

COPY

**BY-LAWS
OF
PARSONAGE POINT CONDOMINIUM OWNERS ASSOCIATION, INC.**

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BY-LAWS
OF
PARSONAGE POINT CONDOMINIUM OWNERS ASSOCIATION, INC.

Article 1.
General

1.1. Applicability. These By-Laws provide for the self-governance of Parsonage Point Condominium Owners Association, Inc., the Articles of Incorporation filed with the South Carolina Secretary of State, and the Master Deed for Parsonage Point Horizontal Property Regime, recorded in the Charleston County, South Carolina land records (the "Master Deed").

1.2. Name. The name of the corporation is Parsonage Point Condominium Owners Association, Inc. (the "Association").

1.3. Principal Office. The principal office of the Association shall be located in the State of South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Master Deed, as it may be amended, unless the context indicates otherwise.

Article 2.
Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership. An Owner of a Unit shall automatically become a member of the Association as more fully set forth in the Master Deed, the terms of which, pertaining to membership, are incorporated by this reference. If title to a Unit is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit, which vote shall be appurtenant to such Unit and weighted in accordance with the percentage of undivided interest in the Common Elements attributable to each Unit, as shown on Exhibit "D" (as may be amended and/or supplemented with the addition of any Phase II Units pursuant to Article 7 of the Master Deed). In the event an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, manager, partner, or trustee designated by the entity shall be eligible to represent such entity or entities in the affairs of the Association. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection

with the transfer of title.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board, either within the Condominium or as convenient as is possible and practical.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4. Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting if so directed by resolution of the Board or upon a petition signed by members representing at least twenty percent (20%) of the total eligible Association vote.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at its address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member or the member's proxy shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time for periods not exceeding ten (10) days by vote of members holding at least fifty-one percent (51%) of the votes represented at such meeting, regardless of whether a quorum

is present. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of the members shall be as set forth in the Master Deed and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

2.9. Proxies. At all meetings of members, each member may vote in person (if a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then through any officer, director, manager, partner, or trustee duly authorized to act on behalf of the member) or by proxy, subject to the limitations of South Carolina law. All proxies shall be in writing specifying the Unit(s) for which it is given, signed by the member or its duly authorized attorney-in-fact, dated and filed with the secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Quorum. Except as otherwise provided in these By-Laws or in the Master Deed, the presence, in person or by proxy, of members representing twenty percent (20%) of the total eligible Association vote shall constitute a quorum at all meetings of the Association. Except when a higher vote is required under the Master Deed or these By-laws, the vote of at least fifty-one percent (51%) of the members present and eligible to vote shall constitute a decision of the Association. Owners whose voting rights have been suspended pursuant to the Master Deed or these By-Laws shall not be counted in determining the total eligible Association vote or the establishment of a quorum.

2.11. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.12. Action Without a Meeting.

(a) Action by Written Consent. Any action required or permitted by law to be taken

at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least eighty percent (80%) of the total eligible Association vote. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of South Carolina. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting.

(b) Action by Written Ballot. In the discretion of the Board, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter.

(i) A written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(ii) Approval by written ballot pursuant hereto shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(iii) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Association in order to be counted.

(iv) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Article 3.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Declarant, the directors shall be Owners, residents or eligible members; provided, however, no two (2) residents representing the same Unit may serve on the Board at the same time. No Owner or resident shall be eligible to be elected to serve as a director if any assessment for such Person's Unit is delinquent. A "resident" shall be any natural person eighteen (18) years of age or older whose principal place of residence is a Unit within the Condominium. In the case of a member which is not a natural person, any officer, director,

manager, partner, employee, or trust officer of such member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such member; provided, no member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by the Declarant.

3.2. Number of Directors. The Board shall consist of three (3) directors.

3.3. Nomination and Election of Directors. Except with respect to directors appointed by the Declarant, directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Each Owner may cast the entire vote assigned to his or her Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.4. Election and Term of Office. Upon termination of the Declarant's right to appoint directors as provided in the Master Deed, the Association shall hold an election at which the members shall be entitled to elect all three (3) directors, with the two (2) directors receiving the largest number of votes being elected for a term of two (2) years and one (1) director being elected for a term of one (1) year.

Upon the expiration of the term of office of each initial director elected by the members, a successor shall be elected to serve a term of two (2) years, and all subsequent terms shall be for two (2) years. The directors elected by the members shall hold office until their respective successors have been elected.

3.5. Removal of Directors and Vacancies. Any director elected by the members may be removed, with or without cause, by sixty-seven percent (67%) of the total eligible Association vote. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the members to fill the vacancy for the remainder of the term of such director.

Any director elected by the members who has three or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the resident of a Unit that is more than thirty (30) days delinquent, or is the representative of a member who is more than thirty (30) days delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the members shall elect a successor for the

remainder of the term.

In the event of the death, disability, or resignation of a director elected by the members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the members shall elect a successor for the remainder of the term.

This section shall not apply to directors appointed by the Declarant. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Declarant, during the period in which the Declarant has the right to appoint directors.

B. Meetings.

3.6. Organizational Meetings Within thirty (30) days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one such meeting shall be held during each quarter.

3.8. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president or on written request of at least two (2) directors.

3.9. Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) calendar days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than two (2) days prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a natural person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail ("e-mail"), using Internet accessible equipment and services, if the director has consented in writing to such method of delivery and has provided the Board with an e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, e-mailed, or given to the

telegraph company.

3.10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

3.12. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Master Deed. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not more than five (5) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by members representing at least fifty-one percent (51%) of the total Association vote. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.14. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.15. Open Meetings. Subject to the provisions of Section 3.16, all meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session, and exclude members to discuss matters of a sensitive nature.

3.16. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a Majority of the directors consent in writing to such action. Such written consent must describe the action taken and be filed with the minutes of the Board.

C. Powers and Duties.

3.17. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Master Deed, these By-Laws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things as are not directed by the Master Deed, the Articles, these By-Laws, or South Carolina law to be done and exercised exclusively by the membership generally.

3.18. Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Master Deed, an annual budget establishing each Owner's share of the Common Expenses;
- (b) levying and collecting such assessments from the Owners, as set forth in the Master Deed;
- (c) providing for the operation, care, upkeep, and maintenance of those portions of the Condominium as provided in the Master Deed;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending rules in accordance with the Master Deed;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the Master Deed and these By-Laws;

(i) enforcing by legal means the provisions of the Master Deed, these By-Laws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Master Deed, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Master Deed, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association, as provided in Section 7.7;

(n) permitting utility suppliers to use portions of the Common Elements reasonably necessary to the ongoing development or operation of the Condominium;

(o) granting utility, drainage or other easements upon, over or across the Common Elements; and

(p) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required or permitted under South Carolina law, the Articles of Incorporation or the Master Deed.

