

**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO  
THE SOUTH CAROLINA ARBITRATION ACT**

MASTER DEED

OF

CONCORD WEST OF THE ASHLEY  
HORIZONTAL PROPERTY REGIME

Charleston, South Carolina

Developer:

Ashley Knoll I Properties, LLC,  
a Delaware limited liability company

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**MASTER DEED  
FOR  
CONCORD WEST OF THE ASHLEY HORIZONTAL PROPERTY REGIME**

Ashley Knoll I Properties, LLC having its principal office at 1575 Northside Drive, Atlanta, GA 30318, and a mailing address of 1575 Northside Drive, Atlanta, GA 30318, hereinafter referred to as the “Developer” or “Grantor”, as the sole owner of the land and improvements hereinafter described, does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the lands and buildings herein described, subject to the limitations, exclusions and reservations set for the hereinbelow together with and subject to all other improvements thereon, including all easements, rights, and appurtenances thereto belonging, to a Horizontal Property Regime (to be known as Concord West of the Ashley Horizontal Property Regime, hereinafter sometimes called the “Regime” and other times called the “Condominium”) in the manner provided for by the South Carolina Horizontal Property Act, as amended, S.C. Code Ann. §27-31-10 et seq. (1976). Without limiting any of the foregoing, no property, real, personal or mixed, not located within or upon the Land as aforesaid shall for any purposes be deemed part of the Condominium or be subject to the jurisdiction of the Association, the operation and effect of the South Carolina Horizontal Property Act or any rules or regulations promulgated pursuant thereto, unless expressly provided. In conformity with § 27-31-30 and § 27-31-100 of said Act, the Grantor sets forth the following particulars:

**I. Introduction and Submission.**

(A) The Land. The Developer is the owner of that certain land located in Charleston County, South Carolina, as more particularly described in Exhibit “1” attached hereto and incorporated herein (the “Land”), and as depicted on a Plat of Survey (the “Plat”) recorded in Charleston County Office of the Register of Mesne Conveyances in Book or Slide \_\_\_\_ at Page \_\_\_\_; a reduced copy of the Plat is attached hereto as Exhibit “2”.

(B) Survey and Description. Incorporated herein by reference, as if set forth in full herein, is the Plat, referred to in Exhibit “2”, showing the Land and all improvements. Also attached is a Plot Plan showing the location of the buildings and other improvements constructed or to be constructed (hereinafter “Plot Plans”) attached hereto as Exhibit “3” consisting of a Site Plan, ground level; Building Plans, Elevations of the buildings on the Real Property and a set of floor plans (hereinafter “floor plans”) for each type of Apartment (as such term is defined in S.C. Code Ann. §27-31-10 et seq. (1976) and referred to hereinafter as “Unit”) and its respective unit number which show graphically the dimensions, area, and location of each Unit in the buildings to be constructed on the Land and General Common Elements constructed on the Land affording access to each Unit. Each Unit is identified thereon by specific number and no Unit bears the same designation as any other Unit.

(C) Name. The name by which this condominium is to be identified and marketed is CONCORD WEST OF THE ASHLEY CONDOMINIUMS (hereinafter called the “Condominium”).

(D) Conversion. The Real Property, at the time of filing this Master Deed, is a portion of an Apartment Complex known as Ashley Knoll Apartments containing 408 rental units and various amenities including an Amenities Building, defined below. The portion of the Apartment Complex, which comprises the Real Property submitted to the Condominium/Regime hereby, contains 280 Units for residential use and one (1) Amenities Building, which shall become a Commercial Unit, together with the Common Elements for Phase I identified on Exhibit “3”, and is sometimes referred

to, with respect to the remainder of the Apartment Complex, as "Phase I". Developer's affiliate, Ashley Knoll II Properties, LLC, is either under contract and shall own or currently owns the other portion of the Apartment Complex which includes, inter alia, 128 apartments which Ashley Knoll II Properties, LLC intends to continue operating as an apartment complex; provided, however, that Developer, together with Ashley Knoll, II Properties, LLC, reserve the right, but having no obligation to do so, to convert said 128 apartments into condominium units and to include such apartments within the Condominium/Regime as Phase II (in compliance with Section 27-31-100(g)), as more particularly set forth in Article XXIV hereinbelow.

Developer, by filing this Master Deed, hereby declares its intention to undertake a conversion of the aforesaid 280 rental units and the aforesaid Amenities Building to condominium ownership pursuant to §27-31-410, S.C. Code of Ann., et seq. reserving its rights set forth in §27-31-440, S.C. Code Ann.

## **II. Definitions.**

The following terms when used in this Master Deed and in its Exhibits, and as it and they may hereafter be amended, shall have the respective meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

(A) "Act" means the Horizontal Property Act Section 27-31-10, et seq., S.C. Code Ann., as it exists on the date hereof and as it may be hereafter renumbered.

(B) "Articles" or "Articles of Incorporation" mean the Articles of Incorporation of the Association, as amended from time to time.

(C) "Assessment" means a share of the funds required for the payment of Common Expenses, which from time to time are assessed against the Owner.

(D) "Association" or "Condominium Association" means CONCORD WEST OF THE ASHLEY HOMEOWNERS' ASSOCIATION, INC., a South Carolina corporation not for profit, the sole entity responsible for the operation of the Condominium.

(E) "Association Property" means that property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to, the Association for the use and benefit of its members.

(F) "Board" or "Board of Directors" means the Board of Directors, from time to time, of the Association. Directors must be natural persons who are 18 years of age or older. Any person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership (provided, however, that the validity of any Board action is not affected if it is later determined that a member of the Board is ineligible for Board membership due to having been convicted of a felony).

(G) "Building" or "Buildings" means the structure(s) in which the Units and the Common Elements are located, regardless of the number of such structures, which are located within the Condominium.

(H) "Bylaws" mean the Bylaws of the Association, as amended from time to time.

(I) "Charge" shall mean and refer to the imposition of any financial obligation by the Association which is not an Assessment as defined by Section II(C) above. Accordingly, as to

Charges, the Association will not have the enforcement remedies that the Act grants for the collection of Assessments.

(J) “Committee” means a group of Board Members, Owners or Board Members and Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the proposed annual budget or to take action on behalf of the Board.

(K) “Common Elements” mean and include:

(1) The portions of the Condominium which are not included within the Units and/or the Association Property.

(2) All structural columns and bearing walls regardless of where located.

(3) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units, Common Elements and/or the Association Property.

(4) An easement of support in every portion of a Unit which contributes to the support of the Building.

(5) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements and/or to the Association Property.

(6) Any other parts of the Condominium designated as Common Elements in this Master Deed, which shall specifically include the surface water management system, if any, serving the Condominium.

(7) Any and all portions of the Life Safety Systems (as hereinafter defined), regardless of where located within the Condominium.

(L) “Common Expenses” mean all expenses incurred by the Association for the operation, maintenance, repair, replacement or protection of the Common Elements and Association Property, the costs of carrying out the powers and duties of the Association, and any other expense, whether or not included in the foregoing, designated as a “Common Expense” by the Act, the Master Deed, the Articles or the Bylaws. For all purposes of this Master Deed, “Common Expenses” shall also include, without limitation, the following as same may relate only to the general Common Elements: (a) all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended; (b) the cost of a master antenna television system or duly franchised cable television service obtained pursuant to a bulk contract serving all Units; (c) the cost of any bulk contract for broadband, telecommunications, satellite and/or internet services, if any, serving all Units; (d) if applicable, costs relating to reasonable transportation services, road maintenance and operation expenses, management, administrative, professional and consulting fees and expenses, and in-house and/or interactive communications and surveillance systems; (e) the real property taxes, Assessments and other maintenance expenses attributable to any Units acquired by the Association or any Association Property; (f) to the extent that the Association determines to acquire exterior storm shutters for all or any portion of the Condominium, all expense of installation, repair, and maintenance of same by the Board (provided, however, that an Owner who has already installed exterior storm shutters (or other acceptable hurricane protection) for his or her Unit shall receive a credit equal to the pro rata portion of the assessed installation cost assigned to each’ Unit, but shall not be excused from any portion of expenses related to maintenance, repair, replacement or operation of same), including, without limitation, any and all costs associated with putting the shutters on in the event of an impending storm (without creating any obligation on the part of the

Association to do so) and, if the Association elected to put shutters on, the costs of taking the shutters off once the storm threat passes; (g) any lease or maintenance agreement payments required under leases or maintenance agreements for mechanical or other equipment, supplies, etc., including without limitation, leases for trash compacting and/or recycling and/or laundry equipment, if same is leased by the Association rather than being owned by it; (h) all expenses related to the installation, repair, maintenance, operation, alteration and/or replacement of Life Safety Systems (as hereinafter defined), (i) any unpaid share of Common Expenses or Assessments extinguished by foreclosure of a superior lien or by deed in lieu of foreclosure; (j) costs of fire, windstorm, flood, liability and all other types of insurance including, without limitation, and specifically, insurance for officers and directors of the Association; (k) costs of water and sewer, electricity, gas and other utilities which are not consumed by and metered to individual Units; and (l) costs resulting from damage to the Condominium which are necessary to satisfy any deductible and/or to effect necessary repairs which are in excess of insurance proceeds received as a result of such damage. Common Expenses shall not include any separate obligations of individual Owners.

(M) “Common Surplus” means the amount of all receipts or revenues, including Assessments, rents or profits, collected by the Association which exceeds Common Expenses.

(N) “Condominium” shall have the meaning given to it in Section I(C) above, and means the Land, Improvements and other property or property rights described in Section I(A) hereof, subject to the limitations thereof and exclusions therefrom.

(O) “Condominium Parcel” means a Unit together with the undivided share in the Common Elements which is appurtenant to said Unit.

(P) INTENTIONALLY LEFT BLANK.

(Q) “County” means the County of Charleston, State of South Carolina .

(R) “Declaration” or “Master Deed” means this instrument and all Exhibits attached hereto, as same may be amended from time to time.

(S) “Developer” means Ashley Knoll I Properties, LLC, a Delaware limited liability company, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with specific portions of the Condominium. In the event of any partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of Developer as are specifically assigned to it. Any such assignment may be made on a nonexclusive basis. Notwithstanding any assignment of the Developer’s rights hereunder (whether partially or in full), the assignee shall not be deemed to have assumed any of the obligations of the Developer unless, and only to the extent that, it expressly agrees to do so in writing. The rights of Developer under this Master Deed are independent of the Developer’s rights to control the Board of the Association, and, accordingly, shall not be deemed waived, transferred or assigned to the Owners, the Board or the Association upon the transfer of control of the Association. All rights which are specified in this Master Deed to be rights of the Developer are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Developer hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Developer hereunder as fully as if named as such party herein. No party exercising rights as Developer hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

(T) “Dispute”, for purposes of Section XVII(A), means any disagreement between two or more parties that involves: (a) the authority of the Board, under any law or under this Master Deed,

the Articles or Bylaws to: (1) require any Owner to take any action, or not to take any action, involving that Owner's Unit or the appurtenances thereto; or (2) alter or add to a common area or Common Element; or (b) the failure of the Association, when required by law or this Master Deed, the Articles or Bylaws to: (1) properly conduct elections; (2) give adequate notice of meetings or other actions; (3) properly conduct meetings; or (4) allow inspection of books and records. "Dispute" shall not include any disagreement that primarily involves title to any Unit or Common Element; the interpretation or enforcement of any warranty; or the levy of a fee or Assessment or the collection of an Assessment levied against a party.

(U) INTENTIONALLY LEFT BLANK.

(V) "First Mortgagee" shall have the meaning given to it in Section XII(F)below.

(W) "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) located within the Condominium, including, but not limited to, the Buildings. The Land and Improvements may be referred to together as the Real Property.

(X) "Institutional First Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate or mortgage investment trust, pension fund, government sponsored entity, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Unit or Units. A "Majority of Institutional First Mortgagees" shall mean and refer to Institutional First Mortgagees of Units to which at least fifty one percent (51%) of the voting interests of Units subject to mortgages held by Institutional First Mortgagees are appurtenant.

(Y) "Land" shall have the meaning given to it in Section I(A) above.

(Z) "Life Safety Systems" mean and refer to any and all emergency lighting, emergency generators, audio and visual signals, safety systems, sprinklers and smoke detection systems, which are now or hereafter installed in the Building, whether or not within the Units. All such Life Safety Systems, together with all conduits, wiring, electrical connections and systems related thereto, regardless of where located, shall be deemed Common Elements hereunder. Without limiting the generality of the foregoing, when the context shall so allow, the Life Safety Systems shall also be deemed to include all means of emergency ingress and egress, which shall include all stairways and stair landings. Notwithstanding the breadth of the foregoing definition, nothing herein shall be deemed to suggest or imply that the Buildings or the Condominium contains all such Life Safety Systems. In that regard, each Owner, by acceptance of a deed or otherwise acquiring title to a Unit, understands and agrees that there may be no fire sprinkler system serving the Units, and that each Owner shall be deemed to have assumed all risks associated with that condition and to have fully waived and released any such warranty and claims for losses or damages resulting from same. For purposes of this Master Deed, the Life Safety Systems shall also include the thermostats installed in the Units. The thermostats are an integral part of the Life Safety Systems and are intended to assist in reducing accumulation of moisture and humidity in the Units to prevent same from reaching levels which may accelerate the development of molds, spores or other natural growths which if allowed to accumulate may become toxic or otherwise create health risks. Each Owner, by acceptance of a deed or otherwise acquiring title to a Unit, shall be deemed to understand and agree that the thermostats may have recording and/or monitoring features which can report back to the Association the temperature and humidity settings and readings in the Units. Without limiting the generality of the other provisions of this Master Deed, the thermostats shall be operated and kept operable at all times and there shall be no alteration of or to the thermostats without the prior written approval of the Association.

(AA) “Limited Common Elements” mean those Common Elements, the use of which is reserved to a certain Unit or Units to the exclusion of other Units, as specified in this Master Deed. References herein to Common Elements also shall include all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

(BB) “Master Deed” shall have the meaning set forth in Section II.(R) above.

(CC) “Material Amendment” shall have the meaning given to it in Section VI(B) below.

(DD) “Primary Institutional First Mortgagee” means the Institutional First Mortgagee which owns, at the relevant time, Unit mortgages securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.

(EE) “Unit” means a part of the Condominium which is subject to exclusive ownership.

(FF) “Unit Owner” or “Owner” or “Owner of a Unit” or “Co-Owner” means a record owner of legal title to a Unit together with an undivided interest in the Common Elements.

### **III. Description of Condominium.**

(A) Identification of Units. The Land has constructed thereon twelve (12) Buildings containing two hundred eighty (280) Units for residential use, one (1) Amenities Building containing the Commercial Unit, one Building housing a Fitness Center and two (2) Buildings containing Management Office and Maintenance Office/Storage. Each of the 280 residential Units is identified by a separate numerical or alpha-numerical designation and the one (1) commercial Unit is separate from all other Units and distinct, and thus, requires no additional designation. The designation of each of such Units is set forth on Exhibit “3” attached hereto. Exhibit “2” consists of a survey of the Land. Exhibit “3” contains a graphic description of the Improvements located thereon, including, but not limited to, the Buildings in which the Units are located, a Plot Plan thereof and footprints of each Unit. Said Exhibits “2” and “3”, together with the descriptions below, are sufficient in detail to identify the Common Elements and each Unit and their relative locations and dimensions.

**Commercial Unit:** This Unit is oftentimes referred to as a “Clubhouse” and contains approximately 1860 square feet in heated space. This Unit contains a conference room, Kitchen, men’s and women’s restrooms, four (4) offices, a computer area, and a Limited Common Element Patio.

**Units 411, 418, 421, 428, 431, 438, 711, 718, 721, 728, 731, 738, 1011, 1018, 1021, 1028, 1031, 1038, 1211, 1218, 1221, 1228, 1231 and 1238:** These Units contain approximately 621 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, dining and living area and a Limited Common Element Patio. These Units have the dining area and kitchen to your right as you enter from the foyer.

