

THE WATERFRONT 1 C HORIZONTAL PROPERTY REGIME

RULES AND REGULATIONS

In order to create a congenial, pleasant, safe and dignified living atmosphere that is respectful of the concerns of Owners of Units and also to promote the safety and welfare of residents and to maintain an acceptable quality of life, these Rules and Regulations have been adopted. These Rules and Regulations supplement the Master Deed of the Regime and the Bylaws of the Association and are in addition to, and without limitation of, the restrictions set forth in the Master Deed. They apply to Owners and Occupants (that is, any individual lawfully occupying a Unit, including, without limitation, any Owner or tenant, their resident family members, and their guests, invitees, and licensees). In case of conflict between the wording of these Rules and Regulations and the Master Deed, the Master Deed will prevail.

A. GENERAL RULES AND REGULATIONS

1. Permitted Uses.

Residential Units shall be utilized only for residential purposes, Commercial Units shall be obligated only for commercial purposes, including community mail, fitness and retail, and such other purposes as expressly permitted in the Master Deed. In order to alleviate problems of security and disruption associated with frequent changes in occupancy, time-sharing or interval ownership, or any other vacation sharing use (such as Exclusive Resorts, Inspirato, or similar short term use programs) of Units is prohibited, and restrictions are also imposed on rental of Units, all as provided herein and in the Master Deed.

2. Prohibited Uses.

The Owner and Occupants of a Unit shall not permit or allow anything to be done on the Condominium Property that will, in the sole reasonable opinion of the Board of Directors or Management Agent, (i) materially increase the insurance rates on the Unit or the Common Elements over those rates that would reasonably be anticipated from use of the Unit for its normal purposes, (ii) obstruct or interfere with the rights of other Owners or the Association, or (iii) violate any law, permit or regulation of a governmental body. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Garage sales, yard sales, estate sales, flea markets, or similar activities are prohibited without the prior approval of the Board.

3. Owner Responsible for Conduct of Others in Unit.

Each Unit Owner shall be responsible to the Association for the results of the actions or omissions of Occupants of the Unit and their pets while on the Condominium Property, but the responsibility of the Unit Owner shall not relieve any Occupant of the Unit from any liability to the Association or any other Person for their acts.

4. Access to Residential Units and Residential Limited Common Elements.

Access for personal guests or invitees to the Residential Unit of an Owner or Limited Common Elements may be authorized by Unit Owners and Occupants who are sixteen (16) years of age or

older. Personal guests and invitees may not authorize access for others unless authorized to do so by the Board of Directors or the Management Agent. Only persons with proper authorization may remain on the Condominium Property. The Management Agent may establish additional check-in or sign-in procedures and time limits for vendors, suppliers, repair and service personnel, etc. Upon request of the Management Agent or its employee, an Association officer or employee, a law enforcement official, security personnel retained by the Association, or any member of the Board of Directors, a person on the Condominium Property shall provide proper identification and, if purportedly an authorized guest or invitee of a Residential Unit Owner, shall provide the name, Unit number and telephone number of the person who authorized access for the person.

5. Pets.

No animals (including without limitation any livestock, reptiles, fowl or poultry) shall be raised, bred or kept on the Condominium Property, except that an Owner or Occupant of a Unit may keep no more than a total of two (2) (in any combination) dogs or cats in a Unit, and an Owner or Occupant may keep in his or her Unit no more than a total of two (2) (in any combination) smaller, generally recognized non-exotic household pets, such as hamsters, or reasonably sized aquariums. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Such household pets must not constitute a nuisance or cause unsanitary conditions. Pets may not be left unattended outdoors, including on any balcony, patio or deck areas. Pets must be kept on a leash (or carried by a responsible person) and be under the physical control of a responsible person at all times while on the Common Elements (provided that no leash is required when on an enclosed balcony Limited Common Element serving only the Unit in which the pet is kept). The owner of the pet or the person responsible for the pet must immediately remove any feces left upon the Common Elements by pets. Frequent or continuing (i) acting in a threatening way to persons or (ii) barking or howling or any other frequent or continuing loud noise caused by a pet that is clearly audible in another Unit shall be considered a nuisance, and any such pet shall be removed from the Condominium Property. The Board of Directors shall have the right to determine, in its sole discretion, whether a particular pet meets the criteria set forth in this Section, and, if not, it may require, upon reasonable notice, the owner or keeper of the pet to remove such pet from the Condominium Property. Pets must be vaccinated and kept in accordance with the applicable laws and regulations. Residents are responsible for the pets of guests who visit The Waterfront; such pets are subject to the same restrictions as resident pets. No pet(s) of visiting guests can reside in the unit for more than fourteen (14) consecutive days. In its sole discretion, the Board of Directors may decide to allow exceptions on a case-by-case basis.

6. Offensive Activities.

Noxious, offensive or illegal activities shall not be carried out on the Condominium Property, nor shall anything be done thereon that reasonably is an annoyance or nuisance to the Occupants of other Units or persons properly using the Common Elements, provided nothing herein shall prevent commercially reasonable use of the Commercial Units. Without limiting the generality of this provision, the following shall not be permitted on the Condominium Property: (a) speakers, horns, whistles, bells or other devices that emit sounds that are clearly audible in other Units or the Common Elements (other than Limited Common Elements serving only the Unit), except security and fire alarm devices or other devices expressly approved in writing by the Board of Directors, or (b) unusually bright, flashing or pulsating lights that are visible from another Unit or the Common Elements (other than Limited Common Elements serving only the Unit).