3.19. Management. The Association may, but shall not be required to, hire a professional management agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract, with or without cause and without penalty, upon no more than thirty (30) days' written notice. No management

contract shall have a term in excess of one (1) year.

3.20. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash basis accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on an accrual basis and may include such other reports as deemed necessary by the Board); and

(g) an annual financial report shall be made available to all members within one hundred twenty (120) days after the close of the fiscal year and at each Association annual meeting. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, or upon request of a Majority of the total Association vote as set forth in Section 7.6, the Association shall provide an audited financial statement.

3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of members representing a Majority of the total Association vote, prior to borrowing such money.

3.22. Right to Contract. The Association, acting through the Board of Directors, shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, within and outside the Condominium.

3.23. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Master Deed, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or its delegate within ten (10) days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within ten (10) days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided, however, the Board or its delegate may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the ten (10) day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or its delegate may impose a sanction without further notice to the violator.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Condominium Instruments.

**Article 4.
Officers**

4.1. Officers. The officers of the Association shall be a president, secretary and treasurer. The president shall be elected from among the members of the Board; other officers may be, but are not required to be, members of the Board. The Board may appoint such other officers, including one or more vice presidents, one or more assistant secretaries and one or more

assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the members, to serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer, either with or without cause, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Master Deed and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall keep the minutes of all meetings of the Association and Board of Directors and have charge of such books and papers as the Board of Directors may direct.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Article 3, Section 3.13.

**Article 5.
Indemnification of Directors and Officers**

The Association shall indemnify any director or officer of the Association to the fullest extent permitted by law.

**Article 6.
Committees**

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall

operate in accordance with the terms of such resolution.

**Article 7.
Miscellaneous**

7.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

7.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws.

7.3. Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Master Deed, and these By-Laws, the provisions of South Carolina law, the Master Deed, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

7.4. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws or the Master Deed.

7.5. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

7.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board, and a financial statement shall be prepared and presented to the members at the annual meeting. However, after having received the Board's financial statement review at the annual meeting, the members may, by a Majority of the total Association vote, require that the accounts of the Association be audited, as a Common Expense, by an independent accountant. Such statement shall be made available to the holder, insurer, or guarantor of any first Mortgage on a Unit upon submission of a written request, and must be available within one hundred twenty (120) days after the fiscal year end of the Association.

7.7. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any member, any Person who has executed a binding contract for the purchase of a Unit, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Master Deed, By-Laws and Articles of

Incorporation, any amendments to the foregoing, the rules of the Association, books of account, the minutes of meetings of the members, the Board and committees, and the Association's corporate books and records. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Condominium as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

7.8. Notices. Except as otherwise provided in the Master Deed or these By-Laws, all notices, demands, bills, statements, and other communications under the Master Deed or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a member, at the address which the member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Unit of such member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the members pursuant to this section.

7.9. Amendment.

(a) By Declarant. For so long as the Declarant has the right to appoint directors and officers as provided in the Master Deed or to add Phase II to the Regime, the Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure,

or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

(b) **By Members.** Except where a higher vote is required for action under a particular provision of the Master Deed or these By-Laws, in which case such higher vote shall be necessary to amend, these By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding sixty-seven percent (67%) of the total eligible Association vote. As long as the Declarant owns a Unit or has the right to appoint directors of the Association as provided in Article 21 of the Master Deed, any amendment to these By-Laws shall also require the written consent of the Declarant. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the president and secretary of the Association and recorded in the Charleston County, South Carolina land records. Any amendment duly certified and recorded shall be conclusively presumed to have been fully adopted in accordance with the By-Laws.

Any action to challenge the validity of an amendment adopted under this section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

[Signatures on next page]

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Parsonage Point Condominium Owners Association, Inc., a South Carolina nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at an organizational meeting of the Incorporator held on the 9 day of July, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 9 day of July, 2007.

Thomas A. Whiteley [SEAL]
President

CONSENT AND JOINDER OF MORTGAGEE

The undersigned, Bank of North Carolina the owner and holder of that certain Mortgage dated March 30, 2007, given by Parsonage Point Development, LLC, a South Carolina limited liability company, which Mortgage was filed for record on March 30, 2007, in the RMC Office for Charleston County, South Carolina in Book L620 at Page 871, hereby evidences its Consent and Joinder in and to the attached MASTER DEED OF PARSONAGE POINT HORIZONTAL PROPERTY REGIME.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Joinder this 6th day of July, 2007.

WITNESSES:

Bank of North Carolina

Marian Murray
Carol Alexander

By: Jim K. Bowman
Name: Jim K. Bowman
Its: Senior Vice Pres

STATE OF NORTH CAROLINA
COUNTY OF GUILFORD }

ACKNOWLEDGMENT

I, Denise M. Sorce (Notary Public), do hereby certify that Bank of North Carolina, by Jim K. Bowman, its Senior Vice Pres., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 06 day of July, 2007.

Denise M. Sorce
Notary Public for NORTH CAROLINA
My Commission Expires: 5/14/2012



PARSONAGE POINT

An Ashley River Community

Phase I Units				Percentage Interest & Weighted Vote for Phase I	Percentage Interest & Weighted Vote for Phase II & III (per Minimum Assign Value)
Building	Unit	Assigned Value			
17	3	3A	\$5,100.00	0.5304%	0.4805%
18	4	4A	\$5,100.00	0.5304%	0.4805%
19	5	5A	\$5,100.00	0.5304%	0.4805%
20	5	5B	\$5,100.00	0.5304%	0.4805%
21	8	8A	\$5,100.00	0.5304%	0.4805%
22	8	8B	\$5,100.00	0.5304%	0.4805%
23	9	9A	\$5,100.00	0.5304%	0.4805%
24	10	10A	\$5,100.00	0.5304%	0.4805%
25	11	11A	\$5,100.00	0.5304%	0.4805%
26	11	11B	\$5,100.00	0.5304%	0.4805%
27	13	13A	\$5,100.00	0.5304%	0.4805%
28	17	17A	\$5,100.00	0.5304%	0.4805%
29	18	18A	\$5,100.00	0.5304%	0.4805%
30	18	18B	\$5,100.00	0.5304%	0.4805%
31	1	1A	\$9,170.00	0.9538%	0.8639%
32	1	1B	\$9,170.00	0.9538%	0.8639%
33	1	1C	\$9,170.00	0.9538%	0.8639%
34	1	1D	\$9,170.00	0.9538%	0.8639%
35	2	2A	\$9,170.00	0.9538%	0.8639%
36	2	2B	\$9,170.00	0.9538%	0.8639%
37	2	2C	\$9,170.00	0.9538%	0.8639%
38	2	2D	\$9,170.00	0.9538%	0.8639%
39	2	2E	\$9,170.00	0.9538%	0.8639%
40	2	2H	\$9,170.00	0.9538%	0.8639%
41	2	2I	\$9,170.00	0.9538%	0.8639%
42	3	3B	\$9,170.00	0.9538%	0.8639%
43	3	3C	\$9,170.00	0.9538%	0.8639%
44	3	3F	\$9,170.00	0.9538%	0.8639%
45	3	3G	\$9,170.00	0.9538%	0.8639%
46	4	4B	\$9,170.00	0.9538%	0.8639%
47	4	4C	\$9,170.00	0.9538%	0.8639%
48	5	5C	\$9,170.00	0.9538%	0.8639%
49	5	5D	\$9,170.00	0.9538%	0.8639%
50	5	5E	\$9,170.00	0.9538%	0.8639%
51	5	5F	\$9,170.00	0.9538%	0.8639%

