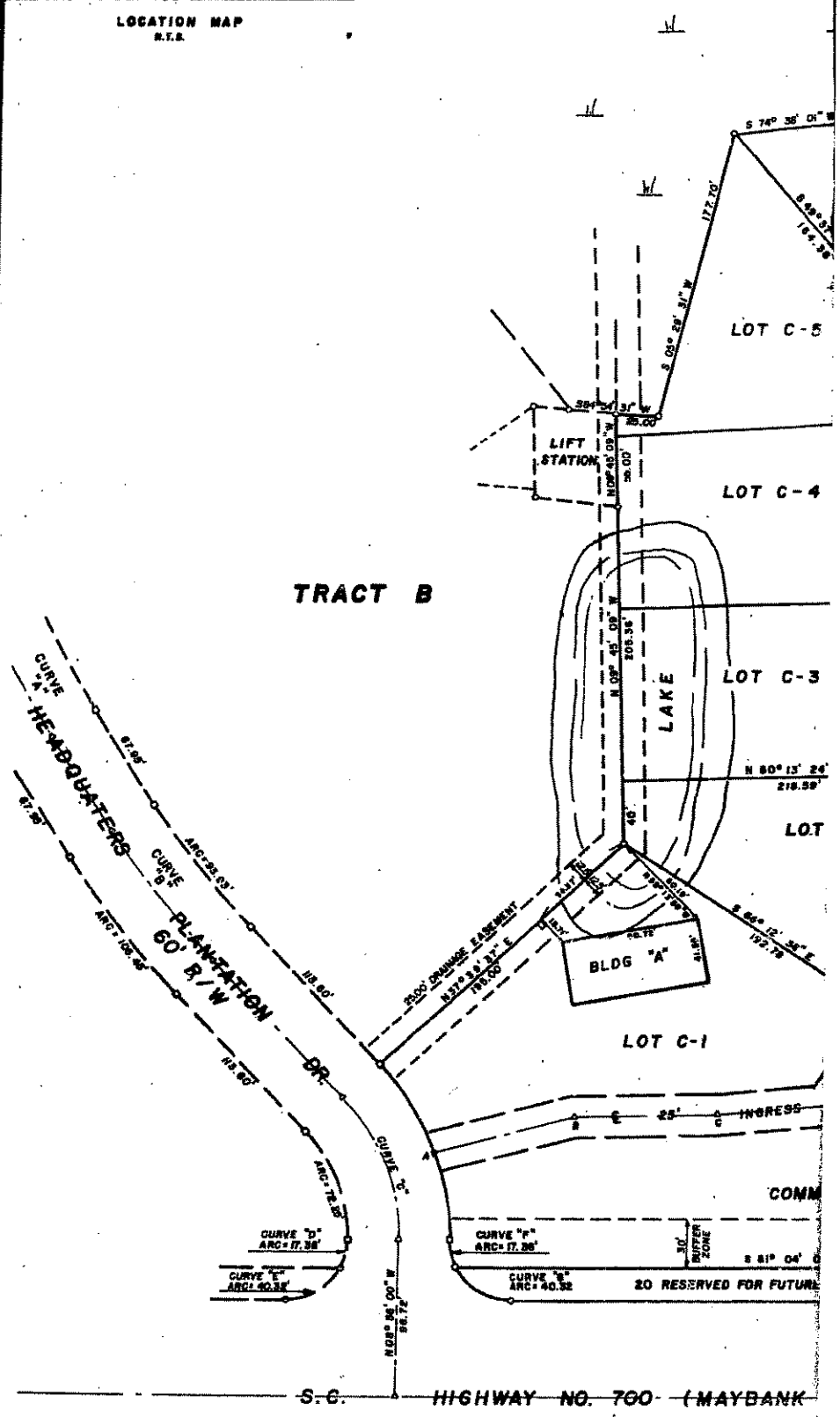


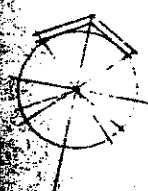
