

## EXHIBIT "J": RULES AND REGULATIONS

### PENINSULA ON JAMES ISLAND HORIZONTAL PROPERTY REGIME

In order to create a congenial, pleasant, safe and dignified living atmosphere that is respectful of the concerns of Owners of Units, these Rules and Regulations have been adopted. These Rules and Regulations supplement the Master Deed of the Regime and the Bylaws of the Association. They apply to Owners and their families, tenants, guests, agents, invitees, contractors, and employees.

#### 1. Residential and Business Usage.

A. Units shall be utilized for single family residential purposes only. No business or business activity shall be carried on in any Unit at any time; provided, however, that, to the extent allowed by applicable zoning laws, private business activities may be conducted in a Unit as long as such use is incidental to the primary residential use of the Unit and does not violate any applicable law, involve any exterior signage or advertising of the Unit as a place of business, require frequent visits by clients or business associates to the Property, or unduly contribute to parking, traffic, telecommunications or security problems for the Property, all in the sole opinion of the Board of Directors.

B. The provisions in (A) above shall not preclude (i) such business activity of the Association or any Management Agent as is reasonably required for the effective operation of the Property and the Association, (ii) with the written permission of the Board of Directors of the Association, use, rental or leasing of any Units or Common Elements for such lawful purposes as leasing or sale of Units, Association administration, storage, or other activities determined by the Board of Directors to be beneficial to the Association or the Owners; (iii) showing of any Unit for sale or permitted leasing purposes during normal business hours and in accordance with any procedures established by the Board of Directors to preserve a congenial, pleasant, safe and dignified living atmosphere, or (iv) business operations of the Declarant, its agents, successors, assigns or designees during the period of constructing, renovating, marketing or managing the Property, including, without limitation, leasing, sales, administration, storage, or similar activities.

C. The Board of Directors of the Association may lease, on such terms as it shall determine are appropriate, a reasonable part of the Common Elements, such as a part of the Clubhouse, to a licensed real estate brokerage firm to assist Owners in the leasing or sale of their Units. Such lease shall be for a period not exceeding three (3) years but may contain provisions for multiple extension for periods not to exceed one (1) year at a time. The lease shall require that (a) the brokerage firm be a member of the Multiple Listing Service (or a similar organization that provides an opportunity for other participating brokerage firms to participate in sales), (b) the Association shall be indemnified by the brokerage firm against any claims against the Association resulting from any activities of the brokerage firm that do not comply with applicable law or regulations, (c) the brokerage firm shall not represent that it is the sole broker authorized to sell or lease Units, and (d) commissions shall be determined solely by the brokerage firm and the Owner of the Unit to be sold or leased, but the commissions proposed by the brokerage firm shall not exceed those commonly charged for similar services in the Charleston area.

#### 2. Timesharing and Rentals:

Pursuant to Section 10.3 of the Master Deed, in order to alleviate problems of security and disruption associated with frequent changes in occupancy, Units shall not (a) be divided into or operated as "timeshares" or interval ownership segments or (b) be leased or rented for periods less than one hundred eighty (180) consecutive days. If leased or rented, the Unit Owner shall ensure that Occupants of the Units understand and fully comply with the provisions of this Master Deed and these Rules and Regulations. If rented or leased, the Unit Owner shall notify the Management Agent or such other entity as the Board of Directors shall determine, in writing, in advance of occupancy, of the name(s), home address(es), and home telephone

number of the renter(s) or lessee(s). If requested by the Management Agent or the Board of Directors, the renting or leasing Owner shall provide evidence reasonably satisfactory to the requesting entity to confirm the term of rental or lease.

**3. Use of Owners' Terraces and Other Common Elements.**

Any Owner wishing to use an Common Elements for a private event shall comply with such additional specific rules or conditions as may be determined by the Board of Directors or the Management Agent. These rules may include fees or deposits for costs of staff, cleanup, utilities, damages, etc. In order to reduce safety and noise concerns, unless otherwise expressly approved by the Board of Directors or the Management Agent, use of an Owners Terrace is limited to the hours of 8:00 A. M. to midnight. Persons less than eighteen (18) years of age must be accompanied by a person who is eighteen (18) years of age or older. Access for personal guests or invitees of a Unit Owner must be authorized by a Unit Owner or Occupant who is eighteen (18) years of age or older. Fire Department rules may limit the number of persons who may be present on an Owners Terrace at any time.

**4. Prohibited Uses.**

The Owner and Occupants of a Unit shall not permit or suffer anything to be done on the Property that will, in the sole reasonable opinion of the Board of Directors or Management Agent, (i) 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 Unit Owners or the Association, (iii) violate any law, permit or regulation of a governmental body.