Phase II Units			Percentage Interest Weighted Vote for Phase II	Percentage Interest Weighted Vote for Phase II & III (Maximum Assn. %)	
Building	Unit	Assigned Value			
52	6	6A	\$9,170.00	0.9538%	0.8639%
53	6	6B	\$9,170.00	0.9538%	0.8639%
54	7	7A	\$9,170.00	0.9538%	0.8639%
55	7	7B	\$9,170.00	0.9538%	0.8639%
56	7	7C	\$9,170.00	0.9538%	0.8639%
57	7	7D	\$9,170.00	0.9538%	0.8639%
58	8	8C	\$9,170.00	0.9538%	0.8639%
59	8	8D	\$9,170.00	0.9538%	0.8639%
60	8	8E	\$9,170.00	0.9538%	0.8639%
61	8	8F	\$9,170.00	0.9538%	0.8639%
62	9	9B	\$9,170.00	0.9538%	0.8639%
63	9	9C	\$9,170.00	0.9538%	0.8639%
64	10	10B	\$9,170.00	0.9538%	0.8639%
65	10	10C	\$9,170.00	0.9538%	0.8639%
66	11	11C	\$9,170.00	0.9538%	0.8639%
67	11	11D	\$9,170.00	0.9538%	0.8639%
68	11	11E	\$9,170.00	0.9538%	0.8639%
69	11	11F	\$9,170.00	0.9538%	0.8639%
70	12	12A	\$9,170.00	0.9538%	0.8639%
71	12	12B	\$9,170.00	0.9538%	0.8639%
72	13	13B	\$9,170.00	0.9538%	0.8639%
73	13	13C	\$9,170.00	0.9538%	0.8639%
74	13	13F	\$9,170.00	0.9538%	0.8639%
75	13	13G	\$9,170.00	0.9538%	0.8639%
76	13	13I	\$9,170.00	0.9538%	0.8639%
77	13	13J	\$9,170.00	0.9538%	0.8639%
78	14	14A	\$9,170.00	0.9538%	0.8639%
79	14	14B	\$9,170.00	0.9538%	0.8639%
80	14	14C	\$9,170.00	0.9538%	0.8639%
81	14	14D	\$9,170.00	0.9538%	0.8639%
82	15	15A	\$9,170.00	0.9538%	0.8639%
83	15	15B	\$9,170.00	0.9538%	0.8639%
84	15	15C	\$9,170.00	0.9538%	0.8639%
85	15	15D	\$9,170.00	0.9538%	0.8639%
86	15	15E	\$9,170.00	0.9538%	0.8639%
87	15	15F	\$9,170.00	0.9538%	0.8639%
88	16	16A	\$9,170.00	0.9538%	0.8639%
89	16	16B	\$9,170.00	0.9538%	0.8639%
90	17	17B	\$9,170.00	0.9538%	0.8639%
91	17	17C	\$9,170.00	0.9538%	0.8639%
92	18	18C	\$9,170.00	0.9538%	0.8639%
93	18	18D	\$9,170.00	0.9538%	0.8639%
94	18	18E	\$9,170.00	0.9538%	0.8639%

Phase I Units			Percentage Interest & Weighted Vote for Phase I	Percentage Interest & Weighted Vote for Phase II (all units in Common Element)	
Building	Unit	Assigned Value			
95	18	18F	\$9,170.00	0.9538%	0.8639%
96	1	1E	\$10,500.00	1.0921%	0.9892%
97	1	1F	\$10,500.00	1.0921%	0.9892%
98	1	1G	\$10,500.00	1.0921%	0.9892%
99	2	2F	\$10,500.00	1.0921%	0.9892%
100	2	2G	\$10,500.00	1.0921%	0.9892%
101	2	2J	\$10,500.00	1.0921%	0.9892%
102	3	3D	\$10,500.00	1.0921%	0.9892%
103	3	3E	\$10,500.00	1.0921%	0.9892%
104	3	3H	\$10,500.00	1.0921%	0.9892%
105	4	4D	\$10,500.00	1.0921%	0.9892%
106	4	4E	\$10,500.00	1.0921%	0.9892%
107	6	6C	\$10,500.00	1.0921%	0.9892%
108	9	9D	\$10,500.00	1.0921%	0.9892%
109	9	9E	\$10,500.00	1.0921%	0.9892%
110	10	10D	\$10,500.00	1.0921%	0.9892%
111	10	10E	\$10,500.00	1.0921%	0.9892%
112	12	12C	\$10,500.00	1.0921%	0.9892%
113	13	13D	\$10,500.00	1.0921%	0.9892%
114	13	13E	\$10,500.00	1.0921%	0.9892%
115	13	13H	\$10,500.00	1.0921%	0.9892%
116	13	13K	\$10,500.00	1.0921%	0.9892%
117	15	15G	\$10,500.00	1.0921%	0.9892%
118	16	16C	\$10,500.00	1.0921%	0.9892%
119	17	17D	\$10,500.00	1.0921%	0.9892%
120	17	17E	\$10,500.00	1.0921%	0.9892%
121	17	17F	\$10,500.00	1.0921%	0.9892%
122	17	17G	\$10,500.00	1.0921%	0.9892%
123	17	17H	\$10,500.00	1.0921%	0.9892%
Totals		\$961,450.00	100.0000%	90.5789%	

Total Assigned Value of Phase I is: \$ 961,450.00
Total Maximum Assigned Value of Phase II is: \$ 100,000.00
Total Maximum Assigned Value of Phase I and Phase II is: \$ 1,061,450.00

Phase II shall have a maximum of six (6) additional Units which shall have an aggregate maximum assigned value of \$100,000.00 representing a 9.4211% Percentage Interest in the Common Elements. Phase I and Phase II shall have a total maximum assigned value of \$1,061,450.00. Nothing contained herein shall obligate Declarant to expand the Regime by adding Phase II or to construct additional Units if the Phase II land is so added. Declarant may, at its sole option, build less than six Units in Phase II.

