

HERITAGE VILLAGE HORIZONTAL PROPERTY
REGIME, INC.

ARTICLE I

NAME AND LOCATION.

The name of the Corporation is HERITAGE VILLAGE PROPERTY REGIME, INC., hereinafter referred to as the "Regime". The principal office of the Corporation shall be located at Highway 17 By-Pass, Mt. Pleasant, South Carolina, but meetings of the Board of Administration and Council of Co-owners may be held at such places within the State of South Carolina, County of Charleston, as may be designated by the Board of Administration.

ARTICLE II

DEFINITIONS.

SECTION 1. "Regime" shall mean and refer to Heritage Village Horizontal Property Regime, Inc., its successors and assigns.

SECTION 2. "General common elements" means and includes

- (a) The land on which the buildings stand;
- (b) The foundations, main walls, roofs, halls, lobbies, stairways, and entrance and exit or communication ways;
- (c) The roofs, yards, recreational areas, gardens, except as otherwise provided or stipulated;
- (d) The premises for the lodging of janitors or persons in charge of the property, except as otherwise provided or stipulated;
- (e) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps,

and the like;

(f) The garbage incinerators and, in general, all devices or installations existing for common use; and,

(g) All other elements of the property rationally of common use or necessary to its existence, upkeep and safety;

* SECTION 3. "Limited common elements" means and includes those common elements which are agreed upon by all the Co-owners to be reserved for the use of a certain number of apartments to the exclusion of the other apartments. *

* SECTION 4. "Apartment" shall mean any part of the property intended for any type of independent use of a Co-owner including one or more rooms or enclosed spaces located on one or more floors in a building with direct exit; A "Building" means a structure or structures, containing in the aggregate two or more apartments, comprising a part of the property.

SECTION 5. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an apartment within the building.

SECTION 6. "Council of Co-Owners" means all the Co-owners as defined in Section 5 of this Article; but a majority, as defined in Section 7 of this Article shall, except as otherwise provided in these By-Laws, constitute a quorum for the adoption of decisions.

SECTION 7. "Voting". Voting shall be on a percentage basis and the percentage of the vote to which the Co-owner is entitled is the percentage assigned to the

~~Apartment or Apartments in the Master Deed.~~

Section 8. ~~"Majority of Co-owners."~~ As used in these By-Laws, the term "majority of Co-owners" shall mean those Co-owners holding 51% or more of the total value of the property, in accordance with the percentages assigned in the Master Deed.

Section 9. "Quorum" Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Co-owners as defined in this Article shall constitute a quorum.

Section 10. "Proxies." Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 11. "Declarant" shall mean and refer to MOUNT PLEASANT INVESTMENTS (A PARTNERSHIP), its successors and assigns, if such successors or assigns shall acquire more than one undeveloped Apartment from the Declarant for the purpose of development.

Section 12. "Declaration" or "Master Deed" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Regime recorded in the R. M. C. Office for Charleston County, South Carolina.

Section 13. "Property" means and includes the land, the buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

ARTICLE III

OBLIGATIONS OF THE CO-OWNERS

Section 1. Assessments. All Co-owners are obligated to pay periodic assessments imposed by the Regime to meet

all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, or other hazard. The assessments shall be made pro-rata according to the value of the Apartment owned, as stipulated in the Master Deed. For further instruction, see ARTICLE IX.

Section 2. "Maintenance and Repair."

(a) Every Co-owner must perform promptly all maintenance and repair work within his own Apartment, which if omitted would affect the Property in its entirety or in a part belonging to their Co-Owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the Apartment such as water, light, gas, power, sewage, telephones, air conditions, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Apartment shall be at the Co-owner's expense.

(c) A Co-owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any common elements damaged through his fault. See Master Deed.

Section 3. Use of Apartments - Internal Changes.

(a) All Apartments shall be utilized for residential purposes only.

(b) A Co-owner shall not make structural modifications or alterations in his Apartment or installations located therein without previously notifying the Regime in writing, through the management agent, if any, or through the President if no management agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated

time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Elements.