Owners shall avoid making or permitting to be made loud, disturbing or objectionable noises in the Units or the Common Areas of the Association. Ambient noise of children playing and normal day time pool activities would be considered reasonable and not objectionable for the purposes of this rule. Owners shall not do, or permit anything to be done, which will interfere with the rights, comfort or convenience of other Owners. Owners shall not create noise between the hours of 10:00 p.m. and 8:00 a.m. which can be heard by persons in another Unit.

No smoking is permitted in any General Common Area, including but not limited to, lobby, the pool and pool deck, Mail Room, parking garage, elevators, stair wells and storage areas. Smoking is permitted only inside a Unit or on the Limited Common Element (balcony) appurtenant to and designated for the exclusive use of the Unit, provided that smokers are considerate of their neighbors in so doing.

7. Exterior Appearance, Signs and Mail Receptacles.

A. Exterior Appearance: Only appropriate furniture and attractive plants are to be kept on balconies, decks, and patios. All other personal belongings are to be kept inside. Draping of towels and other items over the railing and on balconies visible from the exterior is not permitted. No owner shall erect in any Common Area, signage, decoration or other improvements without express written permission of the Board. Reasonable seasonal decorative lights, holiday wreaths, garland and the like, are permitted during the holiday season between Thanksgiving Day and January 8th. Unless otherwise approved in writing by the Board, all windows which are part of a Unit shall have window treatments which shall be located on the interior side of the windows, and any portion thereof visible from outside the Unit shall be neutral in color such as white, off-white or light beige in color. The Board shall have the exclusive authority to change the color of the exterior or otherwise do any structural work on the exteriors of any Unit or Building. The board reserves the right to regulate the choice of color and other matters concerning the exterior of any Building without prior written consent of the residents.

B. Signs: No signs, advertisements, notices, posters, circulars or billboards (together "Signs") shall be posted on Common Elements or any portion of a Unit which is visible from another Unit or the Common Elements (other than Limited Common Elements serving only the Unit) without the permission of the Board of Directors or Management Agent, except as expressly permitted in the Master Deed.

C. Receptacles; Name Signs. The Board of Directors may issue specifications for and/or approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of newspapers or similar delivered materials; property identification markers; and name signs.

8. Antennas and Telecommunications Equipment.

Unless otherwise expressly permitted in writing by the Board of Directors or the Management Agent, no television, radio or other telecommunications antenna, aerial, component or dish shall be erected on a Unit or the Common Elements in a manner that causes it to be visible from another Unit or the Common Elements (other than Limited Common Elements serving only the Unit in which it is located), except as expressly permitted in the Master Deed. No telecommunications equipment

installed on the Condominium Property after completion of construction shall unreasonably interfere with the operation of normal telephone, television, internet or other telecommunications systems for other Units, as determined by the Board of Directors.

9. Approval of Modifications.

A. General Rule. Unless otherwise expressly permitted in writing by the Association, no painting, decoration, attachment to, or modification of a Unit or Common Element that would be visible from any other Unit or any portion of the Common Elements (other than Limited Common Elements serving only the Unit), and no modification of the structural, mechanical, electrical or plumbing systems of a Unit shall be permitted until two (2) sets of plans showing the nature, shape, dimensions, materials, color and location thereof have been submitted to and approved by the Association. Approval by the Association shall not be required for (a) replacement or repair of a mechanical, electrical or plumbing component within a Unit or a Limited Common Element serving only the Unit by a component of equal or better quality that is compatible with other systems in the Unit and the Building and complies with applicable codes, or (b) remodeling, painting or redecorating a Unit in a manner which was previously approved by the Association or existed at the time of recordation of the Master Deed.

B. Attachments. The Association may determine that certain attachments to a Unit or the Limited Common Elements that would be visible from any other Unit or any portion of the Common Elements (such as, without limitation, balcony or deck ceiling fans) must be uniform in appearance and location in order to preserve visual harmony.

C. Review Procedure. The Association shall have twenty (20) business days from receipt of all required information to review the submitted information. It may approve, reject or modify the proposed plans based on its perception of the consistency and harmony of the plans with the Master Deed, applicable codes, the original structure and Plans, and other practical and aesthetic factors deemed appropriate by the Association. If notice of approval, disapproval, proposed modification or request for additional information is not sent to the submitting Owner within such twenty (20) business days period, the plans submitted shall be deemed approved.

D. Review Fees and Deposits. The Board of Directors may establish and charge reasonable fees (i) for review of applications for proposed modifications, and (ii) to provide reasonable funds to offset possible costs to the Association for failure of an applicant or its agent to perform in accordance with the Condominium Instruments or the approved application (such as, without limitation, fees for cleanup of debris created by the work). Such fees may include costs incurred by the Association in causing an application to be reviewed by architects, engineers, builders, interior designers, or other consultants selected by the Association. The Board of Directors may require such fees to be paid in full prior to review of any application. Any deposits remaining after the completion of the approved work shall be promptly refunded to the applicant or the applicant's designee.