COPY

**THIS DOCUMENT CONTAINS A BINDING AND IRREVOCABLE AGREEMENT TO
ARBITRATE CERTAIN DISPUTES AND CLAIMS PURSUANT TO THE SOUTH
CAROLINA UNIFORM ARBITRATION ACT, FOUND AT SECTIONS 15-48-10, ET
SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.**

**MASTER DEED
OF
PARSONAGE POINT HORIZONTAL PROPERTY REGIME**

**Charleston County
City of Charleston, South Carolina**

Prepared By:

Daniel Q. Orvin, Esq.
Buist Moore Smythe McGee, P.A.
5 Exchange Street
Charleston, SC 29401

**MASTER DEED
OF
PARSONAGE POINT HORIZONTAL PROPERTY REGIME**

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“A”	Description – Phase I
“A-1”	Description – Phase II
“B”	Plot Plan (Survey) and Surveyor’s Certificate
“C”	Elevations, Floor Plans and Architect’s Certificate
“D”	Schedule of Unit Assigned Values, Percentage Interests and Weighted Votes
“E”	Articles of Incorporation of Parsonage Point Condominium Owners Association, Inc.
“F”	By-Laws of Parsonage Point Condominium Owners Association, Inc.

**MASTER DEED OF
PARSONAGE POINT HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED is made by Parsonage Point Development, LLC, a South Carolina limited liability company (hereinafter called the "Declarant"), having its principal place of business located at 2362 Parsonage Road, Charleston, South Carolina 29414.

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land with the improvements thereon lying and being in the City of Charleston, Charleston County, South Carolina, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter called the "Property"); and

WHEREAS, Declarant has duly incorporated, or will incorporate prior to recordation of this Master Deed, Parsonage Point Condominium Owners Association, Inc. as a nonprofit membership corporation under the laws of the State of South Carolina; and

WHEREAS, the Declarant desires to create a horizontal property regime and submit the Property to the condominium form of ownership pursuant to the provisions of the South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Section 27-31-10, et seq., as amended (the "Act"), as the same is in effect on the date hereof and the terms and conditions hereinafter set out.

NOW, THEREFORE, the Declarant does hereby submit the Property to the condominium form of ownership pursuant to, subject to, and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth.

ARTICLE 1: NAME

The name of the condominium is Parsonage Point Horizontal Property Regime (hereinafter referred to as the "Condominium").

ARTICLE 2: DEFINITIONS

The terms used in this Master Deed, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the South Carolina Nonprofit Corporation Act. Certain terms used in this Master Deed, the By-Laws, and the Articles of Incorporation shall be defined as follows:

2.1 "Act": The South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Sections 27-31-10, et seq., as amended from time to time.

2.2 "Articles of Incorporation": The Articles of Incorporation of Parsonage Point Condominium Owners Association, Inc., filed with the Secretary of State of South Carolina, as

amended from time to time. A copy of the initial Articles of Incorporation is attached to this Master Deed as Exhibit "E" and incorporated herein by this reference.

2.3 "Assessment": An Owner's pro-rata share of the Common Expenses which from time to time is assessed against an Owner by the Association.

2.4 "Association": Parsonage Point Condominium Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

2.5 "Board of Directors" or "Board": The elected body responsible for management and operation of the Association as further described in the By-Laws.

2.6 "Building": The building structures and improvements erected on the Property which are submitted to the Regime pursuant to this Master Deed.

2.7 "By-Laws": The By-Laws of Parsonage Point Condominium Owners Association, Inc., attached to this Master Deed as Exhibit "F" and incorporated herein by this reference.

2.8 "Common Elements": That portion of the property subject to this Master Deed which is not included within the boundaries of or deemed a portion of a Unit, as more particularly described in this Master Deed.

2.9 "Common Expense(s)": The expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including, but not limited to (a) those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, including the Limited Common Elements; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Act or Condominium Instruments, or by the Board of the Association, including master utility expenses; and (d) reasonable reserves established for the payment of any of the foregoing.

2.10 "Community Building": A one-story structure, which houses a office/business room, reception area, laundry room, maintenance room, pool equipment room, two (2) bathrooms (without shower or tub facilities) as more particularly shown on the Plans.

2.11 "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Board.

2.12 "Condominium": All that property described in Exhibit "A", attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Master Deed, and such other property as may hereafter be submitted to the provisions of the Act by supplement or amendment to this Master Deed in accordance with the provisions of Article 7, together with any buildings and improvements thereon.

2.13 “Condominium Instruments”: This Master Deed and all Exhibits to this Master Deed, including the By-Laws, the Articles of Incorporation, the rules and regulations of the Association, and the Plat and Plans, all as may be supplemented or amended from time to time.

2.14 “Declarant”: Parsonage Point Development, LLC, a South Carolina limited liability company, its successors and permitted assigns.

2.15 “Eligible Mortgagees”: Those holders of first Mortgages secured by Units in the Condominium who have requested notice of certain items as set forth in this Master Deed.

2.16 “Index”: The Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) (1982-84=100), U.S. City Average for “All Items” issued by the Bureau of Labor Statistics of the United States Department of Labor. Any reference to the “Index” in effect at a particular time shall mean the Index as then most recently published and/or announced. If the Index shall be converted to a different standard reference base or otherwise revised, any computation of the percentage increase in the Index shall be made with the use of such conversion factor, formula or table for converting the Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice-Hall, Inc., or failing such publication, by any other nationally recognized publisher of similar statistical information as may be selected by the Association.

2.17 “Limited Common Elements”: A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Master Deed.

2.18 “Majority”: Those eligible votes, owners, or other group as the context may indicate, totaling fifty-one (51%) percent or more of the total eligible number.

2.19 “Mortgage”: Any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation.

2.20 “Mortgagee”: The holder of any Mortgage.

2.21 “Occupant”: Any person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

2.22 “Owner” or “Unit Owner”: Each record title holder of a Unit within the Condominium, but shall not include a Mortgagee.

2.23 “Person”: Any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

2.24 “Phase I”: The real property described in Exhibit "A" which is being dedicated to the Regime upon the filing of this Master Deed, together with the Community Building, the Pool and Buildings 1 through 18, containing 107 Units, and the Common Elements appurtenant thereto.

2.25 "Phase II": The real property described in Exhibit "A-1" which Declarant may, at its sole option, submit to the Regime by subsequent amendment to this Master Deed in accordance with Article 7, together with the improvements located thereon, if any.

2.26 "Plat": The survey and plot plan prepared by Island Surveying Inc., dated May 15, 2007, attached hereto as Exhibit "B" and incorporated herein by reference.

2.27 "Pool": The outdoor swimming pool adjacent to the Community Building as shown on the Plat and the Plans.

2.28 "Project": The Real Property, the Buildings and all other improvements and structures now or hereafter located thereon, and all easements, rights and appurtenances, belonging thereto, submitted to the Regime by the Master Deed, as amended from time to time in accordance with the provisions hereof.