866  
4/4



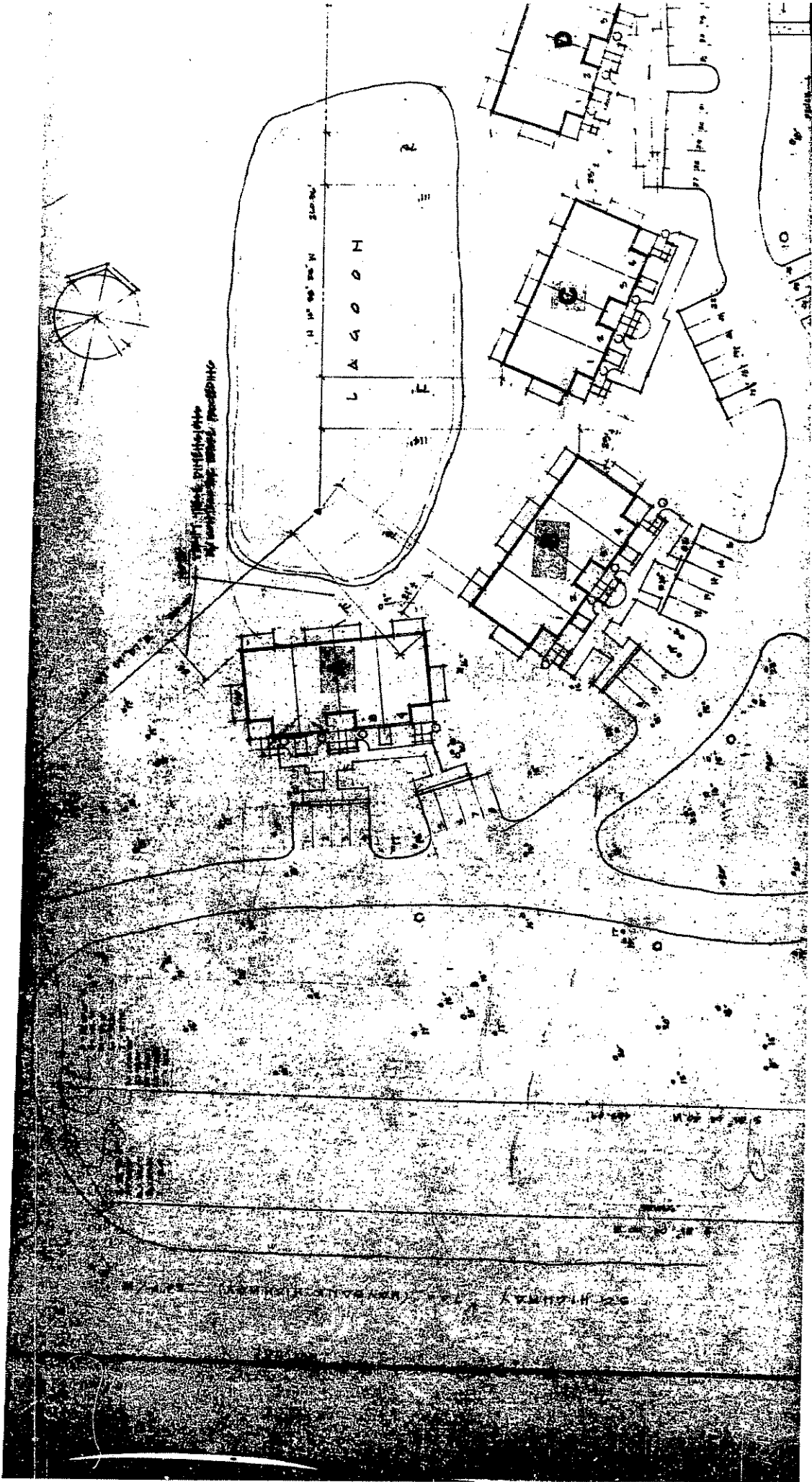
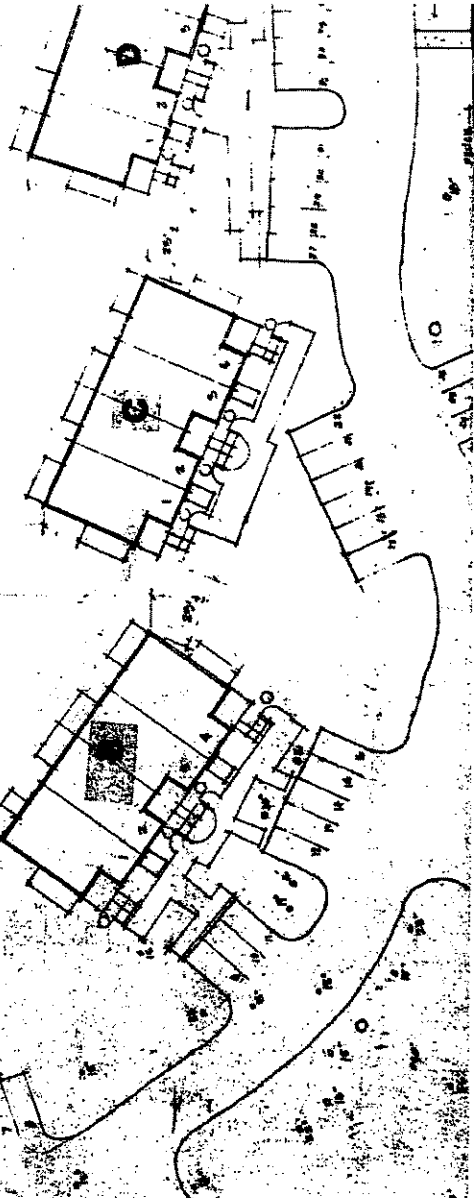
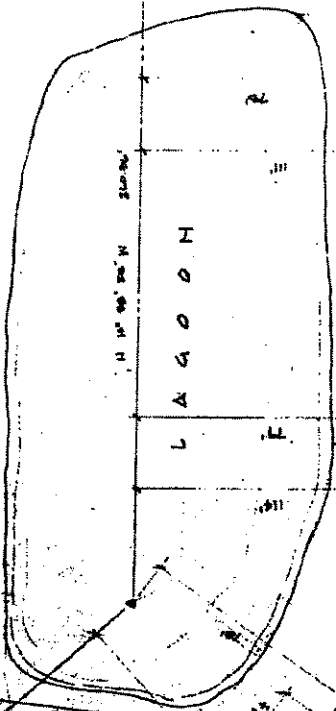
LOCATION MAP  
N.T.S.