E. Trash Caused by Modifications. Any trash generated by construction, remodeling, decorating, or renovation of a Unit shall be handled in accordance with a written plan

approved by the Board of Directors and as required by applicable laws. Any cost of cleanup and removal shall be the obligation of the modifying Owner unless otherwise expressly approved by the Board of Directors.

F. Modifications Committee. The Board may, in its sole discretion, by written resolution, appoint a "Modifications Committee" or delegate to the Managing Agent to implement and coordinate some or all the provisions of this Section. The Modifications Committee shall consist of at least three persons who shall be appointed and shall serve at the discretion of the Board. The persons appointed may be, but need not be, Owners or members of the Board of Directors, and may include such individuals as the Board shall determine from time to time, such as, without limitation, architects, engineers, builders, interior designers, or other consultants.

G. Codes and Ordinances. Compliance with the above procedures is not a substitute for compliance with any requirements set forth in the Master Deed and with other applicable building, zoning, subdivision and development standards ordinances and codes, or other covenants that may apply to the work. The Association, the Management Agent, and their respective officers, employees and agents shall not be responsible for any defects in any plans or specifications approved by the Association, nor for any defects in any work done according to such plans and specifications.

10. Trash.

All Owners are responsible for their own trash and recycling. Trash, garbage or other waste shall be placed in areas designated by the Board of Directors or the Management Agent. Trash, garbage or waste shall be separated as required by applicable laws. Except when moving trash, garbage or waste to designated disposal or pickup areas, it shall be kept in closed, sanitary containers inside the Unit. Household trash, garbage or waste deposited at designated disposal or pickup areas shall be stored in sealed plastic bags. No loose trash or liquids shall be thrown into the dumpsters or other Association trash receptacles. Any cardboard or other collapsible boxes should be broken down prior to disposal. Hazardous materials may not be disposed of in the Association trash or recycling areas. Unless otherwise expressly approved in writing by the Board of Directors or Management Agent, trash, garbage or other waste shall not be left on open balconies, decks, or patios or in Common Elements, such as corridors, lobbies, steps, elevators, parking areas, driveways or pathways, not expressly intended for such storage.

11. Obstruction of Corridors, Lobbies, Steps, Elevators, etc.

Unless otherwise expressly approved in writing by the Board of Directors or Management Agent, corridors, lobbies, foyers, steps, elevators, steps and driveways or pathways for ingress and egress shall be used for no other purpose other than normal transit through them. Corridors, lobbies, steps, elevators, parking areas, driveways or pathways shall not be used as play areas or for storage of personal belongings, including but not limited to, bikes, strollers, furniture, boxes, and the like.

12. Parking.

A. Parking Spaces Generally. The covered parking spaces at the GR04 Osprey Building are assigned to specific Units. In addition, there is one handicapped covered

space which is unassigned. There are also street parking spaces dedicated to the GR04 Osprey building so that each Unit is assigned two (2) spaces.

B. Use of Parking Spaces. Unit Owners and Occupants and agents, guests or invitees of Unit Owners or Occupants shall not (a) park any vehicle except in the assigned parking space as to Units in the GR04 Osprey Building and in general unassigned parking areas, or in such spaces as determined by the Board of Directors. In no event shall any Owner or Occupant park in such a manner as to unreasonably impede ready access to any other parking space.

C. Registration of Vehicles with Association. All parked vehicles shall be operable and properly registered in accordance with state and local ordinances. The Board of Directors may require that vehicles parked in a parking space (a) be registered with the Management Agent, (b) display a sticker or permit specified by the Management Agent, and (c) comply with such other procedures as may be approved by the Board of Directors.

D. Use Only by Occupants. Parking spaces shall only be used by persons who are Occupants of Units, their guests and invitees. Parking spaces used by a tenant of a Unit shall not be used for periods that exceed the period during which the renter is an Occupant. All parking space use by Occupants shall terminate upon conveyance of the Unit.

E. Use by Non-Automotive Vehicles. Motorcycles, motor scooters, golf carts or other authorized motorized non-automotive vehicles shall be parked or stored only in permitted parking spaces.

F. One Vehicle Per Parking Space. Unless otherwise expressly approved by the Management Agent, only one vehicle, including motorcycles and motor scooters, shall be parked in a parking space.

G. Bicycles. Bicycles shall only be parked in areas specifically designated for such use by the Board of Directors.

H. Loss. The Association and Management Agent shall not be responsible for any loss of or damage to vehicles, articles within parked vehicles, or bicycles.

13. Unauthorized Vehicles and Uses; Towing.

A. Unauthorized Vehicles. Unless otherwise expressly approved by the Board of Directors or the Management Agent, no unlicensed or inoperable vehicle; mobile home; boat or boat trailer; "U-Haul" trailer or other trailer; camper; motor vehicle with sleeping facilities; bus; or truck or commercial vehicle over one (1) ton capacity shall be parked or stored on the Condominium Property; provided that trucks and other commercial vehicles that will reasonably fit into a designated parking space or other space approved by the Board of Directors or Management Agent shall be permitted on the Condominium Property for loading, unloading or maintenance services during normal business hours. Emergency

vehicles shall be permitted on the Condominium Property at any time when reasonably required.