2.29 "Regime": The Parsonage Point Horizontal Property Regime created by this Master Deed. Reference to the Condominium, as herein defined, shall likewise include reference to the Regime, and vice versa.

2.30 "Real Property" or "Property": shall mean the land and Buildings described in Exhibit "A" attached hereto and incorporated herein by reference, together with any additional land and Buildings which may be submitted to the Regime in accordance with Article 7.

2.31 "Unit": That portion of the Condominium submitted to the Regime pursuant to this Master Deed and intended for individual ownership and use and for which a certificate of occupancy relating thereto has been issued, as more particularly described in this Master Deed, and shall include the undivided ownership in the Common Elements assigned to the Unit by this Master Deed.

ARTICLE 3: SUBMISSION OF PROPERTY; LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

Declarant hereby submits the Real Property described in Exhibit "A" attached hereto and incorporated herein by reference, together with the Buildings and improvements in Phase I located thereon, to the provisions of the Act, for the specific purpose of creating and establishing the Parsonage Point Horizontal Property Regime. Until submitted in accordance with the provisions of Article 7, the Buildings and improvements in Phase II shall not be deemed part of the Regime. The Condominium subject to this Master Deed and the Act is located in the City of Charleston, Charleston County, South Carolina, being more particularly described in Exhibit "A" attached to this Master Deed, which exhibit is specifically incorporated herein by this reference. An initial plat of survey relating to the Condominium is attached hereto as, or referenced in Exhibit "B", which exhibits and plat are specifically incorporated herein by this reference (the "Plat"). Floor plans and elevations relating to the Condominium are also attached hereto as, or referenced in, Exhibit "C", which exhibit and plans are specifically incorporated herein by this reference (the "Plans"). The Declarant shall have the right to file additional plats and plans from time to time as necessary or appropriate to further describe the Condominium and Units, to

correct any errors contained therein or to comply with the Act. The Plat and Plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

ARTICLE 4: UNITS AND BOUNDARIES

Phase I of the Condominium will contain a total of one hundred and seven (107) separate Units, the Limited Common Elements and the Common Elements associated therewith. Phase I of the Condominium will consist of the land described in Exhibit "A" together with eighteen (18) Buildings designated as Buildings 1 through 18, and a separate Community Building and Pool, all as shown on the Plans attached to this Master Deed as Exhibit "C". As more particularly provided in Article 7, the Declarant reserves the right and option, in Declarant's discretion, to add Phase II consisting of the land described in Exhibit "A-1", together with one or more Buildings and a maximum of six (6) additional Units. If the Phase II is added to the Regime with such maximum number of Units, the Regime will contain a total of one hundred thirteen (113) Units, the Limited Common Elements and the Common Elements. Each Unit in Phase I consists of a dwelling and its appurtenant percentage of undivided interest in the Common Elements as shown on Exhibit "D" attached to this Master Deed and incorporated herein by this reference. To the extent Declarant elects to add Phase II with Units constructed thereon to the Regime, each Unit in Phase I and Phase II shall consist of a dwelling and its appurtenant percentage of undivided interest in the Common Elements as such percentage shall be shown in subsequent Amendment to this Master Deed as provided in Article 7, provided however, that in no event shall the percentage interest of a Unit in Phase I be reduced below the percentage interest shown for such Unit in the "Percentage Interest & Weighted Vote for Phases I & II (based Maximum Assigned Value)" column of Exhibit "D". The square footage of each Unit is based upon the square footage as determined by a South Carolina licensed architect, which square footage may or may not be the exact square footage of the Unit. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit. The Units are depicted on the Plat and Plans. Each Unit includes that part of the structure which lies within the following boundaries:

4.1 Vertical (Upper and Lower) Boundaries. The vertical boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the lowest floors and uppermost ceilings of the Unit.

To the extent that any chutes, flues, ducts, conduits, wires, load bearing walls, load bearing columns, or any other apparatus lies partially inside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit; all portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variance between the boundaries shown on the Plans or in a deed and those of the Unit.

4.2 Horizontal Boundaries. The horizontal boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the perimeter or exterior walls of the Unit. Entry doors, exterior doors, exterior door frames, window frames and exterior glass surfaces, including, but not limited to, glass window, glass doors or other exterior doors, serving the Unit shall be included within the boundaries of the Unit. Heating and air conditioning systems serving a single Unit, all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit shall be part of the Unit.

4.3 General Description of Units in Phase I. Phase I of the Condominium consists of the land described in Exhibit A, together with eighteen (18) Buildings plus the Community Building and Pool. Phase I consists of one, two and three bedroom Units. All one (1) bedroom Units in Phase I contain one level and all two and three bedroom Units in Phase I contain two levels. The Community Building contains one (1) level. Buildings 1 and 15 contain a total of seven (7) Units each; Building 2 contains a total of ten (10) Units; Buildings 3 and 17 contain a total of eight (8) Units each; Buildings 4, 9 and 10 contain a total of five (5) Units each; Buildings 5, 8, 11 and 18 contain a total of six (6) Units each; Buildings 6, 12 and 16 contain a total of three (3) Units each; Buildings 7 and 14 contain a total of four (4) Units each; and, Building 13 contains a total of eleven (11) Units. The Community Building and the Pool adjacent thereto are Common Elements and are more particularly shown on the Plat and the Plans attached hereto as Exhibit "B" and Exhibit "C" respectively. Buildings 1 through 18 and all Units located therein are shown on the Plans attached hereto as Exhibit "C".

There are a total of seven (7) different types of Units in Phase I, as follows: 1 Bedroom, 2 Bedroom (Left Hand), 2 Bedroom (Right Hand), 2 Bedroom (Left Hand without Laundry), 2 Bedroom (Right Hand without Laundry), 3 Bedroom (Left Hand) and 3 Bedroom (Right Hand), as shown on the Plans. The Unit number of each Unit in Phase I, and its corresponding Unit type, is set forth below. Each Unit in Phase I is generally described as follows:

(a) Unit Type: 1 Bedroom (Units 3A, 4A, 5A, 5B, 8A, 8B, 9A, 10A, 11A, 11B, 13A, 17A, 18A and 18B). These Units are one (1) level and contain approximately 510 square feet of heated space. Each of these Units contain one (1) bedroom, a living room, dining room, kitchen, one (1) bathroom, closets, linen closet and terrace (Limited Common Element).

(b) Unit Type: 2 Bedroom [Left Hand] (Units 1A,, 1C, 2A, 2C, 2E, 2H, 3B, 3F, 4B, 5C, 5E, 6A, 7A, 7C, 8C, 8E, 9B 10B, 11C, 11E, 12A, 13B, 13F, 13I, 14A, 14C, 15A, 15C, 15E, 16A and 17B). These Units are two (2) levels and contain approximately 917 square feet of heated space. Each of these Units contain two (2) bedrooms, a living room, dining room, kitchen, one (1) bathroom, one (1) powder room, foyer, entry hall, laundry room, closets and terrace (Limited Common Element). The Type 2 Bedroom (Left Hand) Units are the mirror image of the Type 2 Bedroom (Right Hand) Units.