**5. Owner Responsible for Conduct of Others in Unit.**

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

**6. Access to the Property.**

Access for personal guests or invitees to the Unit of a Unit Owner may be authorized by the Unit Owner and Occupants of the Unit who are sixteen (16) years of age or older. Personal guests and invitees may not authorize access for others unless given approval to do so by the Board of Directors or the Management Agent. Only persons with proper authorization may remain on the 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 employee, a law enforcement official, security personnel retained by the Association, or any Unit Owner or Occupant who is eighteen (18) years of age or older, a person on the Property shall provide proper identification and, if purportedly an authorized guest or invitee, shall provide the name, Unit number and telephone number of the person who authorized access for the person.

**7. Pets.**

No animals, livestock, reptiles, fowl or poultry shall be raised, bred or kept on the Property, except that dogs, cats or other non-exotic household pets, cumulatively totaling not more than three (3), may be kept, provided that they are not kept, bred or maintained for commercial purposes and are housed within the Unit. Such household pets must not constitute a nuisance or cause unsanitary conditions. Frequent or continuing barking or howling of a dog or any other frequent or continuing noise caused by a pet that is clearly audible in another Unit shall be a nuisance. Pets shall not be allowed on Common Elements (other than Limited Common Elements serving only the Unit in which the pet is kept) unless the pet acts in a non-threatening way to other persons and is under leash or is carried by a responsible person. No pet shall be permitted to leave its excrement on Common Elements other than any Common Elements expressly authorized by the Board of Directors, and the owner of such pet shall cause such excrement to be immediately removed. The Board of Directors shall have the right to determine, in its sole discretion, whether a particular pet meets the criteria set forth above, and, if not, it may require

the owner or keeper of the pet to remove such pet from the Property.

**8. Offensive Activities.**

Noxious, offensive or illegal activities shall not be carried out on the 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. Without limiting the generality of this provision, the following shall not be permitted on the 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 in which they are located), 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 in which they are located).

**9. Signs, Mail Receptacles and Window Treatments.**

Unless otherwise expressly permitted in writing by the Board of Directors or the Management Agent, an Owner shall place no sign, advertisement or notice on the Property other than inside such Owner's Unit (in which case the sign, advertisement or notice shall not be visible outside the Unit), or within Common Elements reserved by the Board of Directors for such purposes, in which case the sign, advertisement or notice shall comply with any procedures or criteria approved by the Board of Directors. This provision shall not apply to any signage that is part of the original construction of the Property or any replacement therefor that is substantially the same as the original signage. The Board of Directors shall have the right to issue specifications for and/or approve as to location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similar delivered materials; property identification markers; and name signs. The Board of Directors shall also have the right to issue specifications for and/or approve any window treatments (e.g. shades, blinds, draperies, shutters, etc.) that are visible outside a Unit.

**10. 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 under normal use conditions from another Unit or the Common Elements (other than Limited Common Elements serving only the Unit in which it is located). No telecommunications equipment installed on the Property after completion of construction shall unreasonably interfere with the operation of normal telephone, television or other telecommunications systems for other Units, as determined by the Board of Directors.

**11. Approval of Modifications.**

(1) Unless otherwise expressly permitted in writing by the Board of Directors (or its authorized designee, such as an architectural review committee), no painting, decoration, attachment to, or modification of a Unit or Limited 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 in which it is located), no modification of the Common Elements (including Limited Common Elements), 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 Board of Directors (or its authorized designee). Approval shall not be required for replacement of a mechanical, electrical or plumbing component within a 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.

(2) The Board of Directors (or its authorized designee) may determine that certain attachments to a Unit or any portion of the Common Elements, such as, without limitation, balcony ceiling fans and exterior lights, must be uniform in appearance and

location in order to preserve the visual harmony of the community.

(3) The Board of Directors (or its authorized designee) shall have three (3) calendar weeks 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, the original structure, and other practical and aesthetic factors deemed appropriate by the Board of Directors or its authorized designee. If notice of approval, disapproval, proposed modification or request for additional information is not received by the submitting Owner within such three (3) calendar week period, the plans shall be deemed approved. If the Board of Directors or its authorized designee determines that professional advice is required in order to evaluate the submitted information or to monitor the execution of the proposed modification, it may impose reasonable fees to cover the costs to the Association. Such fees shall payable by the applicant as a pre-condition of such evaluation or modification.

(4) Compliance with the above procedures is not a substitute for compliance with other applicable building, zoning, subdivision and development standards ordinances and codes, or other covenants that may apply to the work. The Board of Directors, its authorized designee, 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 Board of Directors or its authorized designee, nor for any defects in any work done according to such plans and specifications.