**Units 412, 417, 422, 427, 432, 437, 712, 717, 722, 727, 732, 737, 1012, 1017, 1022, 1027, 1032, 1037, 1212, 1217, 1222, 1227, 1232 and 1237:** These Units contain approximately 621 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, dining and living area and a Limited Common Element Patio. These Units have the dining area and kitchen to your left as you enter from the foyer.

**Units 414, 415, 714, 715, 1015 and 1214:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living area, dining area and a Limited Common Element Patio. These Units have the kitchen to your right as you enter from the foyer.



**Units 416, 713, 1013, 1016, 1213 and 1216:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living area, dining area and a Limited Common Element Patio. These Units have the kitchen to your left as you enter from the foyer.

**Units 911 and 918:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living area with a fireplace, dining area and a Limited Common Element Patio. These Units have the kitchen to your right as you enter from the foyer.

**Units 912 and 917:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living area with a fireplace, dining area and a Limited Common Element Patio. These Units have the kitchen to your left as you enter from the foyer.

**Units 424, 425, 434, 435, 724, 725, 734, 735, 921, 928, 1024, 1025, 1034, 1035, 1224, 1225, 1234 and 1235:** These Units contain approximately 750 square feet in heated space. These Units have one (1) bedroom, one (1) bath, a kitchen, living room with a fireplace, dining area and a Limited Common Element Balcony. These Units have the kitchen to your right as you enter from the foyer.

**Units 423, 426, 433, 436, 723, 726, 733, 736, 922, 927, 1023, 1026, 1033, 1036, 1223, 1226, 1233 and 1236:** These Units contain approximately 750 square feet in heated space. These Units have one (1) bedroom, one (1) bath, a kitchen, living room with a fireplace, dining area and a Limited Common Element Balcony. These Units have the kitchen to your left as you enter from the foyer.

**Units 1014 and 1215:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, a kitchen, dining area, living room and a Limited Common Element Patio. These Units have the kitchen to your right as you enter from the foyer.

**Units 413 and 716:** These Units contain approximately 759 square feet in heated space. These Units have one (1) bedroom, one (1) bath, a kitchen, dining area, living room and a Limited Common Element Patio. These Units have the kitchen to your left as you enter from the foyer.

**Units 114, 115, 314, 315, 515, 914, 915, 1114 and 1115:** These Units contain approximately 893 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, living room, dining area, laundry room and a Limited Common Element Patio. These Units have the kitchen and dining area to your right as you enter from the foyer.

**Units 113, 316, 516, 916 and 1113:** These Units contain approximately 893 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, living room, dining area, laundry room and a Limited Common Element Patio. These Units have the kitchen and dining area to your left as you enter from the foyer.

**Units 124, 125, 134, 135, 324, 325, 334, 335, 524, 525, 534, 535, 924, 925, 934, 935, 1124, 1125, 1134 and 1135:** These Units contain approximately 884 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Balcony. These Units have the kitchen and dining area to your right as you enter from the foyer.

**Units 123, 126, 133, 136, 323, 326, 333, 336, 523, 526, 533, 536, 923, 926, 933, 936, 1123, 1126, 1133 and 1136:** These Units contain approximately 884 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, dining area, living room with fireplace, laundry

room and a Limited Common Element Balcony. These Units have the kitchen and dining area to your left as you enter from the foyer.

**Units 514 and 913:** These Units contain approximately 893 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have the kitchen and dining area to your right as you enter from the foyer.

**Units 116, 313, 513 and 1116:** These Units contain approximately 893 square feet in heated space. These Units have two (2) bedrooms, one (1) bath, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have the kitchen and dining area to your left as you enter from the foyer.

**Units 111, 118, 214, 215, 511, 518, 614, 615, 814, 815, 1111 and 1118:** These Units contain approximately 1016 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have one bedroom to your left and the kitchen and dining area to your right as you enter from the foyer.

**Units 112, 117, 213, 216, 512, 517, 613, 616, 813, 816, 1112 and 1117:** These Units contain approximately 1016 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have one bedroom to your right and the kitchen and dining area to your left as you enter from the foyer.

**Units 311 and 318:** These Units contain approximately 1016 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Patio. These Units have one bedroom to your left and the kitchen and dining area to your right as you enter from the foyer.

**Units 312 and 317:** These Units contain approximately 1016 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Patio. These Units have one bedroom to your right and the kitchen and dining area to your left as you enter from the foyer.

**Units 121, 128, 131, 138, 224, 225, 234, 235, 321, 328, 521, 528, 531, 538, 624, 625, 634, 635, 824, 825, 834, 835, 1121, 1128, 1131 and 1138:** These Units contain approximately 1007 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Balcony. These Units have one bedroom to your left and the kitchen and dining area to your right as you enter from the foyer.

**Units 122, 127, 132, 137, 223, 226, 233, 236, 322, 327, 522, 527, 532, 537, 623, 626, 633, 636, 823, 826, 833, 836, 1122, 1127, 1132 and 1137:** These Units contain approximately 1007 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Balcony. These Units have one bedroom to your right and the kitchen and dining area to your left as you enter from the foyer.

**Units 218, 611, 618, 811 and 818:** These Units contain approximately 1221 square feet in heated space. These Units have three (3) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have the master bedroom to your left and the dining area to your right as you enter from the foyer.

**Units 221, 228, 231, 238, 621, 628, 631, 638, 821, 828, 831 and 838:** These Units contain approximately 1221 square feet in heated space. These Units have three (3) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Patio. These Units have the master bedroom to your left and the dining area to your right as you enter from the foyer.

**Units 212, 217, 612 and 817:** These Units contain approximately 1221 square feet in heated space. These Units have three (3) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have the master bedroom to your right and the dining area to your left as you enter from the foyer.

**Units 222, 227, 232, 237, 622, 627, 632, 637, 822, 827, 832 and 837:** These Units contain approximately 1221 square feet in heated space. These Units have three (3) bedrooms, two (2) baths, a kitchen, dining area, living room with fireplace, laundry room and a Limited Common Element Patio. These Units have the master bedroom to your right and the dining area to your left as you enter from the foyer.

**Unit 211:** This Unit contains approximately 1221 square feet in heated space. This Unit has three (3) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. This Unit has the master bedroom to your left and the dining area to your right as you enter from the foyer.

**Units 617 and 812:** These Units contain approximately 1221 square feet in heated space. These Units have three (3) bedrooms, two (2) baths, a kitchen, dining area, living room, laundry room and a Limited Common Element Patio. These Units have the master bedroom to your right and the dining area to your left as you enter from the foyer.

There shall pass with a Unit as appurtenances thereto: (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be provided in this Master Deed, including, without limitation, the right to transfer such right to other Units or Owners; (c) an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association with the full voting rights appurtenant thereto; and (e) other appurtenances as may be provided by this Master Deed.

A Unit in the Condominium may be individually conveyed and encumbered and may be the subject of ownership, possession, or sale, and of all types of juridic acts, inter vivos or mortis causa, as if it were sole and entirely independent of the other Units in the Condominium of which it forms a part, and the corresponding individual titles and interests are recordable.

Any Unit may be held and owned by more than one person as tenants in common or in any other form of real property ownership recognized in this State.

An Owner shall have the exclusive ownership of his Unit and shall have a common right to a share, with the other Owners, in the common elements of the Condominium/Regime, equivalent to the percentage representing the value of the individual Unit, with relation to the value of the whole Condominium/Regime. This percentage, which is set forth on Exhibit "4" attached hereto and made a part hereof by reference, shall have a permanent character, and shall not be altered without the acquiescence of the Owners representing all the Units of the Condominium.

The basic value, which shall be fixed for the sole purpose of this Master Deed and irrespectively of the actual value, shall not prevent each Co-Owner from fixing a different

circumstantial value to his Unit in all types of acts and contracts and is in no way intended to indicate a market or investment value of such Unit.

(B) Unit Boundaries. Each Unit shall include that part of the Building containing the Unit that lies within the following boundaries:

(1) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(i) Upper Boundaries. The horizontal plane of the unfinished lower surface of the ceiling (which will be deemed to be the ceiling of the upper story if the Unit is a multi-story Unit, provided that in multi-story Units where the lower boundary extends beyond the upper boundary, the upper boundary shall include that portion of the ceiling of the lower floor for which there is no corresponding ceiling on the upper floor directly above such bottom floor ceiling).

(ii) Lower Boundaries. The horizontal plane of the unfinished upper surface of the floor of the Unit (which will be deemed to be the floor of the first story if the Unit is a multi-story Unit, provided that in multi-story Units where the upper boundary extends beyond the lower boundary, the lower boundary shall include that portion of the floor of the upper floor for which there is no corresponding floor on the bottom floor directly below the floor of such top floor).

(iii) Interior Divisions. Except as provided in Section III(B)(1)(i) and Section III(B)(1)(ii) above, no part of the floor of the top floor, ceiling of the bottom floor, stairwell adjoining the multi-floors, in all cases of a multi-story Unit, if any, or nonstructural interior walls shall be considered a boundary of the Unit.

(2) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries.

(3) Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such apertures, including all frameworks, window casings and weather stripping thereof, together with exterior surfaces made of glass or other transparent materials; provided, however, that the exteriors of doors facing interior Common Element hallways shall not be included in the boundaries of the Unit and shall therefore be Common Elements. Further, notwithstanding anything to the contrary, the structural components of the Building, and the Life Safety Systems, regardless of where located, are expressly excluded from the Units and are instead deemed Common Elements.

(4) Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth as Exhibit "2" hereto shall control in determining the boundaries of a Unit, except that the provisions of Section III(B)(3) above shall control unless specifically depicted and labeled otherwise on such survey.

(C) Common Elements. Each Unit may have, to the extent applicable and subject to the provisions of this Master Deed, Common Elements appurtenant thereto:

(1) Limited Common Elements

(a) Patios and Balconies Appurtenant to Units. Any patio and/or balcony, and all improvements thereto, as to which direct and exclusive access shall be afforded to

any particular Unit(s) to the exclusion of others shall be a Limited Common Element of such Unit(s). Except only as set forth below, the Association shall be responsible for the maintenance of the structural and mechanical elements of any such Limited Common Elements, with the costs of same being a part of the Common Expenses. Except only as set forth below, each Owner shall, however, be responsible for the maintenance of any other portions of such areas, for the general cleaning, plant care and upkeep of the appearance of the area(s). An Owner using a patio and/or balcony, or making or causing to be made any additions, alterations or improvements thereto agrees, and shall be deemed to have agreed, for such Owner, and such Owner's heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Developer and all other Owners harmless from and to indemnify them for any liability or damage to the Condominium and/or Association Property and expenses arising therefrom.

(b) Parking Spaces and Garage Bays. Each Unit's parking rights are set forth in Exhibit "5" this Master Deed.

(c) Miscellaneous Areas, Equipment. Except to the extent that same are located within the boundaries of a Unit, any fixtures or equipment (e.g., an air conditioning compressor, other portions of any air conditioning systems, and/or heater, if any, or hot water heater) serving a Unit or Units exclusively and any area (e.g., a closet, roof space or ground slab or roof surface) upon/within which such fixtures or equipment are located shall be Limited Common Elements of such Unit(s). Without limiting the foregoing, each air conditioning unit (and all equipment and fixtures constituting an individual air conditioning system) located on the roof of the Building which serves only one Unit shall be deemed a Limited Common Element of the Unit it serves. The maintenance (and cost) of any such fixtures and/or equipment and/or areas so assigned shall be the sole responsibility of the Owner of the Unit(s) to which the fixtures and/or equipment are appurtenant.

(d) Other. If applicable, any other portion of the Common Elements which, by its nature, cannot serve all Units but serves one Unit or more than one Unit (i.e., any hallway and/or elevator landing serving a single Unit or more than one Unit owned by the same Owner) shall be deemed a Limited Common Element of the Unit and shall be maintained by said Owner. In the event of any doubt or dispute as to whether any portion of the Common Elements constitutes a Limited Common Element or in the event of any question as to which Units are served thereby, a decision shall be made by a majority vote of the Board of the Association and shall be binding and conclusive when so made. The designation of any portion of the Common Elements as a Limited Common Element under this Section (C) shall not allow the Owner of the Unit to which the Limited Common Element is appurtenant to preclude, or in any way interfere with the passage through such areas as may be needed from time to time for emergency ingress and egress, and for the maintenance, repair, replacement, alteration and/or operation of the elevators, Life Safety Systems, mechanical equipment and/or other Common Elements which are most conveniently serviced (in the sole determination of the Board) by accessing such areas (and an easement is hereby reserved for such purposes).

(2) General Common Elements

(a) The Land on which the building and parking area stand, more fully described above, together with all of the other real property described in Exhibit "1";

(b) The foundations, main walls, roofs, halls, corridors, porches, stairways, fences and dumpsters;

(c) The sprinkler system, yards, shrubs, planter boxes, exterior lights, fire alarms, fire hoses, signs, and storm drainage system, except as otherwise provided or stipulated;

(d) The compartments or installations of central services such as power, light, telephone, television, cold and hot water, surveillance cameras and screens, refrigeration, generator, fuel tank, and water pump, and the like;

(e) Other than Designated Parking Spaces and Garage Bays (if any, as may be defined in Exhibit "5"), the parking areas and all appurtenances thereto;

(f) In general, all devices or installations existing for common use;

(g) The areas designated on Exhibit "3" to be used as Pool, Mail House Gazebo, Management Office, Gazebo, Tennis Courts, Car Care Facility and Maintenance Office/Storage may be used for the operation of on-premises real estate sales and property management companies, exercise facility, snack bar, and other purposes for which these structures are intended, subject to rules of the Association and Developer's usage rights, or such other uses as allowed by the County of Charleston and approved by the Developer until deeded to the Regime.

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

(i) The common area containing such areas as are shown on Exhibit "2" and Exhibit "3".

(D) Easements. The following easements are hereby created (in addition to any easements created under the Act and any easements affecting the Condominium and recorded in the Public Records of the County:

(1) Support. Each Unit and any structure and/or improvement now or hereafter constructed adjacent thereto shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units, the Common Elements and/or the Association Property.

(2) Utility and Other Services: Drainage. Easements are reserved under, through and over the Condominium as may be required from time to time for utility, cable television, communications and monitoring systems, Life Safety Systems, digital and/or other satellite systems, broadband communications and other services and drainage in order to serve the Condominium and/or members of the Association. An Owner shall do nothing within or outside his or her Unit that interferes with or impairs, or may interfere with or impair, the provision of such utility, cable television, communications, monitoring systems, Life Safety Systems, digital and/or other satellite systems, broadband communications or other service or drainage facilities or the use of these easements. The Association shall have an irrevocable right of access to each Unit to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, cable television, communications, monitoring systems, Life Safety Systems, digital and/or other satellite systems, broadband communications and similar systems, hot water heaters, service and drainage facilities, and Common Elements contained in the Unit or elsewhere in the Condominium; and to remove any Improvements interfering with or impairing such facilities or easements herein reserved; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Owner's permitted use of the Unit, and except in the event of an emergency, entry shall be made on not less than one (1) days' notice (which notice shall not, however, be required if the Owner is absent when the giving of notice is attempted).

(3) Encroachments. If (i) any portion of the Common Elements and/or the Association Property encroaches upon any Unit; (ii) any Unit (or Limited Common Element appurtenant thereto) encroaches upon any other Unit or upon any portion of the Common Elements

and/or the Association Property; or (iii) any encroachment shall hereafter occur as a result of (1) construction of the Improvements; (2) settling or shifting of the Improvements; (3) any alteration or repair to the Common Elements and/or the Association Property made by or with the consent of the Association or Developer; as appropriate; or (4) any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements and/or the Association Property, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of same so long as the Improvements shall stand.