MARSH LANDS OF

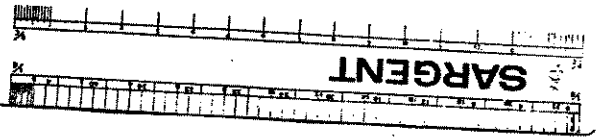




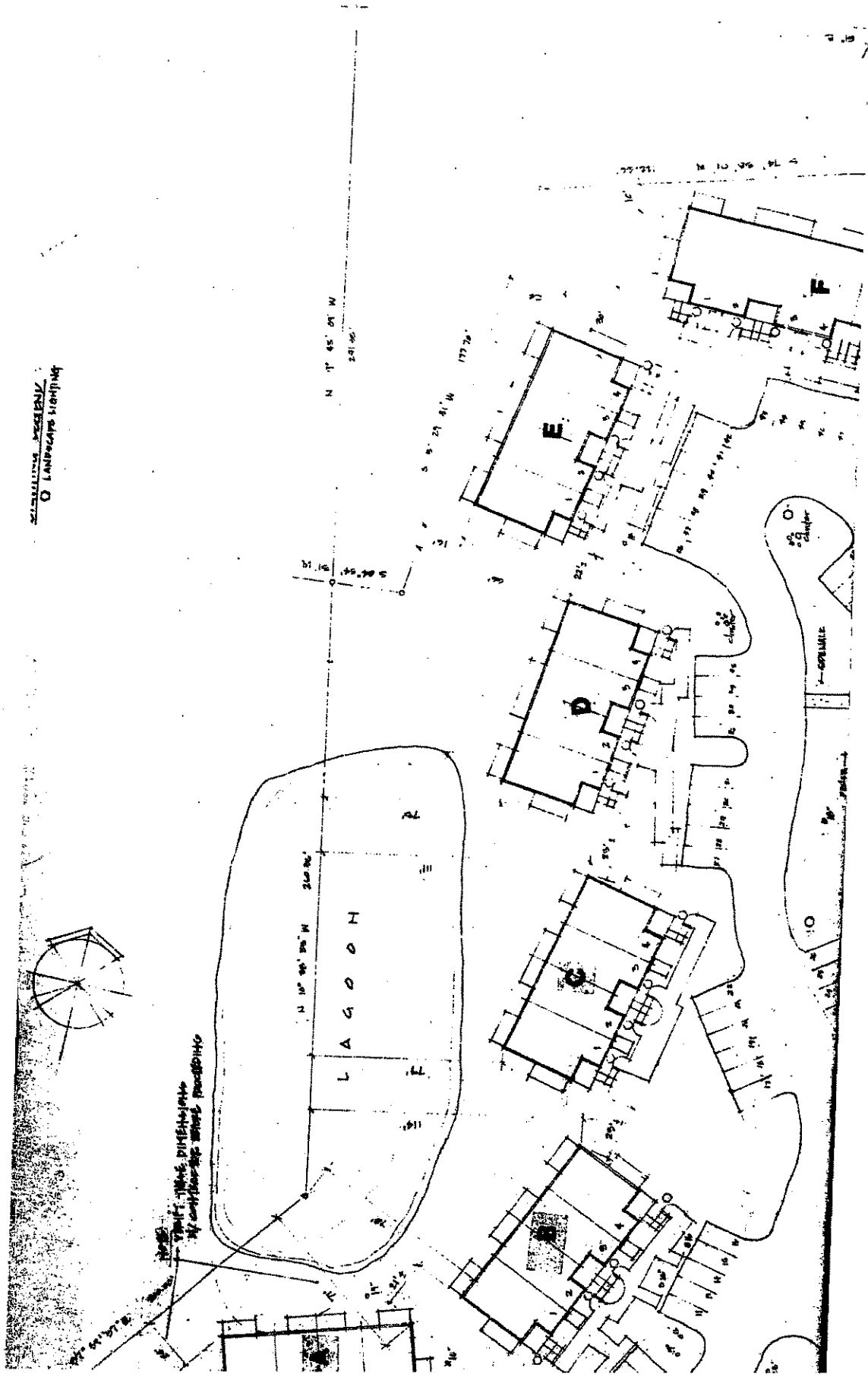
PLAN OF THE DISTRICT OF  
COLUMBIA, D.C.