B. Vehicle Repairs. Vehicle repairs on the Condominium Property shall be limited to minor emergency repairs requiring a short period for completion, such as replacement or charging of a dead battery, replacement of a windshield, or repair of a flat tire.

C. Towing. Vehicles violating these Rules and Regulations may be towed at the sole cost and risk of the violator and without notice to the violator.

14. **Leasing of Residential Units.**

A. General. Owners desiring to lease their Residential Units may do so only if they have applied for and received from the Board either a "Leasing Permit" or a "Hardship Leasing Permit." Such a permit, upon its issuance, will allow an Owner to lease his or her Unit, provided that such Leasing is in strict accordance with the terms of the permit, the Master Deed, and these Rules and Regulations. With respect to an Owner which is an entity, allowing any person to occupy such Owner's Unit at any time, shall be considered Leasing within the meaning of the Master Deed and these Rules and Regulations. The Board shall have the authority to establish conditions as to the duration and use of such permits. All Leasing Permits and Hardship Leasing Permits shall be valid only as to a specific Owner and Unit and shall not be transferable between either Units or Owners, but shall be transferable to successors in title to the same Unit. Upon any transfer of a Unit subject to a Leasing Permit or Hardship Leasing Permit, the successor in title to the Unit shall present to the managing agent of the Association copies of the Leasing Permit or Hardship Leasing Permit and the recorded deed evidencing the successor in title's interest in the Unit. The Management Agent of the Association shall reissue such Leasing Permit or Hardship Leasing Permit in the name of the successor in title to the Unit.

B. Leasing Permits. An Owner's request for a Leasing Permit shall be approved if current, outstanding Leasing Permits have not been issued for more than thirty percent (30%) of the total number of Units in the Regime. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (i) the failure of an Owner to lease his or her Unit within one hundred eighty (180) days of the Leasing Permit having been issued; (ii) the failure of an owner to secure a new lease within sixty (60) days following the expiration or termination of any lease entered into by Owner pursuant to a Leasing Permit as determined by the terms of the Unit's approved lease on file with the Association; or (iii) the occurrence of the date referenced in a written notification by the Owner to the Association that the Owner will, as of said date, no longer need the Leasing Permit. If current Leasing Permits have been issued for thirty percent (30%) of the total number of Units, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below thirty percent (30%) of the total number of Units in the Regime. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to thirty percent (30%) or less of the total number of Units in the Regime. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner

to be removed from the waiting list for a Leasing Permit. A copy of a sample Leasing Permit is attached as Exhibit A to the Rules and Regulations.

C. Hardship Leasing Permits. If the failure to lease will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Board for a Hardship Leasing Permit. The Board shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (i) the nature, degree, and likely duration of the hardship, (ii) the harm, if any, which will result to the Regime if the permit is approved, (iii) the number of Hardship Leasing Permits which have been issued to other Owners, (iv) the Owner's ability to cure the hardship, and (v) whether previous Hardship Leasing Permits have been issued to the Owner. A "hardship" as described herein shall include, but not be limited to the following situations: (A) an Owner must relocate his or her residence outside the greater Charleston metropolitan area and cannot, within six (6) months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (B) when the Owner dies and the Unit is being administered by his or her estate; or (C) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Owner is approved for and receives a Leasing Permit.

D. Rules Governing Residential Unit Leasing. Leasing which is authorized, pursuant to permit hereunder, shall be governed by the following provisions:

(i) At least seven (7) days prior to entering into the lease of a Unit, the Owner shall provide the Board with a copy of the written proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Master Deed and these Rules and Regulations.

(ii) Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. No Owner may lease the Unit to greater than two (2) unrelated individuals or to a tenant that is other than an individual (i.e. no corporate tenants). No tenant shall be under the age of twenty-three (23), except as otherwise required by applicable Federal or State law. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable. The lease must include language indicating that any failure of the tenant to fully comply with the terms and conditions of the Condominium Documents shall constitute a default under the lease. There shall be no subleasing of Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Unit, and prior to the move-in of any lessee or tenant, the Owner shall provide the Board with

a copy of the lease and the name of the tenant and all other people occupying the Unit. The Owner must provide the lessee copies of the Master Deed, Bylaws, and these Rules and Regulations. Nothing herein shall be construed as giving the Board or Association the right to approve or disapprove a proposed tenant.

(iii) Upon the approval by the Board of the lease, the Owner shall pay to the Association (A) a \$100.00 move-in fee and a \$100.00 move-out fee for the purpose of facilitating the move-in and move-out of the tenant, (B) a deposit in the amount of \$2000.00, which deposit shall be returned to the Owner upon the termination of such lease but which may be drawn upon by the Association in the event of noncompliance by Owner's tenant with the Condominium Documents, including, but not limited to, any damage caused by the Tenant to any of the common areas or General Common Elements and (C) proof that Owner or its tenant maintains a minimum \$1,000,000 in general liability insurance (Form HO-4 Renters Insurance) with the Association named as a certificate holder.