(4) Ingress and Egress. A non-exclusive easement in favor of each Owner and resident, their guests and invitees, and for each member of the Association shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of the Common Elements (including, without limitation, Limited Common Elements) for maintenance and emergency access and Association Property as from time to time may be intended and designated for such purpose and use by the Board; and for vehicular and pedestrian traffic over, through and across, and parking on, such portions of the Common Elements and Association Property as from time to time may be paved and intended for such purposes. None of the easements specified in this Section III(D)(4) shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) automatically shall be subordinate to the rights of Owners and the Association with respect to such easements.

(5) Development; Maintenance. The Developer (including its affiliates and its or their designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Condominium and take all other action necessary or convenient for the purpose of undertaking and completing any renovations thereof and/or any Improvements or Units located or to be located thereon, and/or any improvements located or to be located adjacent thereto and for repair, replacement and maintenance or warranty purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so. The Association (and its designees, contractors, subcontractors, employees) shall have the right to have access to each Unit from time to time during reasonable hours as may be necessary for pest control purposes and for the maintenance, repair or replacement of any Common Elements or any portion of a Unit, if any, to be maintained by the Association, or at any time and by force, if necessary, to prevent damage to the Common Elements, the Association Property or to a Unit or Units, including, without limitation, (but without obligation or duty) to close exterior storm shutters in the event of the issuance of a storm watch or storm warning.

(6) Exterior Building Maintenance. An easement is hereby reserved on, through and across each Unit and all Limited Common Elements appurtenant thereto in order to afford access to the Association (and its contractors) to perform roof repairs and/or replacements, repair, replace, maintain and/or alter rooftop mechanical equipment, to stage window washing equipment and to perform window washing and/or any other exterior maintenance and/or painting of the Building.

(7) Sales and Leasing Activity. Until such time as Developer (or any of its affiliates) is no longer offering Units for sale in the ordinary course of business, the Developer, its designees, successors and assigns, hereby reserves and shall have the right to use any Units owned by Developer (or its affiliates) and all of the Common Elements or Association Property for guest accommodations, model apartments and sales, leasing, management, administration and construction offices, to provide financial services, to show model Units and/or apartments and the Common Elements and/or any other portions of the Condominium or such neighboring property to prospective purchasers and tenants of Units and/or "units" or "apartments" constructed on any neighboring properties, and to erect on the Condominium and Association Property signs, displays

and other promotional material to advertise Units or other properties for sale or lease either in the Condominium or such neighboring properties (and an easement is hereby reserved for all such purposes and without the requirement that any consideration be paid by the Developer to the Association or to any Owner).

(8) Public Easements. Fire, police, health and sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Elements in the performance of their respective duties.

(9) Roof. A non-exclusive easement in favor of the Developer (including, its contractors, agents, designees and assignees) is hereby reserved, to the fullest extent permitted by law, to allow the Developer to install mechanical equipment, antennas, dishes, receiving, transmitting, monitoring and/or other equipment or items which Developer may elect to install (the "Private Rooftop Equipment"), whether for itself or any third party (including persons who are not Owners of any portion of the Condominium) upon the roof of the Condominium and/or Association Property and/or upon any mechanical installations located upon the roof. Without limiting the generality of the foregoing, easements in favor of the Developer shall exist: (i) for pedestrian traffic over, through and across the Common Elements and/or Association Property as may be necessary to access the Condominium rooftop, and, (ii) to connect to the utility systems within the Condominium and over and across such other portions of the Condominium and/or Association Property as may be reasonably necessary to permit hook-up of any Private Rooftop Equipment, and (iii) over, in, under and upon such portions of the Condominium and/or Association Property as may be reasonably necessary or appropriate for the installation, maintenance, repair, replacement and/or alteration of the Private Rooftop Equipment. Notwithstanding anything to the contrary contained in this Section III(D)(9), in exercising any of the easements granted herein, Developer may not impair service to any Units and/or the Common Elements and must comply with all applicable laws, rules, ordinances and regulations of all governmental authorities having jurisdiction.

(10) Warranty. For as long as Developer remains liable under any warranty, whether statutory, express or implied, for acts or omissions of Developer in the development, construction, sale, resale, leasing, financing and marketing of the Condominium, then Developer and its contractors, agents and designees shall have the right, in Developer's sole discretion and from time to time and without requiring prior approval of the Association and/or any Owner and without requiring any consideration to be paid by the Developer to the Owners and/or Condominium Association (provided, however, that absent an emergency situation, Developer shall provide reasonable advance notice), to enter the Condominium, including the Units, Common Elements and Limited Common Elements, for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that Developer can fulfill any of its warranty obligations. The failure of the Association or any Owner to grant, or to interfere with, such access, shall alleviate the Developer from having to fulfill its warranty obligations and the costs, expenses, liabilities or damages arising out of any unfulfilled Developer warranty will be the sole obligation and liability of the person or entity who or which impedes the Developer in any way in. Developer's activities described in this Section III(D)(10). The easements reserved in this Section shall expressly survive the transfer of control of the Association to Owners other than the Developer. Nothing herein shall be deemed or construed as the Developer making or offering any warranty, all of which are disclaimed (except to the extent same may not be or are expressly set forth herein) as set forth in Article XXII below.

(11) Perpetual Exclusive Easement to Use Limited Common Elements. Subject to Developer's rights reserved herein, each Co-Owner shall have the exclusive right to use the Limited Common Elements allocated to such Co-Owner's Unit for his use and the use of his immediate family, guests, and invitees for all proper and normal purposes. Such right to use shall be a perpetual exclusive easement in favor of such Co-Owner.



(12) Additional Easements. The Association, through its Board, on the Association's behalf and on behalf of all Owners (each of whom hereby appoints the Association as its attorney in-fact for this purpose), shall have the right to grant such additional general ("blanket") and specific electric, gas or other utility, cable television, security systems, communications or service easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto), or modify or relocate any such existing easements or drainage facilities, in any portion of the Condominium and/or Association Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium and/or Association Property, as the Board shall deem necessary or desirable for the proper operation and maintenance of the Improvements, or any portion thereof, or for the general health, or welfare of the Owners and/or members of the Association, or for the purpose of carrying out any provisions of this Master Deed, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

**IV. Restraint Upon Separation and Partition of Common Elements and Other Changes.**

The Common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of the Co-Ownership. Any covenant to the contrary shall be void.

All of the Owners or the sole owner of the Condominium may waive the Condominium/Regime and regroup or merge the records of the individual Units with the Land, provided that the individual Units are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors.

Subject to the other provisions of this Article IV and Article XIII, unless all of the first mortgagees (based upon one vote for each first mortgage owned) or all owners of the Units have given their prior written approval, the Association shall not be entitled to:

- A. by act or omission, seek to abandon or terminate the Regime or legal status of the project as a condominium;
- B. change the pro rata interest or obligations of any Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the General and Limited Common Elements;
- C. partition or subdivide any Unit; or
- D. by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Regime or Association shall not be deemed a transfer within the meaning of this subparagraph (d).

The Owners representing two-thirds of the total value of the property shall be required to modify the system of administration of the Association. These provisions shall not apply to amendments to the constituent documents or termination of the Condominium made as a result of destruction, damage, or condemnation pursuant to the provisions of this Master Deed or the other constituent documents.

**V. Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.**

(A) Percentage Ownership and Shares in Common Elements. The undivided percentage interest in the Common Elements and Common Surplus, and the percentage share of the Common Expenses, appurtenant to each Unit, is as set forth on Exhibit "4" attached hereto, same having been determined based upon the total square footage of the applicable Unit in uniform relationship to the total square footage of each other Unit.

(B) Voting. Each Unit shall be entitled to one (1) vote, with all such votes to be cast in accordance with the provisions of the Bylaws and Articles of Incorporation of the Association. Each Owner shall be a member of the Association.

**VI. Amendments.**

Except as elsewhere provided herein, amendments may be effected as follows:

(A) By The Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment may be proposed by a majority of the Board of the Association or by not less than one-third (1/3) of the Owners. Except as elsewhere provided, approvals must be by an affirmative vote representing in excess of 66 2/3% of the voting interests of all Owners. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, provided that such approval is delivered to the secretary at or prior to the meeting; however, such approval or disapproval may not be used as a vote for or against the action taken and may not be used for the purpose of creating a quorum.

(B) Material Amendments. Unless otherwise provided specifically to the contrary in this Master Deed, no amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the percentage by which the Owner of a Unit shares the Common Expenses and owns the Common Elements and Common Surplus (any such change or alteration being a "Material Amendment"), unless the record Owner(s) thereof, and all record owners of mortgages or other liens thereon, shall join in the execution of the amendment and the amendment is otherwise approved by in excess of 66 2/3% of the voting interests of Owners. The acquisition of property by the Association, material alterations or substantial additions to such property or the Common Elements by the Association and installation, replacement, operation, repair and maintenance of approved exterior storm shutters, if in accordance with the provisions of this Master Deed, shall not be deemed to constitute a material alteration or modification of the appurtenances of the Units, and accordingly, shall not constitute a Material Amendment.

(C) Mortgagee's Consent. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to mortgagees of Units without the consent of said mortgagees in each instance; nor shall an amendment make any change in the Sections hereof entitled "Insurance", "Reconstruction or Repair after Casualty", or "Condemnation" unless the Primary Institutional First Mortgagee shall join in the amendment. Except as specifically provided herein or if required by FNMA or FHLMC, the consent and/or joinder of any lien or mortgage holder on a Unit shall not be required for the adoption of an amendment to this Master Deed and, whenever the consent or joinder of a lien or mortgage holder is required, such consent or joinder shall not be unreasonably withheld.

(D) Water Management District. No amendment may be adopted which would affect the surface water management and/or drainage systems, including environmental conservation areas, without the consent of the applicable water management district (the "District"). The District shall determine whether the amendment necessitates a modification of the current surface water management permit. If a modification is necessary, the District will advise the Association.

(E) By or Affecting the Developer. Notwithstanding anything herein contained to the contrary, during the time the Developer has the right to elect a majority of the Board of the Association, the Master Deed, the Articles of Incorporation or the Bylaws of the Association may be amended by the Developer alone, without requiring the consent of any other party, to effect any change whatsoever, except for an amendment: (i) to permit time-share estates (which must be approved, if at all, by all Owners and mortgagees on Units); or (ii) to effect a Material Amendment which must be approved, if at all, in the manner set forth in Section VI(B) above. The unilateral amendment right set forth herein shall include, without limitation, the right to correct scrivener's errors. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer, without the prior written consent of the Developer in each instance.

(F) Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Master Deed, shall be evidenced by a certificate of the Association, executed either by the President of the Association or a majority of the members of the Board which shall include recording data identifying the Master Deed and shall be executed with the same formalities required for the execution of a deed. An amendment of the Master Deed is effective when the applicable amendment is properly recorded in the public records of the County. No provision of this Master Deed shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Master Deed shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Master Deed. See provision . . . for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly adopted amendment.

## **VII. Maintenance and Repairs.**

(A) By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit, interiors of any Limited Common Element garages, and all improvements made by the Owner to the Limited Common Elements assigned to the Unit except any portion of a Unit which is expressly made the maintenance obligation of the Association as set forth in subparagraph (B) below. This maintenance responsibility shall include, but not be limited to the following: all glass surfaces, windows (excluding exterior cleaning), window frames (except for periodic painting, staining and/or cleaning of the exterior window frames), casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting, staining and/or cleaning of the exterior surface of entry doors and door frames and doorways facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). Owners shall also be responsible for keeping the interior of his or her Unit free from insects and pests, including the responsibility to hire a professional exterminator when necessary. Additionally, each Owner

shall perform maintenance obligations as described in Section VII(E) below (“Mold and/or Mildew”) within his/her Unit. All maintenance, repair and/or replacements for which the Owner is responsible and obligated to perform which if not performed, would affect other Units or Common Elements, shall be performed promptly as the need arises.

In addition, each Owner shall have the responsibility:

(1) To keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit.

(2) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units.

(3) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.

(4) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be billed to the Owner, which cost shall bear interest at the highest rate permitted by law from the date expended until paid in full.

(B) By the Association. Subject to the Reciprocal Easement Agreement, the Association shall maintain and keep in good repair as a Common Expense the “Area of Common Responsibility,” which includes, but is not limited to, the following:

(1) all Common Elements, including any Limited Common Elements but excluding all improvements made to such Limited Common Elements, and including all portions of the roof and the roof support systems, including the roof joists and cross braces, even if such roof joists and cross braces are located within a Unit, and including all outdoor parking spaces, the exterior of garage buildings and the structures of the Limited Common Element screen porches (excluding the screening);

(2) periodic painting, staining and/or cleaning of exterior surfaces of the Condominium buildings, exterior windows and window frames and entry doors and door frames, on a schedule to be determined by the Board; and

(3) the Board has the right in its sole discretion, but not the obligation, to maintain all Limited Common Element hurricane shutters, if any.

Except for the maintenance responsibilities provided in subparagraph (A) above, no maintenance or repair which is the responsibility of the Association shall be performed on or to the Common Elements by an Owner or Occupant (including, but not limited to landscaping of Common Elements). If any such maintenance or repair is performed by an Owner or Occupant in violation of these covenants, the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair and the Owner or Occupant shall be liable to the Association for any resulting damage to the Common Elements.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit,

appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Master Deed, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Such repair and subsequent cleaning shall be performed based on a reasonableness standard. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporation of its choice, such duties as are approved by the Board.

(C) Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Owner does not complete the required maintenance, repair and/or replacement within the time allotted, and if the repair, replacement and/or maintenance is of an item which, if not performed would affect other Units or the Common Elements but which does not create an emergency, the Board may provide such maintenance, repair or replacement at a time agreed upon with the Owner and such cost shall be billed to the Owner. If the Board determines that an emergency exists by virtue of an Owner's failure to maintain, then the Board may enter the Unit and provide the necessary maintenance, repair and/or replacement and such cost shall be billed to the Owner. Any cost billed to the Owner pursuant to this subsection may include reasonable administrative fees and shall bear interest at the highest rate permitted by law from the date expended until paid in full may include reasonable administrative fees.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner, or Occupant or their family, guests, lessees, or invitees, then the Association may bill the Owner for the cost of any such maintenance, repair, or replacement and any such amount billed may include reasonable administrative fees and shall bear interest at the highest rate permitted by law from the date expended until paid in full.

(D) Measures Related to Insurance Coverage.

(1) The Board, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to install and maintain smoke detectors at a mutually agreed upon time, requiring Owners to certify that they have checked the batteries for their smoke detectors, requiring Owners to allow the Association to inspect the smoke detectors and replace batteries if needed by the Board, requiring Owners to make improvements to the Owner's Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Three Hundred Dollars (\$300.00) per Unit in any twelve (12) month period.

(2) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any requirement made by the Board pursuant to subparagraph (D)(1) above, the Association, upon fifteen (15) days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Unit at a mutually agreed upon time. The cost of any such work performed by the Association shall be billed to the Owner and shall bear interest at the highest rate permitted by law from the date expended until full payment. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subparagraph (D)(1) of this Section, including, but not limited to, a right of entry without notice in an emergency situation.

(E) Mold and/or Mildew. Mold and/or mildew can grow in any portion of the Condominium that is exposed to elevated levels of moisture. The Association and each Owner agree to: (i) regularly inspect the parts of the Condominium that they respectively maintain, and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew, and/or water intrusion (except when the water intrusion is part of the normal functioning of improvements and appliances such as showers, sinks, dishwashers, and other similar appliances and improvements) and/or damage; (ii) upon discovery, immediately repair in a good and workmanlike condition the source of any water intrusion in the parts of the Condominium that they respectively maintain; (iii) remediate or replace any building material located in the parts of the Condominium that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (iv) promptly and regularly remediate all mold and/or mildew discovered in the parts of the Condominium that they respectively maintain in accordance with current industry-accepted methods. In addition, the Association agrees to notify the Units Owners, and each Owner agrees to notify the Association of the discovery of mold, mildew, and/or water intrusion and/or damage in the parts of the Condominium that they respectively maintain.