A Co-owner shall not place or cause to be placed in the passages or roads any furniture, packages, or obstructions of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 5. Right of Entry.

(a) A Co-owner shall grant the right of entry to the management agent or to any other person authorized by the Board in case of any emergency originating in or threatening his Apartment, whether the Co-owner is present at the time or not.

(b) A Co-owner shall permit other Co-owners, or their representatives, when so required, to enter his Apartment for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Co-owner. In case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

(b) No residents of the Property shall:

1. Post any advertisements, or posters of any kind in or on the Property except as authorized by the Regime;
2. Hang garments, rugs, or similar objects, from the windows or from any of the facades of the Property;

3. Dust rugs, mops, or similar objects from the windows, or clean rugs, or similar objects by beating on the exterior part of the Property;
4. Throw garbage or trash outside the disposal installations provided for such purposes in the service areas;
5. Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Apartments in the Property.

(c) No Co-owner, resident or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, or similar objects outside of his dwelling unit or which protrude through the walls or the roof of his dwelling unit except as authorized by the Board.

Section 7. Compliance and Default.

(a) Each apartment owner shall be governed by and shall comply with the terms of this Declaration, by the Articles of Incorporation, By-Laws, and regulations adopted pursuant thereto, and by such documents and regulations as they may be amended from time to time. A default shall entitle the Co-owners or other apartment owners to the relief described hereafter in addition to the remedies provided by the Act.

(b) An Apartment owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the

extent that such expense is not met by the proceeds of insurance carried by the Co-owners. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of an apartment or its appurtenances. In any proceeding arising because of an alleged default by an Apartment owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

(c) The failure of the Co-owners or any Apartment owner to enforce any covenant, restriction, or other provision of the Act, this Declaration, the Articles of Incorporation, the By-Laws, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each Co-owner shall be entitled to the use and enjoyment of the General Common Elements including recreational facilities as provided in the Declaration. Any Co-owner may delegate his rights of enjoyment to said facilities to the members of this family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to the same obligation and rights as those of the Co-owner.

Section 2. Irrespective of the fact that Declarant gives the Regime the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the General Common Elements, this right shall not be exercised as to Co-owners for a period of five years from the date of the recordation of the Declaration, and after this period, only upon written approval of two-thirds of the Council of Co-owners.

ARTICLE V

ADMINISTRATION

Section 1. Council Responsibilities. The Co-owners of the Apartments will constitute the Council of Co-owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by the Co-owners.

Section 2. Place of Meetings. Meetings of the Council shall be held at such place, convenient to the Co-owners as may be designated by the Council.

Section 3. Annual Meetings. The annual meetings of the Council shall be held on the first Monday of January each year. At such meetings, there shall be elected by ballot of the Co-owners a Board of Administration in accordance with the requirements of Section 5 of Article VI

of these By-Laws. The Co-owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Administration or upon a Petition signed by a majority of Co-owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the votes present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-owner of record, at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

The Secretary shall prepare or cause to be prepared, at least ten (10) days before every meeting of the Regime Council, a complete list of Co-owners entitled to vote at the meeting arranged in alphabetical order, showing the address and the number of votes for each. Such list shall be open to the examination of any Co-owner, during ordinary business hours for a period of at least ten (10) days prior to the meeting, at the office of the Regime Council. The list shall be produced and kept at

the time and place of the meeting during the whole time thereof, and may be inspected by any Co-owner who is present. Unless otherwise provided in advance by resolution of the Board of Directors, the record date for the purpose of determining Co-owners entitled to notice of, or to vote at, any meeting of the Regime Council shall be the close of business on the day next preceding the day on which the notice is mailed, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

Section 6. Adjourned Meetings. If any meeting of the Council cannot be organized because a quorum has not attended, the Co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all Annual Meetings of the Council shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Committees.
- (f) Election of inspectors of election.
- (g) Election of administrators.
- (h) Unfinished business.
- (i) New business.

The order of business at all Special Meetings of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

ARTICLE VI

BOARD OF ADMINISTRATION

Section 1. Number and Qualification.