(iv) Failure by Owner to comply with the foregoing constitutes a violation of the Condominium Instruments and may put Owner and the Unit at risk of losing the Leasing Permit or Hardship Leasing Permit.

E. Compliance With Master Deed, Bylaws, and Rules and Regulations; Use of Common Elements, and Liability for Assessments. Any lease of a Unit shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Unit, covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant on the Unit:

(i) Compliance With Master Deed, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Master Deed, (including Section 8.1 which requires Owners, Occupants and guests to comply with Rules and Regulations of the Town Center Association and of the Waterfront Association), Bylaws, and these Rules and Regulations and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of his or her Unit to comply with the Master Deed, Bylaws, and these Rules and Regulations, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Master Deed, Bylaws, and these Rules and Regulations. In the event that the lessee, or a person living with the lessee, violates the Master Deed, Bylaws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine shall be assessed against the lessee in accordance with the Bylaws. If the fine is not paid by the lessee within the time period set by the Board, the Board may assess the fine against the Owner, and the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

(ii) **Violations; Eviction.** Any violation of the Master Deed, Bylaws, or these Rules and Regulations by the lessee, any Occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Master Deed, Bylaws, and these Rules and Regulations, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be an Assessment and lien against the Unit.

(iii) **Use of Common Elements.** Except where the Owner also occupies the Unit, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements, including, but not limited to, the use of any and all recreational facilities.

(iv) **Liability for Assessments.** When a Unit Owner who is leasing his or her Unit fails to pay any Annual, Special, or Specific Assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid Annual, Special, and Specific Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay Assessments or other charges, lessee shall pay to the Association all amounts authorized under this Master Deed as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for Assessments, for which he or she would otherwise be responsible.

F. **Exception for Declarant.** The foregoing restrictions on leasing of a Unit, including without limitation the one (1) year minimum term or the requirement for a Leasing Permit or Hardship Leasing Permit, shall not apply to any Unit that is owned by the Declarant under the Master Deed.

15. No Liability for Stored Goods.

The Association and Management Agent shall not be responsible for any loss of or damage to goods stored by Owners or Occupants in any Common Element or Limited Common Element approved by the Board of Directors for such purpose.

16. Protection of Elevators and Stairs.

Owners or Occupants and their agents shall (a) use appropriate pads to protect elevators, hallways and stairs when moving furniture or equipment, and (b) be responsible for damage to elevators, hallways or stairs caused in such moving.

17. Responsibility for Damage to Common Elements.

If any maintenance, repair, or replacement of any portion of another Unit or the Common Elements is required because of the negligent or willful act or omission of an Owner or Occupant of a Unit, then such Owner and Occupant shall be responsible for such maintenance, repair, or replacement.

18. Keys, Fobs, Locks and Emergency Access to Units.

A. Locks. Locks on all Unit doors work in conjunction with a Yale Accentra fob. Two (2) fobs will be assigned to each Unit and given to the Owner at closing. These fobs will also be programmed to gain entry to certain common areas such as the Fitness Center, Pool and The Post. A fee will be charged for replacement of lost fobs or reprogramming of a deactivated fob.

Two (2) keys to the Yale Accentra Panel Lock will be provided to the Owner at closing. These keys can be used to gain entry to the Unit in lieu of a fob or if the battery fails at the lock panel. A fee will be charged for replacement of a lost key. Management will not have a copy of individual door keys.

If a Unit's lock needs to be rekeyed, it must be keyed to match the Association's master key that is placed in the Knox Box for emergency use entry by the Fire Department into the Unit. It is essential that the Owner notify Property Management and work with the Association's designated locksmith to ensure the replacement key is properly keyed to the master key. If the key needing to be replaced is not properly keyed to the master key, it may be necessary to break the lock or door at the Unit to combat fire, water leaks, etc. The Unit Owner will be responsible for any repairs and damage to their Unit or adjacent units resulting from the failure to provide a properly matched replacement key as stated above. Unit key distribution is the sole responsibility of the Owner. The cost of the rekeying is an Owner expense.

B. Right of Entry. In order to respond to emergency situations or deal with problems in adjacent areas, the Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes. This right may also be exercised by firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in situations reasonably believed to be emergencies or situations in which access is reasonably believed to be needed to prevent damage to the Unit or other areas, access to a Unit shall occur only during normal business hours and then, whenever practicable, only upon advance notice to the Owner of the Unit.

C. Emergency Lockout. In order to respond to an emergency lockout, owners shall provide the Association a 4-digit pin code that will be kept on record by management to identify the person who is requesting access to a unit is associated with the unit. If an owner does not have their fob or key with them and finds that they are locked out of their Unit, lost a fob or believe fob is stolen, they may contact management to receive a one-time use

code that will garner them entry into their unit once they provide the pin code that is on record for the unit. Lost or stolen fobs may be deactivated or deleted from the system on a case by case basis.

19. Mail and Package Delivery.

Residents are to use their street address and unit number, as appropriate, for mail and package delivery services. All mail and package deliveries (USPS, FedEx, UPS, Amazon, etc.) are made to a central location at first floor of the Osprey building in the suite called The Post (suite 413). The Post is available 24/7 to residents by way of their fob.