Notwithstanding anything to the contrary herein, Developer shall have no obligation to perform any invasive testing or inspections, maintenance or repairs in accordance with this Section VII(E), and shall not be held liable for any loss or damage caused by the failure of the Association or an Owner to perform their obligations herein.

### **VIII. Additions, Improvements or Alterations by the Association.**

Whenever in the judgment of the Board, the Common Elements, the Association Property, or any part of either, shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of three percent (3%) of the then applicable budget of the Association in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by an affirmative vote representing a majority of the voting interests

represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements, the Association Property, or any part of either, costing in the aggregate three percent (3%) of the then applicable budget of the Association or less in a calendar year may be made by the Association without approval of the Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements or Association Property shall constitute a part of the Common Expenses and shall be assessed to the Owners as Common Expenses. For purposes of this Section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is required to be made beyond that year.

**IX. Additions, Alterations or Improvements by Owner.**

(A) Consent of the Board. No Owner shall make any addition, alteration or improvement in or to the Common Elements, the Association Property, his or her Unit, any Limited Common Element, the Common Elements and/or Association Property, without, in each instance, the prior written consent of the Board of the Association. Without limiting the generality of this Section IX(A), no Owner shall cause or allow improvements or changes to his or her Unit, or to any Limited Common Elements, Common Elements or any property of the Condominium Association which does or could in any way affect, directly or indirectly, the structural, electrical, plumbing, Life Safety Systems, or mechanical systems, or any landscaping or drainage, of any portion of the Condominium without first obtaining the written consent of the Board of the Association. No spas, hot tubs, whirlpools, infant portable pools or similar types of products will be permitted to be placed or installed on any patio or balcony which is appurtenant to any Unit. The Board shall have the obligation to answer, in writing, any written request by an Owner for approval of such an addition, alteration or improvement within forty-five (45) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The Board may condition the approval in any manner, including, without limitation, retaining approval rights of the contractor, or others, to perform the work, imposing conduct standards on all such workmen, establishing permitted work hours and requiring the Owner to obtain insurance naming the Developer and the Association as additional named insureds. The proposed additions, alterations and improvements by the Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Once approved by the Board, such approval may not be revoked.

An Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his or her heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Developer and all other Owners harmless from and to indemnify them against any liability or damage to the Condominium and/or Association Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after that date of installation or construction thereof as may be required by the Association. The Association's rights of review and approval of plans and other submissions under this Master Deed are intended solely for the benefit of the Association. Neither the Developer, the Association nor any of its officers, directors, employees, agents, contractors, consultants or attorneys shall be liable to any Owner or any other person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence, or any other misfeasance, malfeasance or non-feasance arising out of or in connection with the approval or disapproval of any plans or submissions. Anyone submitting plans hereunder, by the submission of same, and any Owner, by acquiring title to same, agrees not to seek damages from the Developer and/or the Association arising out of the Association's review of any plans hereunder. Without limiting the generality of the foregoing, the Association shall

not be responsible for reviewing, nor shall its review of any plans be deemed approval of, any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards, or compliance with governmental requirements. Further, each Owner (including the successors and assigns) agrees to indemnify and hold the Developer and the Association harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses or liabilities whatsoever (including, without limitation, reasonable attorneys' fees and court costs at all trial and appellate levels), arising out of any review of plans by the Association hereunder.

(B) Life Safety Systems. No Owner shall make any additions, alterations or improvements to the Life Safety Systems, and/or to any other portion of the Condominium which may impair the Life Safety Systems or access to the Life Safety Systems, without first receiving the prior written approval of the Board. In that regard, no lock, chain or other device or combination thereof shall be installed or maintained at any time on or in connection with any door on which panic hardware or fire exit hardware is required. Stairwell identification and emergency signage shall not be altered or removed by any Owner whatsoever. No barrier including, but not limited to personality, shall impede the free movement of ingress and egress to and from all emergency ingress and egress passageways.

(C) Improvements, Additions or Alterations by Developer to Developer-Owned Units. Anything to the contrary notwithstanding, the foregoing restrictions of this Article IX shall not apply to Developer-owned Units. The Developer shall have the additional right, without the consent or approval of the Association, the Board or other Owners, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it or them and Limited Common Elements appurtenant thereto (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Improvements and/or the installation of divider walls). Further, Developer reserves the right, without the consent or approval of the Board or other Owners, to expand, alter or add to all or any part of the recreational facilities. Any amendment to this Master Deed required by a change made by the Developer pursuant to this Section IX(C) shall be adopted in accordance with Article VI and this Section IX(C). The Developer shall have the right, without the vote or consent of the Association or Owners, to (i) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or non-structural, interior or exterior, ordinary or extraordinary; (ii) change the layout or number of rooms in any Developer-owned Units; (iii) change the size of Developer-owned Units by combining separate Developer-owned Units into a single apartment (although being kept as two separate legal Units), or otherwise; and (iv) reapportion among the Developer-owned Units affected by such change in size pursuant to the preceding clause; their appurtenant interests in the Common Elements and share of the Common Surplus and Common Expenses; provided, however, that the percentage interest in the Common Elements and share of the Common Surplus and Common Expenses of any Units (other than the affected Developer-owned Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided further, that Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Developer may relocate and alter Common Elements adjacent to or near such Units, incorporate portions of the Common Elements into adjacent Units and incorporate Units, or portions thereof, into adjacent Common Elements, provided that such relocation and alteration does not materially adversely affect the market value or ordinary use of Units owned by Owners other than the Developer. Any amendments to this Master Deed required by changes of the Developer made pursuant to this Section, shall be effected by the Developer alone pursuant to Section VI(E), without the vote or consent of the Association or Owners (or their mortgagees) required, except to the extent that any of same constitutes a Material Amendment, in which event, the amendment must be approved as set forth in Section VI(B) above. Without limiting the generality of Section VI(E) hereof,



the provisions of this Section. may not be added to, amended or deleted without the prior written consent of the Developer.

**X. Operation of the Condominium by the Association; Powers and Duties.**

(A) Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium and the Association Property. The powers and duties of the Association shall include those set forth in the Bylaws and Articles of Incorporation of the Association (respectively, Exhibits "6" and "7" annexed hereto), as amended from time to time. The affairs of the Association shall be governed by a Board of not less than three (3) nor more than five (5) directors. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Master Deed, including, without limitation:

(1) The irrevocable right to have access to each Unit and any Limited Common Elements appurtenant thereto from time to time during reasonable hours as may be necessary for pest control, or other purposes and for the maintenance, repair or replacement of any Common Elements or any portion of a Unit, if any, to be maintained by the Association, or at anytime and by force, if necessary, to prevent damage to the Common Elements, the Association Property or to a Unit or Units, including, without limitation, (but without obligation or duty) to install and/or close exterior storm shutters in the event of the issuance of a storm watch or storm warning and/or to maintain, repair, replace and/or operate Life Safety Systems. Unless the Association expressly assumes the obligation to install and/or close exterior storm shutters in the event of the issuance of a storm watch or storm warning, the obligation to put shutters on, and then remove shutters, intended to protect individual Units shall be the sole obligation of the Owner.

(2) The power to make and collect Assessments and other Charges against Owners and to lease, maintain, repair and replace the Common Elements and Association Property.

(3) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Owners or their authorized representatives at reasonable times upon prior written request.

(4) The Association shall assume all of Developer's and/or its affiliates' responsibilities to the County, and its governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Condominium and, in either such instance, the Association shall indemnify and hold Developer and its affiliates harmless with respect thereto in the event of the Association's failure to fulfill those responsibilities.

(5) The power to contract for the management and maintenance of the Condominium and to authorize a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as reviewing and evaluating the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in. the Condominium documents and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

(6) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefore mortgages and security interests in property owned by the Association, if any, provided that such actions are approved by a majority of the entire membership of the Board and a majority of the Units represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or Owners as may be specified in the

Bylaws with respect to certain borrowing. The foregoing restriction shall not apply if such indebtedness is entered into for the purpose of financing insurance premiums, which action may be undertaken solely by the Board, without requiring a vote of the Owners.

(7) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Common Elements and Association Property.

(8) The power to acquire, convey, lease and encumber real and personal property. Personal property shall be acquired, conveyed, leased or encumbered upon a majority vote of the Board, subject to Article VIII hereof. Real property (including, without limitation, any of the Units) shall be acquired, conveyed, leased or encumbered upon a majority vote of the Board alone; provided that the requirements of Article VIII pertaining to the Owners' approval of costs in excess of the threshold amount stated therein (including the proviso regarding the debt incurred) shall also apply to the acquisition of real property; provided, further, however, that the acquisition of any Unit as a result of a foreclosure of the lien for Assessments (or by deed in lieu of foreclosure) shall be made upon the majority vote of the Board, regardless of the price for same and the Association, through its Board, has the power to hold, lease, mortgage or convey the acquired Unit(s) without requiring the consent of Owners. The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, taxes, Assessments, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses.

(9) The obligation to (i) operate and maintain the surface water management system in accordance with the permit issued by the District, (ii) carry out, maintain, and monitor any required wetland mitigation tasks and (iii) maintain copies of all permitting actions with regard to the District.

(10) The power to execute all documents or consents, on behalf of all Owners (and their mortgagees), required by all governmental and/or quasi-governmental agencies in connection with land use and development matters (including, without limitation, plats, waivers of plat, unities of title, covenants in lieu thereof, etc.) relating to the Condominium, and in that regard, each Owner, by acceptance of the deed to such Owner's Unit, and each mortgagee of a Unit by acceptance of a lien on said Unit, appoints and designates the President of the Association, as such Owner's agent and attorney in-fact to execute any and all such documents or consents.

(11) All of the powers which a corporation not for profit in the State of South Carolina may exercise pursuant to this Master Deed, the Articles of Incorporation, the Bylaws, and the Act, in all cases except as expressly limited or restricted in the Act.

In the event of conflict among the powers and duties of the Association or the terms and provisions of this Master Deed and the Exhibits attached hereto, this Master Deed shall take precedence over the Articles of Incorporation, Bylaws and applicable rules and regulations; the Articles of Incorporation shall take precedence over the Bylaws and applicable rules and regulations; and the Bylaws shall take precedence over applicable rules and regulations, all as amended from time to time. Notwithstanding anything in this Master Deed or its Exhibits to the contrary, the Association shall at all times be the entity having ultimate control over the Condominium, consistent with the Act.

(B) Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium, the Association shall not be liable to Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any

additions, alterations or improvements or other activities done by or on behalf of any Owners regardless of whether or not same shall have been approved by the Association pursuant to Section IX(A) hereof. The Association also shall not be liable to any Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms. Notwithstanding the foregoing, nothing contained herein shall relieve the Association of its duty of ordinary care, as established by the Act, in carrying out the powers and duties set forth herein, nor deprive Owners of their right to sue the Association if it negligently or willfully causes damage to the Owner's property during the performance of its duties hereunder. The limitations upon liability of the Association described in this Section X(B) are subject to State Law.

(C) Restraint Upon Assignment of Shares in Assets. The share of an Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

(D) Approval or Disapproval of Matters. Whenever the decision of an Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by this Master Deed or by law.

(E) Acts of the Association. Unless the approval or action of Owners, and/or a certain specific percentage of the Board of the Association, is specifically required in this Master Deed, the Articles of Incorporation or Bylaws of the Association, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board, without the consent of Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

(F) Effect on Developer. If the Developer holds a Unit for sale in the ordinary course of business, none of the following actions may be taken after control of the Association has passed to Owners (other than the Developer), without the prior written approval of the Developer:

(1) Assessment of the Developer as an Owner for capital improvements;

(2) Any action by the Association that would be detrimental to the sales of Units by the Developer or the assignment of Limited Common Elements by the Developer for consideration; provided, however, that an increase in Assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of Units.

#### **XI. Determination of Common Expenses and Limited Common Expenses and Fixing of Assessments Therefor.**

The Board shall from time to time, and at least annually, prepare a budget for the Condominium and the Association, determine the amount of Assessments payable by the Owners to meet the Common Expenses of the Condominium and allocate and assess such expenses among the Owners in accordance with the provisions of this Master Deed and the Bylaws. The Board shall advise all Owners promptly in writing of the amount of the Assessments payable by each of them as

determined by the Board as aforesaid and shall furnish copies of the budget, on which such Assessments are based, to all Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of and reserves for (if required by, and not waived in accordance with, applicable law) the operation, maintenance, repair and replacement of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Master Deed, the Articles or Bylaws of the Association, applicable rules and regulations or by the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any Budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of this Master Deed and the Bylaws.

## **XII. Collection of Assessments.**

(A) Liability for Assessments. An Owner, regardless of how title is acquired; including by purchase at a foreclosure sale or by deed in lieu of foreclosure shall be liable for all Assessments coming due while he is the Owner. Additionally, an Owner shall be jointly and severally liable with the previous Owner for all unpaid Assessments that came due up to the time of the conveyance, without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the grantee Owner. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

(B) Special and Capital Improvement Assessments. In addition to Assessments levied by the Association to meet the Common Expenses of the Condominium and the Association, the Board may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(1) "Special Assessments" shall mean and refer to an Assessment against each Owner and his Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(2) "Capital Improvement Assessments" shall mean and refer to an Assessment against each Owner and his or her Unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from repairs and maintenance) of any capital improvements located or to be located within the Common Elements or Association Property.

Special Assessments and Capital Improvement Assessments may be levied by the Board and shall be payable in lump sums or installments, in the discretion of the Board; provided that, if such Special Assessments or Capital Improvement Assessments, in the aggregate in any year, exceed three percent (3%) of the then estimated operating budget of the Association, the Board must obtain approval of a majority of the voting interests represented at a meeting at which a quorum is attained.

(C) Default in Payment of Assessments for Common Expenses. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at fifteen percent (15%) per annum from the date due until paid and shall be subject to an administrative late fee in an amount not to exceed the greater of \$25.00 or five percent (5%) of each delinquent installment. The Association has a lien on each Condominium Unit to secure the payment of Assessments. Except as set forth below, the lien is effective from, and shall relate back to, the date of the recording of this Master Deed. However, as to a first mortgage of record, the lien is effective

from and after the date of the recording of a claim of lien in the Public Records of the County, stating the description of the Condominium Unit, the name of the record Owner and the name and address of the Association. The lien shall be evidenced by the recording of a claim of lien in the Public Records of the County. To be valid, the claim of lien must state the description of the Condominium Unit, the name of the record Owner, the name and address of the Association, the amount due and the due dates, and the claim of lien must be executed and acknowledged by an officer or authorized officer of the Association. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorneys' fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an win its name to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to. recover its reasonable attorneys' fees incurred either in a lien foreclosure action or an action to recover a money judgment for unpaid Assessments.

As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after thirty (30) days' prior written notice to the applicable Owner and the recording of a claim of lien, the Association may accelerate and declare immediately due and payable all installments of Assessments for the remainder of the fiscal year. In the event that the amount of such installments changes during the remainder of the fiscal year, the Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

(D) Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Owner or by certified or registered mail, return receipt requested, addressed to the Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Owner or a mailing address at which the Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this Section are satisfied if the Owner records a Notice of Contest of Lien as provided in the Act.

(E) Appointment of Receiver to Collect Rental. If the Owner remains in possession of the Unit after a foreclosure judgment has been entered, the court in its discretion may require the Owner to pay a reasonable rental for the Unit. If the Unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent. The expenses of such receiver shall be paid by the party which does not prevail in the foreclosure action.

(F) First Mortgagee. The liability of the holder of a first mortgage on a Unit (each, a "First Mortgagee"), or its successors or assigns, who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments (or installments thereof) that became due prior to the First Mortgagee's acquisition of title is limited to the lesser of:

(1) The Unit's unpaid Common Expenses and regular periodic Assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(2) One percent (1%) of the original mortgage debt.