The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board") comprised of five persons, all of whom must be Co-owners of Apartments in the Property.

Section 2. General Powers and Duties.

The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Council or individual Co-owners.

Section 3. Other Duties. In addition

to duties imposed by these By-Laws or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep, and surveillance of the Property and the common elements.
- (c) Collection of assessments from the Co-owners.

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- (d) Employment, dismissal, and control of the personnel necessary for the maintenance and operation of the common elements.

SECTION 4. Management Agent. The Board may employ a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

SECTION 5. Election and Term of Office. At the first annual meeting of the Council as set forth in Section 23 of the Master Deed, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

SECTION 6. Vacancies. Vacancies in the Board of Administration caused by any reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

SECTION 7. REMOVAL OF MEMBERS OF THE BOARD.

At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Co-owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

SECTION 8. Organization Meeting.

The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting, providing a majority of the Board shall be present.

SECTION 9. Regular Meetings.

Regular Meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board member, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

SECTION 10. Special Meeting.

Special Meetings of the Board may be called by the President on three days' notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board

shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

SECTION 11. Waiver of Notice. Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place, and purpose thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 12. Board Quorum. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. Any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 13. Fidelity Bonds. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

SECTION 14. Non-Liability and Indemnity of Directors.

(a) No Director or Officer of the Regime Council shall be liable for acts, defaults, or neglects of any other Director or Officer or member or for any loss sustained by the Regime Council or any Co-owner, unless the same shall have resulted from his own willful

or negligent act or neglect.

(b) Every director, officer, and agent of the Regime Council shall be indemnified by the Regime Council against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he may be involved as a party or otherwise by reason of his being or having been a director, officer or agent of the Regime Council, whether or not he continues to be such director, officer, or agent at the time of incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or neglect in the performance of his duties. As to whether a director, officer, or agent is liable by reason of willful misconduct or neglect in the performance of his duties, in the absence of such final adjudication of the existence of such liability, the Regime Council and each member thereof and officer or agent thereunder may conclusively rely on an opinion of legal counsel selected by the Regime Council. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

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ARTICLE VII

OFFICERS

SECTION 1. Designation. The principal officers of the Regime shall be a President, a Vice-President, and a Secretary-Treasurer all of whom shall be elected by and from the Board. The Board may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

SECTION 2. Election of Officers. The officers of the Regime shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

SECTION 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited to; the power to appoint committees from among the Co-owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Regime.

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SECTION 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

SECTION 6. Secretary-Treasurer. The Secretary-Treasurer shall keep the Minutes of all meetings of the Board and the Minutes of all meetings of the Council; he shall have charge of such books and papers as the Board may direct, and he shall have responsibility for Regime funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Regime. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Regime in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the offices of Secretary and Treasurer.

ARTICLE VIII
COMMITTEES

SECTION 1. The Regime shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the Board of Administration shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

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1. A Recreation Committee which shall advise the Board of Administration on all matters pertaining to the recreational program and activities of the Regime and shall perform such other functions as the Board, in its discretion, determines;
2. A Maintenance Committee which shall advise the Board of Administration on all matters pertaining to the maintenance, repair, or improvements of the Property, and shall perform such other functions as the Board in its discretion, determines;
3. A Publicity Committee which shall inform the members of all activities and functions of the Regime, and shall, after consulting with the Board of Administration, make such public releases and announcements as are in the best interests of the Regime; and
4. An Audit Committee which shall supervise the annual audit of the Regime's books and approve the annual budget and statement of income and expenditures to be presented to the Council at its regular annual meeting as provided in Article XI, Section 8 (d).
The Treasurer shall be an ex officio member of the Committee.

SECTION 2. It shall be the duty of each committee to receive complaints from member on any matter

involving Regime functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Board member or officer of the Regime as is further concerned with the matter presented.

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ARTICLE IX
ASSESSMENTS.