(c) Unit Type: 2 Bedroom [Right Hand] (Units 1D, 2B, 2D, 2I, 3C, 3G, 4C, 5F, 6B, 7B, 7D, 8D, 8F, 9C, 10C, 11D, 11F, 12B, 13C, 13G, 13J, 14B, 14D, 15B, 15D, 15F, 17C, 18D and 18F). These Units are two (2) levels and contain approximately 917 square feet of heated space. Each of these Units contain two (2) bedrooms, a living room, dining room, kitchen, one (1) bathroom, one (1) powder room, foyer, entry hall, laundry room, closets and terrace (Limited Common Element). The Type 2 Bedroom (Right Hand) Units are the mirror image of the Type 2 Bedroom (Left Hand) Units.

(d) Unit Type: 2 Bedroom [Left Hand without Laundry] (Units 18C and 18E). These Units are two (2) levels and contain approximately 917 square feet of heated space. Each of these Units contain two (2) bedrooms, a living room, dining room, kitchen, one (1) bathroom, one (1) powder room, foyer, entry hall, closets and terrace (Limited Common Element). The Type 2 Bedroom (Left Hand without Laundry) Units are identical to the Type 2 Bedroom (Left Hand) Units except they do not have a laundry room.

(e) Unit Type: 2 Bedroom [Right Hand without Laundry] (Units 1B, 5D and 16B). These Units are two (2) levels and contain approximately 917 square feet of heated space. Each of these Units contain two (2) bedrooms, a living room, dining room, kitchen, one (1) bathroom, one (1) powder room, foyer, entry hall, closets and terrace (Limited Common Element). The Type 2 Bedroom (Right Hand without Laundry) Units are identical to the Type 2 Bedroom (Right Hand) Units except they do not have a laundry room.

(f) Unit Type: 3 Bedroom [Left Hand] (Units 1E, 2F, 2J, 3D, 3H, 4D, 6C, 9D, 10D, 12C, 13D, 13H, 13K, 15G, 16C, 17D, 17F and 17H). These Units are two (2) levels and contain approximately 1050 square feet of heated space. Each of these Units contain three (3) bedrooms, a living room, dining room, laundry, kitchen, two (2) bathrooms, one (1) powder room, foyer, entry hall, laundry room and terrace (Limited Common Element). The Type 3 Bedroom (Left Hand) Units are the mirror image of the Type 3 Bedroom (Right Hand) Units.

(g) Unit Type: 3 Bedroom [Right Hand] (Units 1F, 1G, 2G, 3E, 4E, 9E, 10E, 13E, 17E and 17G). These Units are two (2) levels and contain approximately 1050 square feet of heated space. Each of these Units contain three (3) bedrooms, a living room, dining room, laundry, kitchen, two (2) bathrooms, one (1) powder room, foyer, entry hall, laundry room and terrace (Limited Common Element). The Type 3 Bedroom (Right Hand) Units are the mirror image of the Type 3 Bedroom (Left Hand) Units.

Each Unit in Buildings 5, 6, 7, 8, 14, 15, 16, 17 and 18 has an extended fence wall enclosing the terrace as shown in Plans to this Master Deed as Exhibit "C". The location of each Building in Phase I is more fully shown on the Plat attached to this Master Deed as Exhibit "B". Each Unit type and the location of each Unit in Phase I is more fully shown on the Plans. Each Unit is designated for the purpose of any conveyance, lease or other instrument affecting the title thereof by a one (1) or two (2) digit number that indicates the specific Building that contains the particular Unit, followed by a letter designating the specific Unit within the Building, e.g., Unit 2B (the Unit designated as Unit B and located within Building 2 as shown on the Plat and/or Plans). The exact location of each Unit in Phase I is shown in the Plans.

ARTICLE 5: COMMON ELEMENTS

The Common Elements in Phase I consist of all portions of the Condominium except the portions thereof which constitute Units and except for the Phase II land, Buildings and improvements, and shall include, without limitation, all parts of the Buildings or any facilities, improvements, and fixtures located within a Unit in Phase I which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair or safety of the Building or any part thereof or any other Unit therein. The Community Building and Pool are also deemed part of the Common Elements. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The percentage of undivided interest in and to the Common Elements attributable to each Unit in Phase I shall be as set forth in Exhibit "D". The Percentage Interest appurtenant to each Unit in Phase I has been determined by dividing the Assigned Value of the respective Unit by the aggregate Assigned Value of all Units in Phase I as shown on Exhibit "D".

Except as provided in Article 7, such percentages of undivided interest may otherwise be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Master Deed. The percentage of undivided interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit.

5.1 Identification of Certain Common Elements. The Common Elements shall include, but not be limited to, the following:

(a) The land on which any Buildings are located together with all of the other real property described on Exhibit "A". Notwithstanding the foregoing, Declarant reserves the right to construct and add to the Regime and the Property the land and Buildings in Phase II, as more particularly set forth in Article 7, in which case the percentages of undivided interests of each Unit Owner shall be adjusted as provided in Article 7. Until such time, the land and the Buildings and Units to be constructed in Phase II shall not be deemed a part of the Regime or the Common Elements.

(b) The foundations, columns, girders, beams, supports, main walls and roofs.

(c) All entrances, exits, vestibules, halls, corridors, stairways and fire escapes, if any, not within any Unit, and all fixtures and decorations in common areas.

(d) The sprinkler systems, yards, shrubs, exterior lights existing for common use, fire alarms, fire hoses, signs and storm drainage systems.

(e) The exterior patios, porches, verandas, terraces, balconies and fireplaces, if any (subject to reservation for individual Owner use as Limited Common Elements, as hereinafter defined and provided).

(f) All equipment, piping, conduits and the compartments for installations of central services such as power, light, telephone, television, sewer, and the like.

(g) All driveways, parking areas, curbs, gutters, and all paved areas, except those that are subject to such reservations as may be established by Declarant in the first instance and reservations as may be established by the Association thereafter.

(h) All party or common walls dividing Units within a Building.

(i) In general, all devices or installations existing for common use.

(j) The Community Building.

(k) The Pool.

(l) All other elements of the Condominium of common use or necessary to its existence, upkeep and safety.

(m) All areas designated as common areas on the plot plan and Plat, if any, excluding, however, Phase II, unless Phase II is added to the Regime pursuant to Article 7.

(n) Those areas and things within the definition of "Common Elements" as set forth in the Act.