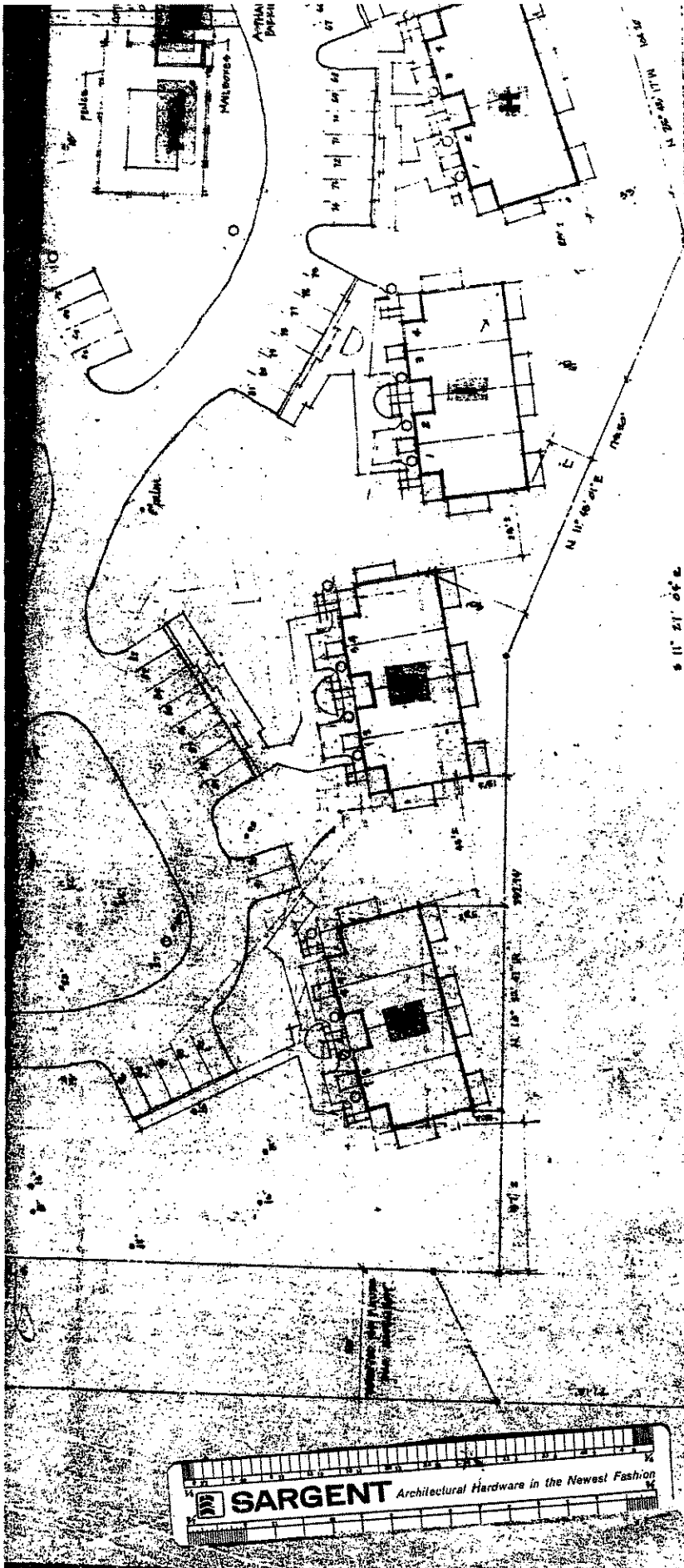
DOCUMENT CONTINUES  
USE MANUAL SEARCH



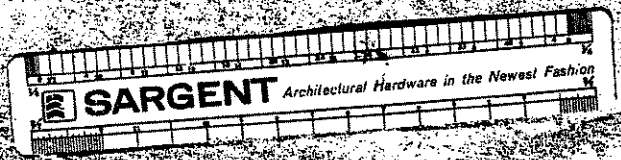
LANDSCAPE ARCHITECTURE  
LANDSCAPE LIGHTING