As to a Unit acquired by foreclosure, the limitations set forth in clauses (a) and (b) above shall not apply unless the First Mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association, however, is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

A First Mortgagee acquiring title to a Unit as a result of foreclosure or deed in lieu thereof may not, during the period of its ownership of such Unit, whether or not such Unit is unoccupied, be excused from the payment of any of the Common Expenses coming due during the period of such ownership.

(G) Developer's Liability for Assessments. During the period from the date of the recording of this Master Deed until the earlier of the following dates (the "Guarantee Expiration Date"): (a) the last day of the twelfth (12th) full calendar month following the recording of this Master Deed, or (b) the date that control of the Association is transferred to Owners other than the Developer as provided in the Bylaws and the Act, the Developer shall not be obligated to pay the share of Common Expenses and Assessments attributable to the Units owned by the Developer, provided: (i) that the regular Assessments for Common Expenses imposed on each Owner other than the Developer prior to the Guarantee Expiration Date shall not increase during such period over the amounts set forth herein; and (ii) that the Developer shall be obligated to pay any amount of Common Expenses actually incurred during such period and not produced by the Assessments at the guaranteed levels receivable from other Owners. After the Guarantee Expiration Date, the Developer shall have the option of extending the guarantee for six (6) additional six (6) month periods, or paying the share of Common Expenses and Assessments attributable to Units it then owns. Notwithstanding the above, in the event of an Extraordinary Financial Event (as hereinafter defined), the costs necessary to effect restoration shall be assessed against all Owners owning units on the date of such Extraordinary Financial Event, and their successors and assigns, including the Developer (with respect to Units owned by the Developer). As used in this Section, an "Extraordinary Financial Event" shall mean Common Expenses incurred prior to the Guarantee Expiration Date (as same may be extended) resulting from a natural disaster or Act of God, which is not covered by insurance proceeds from the insurance maintained by the Association.

(H) Estoppel Statement. Within fifteen (15) days after receiving a written request therefor from a purchaser, Owner or mortgagee of a Unit, the Association shall provide a certificate, signed by an officer or agent of the Association, stating all Assessments and other moneys owed to the Association by the Owner with respect to his or her Unit. Any person other than the Owner who relies upon such certificate shall be protected thereby. The Association or its authorized agent may charge a reasonable fee for the preparation of such certificate.

(I) Installments. Regular Assessments shall be collected monthly or quarterly, in advance, at the option of the Association. Initially, assessments will be collected monthly, and be due on the first day of each calendar month.

(J) Application of Payments. Any payments received by the Association from a delinquent Owner shall be applied first to any interest accrued on the delinquent installment(s) as aforesaid, then to any administrative late fees, then to any costs and reasonable attorneys' fees incurred in collection and then to the delinquent and any accelerated Assessments. The foregoing

shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment.

### **XIII. Insurance.**

Insurance covering the Condominium and the Association Property shall be governed by the following provisions, provided however that nothing shall be done or kept on the Condominium and/or Association Property which would increase the rate of insurance on the Condominium, Association Property or any Unit.

(A) Purchase, Custody and Payment.

(1) Purchase. All insurance policies described herein covering portions of the Condominium and Association Property shall be purchased by the Association and shall be issued either by an insurance company authorized to do business in South Carolina , or by a surplus lines carrier offering policies for South Carolina properties reasonably acceptable to the Board.

(2) Approval. Each insurance policy, the agency and company issuing the policy and the Insurance Trustee (if appointed) hereinafter described shall be subject to the approval of the Primary Institutional First Mortgagee in the first instance, if requested thereby.

(3) Named Insured. The named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Owners and their mortgagees shall be deemed additional named insureds.

(4) Custody of Policies and Payment of Proceeds. All policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed), and all policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed). Should no Insurance Trustee be appointed, such payments shall be paid to the Board or its designee.

(5) Copies to Mortgagees. One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy. Copies or certificates shall be furnished not less than ten (10) days prior to the beginning of the term of the policy, or not less than ten (10) days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.

(6) Personal Property and Liability. Except as specifically provided herein or by the Act, the Association shall not be responsible to Owners to obtain insurance coverage upon the property lying within the boundaries of their Unit, including, but not limited to, their personal property, and for their personal liability, moving and relocation expenses, lost rent expenses and living expenses and for any other risks not otherwise insured in accordance herewith. To the extent that an Owner or other occupant of a Unit desires coverage for such excluded items, it shall be the sole responsibility of the Owner and/or occupant to obtain.

(B) Coverage. The Association shall maintain insurance covering the following:

(1) Casualty/Hazard. The Insured Property (as hereinafter defined) shall be insured in an amount not less than 100% of the full insurable replacement value thereof, excluding foundation and excavation costs (and subject to such reasonable deductibles as discussed below). The policy shall be written in the name of the Association as trustee for all the Owners and shall provide primary coverage for the following (the "Insured Property"): (i) all portions of the Condominium

located outside the Units, (ii) the Condominium located inside the Units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time that the Unit was initially conveyed, and (iii) the Building (including all fixtures, installations or additions comprising that part of the Building within the boundaries of the Units and required by the Act to be insured under the Association's policies) and all improvements located on the Common Elements and the Association Property from time to time, together with all fixtures, building service equipment, personal property and supplies constituting the Common Elements or Association Property. Notwithstanding the foregoing, the Insured Property shall not include, and shall specifically exclude, all floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioner and/or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, if any, whether or not located within the Unit boundaries.. Such policies may contain reasonable deductible provisions as determined by the Board of the Association. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

All policies of casualty/hazard insurance on the Units and General and Limited Common Elements obtained by the Board shall provide as follows:

(a) The indemnity payable on account of any damage to or destruction of the Units or General and Limited Common Elements shall be payable to the owner and/or to any persons holding security interests in any damaged Units as their interests may appear;

(b) The policy shall not be canceled without thirty (30) days' prior written notice to the Board and to every holder of a security interest in any Unit who is named in the policy or an endorsement thereto;

(c) No Owner shall be prohibited from insuring his own Unit for his own benefit;

(d) No insurance obtained by an Owner on his own Unit shall be brought into contribution with the insurance obtained by the Board;

(e) If the Board determines that it is possible to obtain such a provision, no right to subrogation shall exist against any owner or members of his household or his social guests;

(f) If possible, the policy should provide that the insurer shall not be entitled to reconstruct in lieu of paying the indemnity in cash if the owners determine, in the manner provided in this Master Deed, not to repair or restore the damaged property; and

(g) The policy shall not be canceled on account of the actions of one or more of the Owners.

(2) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board, but



with combined single limit liability of not less than \$1,000,000 for each accident or occurrence, \$100,000 per person and \$50,000 property damage, and with a cross liability endorsement to cover liabilities of the Owners as a group to any Owner, and vice versa. The Association may also obtain and maintain liability insurance for its directors and officers and for the benefit of the Association's employees, in such amounts and under such terms and conditions as the Association deems appropriate in its sole and absolute discretion.

(3) Worker's Compensation and other mandatory insurance, when applicable.

(4) Flood Insurance covering the Common Elements, Association Property and Units if required by the Primary Institutional First Mortgagee or FNMA/FHLMC, or if the Association so elects.

(5) Errors and Omissions. The Association shall obtain and maintain adequate liability, errors and omission coverage on behalf of each of the officers and directors of the Association.

(6) Fidelity Insurance or Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse Association funds, which shall include, without limitation, those individuals authorized to sign Association checks and the president, secretary and treasurer of the Association. The insurance policy or fidelity bond shall be in such amount as shall be determined by a majority of the Board, but must be sufficient to cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The premiums on such bonds and/or insurance shall be paid by the Association as a Common Expense.

(7) Association Property. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.

(8) Such Other Insurance as the Board of the Association shall determine from time to time to be desirable.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the Owners individually and as a group, (ii) to pay only a fraction of any loss in the event of coinsurance or if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of the Board of the Association, a member of the Board of the Association, one or more Owners or as a result of contractual undertakings. Additionally, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of individual Owners that are not under the control of the Association, and that the policy shall be primary, even if an Owner has other insurance that covers the same loss.

Every casualty insurance policy obtained by the Association, if required by FNMA/FHLMC, shall have the following endorsements: (i) agreed amount and inflation guard and (ii) steam boiler coverage (providing at least \$50,000 coverage for each accident at each location), if applicable.

(C) Additional Provisions. All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board may (or if required by FNMA/FHLMC, shall) obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for

depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.

(D) Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for any management company employee may be paid by such company pursuant to its contract with the Association. Premiums may be financed in such manner as the Board deems appropriate. The Board shall determine the appropriate deductible for each policy of insurance. Each Owner, by acceptance of a deed or other conveyance of a Unit, hereby ratifies and confirms any decisions made by the Association in this regard and recognizes and agrees that funds to cover the deductible must be provided from the general operating funds of the Association before the Association will be entitled to insurance proceeds. The Association may, but shall not be obligated to, establish a reserve to cover any applicable deductible.

(E) Insurance Trustee; Share of Proceeds. All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee which may be designated by the Board as provided in Section XIII(J), and which, if so appointed, shall be a bank or trust company in South Carolina with trust powers, with its principal place of business in the State of South Carolina. The Insurance Trustee shall not be liable for payment of premiums, nor for the 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 for the purposes elsewhere stated herein, and for the benefit of the Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee:

(1) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Units, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in Section XIII(E)(2) below.

(2) Optional Property. Proceeds on account of damage solely to Units and/or certain portions or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively the "Optional Property"), if any is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Owners of Units or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

(3) Mortgagees. 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, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Owner and mortgagee pursuant to the provisions of this Master Deed.

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

(1) Expenses of the Trustee. All expenses of the Insurance Trustee shall be first paid or provision shall be made therefor.

(2) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Owners and their mortgagees being payable jointly to them.

(3) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Section XIII(E) above, and distributed first to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages, and the balance, if any, to the beneficial owners.

(4) Certificate. In making distributions to Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Owners and their mortgagees and their respective shares of the distribution.

(G) Association as Agent. The Association is hereby irrevocably appointed as agent and attorney in fact for each Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(H) Owners' Personal Coverage. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within his Unit, nor casualty or theft loss to the contents of an Owner's Unit. It shall be the obligation of the individual Owner, if such Owner so desires, to purchase and pay for insurance as to all such and other risks not covered by insurance carried by the Association.

(I) Benefit of Mortgagees. Certain provisions in this Article XIII entitled "Insurance" are for the benefit of mortgagees of Units and may be enforced by such mortgagees.

(J) Appointment of Insurance Trustee. The Board of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Board, on behalf of the Association will perform directly all obligations imposed upon such Trustee by this Master Deed, Fees and expenses of any Insurance Trustee are Common Expenses.

(K) Presumption as to Damaged Property. In the event of a dispute or lack of certainty as to whether damaged property constitutes a Units or Common Elements, such property shall be presumed to be Common Elements.

#### **XIV. Reconstruction or Repair After Fire or Other Casualty.**

(A) Determination to Reconstruct or Repair. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If seventy-five percent (75%) or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed and if Owners owning eighty percent (80%) of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof and a Majority of Institutional First Mortgagees approve such resolution, the Condominium will not be repaired and shall be subject to an action for partition instituted by the Association, any Owner, mortgagee or lienor, as if the Condominium were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be divided among all the Owners in proportion to their respective interests in the Common Elements (with respect to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the boundaries of the Unit), and among affected Owners in proportion to the damage suffered by each such affected Owner, as determined in the sole discretion of the Association (with respect to proceeds held for damage to the Optional Property, if any, and/or that portion of the Insured Property lying within the boundaries of the Unit); provided, however, that no payment shall be made to an Owner until there has first been paid off out of his share of such fund all mortgages and liens on his Unit in the order of priority of such mortgages and liens.

Whenever in this Section the words “promptly repair” are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) notifies the Board and Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Insurance Trustee (if appointed) notifies the Board and the Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

(B) Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original Improvements and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Board and then applicable building and other codes, and, if the damaged property which is to be altered is the Building or the Optional Property, by the Owners of not less than eighty percent (80%) of the applicable interests in the Common Elements, as well as the Owners of all Units and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.

(C) Special Responsibility. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repair is that of the respective Owners, then the Owners shall be responsible for all necessary reconstruction and repair, which shall be effected promptly and in accordance with guidelines established by the Board (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided the respective Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the Association). In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.

(1) Disbursement. The proceeds of insurance collected on account of a casualty, and the sums collected from Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Board; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.

(ii) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$100,000, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by Section XIV(C)(1)(i) above, but then only upon the further approval of an architect or engineer qualified to practice in South Carolina and employed by the Association to supervise the work.

(iii) Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair; that are the responsibility of the Association, this balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under-insured), or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Owner bears to the total of such estimated costs to all affected Owners, as determined by the Board; provided, however, that no Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Optional Property. All proceeds must be used to effect repairs to the Optional Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Owners and their mortgagees jointly as elsewhere herein contemplated.

(iv) 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 the construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that part of a distribution to an Owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable jointly to any mortgagee.

(v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Owners, nor to determine the payees nor the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, 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 names of the payees and the amounts to be paid.

(D) Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made against the Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the Insured Property shall be in proportion to all of the

Owners' respective shares in the Common Elements, and on account, of damage to the Optional Property, the Association shall charge the Owner (but shall not levy an Assessment) in proportion to the cost of repairing the damage suffered by each Owner thereof, as determined by the Association.

(E) Benefit of Mortgagees. Certain provisions in this Article XIV are for the benefit of mortgagees of Units and may be enforced by any of them.

## **XV. Condemnation.**

(A) Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium or Association Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Owners, the Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a charge shall be made against a defaulting Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.

(B) Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

(C) Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the awards and special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere in this Article XV specifically provided.

(D) Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable (in the sole opinion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

(1) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be charged to and paid by the Owner of the Unit.

(2) Distribution of Surplus. The balance of the award in respect of the Unit, if any, shall be distributed to the Owner of the affected Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees.

(3) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Unit shall be reduced by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:

(i) add the total of all percentages of all Units after reduction as aforesaid (the "Remaining Percentage Balance"); and

(ii) divide each percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

(E) Unit Made Uninhabitable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made habitable (in the sole opinion of the Association), the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

(1) Payment of Award. The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to pay off their mortgages in connection with each Unit which is not so habitable; second, to the Association for any due and unpaid Assessments; third, jointly to the affected Owners and their respective other mortgagees of their Units. In no event shall the total of such distributions in respect of a specific Unit exceed the market value of such Unit immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the Common Elements.

(2) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Owners in the manner approved by the Board; provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.

(3) Adjustment of Shares. The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Owners (and among reduced Units). This shall be effected by restating the shares of continuing Owners as follows:

(i) add the total of all percentages of all Units of continuing Owners prior to this adjustment, but after any adjustments made necessary by Section XV(D)(3) hereof (the "Percentage Balance"); and

(ii) divide the percentage of each Unit of a continuing Owner prior to this adjustment, but after any adjustments made necessary by Section XV(D)(3) hereof, by the Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

(4) Assessments. If the balance of the award (after payments to the Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all of the Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

(5) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner and mortgagees of the Unit and the Association within thirty (30) days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with State Law. The cost of arbitration proceedings shall be assessed against all Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares effected pursuant hereto by reason of the taking.

(F) Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

(G) Amendment of Master Deed. The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are affected by the taking shall be evidenced by an amendment to this Master Deed that is only required to be approved by, and executed upon the direction of, a majority of all Directors of the Board.

#### **XVI. Use and Occupancy Restrictions.**

Each Owner of a Unit shall be responsible for ensuring that the Owner's family including children, guests, invitees, tenants and occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or occupants, as a result of such person's violation of the Condominium Instruments, the Association may take action under this Master Deed against the Owner as if the Owner committed the violation in conjunction with the Owner's family including children, guests, tenants or occupants.

