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## Summary of Legal Guidance on Project Planning, Governing Documents, and Board Authority

### Project Scope and Responsibility:

- The project involves essential repairs to the M and L buildings, specifically balconies, windows, and siding. The M building will be prioritized due to its deteriorating condition, while temporary repairs allow for some delay on the L building.
- According to the attorney's review, **Article XXIV** of the Master Deed designates the Association's responsibility for maintenance, repair, and replacement of General Common Elements, which includes structural repairs needed in both buildings. All association members are financially responsible for these repairs according to their ownership percentage, rather than by the specific building.

### Articles and Board Authority:

#### 1. **Article XIX (Right of Entry in Emergencies):**

- This article grants the Association the right to enter units immediately to address emergency repairs that may affect safety or other units. The attorney noted that this article allows the Board to act swiftly in true emergency situations for immediate repairs.

#### 2. **Article XXII (Alterations, Modifications, and Improvements):**

- This article requires a 60% vote for alterations or improvements costing over \$5,000 that alter the common elements' appearance (e.g., cosmetic changes). However, the attorney clarified that this rule applies to non-emergency or optional improvements rather than necessary repairs or replacements. Since the project involves "like-for-like" repairs with no planned aesthetic changes, it falls under maintenance rather than alteration, eliminating the need for a membership vote.

#### 3. **Article XXIV (Maintenance, Repair, and Replacement):**

- Article XXIV requires the Association to maintain, repair, and replace General Common Elements at its expense. Since this project is a necessary repair, it does not require a membership vote. The Board is authorized to manage these essential repairs independently, in compliance with its maintenance obligations.

#### 4. **Bylaws, Section 6(c)(ii) and 6(c)(iii):**

- Section 6(c)(ii) permits the use of reserve funds to cover structural repairs, reinforcing the Board's authority to apply these funds as needed in emergencies.
- Section 6(c)(iii) empowers the Board to levy additional assessments if the current budget is insufficient to cover essential repairs, including emergency situations. This means the Board can impose an assessment to ensure project funding without requiring a vote.

**Billing Structure and Assessment Allocation:**

- Per the attorney's opinion, the governing documents prevent billing only the owners of a specific building for repairs. Instead, all owners must contribute based on their percentage interest, as noted in the Master Deed.

**Funding Options for Repairs:****1. Reserve and Assessment Use:**

- The Board may use reserve funds to offset part of the project cost, given that the reserve fund is specifically allocated for structural elements.
- An additional assessment can be levied to cover remaining costs, in line with the Board's authority under **Bylaws, Section 6(c)(iii)**.

**2. Loan Consideration:**

- The Board explored financing options but decided against a loan due to high interest costs. However, the attorney confirmed that South Carolina Non-Profit statutes grant the Board authority to secure loans on behalf of the Association, using Association assets as collateral. This remains an option if financing aligns with owners' needs.

**Payment Plans and Assessment Structure:**

- The Board has discretion to structure payment plans to ease the financial burden on owners. Owners will soon receive options for payment terms (e.g., 12-32 months).
- Additionally, the attorney advised the Board to consider adding nominal fees for extended payment plans or offering a small discount for lump-sum payments, ensuring that the total assessment covers the project costs accurately.