NOTE: THIS DISPOSITION  
IS SUBJECT TO THE  
RECORDING

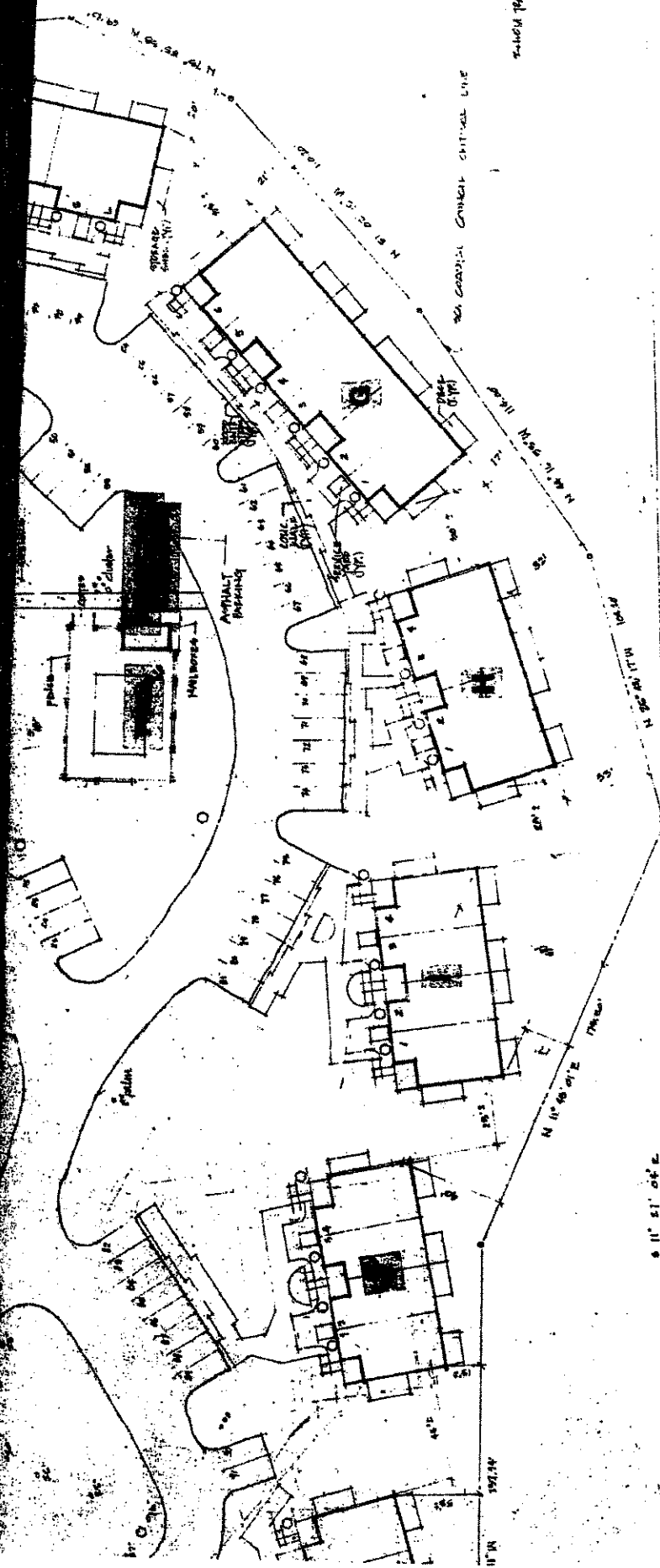


PAGE 1 - EXHIBIT SITE. SEE OUTS  
 PLAN FOR  
 MISTEN DEEP STONE WORKING LA  
 NONIGANTAL Property Diagram



867  
 3/4





PREPARED BY: [illegible]  
 DATE: [illegible]  
 SCALE: [illegible]

SITE PLAN  
 1" = 30'-0"

PAGE 1 - EXHIBIT SITE: SEE SITE ENGINEER'S SITE  
 PLAN FOR BUILDING, ROAD &  
 UTILITIES LOCATIONS.  
 MISTEN DEEP  
 HORIZONTAL PROPERTY LIGNING



DOUG CORKERN, ARCHITECTS, INC.

3K R 160 PG 868

TO: WHOM IT MAY CONCERN  
RE: STOND MATCH CONDOMINIUM PROJECT  
DATE: December 22, 1986

Dear Sirs:

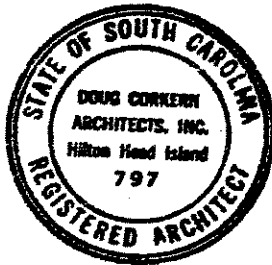
This is to certify that the above mentioned project (Buildings A, G, H & I)  
have been built in substantial compliance with our plans and specifications  
dated 20 November 1984.

Yours truly,



Doug Corkern

President, Doug Corkern, Architects, Inc.



104 Condello Parkway, Post Office Box 8340, Hilton Head Island, SC 29928, Tel. (803) 785-4238

NOTE  
864-873  
Floor Plans