In addition to the following use restrictions, the Board may adopt reasonable rules and regulations in accordance with the terms hereof and as specified in the Bylaws. These use restrictions are in addition to and not in lieu of use restrictions contained in the Master Deed or promulgated by the Association. In the event of conflict or inconsistency between these use restrictions and those contained in the Master Deed of promulgated by the Association, the stricter shall contra to the extent permitted by law, neither Units owned by the Develop nor the Developer, its agents, employees, or contractors, shall be subject to the provisions of this Section.

##### (A) Use of Units.

(1) Units. Each Unit (other than the Commercial Unit) shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Unit



or any part of the Condominium other than the Commercial Unit, except that the Owner or Occupant residing in a Unit may conduct ancillary business activities within the Unit so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Unit;

(ii) the business activity does not involve visitation of the Unit by employees, clients, customers, patients, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a Unit without business activity;

(iii) the business activity is legal and conforms to all zoning requirements for the Condominium;

(iv) the business activity does not increase traffic in the Condominium in excess of what would normally be expected for Units in the Condominium without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services which deliveries shall be allowed only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday)

(v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(vi) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as determined in the Board's discretion; and

(vii) the business activity does not result in a materially greater use of Common Element facilities or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, neither the use of a Unit by an on-site management agent operating on behalf of the Association nor the use by the Developer of a Unit or Units owned by the Developer for Unit models, sales/leasing office and/or management/business office shall be considered a trade or business within the meaning of this subparagraph. The Board shall have the sole discretion to determine what, if anything, is unreasonable about a particular business activity.

(2) Commercial Unit. The Commercial Unit shall be used only for such residential purposes and/or commercial use or business purposes permitted by applicable zoning ordinance and use restrictions, provided such commercial or business activity does not constitute a nuisance or hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the reasonable discretion of the Board

(i) Prohibited Uses. Notwithstanding the foregoing, no part of a Commercial Unit may be used for any of the following purposes:

1. cinema/movie theater;

2. bowling alley'
3. skating rink;
4. video game room, amusement gallery or amusement arcade;
5. pool hall;
6. massage parlor or facility that host obscene, nude or semi-nude live performances;
7. adult book store or adult video store where obscene, pornographic or "adult" materials or paraphernalia, including, but not limited to, movies, videotapes, devices, books, magazines, or other related items are sold or displayed;
8. facilities used for the sale, display or advertisement of any paraphernalia used in the preparation or consumption of controlled substances;
9. facilities used for the operation of any liquor store, package store, or other store primarily selling and/or manufacturing alcoholic beverages;
10. funeral home or store selling caskets;
11. industrial or manufacturing uses;
12. automotive supplies and parts; and
13. fast food restaurants or restaurants where food is fried.

(ii) Permitted Uses. Notwithstanding the foregoing, a Commercial Unit may be used for any of the following purposes:

1. real estate sales or leasing office engaged in business related to Units located on the Condominium and Additional Land; and
2. uses that are ancillary to the permitted uses specified herein.

(iii) Proposed Uses. Any proposed use of any part of a Commercial Unit that is not prohibited in subsection (i) above but is not specified as a permitted use in subsection (ii) above and is permitted by applicable zoning ordinance and use restrictions, shall be submitted for the review, consideration and approval or disapproval of the Board.

(B) Number of Occupants. The maximum number of occupants in a Unit shall be limited to two (2) people per bedroom in the Unit, (as such bedrooms are depicted on the original Plot Plans and Floor Plans in Exhibit "3". "Occupancy," for purposes hereof, shall be defined as staying overnight in a Unit for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a Unit on the Effective Date hereof. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Unit is a corporation, partnership, limited liability company, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Unit. The designated person(s) to occupy the Unit may not be changed more frequently than once every six (6) months.

(C) Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant, other than the Developer, on any portion of the Condominium, at any time, either temporarily or permanently, without the prior written approval of the Board.

(D) Use of Common Elements Including Amenities. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. With prior written Board approval, and subject to any restrictions imposed by the Board, an

Owner may reserve portions of the Common Elements for use for a period of time as set by the Board; provided that the Board may charge a reasonable fee for such reserved use of the Common Elements. Any such Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of himself or herself and his or her guests, occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. There shall be no use of the roof of the Condominium Building by the Owners, their family members, guests, tenants, invitees, agents or contractors; provided that the Association and its agents and contractors shall have access to the roofs for performing its maintenance and repair responsibility; and further provided that the Association has the right to lease, sell or assign space on the roofs of the Condominium Buildings to any person for the construction, installation, use, maintenance, repair, replacement, improvement, removal and operation of telecommunications equipment; provided that any such use of the roof area for telecommunication equipment must comply with all state and/or local zoning, building and other applicable laws and codes. The Association shall collect and retain any and all income received from any agreements to sell, lease, or assign the spaces described in this subsection. There shall be no gardening or landscaping on the Common Elements by Owners or occupants without the prior written consent of the Board. This subsection shall not apply to the Developer, so long as the Developer shall own a Unit for sale.

(E) Use of Limited Common Elements, Patios, and Balconies. Except as otherwise provided herein, the use of the Limited Common Elements assigned to the Units is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, tenants and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

(1) Balconies. Objects over forty-two (42) inches in height, grills (except for electric grills), bicycles, laundry garments, towels and objects other than potted plants and patio furniture, except as may be authorized by the Board, shall not be placed on a balcony. Objects shall not be permitted to hang over or be attached to any exterior balcony wall or to otherwise protrude outside of the vertical plane formed by the exterior surface of the balcony wall. Penetration of the surfaces of a balcony wall or floor is prohibited. Enclosure of a balcony is also prohibited. As used herein, "enclosure" shall mean the permanent enclosure of a balcony into the heated and cooled space within the boundaries of a Unit.

(i) Nothing shall overhang or be mounted to the balcony rail including flower boxes and decorative adornment. No decorative adornment, including patio furniture, should extend above the height of the balcony rail. Only patio furniture may regularly be stored on the balcony. No gas or barbecue grills of any type are permitted on the balcony or in any other area of the Condominium.

(ii) No Owner shall display, hang, or use any signs, clothing, sheets, blankets, laundry or other articles outside his or her Unit, or which may be visible from the outside of the Unit (other than draperies, curtains or shades of a customary nature and appearance in the light, neutral colors). Items which are not permitted to overhang windows, doors or balcony include, but are not limited to window sized air-conditioning units, linens, cloths, clothing, shoes, bathing suits or swimwear, curtains, rugs, mops or laundry of any kind, or any articles.

(F) Selling, Leasing and Mortgaging of Units.

Units may be made subject to mortgages without restrictions, but sales and leases thereof shall be subject to the provisions of this Section:

(1) Sales. Each new Owner shall notify the Association and the Management Firm, if any, of the conveyance within seven (7) days after receiving title to the Unit by informing the Association, and the Management Firm, if any, in writing of the new Owner's or Owners' name(s) and the date the new Owner received the title to the Unit. Any Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a certificate of unpaid assessments from the Association setting forth the amount of assessments and other monies owed to the Association as set forth in Section 19(f) of this Master Deed. Any deed or conveyance to a new Owner shall automatically be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Master Deed, the Bylaws, the Articles of Incorporation, the Rules and Regulations, and all other agreements, documents or instruments affecting the Condominium, as the same may be amended from time to time.

(2) Leasing. The Board shall have the power to make and enforce reasonable rules and regulations regarding leasing of Units (provided that, any changes to the leasing provisions of subsections (b)(ii) and (iii) of this Section. shall require an amendment to the Master Deed in accordance with this Master Deed) and to levy fines in accordance with the Master Deed and Bylaws in order to enforce the provisions of this Section and of the rules and/or regulations issued pursuant to this Section. "Leasing," for the purposes of this Master Deed, is defined as regular, exclusive occupancy of a Unit by any Person other than the Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Unit as such Owner's primary residence shall not constitute "leasing" hereunder. Leasing of Units shall be governed by the following provisions:

(i) Notice. 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 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 into compliance with the Master Deed and any rules and regulations adopted pursuant thereto.

(ii) General. Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. 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 which is deemed acceptable. 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 nine (9) months, 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, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Owner must provide the lessee copies of the Master Deed, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease; provided that, such approval or disapproval by the Board shall be given within seven (7) days after the Board's receipt of the proposed lease and; provided further, that in the event that the Board does not give its approval or disapproval in a timely fashion, such lease shall be deemed approved. Notwithstanding the above, this subparagraph shall not apply to the leasing of Units owned by the Association.

(iii) Liability for Assessments, Use of Common Elements, and Compliance with Master Deed, Bylaws, and Rules and Regulations. Each Owner 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, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(1) Compliance with Master Deed, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Master Deed, Bylaws, and Rules and Regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Unit in order to ensure such compliance. The Owner (lessor) shall cause all occupants of his or her Unit to comply with the Master Deed, Bylaws, and the Rules and Regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants. If the lessee, or a person living with the lessee, violates the Master Deed, Bylaws, or a Rule or Regulation, notice of the violation shall be given to the Owner and the lessee, and a fine may be charged against the Unit in accordance with the Bylaws and the Master Deed.

Any violation of the Master Deed, Bylaws, or Rules and Regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of 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, after the Board gives notice to the Owner at the last address provided by Owner 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 the Rules and Regulations adopted pursuant thereto, 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. Prior to eviction of a lessee, the Association shall give the Owner five (5) days notice to allow the Owner to secure compliance from the lessee. If the lessee does not cure the violation within such time period, the Board may commence eviction proceedings. If the Association proceeds to evict the lessee, any costs, including reasonable attorney's fees actually incurred and court costs, associated with the eviction shall be billed to the Owner and shall bear interest at the highest rate permitted by law from the date expended until paid in full.

(2) Use of Common Elements. 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 and other amenities.

(iv) Continuing Liability. The liability of the Owner under this Master Deed shall continue, notwithstanding the fact that the Owner may have leased, rented or sub-let said interest as provided herein. Every purchaser, tenant or lessee shall take subject to this Master Deed, the Articles of Incorporation, the Bylaws, and the Management Agreement, if any, as well as the provisions of the Act.

(3) No Severance of Ownership. Subject to the right of transfer of Limited Common Element parking and Garage Spaces in accordance with Section K of this Master Deed, no part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other disposition of the Unit to which such interest is appurtenant, and any sale, conveyance or other disposition of a Unit shall be deemed to include the Unit's appurtenant interest in the Common Elements.

(4) Gifts and Devises, etc. Any Owner shall be free to convey or transfer such Owner's Unit by gift, to devise such Owner's Unit by will, or to have such Owner's Unit pass by intestacy, without restriction; provided, however, that each succeeding Owner shall be bound by, and such Owner's Unit subject to, the provisions of this Section.

(5) Applicability of this Section. Notwithstanding the above, except as required by the Act, or the regulations implementing the Act, as may be amended from time to time, this Section shall not apply to any leasing transaction entered into by the Developer (regardless of whether said lease is entered into prior to or after the Developer has relinquished control of the Association, the Association, or the holder of any first mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage.

(G) Hurricane Shutters and Hurricane Preparations. In the event the Board does not elect to install hurricane shutters, Owners may do so; provided that Owners shall not install hurricane or storm shutters without the prior approval of the Board or an Architectural Review Committee if one is formed (the "ARC"). All such specifications shall comply with the local building code. All shutters installed by Owners or the Board, must comply with the shutter specifications adopted by the Board. Approved hurricane or storm shutters shall only be closed during a hurricane warning or severe storm warning and during hurricanes or severe storms; such shutters may remain closed until the hurricane or severe storm warnings are discontinued. Shutters must be open at all other times. The installation, replacement and maintenance of such hurricane shutters in accordance with this Section and with the rules and regulations shall not be deemed a material alteration to the Common Elements.

(1) Hurricane Preparations. Each Owner or Occupant who is absent from such Owner's Unit during Hurricane season, shall prepare his/her Unit prior to departure by:

(i) Removing all furniture and plants and any other item not permanently affixed from the balconies; and

(ii) Designating a responsible firm or individual to care for the Unit during his/her absence (including the removal of furniture and plants and other items not affixed to balconies) in the event of a hurricane or severe storm, and in the event that the Unit suffers hurricane or storm damage. Each Owner or Occupant shall furnish the Board, or manager, if any, with the name of such firm or individual.

(H) Prohibition of Damage, Nuisance and Noise. Nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

(1) The dwelling Units in the Condominium are built in close proximity to one another, resulting in the sharing of common walls, floors and ceilings. As a result, noise and vibration may be detectable between Units or between Units and the Common Elements. Therefore, an Owner or Occupant shall not conduct activities within a Unit or use a Unit in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Unit by its respective Owner and Occupant.

(2) Furthermore, destructive or offensive activity shall not be carried on within the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or occupants, or in such a way as to constitute, in the sole opinion of the Board, a nuisance. In addition, no Owner or Occupant of a Unit may use or allow the use of a Unit or the Common Elements in any manner which creates disturbing noises, including without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board interfere with the rights, comfort or

convenience of the other Owners or occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

(3) No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their mortgagees.

(4) No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner, Occupant or member of his or her family or any invitee of any Owner or Occupant. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or destruction caused by such Owner, members of his or her family, guests, invitees, or occupants of his or her Unit.

(I) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements or Limited Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited 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.

(J) Pets. No Owner or Occupant may keep any animals on any portion of the Condominium except as expressly permitted in this Section. An Owner or Occupant may keep no more than a total of two (2) dogs and/or cats per Unit and a reasonable number of other generally recognized household pets, as determined in the Board's sole discretion, weighing less than two (2) pounds each (including by way of example, but not limitation, fish, gerbils and small birds).

(1) No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose, and no structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written approval of the Board. No pets are allowed on any portion of the Common Elements except for the designated dog walk area, if any; provided, however, an Owner or Occupant may walk a pet across the Common Elements to reach such dog walk area, if any, or to enter or exit the Condominium. Notwithstanding the foregoing, pets must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements; provided, however, pets need not be leashed within balconies when attended by a person; provided further than such pets shall not create a nuisance to other Owners. Pet litter left by pets upon the Common Elements or in any dog walk area must be immediately removed by the owner of the pet or the person responsible for the pet.

(2) No potbellied pigs, snakes, pit bull dogs, rottweillers, doberman pinchers or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Condominium at any time. The Board may require that any pet which, in the Board's opinion, endangers the health of any Owner or Occupant or creates a nuisance or unreasonable disturbance, be permanently removed from the Condominium upon seven (7) days written notice. If the Owner or Occupant fails to do so, the Board may remove the pet. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member may be removed by the Board without prior notice to the pet's owner.

(3) Any Owner or Occupant who keeps or maintains any pet upon the Condominium shall be deemed to have agreed to indemnify and hold the Association, its directors,

officers and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(K) Parking. Limited Common Element parking spaces and Garage Spaces may only be used by the Owners or occupants of the Unit to whom the parking spaces or Garage Spaces are assigned, and their guests and families.

(1) In accordance with the reservation of rights and notice provisions set forth in Exhibit "5", for so long as Developer owns a Unit primarily for the purpose of sale, Developer may sell more parking spaces and Garage Spaces (which parking spaces and Garage Spaces shall thereafter be Limited Common Elements appurtenant to the Unit to which they have been sold) to an Owner and may adopt rules regulating the use of unassigned parking spaces.

(2) Vehicles permitted under this subsection may be parked only in designated, lined parking spaces or Garage Spaces or other areas authorized in writing by the Board.

(3) Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

(4) Boats, trailers, jet-skis and trailers for sale, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the South Carolina Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes and vehicles with commercial writings on their exteriors other than Sheriff's, Marshall's or police officer's vehicles marked as such, are also prohibited from being parked on the Condominium, except in areas, if any, that may be designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements and after normal business hours in case of an emergency; provided, however, no such vehicle shall remain on the Common Elements overnight or for any purpose unless prior written consent of the Board is first obtained. Notwithstanding the above, commercial vehicles associated with the business located within each Commercial Unit are permitted to park in spaces assigned to such Commercial Unit and other spaces as designated by the Board.