20. Solicitations.

Persons soliciting contributions or the purchase of goods or services, and persons seeking to distribute materials, brochures or information to Unit Owners or Occupants may be denied access to the Condominium Property unless (a) expressly required by law or (b) expressly invited, by name, as a guest of a specific Unit Owner or tenant, in which event the person invited shall limit the solicitation to the person(s) expressly inviting them.

21. Grills and Fire Pits.

Because of safety and insurance concerns, only electric grills or natural or propane gas grills are permitted for use on balcony Limited Common Elements assigned to each Unit. Grills burning charcoal, wood, paper or other flammable materials are prohibited. Use of permitted grills shall follow proper procedures for fire prevention, cleanup, and smoke and odor control. Fire pits are permitted only on the rooftop decks of the T5 Sandpiper and T13 Kingfisher buildings. Wood burning fire pits, chimeneas and the like are strictly prohibited on all Limited Common and Common Elements. Custom or "built-in" fire pits or similar must be submitted to the Board and ARB for approval prior to commencement of construction.

22. Amenities.

All Owners and Occupants who use the pool or other amenities must abide by the Rules and Regulations of that area set by the Waterfront Association, including but not limited to, the hours of operation, age limit, proper use of equipment, cleanliness, and abide by all safety rules. Use of amenities by Owners or Occupants of Commercial Units is to be restricted. The facilities and amenities of the development are for the exclusive use of the Owner and Occupants. No Owner or Occupant will be permitted to use the facilities and amenities if they are not current on their dues and fees. Owners who have rented their unit to a tenant and do not reside at the property may not use the amenities. All parties or gatherings located in or around any amenity center, private or otherwise, must be scheduled with the Board or Management Agent no less than seven (7) days in advance and must abide by the Rules and Regulations associated with that venue. In particular, Owners and Occupants shall not use the amenities in any manner that creates noise between the hours of 10:00 p.m. and 8:00 a.m. which can be heard by persons in any Unit, except with the prior written approval of the Board or Management Agent.

23. Water.

Piped water throughout each Unit and each Common Element is shared by all residents of Building and is paid for by the Association. Water shall not be left running for any unreasonable or unnecessary length of time. Toilets and other water apparatus in any Unit or Common Element shall not be used for any purpose other than which it was designed. Disposal of rubbish, rags,

paper, paper towels, ashes, or any other non-conforming substance in such is prohibited. Please see the Charleston Water System website for a complete list of non-conforming substances.

24. Move In/Out.

In the course of moving in or out of a Unit where extensive elevator use is needed, the Owner or Occupant must schedule the use of that elevator for a period of no more than 8 consecutive hours (or such longer time as the Board or the Management Agent approve in their reasonable judgment) between 9:00 a.m. and 5:00 p.m., Monday – Friday, excluding holidays. They must provide the Board or Management Agent written notice of their intent one week prior to the move. Any Owner, Occupant, or other person involved with the move must show due consideration to all others who may need to use the elevator during the scheduled moving time.

25. Dryer Vents.

In order to comply with City of Charleston building requirements, any laundry dryer located in a Unit must be compatible with the length of the dryer duct and number of elbows within the Unit. Rigid duct shall be used for dryer venting. The Association and the Management Agent shall have the right to inspect all dryers, and upon request any Owner shall provide information relating to the dryer model and venting capability to ensure compliance. Dryer vent cleaning will be required to take place once per year and will be coordinated with the managing agent to facilitate bulk pricing. The cost of the service will be a homeowner expense.

26. Penalties for Violations.

A. In the event of failure to comply with these Rules and Regulations, the Board of Directors shall take such action as it determines is appropriate to enforce the Rules and Regulations or to remedy the problem caused by the failure to comply. Without waiver of any other enforcement rights that the Board of Directors, the Association or any Owner may have under the Condominium Instruments or applicable law, the Board of Directors may also impose a Special Assessment on the applicable Unit of up to \$500 for each violation of these Rules and Regulations.

B. For an initial violation, the Board of Directors shall give the non-complying Owner or tenant of the applicable Unit written notice of the violation and, if desired, the action that is required in order to cure the violation. Unless otherwise provided in the Master Deed or these Rules and Regulations, or unless the Board of Directors or Management Agent determines that the violation may constitute a safety hazard, violation of law or an emergency situation, the Owner or tenant shall have 24 hours from receipt of notice, or such additional time as may be authorized in writing by the Board of Directors or Management Agent, to cure the violation or to provide reasonable evidence that no violation exists. No further notice shall be required prior to enforcement after notice of the initial violation is given.

27. Collecting Assessments: Discontinuance of Association Services and Legal Action

A. Discontinuance of Services. In accordance with the Master Deed, if an Owner is 30 days or more in arrears in payment of Assessments, the Board of Directors or the Management Agent may notify the Owner of the delinquency and, in addition to such other

penalties as are set forth in Master Deed, may cause the Association to discontinue all Services for the Unit that are paid for by the Association as Common Expenses and paid from Assessments. "Services" may include, without limitation, any electrical, water and/or wastewater service; telecommunications services, such as internet or cable television; elevator service; or any other utility or service furnished to such Unit. The Owner shall be allowed a reasonable time, not to exceed fourteen (14) days, from the date of notice of the violation in which to pay the Assessment due before service is discontinued.