The Common Elements shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners. Each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

5.2 Reservation by Declarant. The Declarant hereby reserves, for the benefit of Declarant, its successors and assigns, a non-exclusive easement over, across, and under the Common Elements for the purpose of discharging its duties hereunder and for the maintenance of sales and leasing offices, signs, and for the reasonable use of the Common Elements for sales, leasing, marketing, and construction purposes, including, without limitation, access, ingress and egress across, over and under the Common Elements for the purpose of further improving the Property or the Condominium for purposes of marketing, leasing and sales, so long as Declarant owns any Unit primarily for the purpose of sale or lease. The Declarant further reserves, for the benefit of Declarant, its successors and assigns as Declarant, the right to use any unsold Unit as a

“model unit”, and one or more offices in the Community Building, for purposes of marketing, leasing, and sales, so long as Declarant owns any Unit primarily for the purpose of sale or lease. Declarant also reserves, for the benefit of Declarant, its successors and assigns, and for the benefit of its agents, contractors, subcontractors, employees, laborers and materialmen, an exclusive easement and right to renovate any Building in Phase I and construct any Building in Phase II, as more particularly provided in Article 7, together with a non-exclusive easement over, across and under the Real Property and the Common Elements for the purpose of access, ingress and egress thereto, for the purpose of renovating any Building in Phase I and constructing any Building in Phase II and for the purpose of providing utilities to Phase I and Phase II.

5.3 NO WARRANTY. OTHER THAN THE LIMITED WARRANTY OF TITLE CONTAINED WITHIN THE LIMITED WARRANTY DEED TO EACH UNIT PURCHASER, DECLARANT, ITS AFFILIATES, AND THEIR RESPECTIVE AGENTS, EMPLOYEES, OWNERS, OFFICERS, CONSULTANTS, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, “SELLER PARTIES”), PROVIDE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, DESIGN, WORKMANSHIP, GOOD AND WORKMANLIKE MANNER, CONDITION OR QUALITY OF THE UNIT. THE ASSOCIATION AND EACH UNIT PURCHASER ACKNOWLEDGES THAT NO OTHER REPRESENTATIONS REGARDING SUCH MATTERS HAVE BEEN MADE TO THE ASSOCIATION OR UNIT PURCHASER BY ANY SELLER PARTIES. THE SELLER PARTIES EXPRESSLY DISCLAIM AND WILL NOT BE RESPONSIBLE FOR MOLD, MILDEW OR OTHER PROBLEMS OF COASTAL CLIMATIC CONDITIONS. THE ASSOCIATION AND EACH UNIT PURCHASER (a) ACKNOWLEDGES AND ACCEPTS THE WARRANTY PROVISIONS SET FORTH ABOVE, (b) RELEASES THE SELLER PARTIES FROM ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING TO ANY PERSON, THE COMMON ELEMENTS, THE UNIT OR ANY OTHER PROPERTY RESULTING FROM A DEFECT OR BREACH OF A WARRANTY AND (c) WAIVES ALL OTHER CLAIMS RELATING TO THE MATTERS SET FORTH ABOVE. IN CONSIDERATION OF THE LIMITED WARRANTY PROVIDED BY DECLARANT TO EACH UNIT PURCHASER PURSUANT TO EACH UNIT PURCHASE AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE ASSOCIATION AND EACH UNIT OWNER HEREBY AGREES TO WAIVE ANY OTHER WARRANTIES AS PROVIDED ABOVE.

ARTICLE 6: LIMITED COMMON ELEMENTS

6.1 Designation. The Limited Common Elements and the Unit(s) to which they are assigned are:

(a) to the extent that a deck, patio, porch, veranda, terrace or balcony, together with any enclosure therefor, serving a Unit is not within the boundaries of the Unit, the deck, patio, porch or balcony which is appurtenant to a Unit is assigned as Limited Common Element to the Unit having direct access to such deck, patio, porch or balcony;

(b) the doorsteps or stoops leading as access to a deck, patio, porch, veranda or balcony are assigned as Limited Common Elements to the Unit to which the deck, patio, porch, veranda or balcony is assigned;

(c) the portion of the Common Elements on which there is located any portion of the mechanical, electrical, air conditioning or heating system exclusively serving a particular Unit or Units is assigned as a Limited Common Element to the Unit or Units so served, together with all such mechanical, electrical, air conditioning or heating systems located therein;

(d) any gas or electric meter which serves only one Unit is assigned as a Limited Common Element to the Unit so served;

(e) each Unit is assigned one (1) mailbox which will be located in a central kiosk at the Condominium; and

(f) any exterior light serving a Unit which is controlled by a switch located within such Unit.

6.2 Assignment and Reassignment. The Owners hereby delegate authorization to the Board of Directors, without a membership vote, to assign and to reassign Limited Common Elements, as the Board shall from time to time determine, in its sole discretion. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to assign or reassign the Limited Common Elements without the consent of Declarant for so long as the Declarant owns any portion of the Condominium or the right to submit Phase II to the Condominium.

ARTICLE 7: THE DEVELOPMENT PLAN FOR THE REGIME; PHASE II

7.1 The Regime. The overall development plan for the Real Property is as one horizontal property regime having two separate Phases, Phase I and Phase II. The initial Phase, Phase I, shall consist of the land described in Exhibit A and eighteen (18) Buildings, Buildings 1 through 18, containing a total of 107 Units, plus the Community Building, the Pool and the Common Elements associated therewith. All of the land described in Exhibit A shall be included in Phase I. The Declarant reserves the right, at Declarant's option and in Declarant's sole discretion, to add by subsequent amendment to this Master Deed, Phase II. Phase II shall consist of no more than six (6) Units located in one or more buildings on the land described in Exhibit "A-1". If Declarant elects to add Phase II, then the Regime shall consist of Phase I, Phase II, the Community Building, the Pool and the Common Elements associated therewith.

7.2 Right to Expand Regime. For a period of ten (10) years following the date of recording this Master Deed, Declarant, its successors and designated assigns, hereby expressly reserves the right, privilege and option to be exercised in its sole discretion, to expand the Regime by adding Phase II or any portion thereof. The Declarant is entitled, but not obligated, to expand the Regime for such ten (10) year period, as provided herein. Declarant, if it elects to expand the Regime, shall exercise said option with respect to Phase II by recording one or more amendments to this Master Deed in the RMC Office for Charleston County, on or before the date which is ten (10) years following the date of recording this Master Deed (including amendments

to the Exhibits to reflect any required change in the percentage interests, assigned values and weighted vote for each Unit, and to reflect any changes and additions to the Plans). Buildings and Units in Phase II shall be constructed by the Declarant so as to be consistent with the quality, style and structure type of the Buildings in Phase I, although additional Units may be laid out in different configurations or floor plans. In addition, Units in Phase II may include changes required by law or by regulatory agencies, or in order to respond to engineering issues or requirements. Phase I shall have a maximum density of 107 Units. Phase II, if added, shall have a maximum density of 6 Units, for a maximum total density of 113 Units in Phase I and Phase II. The Declarant may, at its sole option, construct less than six Units in Phase II. The option reserved by Declarant to cause all or any portion of Phase II to become part of the Regime shall not be construed to impose upon Declarant any obligation to add all or any portion of Phase II to the Regime or to construct thereon any improvements of any nature whatsoever. Declarant may add Phase II (or any portion thereof) to the Regime without constructing any improvements thereon, in which case such land shall be deemed a part of the Common Elements and each Unit in Phase I shall hold an undivided percentage interest in the Common Elements equal to such Unit's original undivided percentage interest in Phase I as shown in Exhibit D.