SECTION 1. Creation of the Lien and

Personal Obligation of Assessments. By the Declaration each Co-owner is deemed to covenant and agree to pay:

- (1) to the Regime, annual assessments or charges,
- (2) to the Regime, special assessments for capital improvements, and (3) to the appropriate governmental taxing authority, a pro-rata share of taxes levied against the Property and Common Elements and a pro-rata share of assessments for public improvements to the Property and Common Elements if the Regime shall default in the payment thereof for a period of six (6) months. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessments.

The assessments levied by the Regime shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, and of the homes situated upon the Property.

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SECTION 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to a Co-owner, the maximum annual assessment shall be \$ 33.50 per month.

(a) From and after January 1, of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased by a vote of the members for the next succeeding two years and at the end of each such period of two years, for each succeeding period of two years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each Co-owner in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members no less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Regime is authorized to participate under its Articles of Incorporation.

SECTION 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Regime may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Property or Common Elements, including the necessary fixtures and personal property related thereto, provided that, any such assessment shall have the assent of two-thirds (2/3) of the votes of each Co-owner in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

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SECTION 5. Uniform Rate.

Both annual and special assessments shall be borne at the rate of percentage of ownership given each Apartment in the Master Deed and may be collected on a monthly installment basis.

SECTION 6. Quorum for Any Action Authorized

Under Sections 3 and 5. At the first meeting called as provided in Sections 3 and 5 hereof, the presence at the meeting of the Council of Co-owners or of proxies entitles to cast fifty-one (51%) per cent of all the votes shall constitute a quorum.

SECTION 7. Date of Commencement of Annual

Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Apartments on the first day of the month following the conveyance of the Property. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Administration shall fix the amount of the annual assessment against each Apartment at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Co-owner subject thereto. The due dates shall be established by the Board of Administration. The Regime shall upon demand at any time furnish a certificate in writing, signed by an officer of the Regime, setting forth whether the assessments on a specified Apartment have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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SECTION 8. Effect of Non-Payment of

Assessments: Remedies of the Regime. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) per cent per annum, and the Regime may bring an action at law against the Co-owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Co-owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Apartment.

SECTION 9. Effect of Default in Payment of Taxes or Assessments for Public Improvements by Regime.

It shall be further provided that upon default by the Regime in payment to the governmental authority entitled thereto of any taxes levied against the Common Elements and the Property or assessments for public improvements to the Common Elements and the Property, which default shall continue for a period of six (6) months, each Co-owner of an Apartment lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by computing the share due said governmental authority in relation to the Co-owners Apartment value as set in the Master Deed. If such sum is not paid by the Co-owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Apartment of the then Co-owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law against said Co-owner or may elect to foreclose the lien against the real property.

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SECTION 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any Mortgage, Mortgages, Deed of Trust or deeds of trust. Sale or transfer of any Apartment shall not affect the assessment lien. However, the sale or transfer of any Apartment which is subject to any mortgage, pursuant to a decree of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer.

No such sale or transfer shall relieve such Apartment from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

SECTION 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein; all properties dedicated to and accepted by a local public authority. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

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ARTICLE X

BOOKS AND RECORDS.

The books, records and papers of the Regime shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Regime shall be available for inspection by any member at the principal office of the Regime, where copies may be purchased at reasonable cost.

ARTICLE XI

CORPORATE SEAL.

The Regime shall have a seal in circular form having within its circumference the words: "Heritage Village Horizontal Property Regime, Inc., Charleston County, South Carolina".

ARTICLE XII
AMENDMENTS.

SECTION 1. These By-Laws may be amended, as provided in the Master Deed (Declaration).

SECTION 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

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ARTICLE XIII
MORTGAGES

SECTION 1. Notice to Board. A Co-owner who mortgages his Apartment shall notify the Board through the management agent, if any, or the President if there is no management agent of the name and address of his Mortgagee; and the Regime shall maintain such information in a book entitled, "Mortgagees of Apartments".

SECTION 2. Notice of Unpaid Assessments. The Board shall at the request of a Mortgagee of an Apartment report any unpaid assessments due to the Regime from the Co-owner of such Apartment.