B. Legal Action. If the Owner fails to pay Assessments due within 120 days of the date due, then, in accordance with the Master Deed, unless otherwise expressly authorized by the Board of Directors, the Board of Directors shall cause the Association to bring an action at law against the delinquent Owner personally for the unpaid Assessment, late charges, related court costs, fees for expert witnesses and depositions, other disbursements, and reasonable attorneys' fees and expenses, and file a lien against the delinquent Owner's Unit to secure such payments.

28. Waivers of Rules and Regulations.

The Board of Directors or the Management Agent may, for good cause, as determined in its sole discretion, waive violations of these Rules and Regulations. Such waiver shall be in writing and a copy of such waiver shall be either maintained for a reasonable period in the offices of the Association or may be recorded in the Register of Mesne Conveyance for Berkeley County, South Carolina.

29. Amendment of Rules and Regulations.

The foregoing Rules and Regulations are subject to amendment and may be supplemented by other rules and regulations promulgated by the Board of Directors and shall be enforceable in accordance with South Carolina Code Annotated Section 27-30-130.

**B. RULES AND REGULATIONS FOR CONTRACTORS,
SUBCONTRACTORS AND OWNERS PERFORMING WORK**

The Association, in accordance with the Master Deed and Bylaws, establishes the following procedures by which all contractors, subcontractors and Owners performing work in a Unit will comply.

The Owner may select any general contractor he or she chooses, subject to the Association's reasonable approval; or act as the general contractor and hire sub-contractors.

1. Insurance and Permitting

All contractors must be licensed in the State of South Carolina and the City of Charleston and must have Workers' Compensation Insurance, General Liability Insurance, and Property Damage Insurance in the amounts of \$1,000,000 each respectively. Certificates of Insurance must be presented to the Association's management company and no work will be allowed until the certificates are submitted. Plumbers and electricians must provide a copy of licenses.

The Owner, the Association, and its Board of Directors and officers, and the Association's management company shall be named as additional insureds for both liability and workers'

compensation insurance on all certificates of insurance, and copies of such certificates shall be provided.

Owners agree to indemnify, defend and hold harmless the Association, its Board of Directors, its officers, and the Association's Management Company and its agents, employees and officers, harmless against any loss, liability, claim or damage arising out of or relating to; (a) injury to, death of, or damage to property to the extent caused by the Owner, General Contractor, any sub-contractor, designer or any of their agents, sub-contractors or employees, and (b) mechanics liens on the common area or Common Elements arising out of or resulting from any work performed on or about the Owner's property. Each Owner will execute an Indemnity Agreement, attached hereto as Exhibit B, to be submitted prior to the commencement of work.

2. Notice to General Contractors

The general contractor is responsible for all those performing work within a Unit unless the Association's management company is notified otherwise. Notification to the Association's management company is the responsibility of the Owner.

3. Working Hours

Working hours are 8:00 a.m. until 5:00 p.m., Monday through Friday. Building entry is not permitted earlier than 8:00 a.m. and no noise is permitted until 9:00 am. All work must cease at 4:30 p.m. and all workers must have exited the building by 5:00 p.m. No work is permitted on weekends or nationally observed holidays without prior approval of the Board of Directors.

4. Contractors/Sub-Contractors - Required Paperwork

Copies of any and all plans must be submitted to the Association for approval prior to commencement of work. Until the below noted paperwork has been submitted and approved, work may not begin. Non-compliance will result in work stoppage and fines to the Owner. Minor repairs and maintenance, including but not limited to the replacement of air conditioning units, painting, replacing cabinetry, and the like are excluded from the requirement of providing plans. However, Owners must notify management no less than 72 hours in advance of any work requiring a crane or outside access of the building by repelling and any work that will require a permit by the City of Charleston.

A. If changes will be made to interior walls, other structural elements, or major electrical or plumbing work will be done, two complete sets of plans (blue prints) and one application for architectural approval must be submitted to the Board of Directors at least 30 days in advance of the work to be done. The plans must be prepared by both a licensed architect, showing any changes to the interior of a Unit, and a licensed engineer, showing any changes to the Unit's structure as well as changes in plumbing, electrical or mechanical systems. All technical and engineering matters are the Owner's responsibility; the Association does not offer any technical advice. In addition, the submittal must have samples of the flooring and sound attenuation materials that will be installed in the Unit. When plans are approved, one set of plans will be returned to the Owner and the other set will be kept in the Association's files.

B. All approvals for work must be in writing. Work that begins without written approval is subject to fine, alteration and/or removal at the expense of the Owner. If the

submittal has been disapproved, it can be resubmitted for review if changes are made so that it conforms to Association's guidelines. If an Owner feels the plans have been unfairly reviewed, the Owner may appeal to the Board of Directors for a re-hearing.