**12. Trash.**

Trash, garbage or other waste shall be placed in areas designated by the Board of Directors or the Management Agent. Except when moving household garbage or waste to designated disposal or pickup areas, it shall be kept in closed, sanitary containers inside the Unit. Household garbage or waste deposited at designated disposal or pickup areas shall be stored in sealed plastic bags. No trash, garbage or other waste shall be left on decks, terraces, patios or porches or in Common Elements not expressly intended for such storage, such as corridors, steps, and driveways or pathways.

**13. Obstruction and Use of Common Elements**

Unless otherwise expressly approved in writing by the Board of Directors or Management Agent, (a) corridors, steps, and driveways or pathways for ingress and egress shall be used for no other purpose other than normal transit through them and (b) nothing shall be stored or kept on any part of the Common Elements (including Limited Common Elements). Corridors, steps, and driveways or pathways shall not be used as play areas.

**14. Parking.**

The Board of Directors may assign on-grade parking spaces not within Garages for the exclusive use of specified Units. Licenses for Garage parking shall be assigned in accordance with the Master Deed. Unless expressly approved by the Board of Directors or Management Agent:

(1) Unit Occupants and agents, guests or invitees of Unit Occupants shall not (a) park any vehicle except in the parking space(s) reserved for that Unit or in parking spaces reserved for overflow Occupant parking, as determined by the Board of Directors, unless expressly permitted by the Owner or tenant of the Unit having the right to park in such parking space, or (b) park in such a manner as to unreasonably impede ready access to another parking space.

(2) The Board of Directors may require that vehicles parked in a parking space (a) register 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.

(3) Parking spaces shall not be rented or assigned to persons who are not Occupants of the Peninsula on James Island. If a Unit is rented, parking spaces shall not be rented or

assigned to persons who are Occupants of the Peninsula on James Island for periods that exceed the term of rental of the Unit to such Occupant. All such parking space rentals shall terminate upon conveyance of the Unit to which the parking spaces are assigned. If the Occupants of a Unit do not require use of a parking space assigned to the Unit, and wish to rent or assign the parking space for use by other Occupants, the Owner of such Unit shall notify the Board of Directors or the Management Agent of the name and Unit number of the other Occupant to whom the parking space has been rented or assigned, and the period of such rental or assignment. If the Occupants of a Unit do not require use of a parking space assigned to the Unit, and wish to make the parking space available for use by other Occupants, the Owner of such Unit shall notify the Board of Directors or the Management Agent of the period during which such rental or assignment is available and the rental amount, if any, that the Owner will accept. The Board of Directors or the Management Agent shall maintain a list of such available parking spaces for review by Peninsula on James Island Occupants. Nothing shall preclude the Association from using or renting an available parking space for visitor parking or other uses.

(4) No motorcycle, golf cart or other motorized recreational vehicle shall be parked or stored in parking areas unless it is (a) operable and properly licensed and (b) parked or stored in a parking space assigned to the Owner or Occupant having control of such vehicle.

(5) Unless otherwise expressly approved by the Management Agent, only one vehicle shall be parked in a parking space.

(6) The Association and Management Agent shall not be responsible for any loss of or damage to vehicles or articles within vehicles parked on the Common Element.

**15. Unauthorized Vehicles and Uses; Towing.**

(1) Unless otherwise expressly approved by the Board of Directors or the Management Agent, no unlicensed or inoperable vehicle; mobile home; boat; house 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 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 Property for loading, unloading or maintenance services during normal business hours; and emergency vehicles shall be permitted on the Property at any time when reasonably required.

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

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

**16. 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 or Occupant shall be responsible for such maintenance, repair, or replacement. (For further provisions, see Article IV of the Master Deed.)

**17. Keys, Locks and Emergency Access.**

In order to respond to emergency situations or deal with problems in adjacent areas, the Management Agent may require that the Unit owner provide a passkey for each Unit, which key shall be kept in a locked space under the control of the Management Agent. 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 adjacent 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. Keys and locks for Units shall not be altered or installed without prior consent of the Management Agent, which shall not be unreasonably denied. If consent is given, the Owner shall provide a copy of the replacement key to the Management Agent.

**18. Solicitations.**

Persons soliciting contributions or the purchase of goods or services, and persons seeking to distribute materials, brochures or information may be denied access to the 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.

**19. Grills.**

Because of safety and insurance concerns, only natural or propane gas or electric grills are permitted on the Property. 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.

**20. Penalties for Violations.**

(1) 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 Master Deed or applicable law, the Board of Directors may also impose a Special Assessment on the applicable Unit of up to \$100 for each violation of these Rules and Regulations.

(2) 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 constitutes 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.

**21. 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 records of the Association or recorded in the Register of Mesne Conveyance Office for Charleston County, South Carolina.

**22. Amendment of Rules and Regulations.**

The foregoing Rules and Regulations are subject to amendment by the Board of Directors and may be supplemented by other rules and regulations promulgated by the Board of Directors.