(5) Limited Common Element parking spaces assigned to Commercial Units, if any, are reserved for the exclusive use of the Owners or occupants thereof and the family members, customers, clients, the employees and the invitees of such Owners or occupants thereof.

(6) If any vehicle is parked on any portion of the Condominium in violation of this Section or in violation of the Association's rules and regulations, the Board or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or the agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle.



(7) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Unit, Garage Space or parking space, is obstructing the flow of traffic, is parked on any grassy area, is parked in a parking space or Garage Space which has been assigned as exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the Board or the agent of the Association may have the vehicle towed or booted immediately. If a vehicle is towed or booted in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

(L) Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five (55°) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two (32°) degrees Fahrenheit or below. Owners and occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair.

(M) Signs. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Developer related to the development and sale of Units, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed or permitted to remain on the Condominium without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six inches (6") by six inches (6") in size may be displayed from within a Unit. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

(1) Signs related to business activities in Units may be erected only with the prior written approval of the ARC, which shall not be unreasonably withheld. The Owners of the Commercial Units shall be permitted to erect signs identifying the business on the exterior of said Units or on or adjacent to the interior windows of said Units with the approval of the ARC; provided, however, such signs shall comply with all relevant zoning ordinances.

(N) Flags. Notwithstanding the provisions herein any Owner may display one (1) portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, September 11, Labor Day and Veterans Day, may display in a respectful way portable, removable official flags, not larger than four and one-half (4 ½) feet by six (6) feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard.

(O) Garage Spaces. It is prohibited for an owner or Occupant of a Unit that is assigned a Garage Space to convert such Garage Space to any other use. No Owner or Occupant of a Unit that includes a Garage Space shall park his or her car or other motor vehicle on any portion of the Condominium, other than in the Garage Space or an assigned parking space, unless the maximum number of cars or similarly sized motor vehicles which can be parked in the Garage Space according to its design capacity area already parked in said Garage Space. Garage doors shall remain closed at all times, except for necessary use, ingress and egress. All Garage Spaces shall be maintained in such a manner that parking for the maximum number of motor vehicles for which it was originally designed to hold is allowed and possible.

(P) Rubbish, Trash and Garbage. All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or

otherwise, except in trash dumpsters or compactors. Rubbish, trash and garbage shall be disposed of in sealed bags and either placed in the trash dumpsters or compactors, or proper receptacles designated by the Board for collection, or removed from the Condominium.

(Q) Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture and other household items shall not be placed or stored outside the Unit.

(R) Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited unless approved in writing by the Board.

(S) Grilling. The use of outdoor grills on any portion of the Condominium Buildings is prohibited; provided, however, Owners and occupants are permitted to use grills located on the Common Elements that were provided by the Developer or the Association, if any.

(T) Window Treatments. All windows in Units must have window treatments. The color of all window treatments visible from outside the Unit must be white or off-white. Bed sheets shall not be used as window treatments.

(U) Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Condominium, including the Unit or Limited Common Elements; provided, however that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Owners:

(1) No transmission antenna, of any kind, may be erected anywhere on the Condominium, including the Units, without written approval of the Board of Approvals or the ARC.

(2) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained upon the Condominium, including the Units and the Limited Common Elements.

(3) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time.

In the event of transfer of the Unit which includes a satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Master Deed, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

(V) Abandoned Personal Property. Personal property, other than vehicles as provided for in the subsection hereinabove shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to

return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

(1) The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

(2) Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

(W) Replacing Carpet with Tile or Hardwood Floors. Other than the Developer, no Owner, Occupant or any other person may replace carpeting with a tile, marble, vinyl, hardwood floor or other hard surfaced flooring material, on the interior of a Unit which is located above another Unit without first obtaining written approval of the Developer or the ARC, as applicable, as set forth hereinabove. Among other factors, the Developer or the ARC, as applicable, may consider whether the change will cause noise to any Unit below which will exceed the average noise level in Units below those Units with carpeted floors and that the weight of such proposed flooring is appropriate and will not cause problems to the structure or subflooring.

(1) The Owner applying for such approval shall provide the Developer or the ARC, as applicable, with information regarding these factors, as well as other information requested by the Developer or the ARC regarding the proposed flooring and its effect; provided, however, the noise level requirements shall be considered to be met if the Owner provides a sound transmission test that the proposed flooring will create a noise level less than a standard level set by reasonable regulation of the Developer or the ARC, as applicable. Notwithstanding the above, at least seventy-five percent (75%) of the Unit (excluding kitchen and bathroom) shall be carpeted unless the flooring is sound proofed so as not to exceed the noise level in Units with carpeted floors.

(X) Moving. Occupants of Units shall be allowed to move-in or move-out only on the days and times pursuant to regulations adopted by the Board. Notwithstanding the above, there shall be no moving in or out of Units between the hours of 8:00 p.m. and 7:00 a.m.

(Y) Sale Period. Notwithstanding any provisions contained in this Master Deed to the contrary, during the period of the Developer's sale of the Condominium Units it shall be expressly permissible for Developer, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Condominium as Developer may deem necessary, such facilities and activities as in the sole opinion of Developer may be reasonably required, convenient or incidental to the completion and sale of the Condominium Units, including, but without limitation, business and/or management offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Condominium for such purposes and to use the Units owned by Developer as model Units and as offices for the sale of the Condominium Units and related activities.

(Z) Effects on Developer. Notwithstanding the above, the restrictions and limitations set forth in this Section shall not apply to the Developer, its designees, successors and assigns, or to Units owned by or leased to the Developer, except as required by the Act and related regulations, as the Act or regulations may be amended from time to time. The Developer and its designees shall be

exempt from parking restrictions on the type of vehicle permitted to be parked on Condominium if the vehicle is engaged in any activity relating to construction, maintenance or marketing of Units.

## **XVII. Compliance and Default.**

The Association, each Owner, Occupant of a Unit, tenant and other invitee of an Owner shall be governed by and shall comply with the terms of this Master Deed and all Exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time and the provisions of all of such documents shall be deemed incorporated into any lease of a Unit whether or not expressly stated in such lease. The Association (and Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:

(A) Mandatory Nonbinding Arbitration of Disputes. Prior to the institution of court litigation, the parties to a Dispute shall submit to nonbinding arbitration. The arbitration shall be conducted according to rules promulgated by the American Arbitration Association and before arbitrators agreed upon by the parties. The filing of a petition for arbitration shall toll the applicable statute of limitation for the applicable Dispute, until the arbitration proceedings are completed. Any arbitration decision shall be presented to the parties in writing, and shall be deemed final if a complaint for trial de novo is not filed in a court of competent jurisdiction in which the Condominium is located within thirty (30) days following the issuance of the arbitration decision. The prevailing party in the arbitration proceeding shall be awarded the costs of the arbitration, and attorneys' fees and costs incurred in connection with the proceedings. The party who files a complaint for a trial de novo shall be charged the other party's arbitration costs, court costs and other reasonable costs, including, without limitation, attorneys' fees, investigation expenses and expenses for expert or other testimony or evidence incurred, after the arbitration decision, if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees. Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Condominium is located. A petition may not be granted unless the time for appeal by the filing of a complaint for a trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.

(B) Negligence and Compliance. An Owner and/or tenant of a Unit shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association. In the event an Owner, tenant or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of the Master Deed, the Bylaws, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Condominium or administered by the Association, in the manner required, the Association shall have the right to proceed in equity to require performance and/or compliance, to impose any applicable fines, to sue at law for damages, and to charge such Owner for the sums necessary to do whatever work is required to put the Owner or Unit in compliance; provided, however, that nothing contained in this Section XVII(B) shall authorize the Association to enter a Unit to enforce compliance. In any proceeding arising because of an alleged failure of an Owner, a tenant or the Association to comply with the requirements of the Act, this Master Deed, the Exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees). An Owner prevailing in an action with the Association, in addition to recovering his reasonable attorneys' fees, may recover additional amounts as determined by the

court to be necessary to reimburse the Owner for his share of Assessments levied by the Association to fund its expenses of the litigation.

(C) Enforcement. If any person, firm, corporation, trust, or other entity shall violate or attempt to violate any of the covenants or restrictions set forth in this Master Deed or the Rules and Regulations, it shall be lawful for Developer, the Association, or any Owner: (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such covenant or restriction; or (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate any such covenant or restriction for the purpose of preventing or enjoining all or any such violations or attempted violations. In addition to all other remedies, the Board shall have the authority, in its sole discretion, to suspend the Owner's (and Owner's family, tenants, guests, invitees or occupants) right to use the Common Element recreational facilities for so long as the violation continues and to levy reasonable fines against Owner or Occupant for the failure of the Owner, his family, tenants, guests, invitees or occupants, to comply with any covenant, restriction, rule, or regulation contained in this Master Deed, the Articles, or the Bylaws, provided the following procedures are adhered to.

(1) The Association shall give the Owner or Occupant at least fourteen (14) days notice of the violation(s) and of the right to have a hearing before a committee of at least three (3) Owners appointed by the Board, which committee members shall not be officers, directors or employees of the Association or the spouse, parent, child, brother, or sister of an officer, director or employee of the Association. The notice shall contain a date and time for a proposed hearing which shall be at least fourteen (14) days from the date of notice. If the Owner or Occupant notified of the violation(s) and the fine fails to appear at the hearing or fails to request a hearing at another time, which time shall in no event be set more than thirty (30) days after notification of the violations(s) and the fine, the right to the hearing shall be deemed to be waived and the fine shall be considered levied.

(2) At any hearing, the committee shall be presented with the violation(s) and shall give the Owner or Occupant the opportunity to present reasons why penalties should not be imposed. A written decision of the committee shall be provided to the Owner or Occupant within twenty-one (21) days after the date of the hearing.

(3) If a hearing is requested and results in the approval of the fine by the committee, the fine levied by the Board may be imposed against the Owner, his family, tenants, guests, invitee or occupants.

(4) Each incident which is grounds for a fine shall be the basis for a separate fine. In case of continuing violations, each continuation after notice is given shall be deemed a separate incident.

(5) Amounts: The Board (if its or such panel's findings are made against the Owner) may impose special assessments against the Unit owned by the Owner as follows:

(i) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00);

(ii) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00);

(iii) Third and subsequent non-compliance, or a violation or violations which are of a continuing nature after notice thereof (even if in the first instance): a fine not in excess of One Thousand Dollars (\$1,000.00);

(iv) Provided, however, to the extent that state law is modified to permit fines of greater amounts, the Master Deed shall be automatically amended to include such increase.

(6) Payment of Fines: Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the penalties.

(7) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments, and the lien securing same, as set forth herein.

(8) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board.

(9) Non-Exclusive Remedy: The imposition of a fine shall not be an exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled, including without limitation the right to impose a special assessment as a lien on the Lot; however, any fine paid by the Owner or Occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or Occupant. The limitations on fines in this paragraph do not apply to suspensions or fines arising from failure to pay Assessments.

(10) The failure of Developer, the Association, or any Owner, or their respective successors or assigns, to enforce any covenant, restriction, obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

#### **XVIII. Termination of Condominium.**

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Master Deed, or (b) such time as withdrawal of the Condominium from the provisions of the Act is authorized by a vote of Owners owning at least eighty percent (80%) of the applicable interests in the Common Elements and by the Institutional First Mortgagees of Units to which at least sixty seven percent (67%) of the voting interests of Units subject to mortgages held by Institutional First Mortgagees are appurtenant. In the event such withdrawal is authorized as aforesaid, the Condominium shall be subject to an action for partition by any Owner, mortgagee or lienor as if owned in common in which event the net proceeds of the partition sale shall be divided among all Owners in proportion to their respective interests in the Common Elements; provided, however, that no payment shall be made to an Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens on his Unit in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the public records of the County. This Section may not be amended without the consent of the Developer as long as it owns any Unit.

#### **XIX. Additional Rights of Mortgagees and Others.**

(A) Availability of Association Documents. The Association shall have current and updated copies of the following available for inspection by Institutional First Mortgagees during normal business hours or under other reasonable circumstances as determined by the Board: (a) this Master Deed; (b) the Articles; (c) the Bylaws; (d) the rules and regulations of the Association; and (e) the books, records and financial statements of the Association.

(B) Amendments. Subject to the other provisions of this Master Deed and except as provided elsewhere to the contrary, an amendment directly affecting any of the following shall require the approval of a Majority of Institutional First Mortgagees; (a) voting rights; (b) increases in assessments by more than twenty-five percent (25%) over the previous assessment amount, assessment liens or the priority of assessment liens; (c) reductions in reserves for maintenance, repair and replacement of Common Elements and/or Association Property; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the Common Elements (including Limited Common Elements) or rights to their use; (f) redefinition of Unit boundaries; (g) conversion of Units into Common Elements or Common Elements into Units; (h) expansion or contraction of the Condominium; (i) hazard or fidelity insurance requirements; (j) imposition of restrictions on leasing of units; (k) imposition of restrictions on the selling or transferring of title to Units; (l) restoration or repair of the Condominium after a casualty or partial condemnation; (m) any action to terminate the Condominium after casualty or condemnation; and (n) any provision that expressly benefits mortgage holders, insurers or guarantors as a class. Any consent required of a mortgagee may not be unreasonably withheld.

(C) Notices. Any holder, insurer or guarantor of a mortgage on a Unit shall have, if first requested in writing from the Association, the right to timely written notice of:

(1) any condemnation or casualty loss affecting a material portion of the Condominium and/or Association Property or the affected mortgaged Unit;

(2) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Unit;

(3) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(4) any proposed action which requires the consent of a specified number of mortgage holders.

(D) Additional Rights. Institutional First Mortgagees shall have the right, upon written request to the Association, to: (a) receive a copy of an audited financial statement of the Association for the immediately preceding fiscal year if such statements were prepared; and (b) receive notices of and attend Association meetings.

## **XX. Covenant Running With the Land.**

All provisions of this Master Deed, the Articles, Bylaws and applicable rules and regulations of the Association, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and the Units and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Developer and subsequent owner(s) of the Land or any part thereof, including Owners of Units or interest therein, and their respective heirs, personal representatives; successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Master Deed and the Articles, Bylaws and applicable rules and regulations, all as they may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an adoption and ratification of the provisions of this Master Deed, and the Articles, Bylaws and applicable rules and regulations of the Association, all as they may be amended from time to time, including, but not limited to, a ratification of any appointments of attorneys-in-fact contained herein.

**XXI. Nature of Improvements.**

The Condominium has been created by converting a previously existing apartment complex, and, accordingly, the Improvements have been previously occupied. In that regard,

(A) Developer assigns to the Association any and all, if any, Rights and Warranties as received from the Contractor, Architect and Previous Owner which sold the Land to Developer. To the extent work on any Common Elements has been performed during Developer's ownership and under Developer's direction, instruction or control, Developer offers the following warranty:

DEVELOPER'S, ITS CONTRACTOR'S, AGENT'S AND ARCHITECT'S SOLE OBLIGATION, TO THE EXCLUSION OF ALL OTHER REMEDIES, IS LIMITED TO THE REPAIR OR REPLACEMENT, AT DEVELOPER'S, CONTRACTOR'S, AND ARCHITECT'S OPTION, OF THE DEFECTIVE CONDITION OF THE WORK PURSUANT TO THE PLANS ("WORK") RELATING SOLELY TO THE GENERAL AND LIMITED COMMON ELEMENTS.

FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF FILING THIS MASTER DEED FOR THE CONDOMINIUM, DEVELOPER OR ITS CONTRACTOR WILL, AT NO COST TO THE ASSOCIATION, REPAIR OR REPLACE ANY PORTION OF THE GENERAL AND LIMITED COMMON ELEMENTS, EXCEPT FIXTURES, FURNITURE, ACCESSORIES AND APPLIANCES COVERED BY A WARRANTY OF MANUFACTURERS AND DEALERS, WHICH ARE DEFECTIVE AS TO MATERIAL OR WORKMANSHIP. THE LIABILITY OF THE DEVELOPER IS EXPRESSLY LIMITED TO SUCH REPAIRS OR REPLACEMENT AND DEVELOPER MAKES NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE).