C. After approval of the plans, building permits must be obtained from the City of Charleston per city requirements. Copies of the permits must be submitted to the Association prior to the start of construction and posted in the Unit during construction.

D. The Association's Board of Directors has delegated to the Association's management company the authority to stop work in any Unit until reaching resolution for failure to comply with these guidelines. During a work stoppage, contractors will collect tools and exit the Unit. Please be advised that the Association's management company and/or the Board of Directors may visit the Unit while work is in progress.

5. Plumbing

A. A minimum of five (5) days advance notice is required to turn off the water to any common area or Unit not owned by the Owner.

B. When resetting toilet bowls, double wax rings shall be used.

6. Fire Alarm

Owner shall insure that components of the Association's fire protection system are not damaged or compromised during any work within the Unit. The removal and/or protection of any device or component of the system must be performed by or supervised by the fire protection system maintenance company contracted by the Association at the Owner's expense. Costs to repair any damage to the fire protection system as a result of failure to comply with this rule will be the Owner's expense. Additionally, if any alterations to electrical wiring in the Unit are part of any renovation or remodel proposal, Owner shall ensure that alterations will not impact the wiring of the fire alarm system.

7. Damage

A. The Owner will be held liable for the actions of his/her contractors and/or workmen. Any damage to common areas or adjacent Units caused by the improvement is the Owner's responsibility. All damage must be reported immediately to the Association along with a schedule of repairs as is reasonably acceptable to the Association. If the damage is not repaired in a timely manner, the Association may make the repairs and charge the Owner.

B. The Association will inspect the work to insure compliance with approved plans and to assess the condition of all Common Elements before releasing any damage/performance deposits. The Owner agrees to allow the inspection.

C. All floor areas are to be protected from the building exterior doors to the Owner's Unit door including lobby floor, elevator carpet and the hallway carpeting to the Unit. Violation will subject the Owner to a \$200 fine plus the cost of cleaning.

8. Work Areas

A. All work must be performed inside the Unit, or on the Unit's appurtenant balcony, if applicable. The Association also may, but will not be required to, designate a work area. Workmen cannot set-up equipment in corridors, the lobby or the roof. Equipment cannot be stored overnight in hallways, the parking area, or other common areas. All materials must be stored inside the Unit or taken off-site each evening. No cutting, sawing, or other work may be done in the drive for the GR04 Osprey Building, corridors or any other common area.

B. All doors to the Unit must be kept closed during construction in order to contain dust, dirt, noise, paint fumes, etc.

9. Elevator

In the GR04 Osprey Building, the elevator and hallways must be padded at all times during construction/remodeling. Contact the management company at least one week prior to the start of work to have required padding put up and taken down.

10. Trash & Debris

Common areas must be kept clean and clear of debris throughout the workday.

The trash bins inside the buildings are not to be used. Construction refuse is not to be deposited in the dumpsters or other receptacles which are provided for normal household use.

Dumpsters may not be placed on the property. Contractors may park a trailer for daily collection of refuse and debris in a designated area of the garage or street parking. All trash and debris must be carried off-site on a daily basis by Owner's contractors. If any refuse is left on the premises or in the community's dumpsters, the Unit Owner may be fined. Contact Association Management for further details and instructions.

11. Parking & Deliveries

Contractors and vendors are not allowed to park in the garage without prior express permission from the management company or the Board of Directors. Do not obstruct walkways or entrances. When unloading, unload and move all vehicles immediately. No materials whatsoever may be left in front of the building or in any of the common area of the building. Any oil stains from vehicles on the driveway or garage entrance area shall be cleaned up by the general contractor or Owner.

12. Security

Be advised the Owner may be charged for security response from tripping of interior alarms (emergency, fire and intrusion).

13. Additional Notes

A. Owner acknowledges Association Assessments appurtenant to this Unit may be adjusted based on an increased share of common expenses, if any, and agrees to pay assessments as may be approved by Board of Directors, as specified in Master Deed.

B. The Association has the right to stop any work that is in violation of these regulations, creating a fire or safety hazard or interfering with activities in common areas.

C. Contractors must use their own equipment. No equipment or tools which are the property of the Association are to be used at any time.

D. If the Association is forced to employ an attorney to ensure compliance, collect fines, etc., the Owner shall be liable for those reasonable attorneys' fees and any related expenses in addition to all fines and/or any cost to the Association.

E. Please also refer to Master Deed, Rules and Regulations, and the Owner's Manual of The Waterfront 1 C Horizontal Property Regime Owners Association, Inc., which limit changes to any areas seen from outside the Unit, e.g.: Unit door decorations, balcony lights, etc.

C. GENERAL

1. Waivers of Rules and Regulations.

The Board of Directors or the Management Agent may, for good cause, as determined in its sole discretion, waive violations of these Rules and Regulations. Such waiver shall be in writing and a copy of such waiver shall be either maintained for a reasonable period in the offices of the Association or may be recorded in the Register of Mesne Conveyance for Berkeley County, South Carolina.

2. Amendment of Rules and Regulations.

The foregoing Rules and Regulations are subject to amendment and may be supplemented by other rules and regulations promulgated by the Board of Directors and shall be enforceable in accordance with South Carolina Code Annotated Section 27-30-130.