ARTICLE XIV
SALE OR LEASE OF APARTMENT

In the event that a Co-owner desires to sell or lease an Apartment, then, said Apartment shall be sold or leased in the manner provided in Paragraphs 16 and 17 of the Master Deed.

ARTICLE IV
COMPLIANCE

These By-Laws are intended to comply with the requirements of the Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will control.

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ARTICLE XVI
MISCELLANEOUS

The fiscal year of the Regime shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify
THAT, I am the duly elected acting Secretary
of the HERITAGE VILLAGE HORIZONTAL PROPERTY REGIME, INC.,
a South Carolina Corporation; and

THAT the foregoing By-Laws constitute the
original By-Laws of said Regime, as duly adopted at a
meeting of the Board of Administration thereof, held on
the 5th day of March, 1971.


B. A. JORDAN, JR.,
Secretary

EXHIBIT F
INSURANCE TRUST AGREEMENT
FOR
HERITAGE VILLAGE HORIZONTAL PROPERTY REGIME

This Agreement made and entered into this
5th day of March, 1974, between HERITAGE
VILLAGE HORIZONTAL PROPERTY REGIME, INC., a non-profit
corporation organized under the laws of South Carolina,
which address is Highway 17, By-Pass, Mt. Pleasant,
South Carolina, 29464, hereinafter called the "Regime",
and The South Carolina National Bank (Charleston Branch), a
South Carolina banking corporation with its principal office
in Charleston, South Carolina, hereinafter called, "The Insurance
Trustee".

WHEREIN IT IS AGREED AS FOLLOWS:

1. Heritage Village. A Master Deed dated March 5, 1974, and recorded in Deed Book Y103, at Page 234, in the Office of the S. M. C. for Charleston County, South Carolina, created Heritage Village Horizontal Property Regime, which is a condominium of residential apartments upon lands in Charleston County, South Carolina, described in "Exhibit A". Said Master Deed is incorporated herein by reference, and a conformed copy thereto certified by a Notary Public for South Carolina to be a correct copy has been filed with the Insurance Trustee.
2. Insurance Trust. The Master Deed, in Paragraphs 11 and 12, provides that certain insurance shall be purchased by the Board of Administration and the named insured in such policies shall be the Regime and the individual apartment owners and their mortgagees as their interest may appear. In Paragraphs 12, 13 and 14 of the Master Deed, provision is made for the collection and disbursement of proceeds of such policies. This Insurance Trust Agreement is made to comply with said insurance provisions of the Master Deed in an agreement with the Insurance Trustee.
3. Assured. All insurance policies purchased by the Board of Administration during the life of this agreement shall be for the benefit of the Regime and the Co-owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to The Regime and The South Carolina National Bank (Charleston Branch), as Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty

of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust according to the purposes stated herein and the Master Deed for the benefit of the Regime, the Co-owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee, to-wit:

(a) Common Elements. Proceeds on account of damage to common elements are to be made payable to the Board of Administration or if it should so designate, to the Co-owners through the Heritage Village Horizontal Property Regime, Inc.

(b) Apartments. Proceeds on account of damage to apartments shall be held for the Co-owners thereof in proportion to the cost of repairing the damages suffered by each Co-owner, which cost shall be determined by the Association; unless it is decided not to reconstruct, as provided for in the Master Deed, in which case such proceeds shall be held for the Co-owners in the proportion in which they own the common elements.

(c) Mortgagees. In the event an apartment is mortgaged, the share of the Co-owner shall be held in trust for the mortgagee and the Co-owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

4. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made for payment.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Co-owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Co-owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

BOOK 1403 PAGE 23A

(d) Certificate. In making distribution to Co-owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Board of Administration as to the names of the Co-owners and their respective shares of the distribution.

5. Board of Administration As Agent. The Board of Administration by the Master Deed has been irrevocably appointed agent for each Co-owners and for each owner of a mortgage or other lien upon an apartment and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Regime, and to execute and deliver releases upon the payment of claims.