THIS LIMITED WARRANTY IS NONTRANSFERABLE AND IS PERSONAL ONLY TO THE ASSOCIATION.

AS TO ANY PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNIT(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING ELEMENTS BY THE DEVELOPER TO THE ASSOCIATION, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) WHICH MAY BE CONTAINED IN THE COMMON ELEMENTS, DEVELOPER NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, THE DEVELOPER EXCLUDES ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

Additional Warranty Exclusions:

(1) Nail or screw pops or cracks in the walls and ceilings of the General and Limited Common Elements which do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components. To the extent that the Developer may elect at its sole discretion to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Developer, Contractor and Architect during the



Warranty period, Developer, Contractor and Architect will not be liable for repainting, wallpapering or refinishing any repaired areas.

(2) Ordinary wear and tear, or damage due to misuse or neglect, negligence, or the Association's failure to provide proper maintenance to the General and Limited Common Elements or the Association's failure to perform maintenance as required by the manufacturer.

(3) This Limited Warranty does not cover the individual residential Units.

(4) Any item which has been modified or repaired by the Association, or any items which are installed or constructed pursuant to a separate contract or agreement between the Association and any party other than Developer.

(5) No steps taken by Developer, Contractor and Architect/Engineer to correct defects shall act to extend the scope of duration of this Limited Warranty beyond the Warranty period.

(6) No representative of the Developer, Contractor and Architect/Engineer has the authority to expand or extend the scope of this Limited Warranty or to make verbal agreements with respect thereto.

(7) All requests for correction pursuant to this Limited Warranty must be in written form and delivered to the Developer, Contractor and Architect/Engineer, or their designated representatives.

(B) Subject to the provisions of Article XXII below, to the maximum extent lawful Developer hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law or otherwise, as to the design, construction, sound and/or odor transmission, existence and/or development of molds, mildew, toxins or fungi, furnishing and equipping of the Condominium, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute and all other express and implied warranties of any kind or character. Developer has not given and the Owner has not relied on or bargained for any such warranties.

(C) All of the disclaimers set forth in Article XXII below, as well as in other locations throughout the Master Deed, shall nonetheless be applicable and binding upon the Association and each Owner.

## **XXII. Disclaimer of Warranties.**

(A) Notwithstanding that this Condominium is a conversion of previously occupied premises, Developer has elected to warrant the improvements solely to the extent provided in Section XXI above. To the maximum extent lawful Developer hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law or otherwise, as to the design, construction, sound and/or odor transmission, existence and/or development of molds, mildew, toxins or fungi, furnishing and equipping of the Condominium, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute and all other express and implied warranties of any kind or character. Developer has not given and the Owner has not relied on or bargained for any such warranties. Each Owner recognizes and agrees that the Unit and Condominium are not new construction and were not constructed by Developer. Each Owner, by accepting a deed to a Unit, or other conveyance thereof, shall be deemed to represent and warrant to Developer that in deciding to acquire the Unit, the Owner relied solely on such Owner's independent

inspection of the Unit and the Condominium as well as the conversion inspection reports included in the documents made available to Owner. The Owner has not received nor relied on any warranties and/or representations from Developer of any kind, other than as expressly provided herein.

(B) To the fullest extent allowed by law, all Owners, by virtue of their acceptance of title to their respective Units (whether from the Developer or another party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages. The foregoing shall also apply to any party claiming by, through or under an Owner, including a tenant thereof.

(C) Further, given the climate and humid conditions in South Carolina, molds, mildew, toxins and fungi may exist and/or develop within the Unit and/or the Condominium. Each Owner is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Unit, each Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released the Developer from any and all liability resulting from same, including, without limitation, any liability for incidental or consequential damages (which may result from, without limitation, the inability to possess the Unit, inconvenience, moving costs, hotel costs, storage costs, loss of time, lost wages, lost opportunities and/or personal injury). Without limiting the generality of the foregoing, leaks, leaving exterior doors or windows open, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. Each Owner, by acceptance of a deed, or otherwise acquiring title to a Unit, shall be deemed to have agreed that Developer is not responsible, and the Developer hereby disclaims any responsibility for any illness or allergic reactions, personal injury or death which may be experienced by the Owner, its family members and/or its or their guests, tenants, occupants and invitees and to any pets of persons aforementioned in this sentence, as a result of mold, mildew, fungus or spores. It is the Owner's responsibility to keep the Unit clean, dry, well-ventilated and free of contamination.

(D) The thermostats are an integral part of the Life Safety Systems and are intended to assist in reducing the accumulation of moisture and humidity in the Units to prevent same from reaching levels which may accelerate the development of molds, spores or other natural growths which if allowed to accumulate may become toxic or otherwise create health risks. The thermostats shall be operated and kept operable at all times and there shall be no alteration of or to the thermostats without the prior written approval of the Association. The Owner's failure to operate at all times any thermostats installed in the Unit will contribute to the development of molds, spores or other natural growths. It is solely the Owner's responsibility to keep any thermostats installed in the Unit operable at all times.

(E) Each Owner understands and agrees that for some time in the future, it, and its guests, tenants, occupants and invitees may be disturbed by the noise, commotion and other unpleasant effects of nearby construction activity and as a result Owner and its guests, tenants, occupants and invitees may be impeded in using portions of the Condominium by that activity. Because the Condominium is located in or near an urban area, demolition or construction of buildings and other structures within the immediate area or within the view lines of any particular Unit or of any part of the Condominium (the "Views") may block, obstruct, shadow or otherwise affect Views, which may currently be visible from the Unit or from the Condominium. Therefore, each Owner, for itself, its successors and assigns, agrees to release Developer, its partners and its and their officers, members, directors and employees and every affiliate and person related or affiliated in any way with any of them ("Developer's Affiliates") from and against any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including attorney's fees and costs, including those incurred through all arbitration and appellate proceedings, related to or arising out of any claim against the Developer or Developer's Affiliates related to Views or the disruption, noise, commotion, and other unpleasant effects of nearby development or construction. As

a result of the foregoing, there is no guarantee of view, security, privacy, location, design, density or any other matter.

(F) Each Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that there are various methods for calculating the square footage of a Unit, and that depending on the method of calculation, the quoted square footage of the Unit may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Unit, and settling and shifting of improvements, actual square footage of a Unit may also be affected. By accepting title to a Unit, the applicable Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Unit, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included as part of Developer's promotional materials or otherwise. Without limiting the generality of this Article XXII, Developer does not make any representation or warranty as to the actual size, dimensions or square footage of any Unit, and each Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Unit.

### **XXIII. Mandatory Non-Binding Arbitration of Disputes**

(A) Prior to the institution of court litigation, the parties to a dispute, as further defined herein, shall seek non-binding arbitration. Arbitration shall be conducted according to rules promulgated by the American Arbitration Association. The filing of a petition for arbitration shall toll the applicable statute of limitations.

(B) At the request of any party to the arbitration, such arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents and other evidence and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by the South Carolina Rules of Civil Procedure. Discovery may, in the discretion of the arbitrator, be permitted in the manner provided by the South Carolina Rules of Civil Procedure.

(C) The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed within thirty (30) days in a court of competent jurisdiction in which the Condominium is located following the date of issuance of the arbitration decision. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party in an arbitration proceeding may be awarded reasonable attorneys' fees, the costs of the arbitration, or both, in an amount determined in the discretion of the arbitrator.

(D) The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs and other reasonable costs, including attorneys' fees, investigation expenses, and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees.

(E) The decision of an arbitrator shall be final. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo. If such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence in the trial de novo.

(F) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Condominium is located. A petition may not be granted unless the time for appeal for filing of a complaint for trial de novo has expired. If a

complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.

#### **XXIV. Additional Phases.**

(A) Notice. As set forth in Section 27-31-100(g), S.C. Code Ann. and other provisions of the Act, Developer hereby declares, while reserving all rights and privileges afforded under Section 27-31-440, S.C. Code Ann. and other provisions of the Act, that Developer or an affiliate of Developer may develop as Phase II of the Condominium that certain land, together with improvements thereon as indicated in Exhibit "3" as Phase Two Site Plan, Phase Two Common Site Plan, Phase Two Building 13, First, Second and Third Floor Plan, Phase Two Building 14, First, Second and Third Floor Plan, Phase Two Building 15, First, Second and Third Floor Plan, Phase Two Building 16, First, Second and Third Floor Plan, Phase Two Building 17, First, Second and Third Floor Plan, Phase Two Building 18, First, Second and Third Floor Plan, Phase Two Front Buildings Elevation 13, 14, 15, 16, 17 and 18, and all Floor Plans indicating Phase Two Units. The land affected by this reservation is described in Exhibit "1-A".

(B) Number of Units. The maximum number of Units which may be converted in subsequent stages is 20 in Building 13, 20 in Building 14, 24 in Building 15, 20 in Building 16, 20 in Building 17 and 24 in Building 18. The maximum number of additional Units in all stages would be 128 which, when added to the 281 Units in Phase I, would result in 409 Units in the Condominium/Regime.

(C) The Developer, in its absolute, sole and unfettered discretion, shall, within six (6) years of filing this Master Deed, elect whether or not it shall proceed with the additional stage(s) of development and how much of such land and Units will be converted. It is expressly intended that Developer is in no way obligated to proceed with additional stage(s) of development; however, this Article XXIV is intended to notify all tenants, Owners and prospective Owners and their respective mortgagees of Developer's reservation of such development rights.

(D) Should Developer or its successor, affiliate or assign so elect to develop additional stage(s) of the Condominium/Regime, Developer shall retain Developer rights in the Association including without limitation those set forth in this Master Deed and within the Proviso (4.15) of the Bylaws for the Association.

(E) Additional Common Elements. Together with the addition of a maximum of 128 Units, all Common Areas as shown in various drawings mentioned in Subsection (A) hereinabove, including without limitation the parking areas, grassy areas, landscaped areas, entrance, driveways, pool, cabana and other areas, upon Developer's election, shall also be annexed into the Condominium/Regime.

(F) Percentage Ownership/Table of Values. Should such 128 Units and the foregoing Common Elements be annexed, the Table of Values indicated on Exhibit "4" shall be amended to and replaced by that shown on Exhibit "4-A".

#### **XXV. Additional Provisions.**

(A) Notices. All notices to the Association required or desired hereunder or under the Bylaws of the Association shall be sent by certified mail (return receipt requested) to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Owners. Except as provided specifically in the Act, all notices to any Owner shall be sent by first class mail to the Condominium address of such

Owner, or such other address as may have been designated by him or her from time to time, in writing, to the Association. All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which shall be deemed to have been given when received, or five (5) business days after proper mailing, whichever shall first occur.

(B) Interpretation. Except where otherwise provided herein, the Board shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

(C) Mortgagees. Anything herein to the contrary notwithstanding, the Association shall not be responsible to any mortgagee or lienor of any Unit hereunder, and may assume the Unit is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.

(D) Exhibits. There is hereby incorporated in this Master Deed all materials contained in the Exhibits annexed hereto, except that as to such Exhibits, any conflicting provisions set forth therein as to their amendment, modification, enforcement and other matters shall control over those hereof.

(E) Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a vice-president may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an assistant secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

(F) Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Master Deed, the Exhibits annexed hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of South Carolina .

(G) Severability. The invalidity in whole or in part of any covenant or restriction, or any section, sentence, paragraph, clause, phrase or word, or other provision of this Master Deed, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

(H) Waiver. The failure of the Association or any Owner to enforce any covenant, restriction or other provision of the Act, this Master Deed, the Exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

(I) Ratification. Each Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Master Deed, and the Articles and Bylaws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.

(J) Execution of Documents; Attorney in-Fact. Without limiting the generality of other sections of this Master Deed and without such other sections limiting the generality hereof, each Owner, by reason of the acceptance of a deed to such Owner's Unit, hereby agrees to execute, at the request of the Developer, all documents or consents which may be required by all governmental agencies to allow the Developer and its affiliates to complete the plan of development of the Condominium as such plan may be hereafter amended, and each such Owner further appoints hereby and thereby the Developer as such Owner's agent and attorney in-fact to execute, on behalf and in the name of such Owners, any and all of such documents or consents. This power of attorney is irrevocable and coupled with an interest. The provisions of this Section may not be amended without the consent of the Developer.

(K) Gender; Plurality. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders.

(L) Captions. The captions herein and in the Exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

(M) Liability. Notwithstanding anything contained herein or in the Articles of Incorporation, Bylaws, any rules or regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association, except to the extent specifically provided to the contrary herein, shall not be liable or responsible for, or in any manner be a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Condominium and/or Association Property including, without limitation, Owners, occupants and their guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

(1) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the properties have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the properties and the value thereof;

(2) the Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of South Carolina, Charleston County and/or any other jurisdiction or the prevention of tortious activities; and

(3) the provisions of the Association Documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Owner (by virtue of his acceptance of title to his Unit) and each other person having an interest in or lien upon, or making use of, any portion of the properties (by virtue of accepting such interest or lien or making such use) shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed hereby. As used herein, "Association" shall include within its meaning all of Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors, nominees and assigns. The provisions hereof shall also inure to the benefit of Developer, which shall be fully protected hereby.

The Developer has caused this Master Deed to be duly executed and its corporate seal to be hereunto affixed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

DEVELOPER:

ASHLEY KNOLL I PROPERTIES, LLC,  
a Delaware limited liability company

By: GEREE SUNCOAST, LLC, a Delaware  
limited liability company

Its: Sole Member

By: LeCRAW SUNCOAST INVESTORS, LLC,  
a Georgia limited liability company

Its: Managing Member

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

By: JLC SUNCOAST REALTY, LLC, a  
Georgia limited liability company

Its: Manager

By: \_\_\_\_\_  
Lee Walker, Manager

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public for the State of \_\_\_\_\_, do hereby certify that the above-named Lee Walker as Manager of JLC Suncoast Realty, LLC, the Manager of LeCraw Suncoast Investors, LLC, the Managing Member of GEREE Suncoast, LLC, the Sole Member of Ashley Knoll I Properties, LLC, the Developer and Grantor herein, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal this \_\_\_\_ day of August, 2005.

\_\_\_\_\_  
NOTARY PUBLIC FOR \_\_\_\_\_  
My commission expires: \_\_\_\_\_



**CONSENT AND JOINDER OF MORTGAGEE**

The undersigned, Corus Bank, National Association, having an office at \_\_\_\_\_, Attn: \_\_\_\_\_, the Mortgagee under that certain Mortgage and Security Agreement from Ashley Knoll I Properties, LLC, a Delaware limited liability company, dated \_\_\_\_\_, and recorded \_\_\_\_\_, in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, of the public records of Charleston County, South Carolina (the "Mortgage"), hereby consents to and joins in the recording of the Master Deed for Concord West of the Ashley Horizontal Property Regime (the "Master Deed") to be recorded in the public records of Charleston County, South Carolina, and subordinates the lien of the Mortgage to the terms and conditions thereof.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its proper officer, duly authorized, and its seal to be affixed hereto this \_\_\_\_ day of \_\_\_\_\_, 200\_.

Signed and sealed in the presence of:

\_\_\_\_\_  
[Print or Type Name]

\_\_\_\_\_  
[Print or Type Name]

By: \_\_\_\_\_  
\_\_\_\_\_  
[Print or Type Name]  
Its: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2005, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a South Carolina \_\_\_\_\_, for and on behalf of said \_\_\_\_\_. Such person  is personally known to the undersigned or  produced \_\_\_\_\_ as identification.

{Notary Seal must be affixed}

\_\_\_\_\_  
(Signature of Notary)  
\_\_\_\_\_  
(Print Name of Notary Public)  
Notary Public, State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
Commission No.: \_\_\_\_\_

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