BOOK 1103 PAGE 234

6. Determination to Reconstruct or Repair after Casualty.

(a) If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the manner provided by the Master Deed.

(b) Certificate. The Insurance Trustee may rely upon a certificate of the Board to determine whether or not the damaged property is to be reconstructed or repaired.

7. Reconstruction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Regime from assessments against Co-owners, shall be disbursed in payment of such costs in the following manner:

(a) Regime. If the total of assessments made by the Regime in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Regime is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Regime with the Insurance Trustee. In all other cases the Regime shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Regime from collections of assessments against Co-owners on account of such casualty, shall constitute a reconstruction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

1. Regime - lesser damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Regime is less than \$5,000.00 then the reconstruction fund shall be disbursed in payment of such costs upon the order of the Regime; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the reconstruction fund, such fund shall be disbursed in the manner hereinafter provided for the reconstruction and repair of major damage.

2. Regime - major damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Regime is more than \$5,000.00, then the reconstruction fund shall be disbursed in payment of such costs in the manner required by the Board of Administration of the Regime and upon approval of an architect qualified to practice

in South Carolina and employed by the Regime to supervise the work.

3. **Apartment damage.** The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Co-owner shall be paid by the Insurance Trustee to the Co-owner, or if there is a mortgagee endorsement as to such apartment, then to the Co-owner and the mortgagee jointly, who may use such proceeds as may be advised.

4. **Surplus.** It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a reconstruction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund according to their respective percentage share of the total basic value of the property, according to the Master Deed; except, however, that the part of a distribution to a beneficial co-owner which is not in excess of assessments paid by such co-owners into the reconstruction fund shall not be made payable to any mortgagee.

5. **Certificate.** Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Co-owners upon assessments shall be deposited by the Regime with the Insurance Trustee, nor to determine whether the disbursements from the reconstruction fund are to be upon the order of the Regime or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the reconstruction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Board of Administration made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Co-owner; and further provided, that when the Regime, or a mortgagee which is the beneficiary of an insurancer policy the proceeds of which are included in the reconstruction fund, so required, the approval of an architect named by the Regime shall be first obtained by the Regime prior to the disbursements in payment of costs of reconstruction and repair.

6. **Termination.** This agreement shall continue as long as the members of the Regime have an insurable interest in the property described in the Master Deed, with improvements thereon, unless sooner terminated upon reasonable notice by either party and the payment of all costs of the Insurance Trustee to the date of the termination; provided, that if notice of termination is given prior to the appointment of a successor Insurance Trustee a copy of such notice shall be mailed by registered or certified mail by the party giving the notice to each record owner of a

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Mortgage upon the agreement of the Regime.

7. In the event of disagreement between the parties or with any of the beneficiaries of their mortgages concerning the subject matter of this agreement, the Insurance Trustee in its discretion may withhold action on its part until directed to proceed by agreement of the parties to any such dispute or by an Order of a court of competent jurisdiction. Or the Insurance Trustee in its discretion may deposit the subject matter of the dispute in the registry of a court of competent jurisdiction and interplead the other parties to such dispute.

REC-1103 MAR 23 1934

EXECUTED by the Parties the date above written at Charleston, South Carolina.

Attest:

S. A. Jordan, Jr.
S. A. Jordan, Jr.
Secretary

HERITAGE VILLAGE HORIZONTAL
PROPERTY REGIME, INC.
Walter B. Brown
BY: *Walter B. Brown*
Walter B. Brown, President.

SOUTH CAROLINA NATIONAL BANK
(CHARLESTON BRANCH), as Trustee.

BY: *Frank L. Murphy*
Insurance Trustee



WAY & BURKETT
P. O. BOX 738
CHARLESTON, S.C. 29402

27.25

BOOK X163 PAGE 234

Filed Inland and Recorded
Date 10 24 74
Book X103 Page 234

William C. Bostwick

Register Mesne Conveyance
Charleston County, S. C.

THIS CERTIFIED
DATE 10 24 74
514-00-00-453

Recorded this 24 day of March 19 74
in Book 103 Page 234
James I. Hoyer
Auditor Charleston County