7.3 Percentage Interests in Phase II. No limitations are placed upon the right of Declarant to create Limited Common Elements within any portion of the Phase II land which may be added to the Regime, or to designate Common Elements which may subsequently be assigned to specific Units as Limited Common Elements. The Declarant shall, by amendment to this Master Deed as provided under this Article 7, give each new Unit in Phase II an Assigned Value. The new Percentage Interest for such Unit shall be calculated by dividing the Assigned Value for the Unit by the total Assigned Value for all Units which have been submitted to the Regime, in which case the percentage interest of all previously submitted Units shall thereupon be reallocated accordingly. If the maximum aggregate Assigned Value is assigned to new Units in Phase II, the Percentage Interest of each Unit in Phase I shall change as shown in Exhibit "D". Each Unit created in Phase II and added to the Regime will be allocated voting rights in proportion to its percentage interest in the Common Elements and the voting rights of Owners of Units previously submitted to the Regime shall thereupon be adjusted. The Owners hereby delegate authorization to the Declarant, during the ten (10) year period following recordation of this Master Deed, without a membership vote, to state or restate the percentage interest, liability for Common Expenses, and weighted votes for purposes of this Section, in its sole discretion, provided however, that in no event shall the percentage interest of a Unit in Phase I be reduced below the percentage interest shown for such Unit in the "Percentage Interest & Weighted Vote for Phases I & II (based Maximum Assigned Value)" column of Exhibit "D".

7.4 Amendment Adding Phase II; Restrictions. The option reserved under this Article 7 may be exercised by Declarant only by the execution and recordation by the Declarant, its successors and designated assigns, of an appropriate amendment or amendments to this Master Deed. Any such amendment may contain such additional terms, conditions, restrictions and provisions with respect to Phase II and any Units contained therein as Declarant, in its discretion, shall deem appropriate. At such time, this Master Deed shall then be understood and construed as embracing the Property described in Exhibit "A" together with Phase I and Phase II, or such portion thereof which is actually thereby submitted to the terms hereof and to the Act, together with all improvements located thereon. The Declarant reserves the right to restrict the use of such Units within Phase II as Declarant deems appropriate.

7.5 Amenities; Required Expansion. Additional amenities may be, but will not be required to be, constructed as part of the expansion of the Regime pursuant to this Article 7, all such amenities being optional with the Declarant. No Owner will have the right to require construction or addition to the Regime under any circumstances.

7.6 Assignability of Rights. The Declarant will be entitled to assign the rights reserved in this Article 7 to any Person or entity by an instrument recorded in the Charleston County RMC Office.

7.7 Application of Master Deed. Upon the filing of the amendment prescribed by this Article 7, all definitions contained in this Master Deed will be deemed amended to the extent necessary to cause the additional real property and the improvements described in such amendment to be treated as fully an integral part of the Regime as if said real property and improvements constituted a portion of the Regime as of the effective date hereof.

7.8 Annual Assessments for Additional Units. The Annual Assessment with respect to any Units added to the Regime pursuant to Article 7 will be equal to the then current Annual Assessment applicable to existing Units with equivalent Percentage Interests, pro rated on a per diem basis; provided, however, that as to any type of Unit being added to the Regime for which there is currently no Annual Assessment, the Annual Assessment will be proportionately increased or decreased based upon the Percentage Interest of such Units. Assessments regarding the additional Units in Phase II will commence following the recording of an Amendment prescribed by this Article 7, but only to the extent provided in Section 10.8 of this Master Deed.

All obligations with respect to capital contributions and working capital provided for in Sections 10.7 and 10.10 will be applicable upon the transfer of the Units in Phase II by the Declarant.

7.9 No Consent Required. Subject to the time limit set forth in this Article 7, the Declarant, its successors and designated assigns, will have the absolute right to effect an expansion of the Regime in accordance with this Article 7 and to file amendments to this Master Deed without any action or consent on the part of any Owner or Mortgage holder; provided, however, that to the extent any action on the part of any Owner is required by any third party to assure the expansion of the Regime as provided in this Article 7, each Owner, in accepting a deed to a Unit, agrees to undertake such actions and/or provide such consents as are reasonably requested, and expressly appoints the Declarant his/her due and lawful attorney-in-fact, with full power of substitution, to execute all documents reasonably required to evidence the requisite action or consent.

ARTICLE 8: ASSOCIATION MEMBERSHIP AND ALLOCATIONS

8.1 Membership. All Owners, by virtue of their ownership of an interest in a Unit, excluding Persons holding such interest under a Mortgage, are members of the Association and, except as otherwise provided herein or in the By-Laws, shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Master Deed and the Act and in accordance with the By-Laws.

8.2 Votes. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to cast one (1) weighted vote for each Unit in which such Owner holds the interest required for membership, which vote will be appurtenant to such Unit. Each vote for the Units in Phase I shall be weighted in accordance with the percentage of undivided interest in the Common Elements attributable to each Unit, as shown on Exhibit "D" attached hereto and by reference incorporated herein. For example, the Owner of Unit 3A (Phase I) is entitled to a weighted vote equaling .5363; and the Owner of Unit 5D (Phase I) is entitled to a weighted vote equaling .9643, etc. No votes may be split; each Owner must vote his or her entire weighted vote on each matter to be voted on by the Owners. The total votes for the entire Condominium shall equal one hundred (100) at all times. If and when a Unit in Phase II is added to the Regime in accordance with Article 7, the vote for each Unit in Phase I and II shall be adjusted and weighted in accordance with the percentage interest in the Common Elements attributable to such Unit.

8.3 Allocation of Liability for Common Expenses. Except as otherwise provided herein, each Phase I Unit is hereby allocated liability for Common Expenses apportioned in accordance with the percentage of undivided interest in the Common Elements appurtenant to the Unit, as shown on Exhibit "D", and thereafter adjusted with the addition of Phase II, if applicable.

(a) Except as provided below, or elsewhere in the Act or Condominium Instruments, the amount of all Common Expenses shall be assessed against all the Units in accordance with the allocation of liability for Common Expenses described above.

(b) The Board of Directors shall have the power to assess specifically pursuant to this Section as in its discretion it deems appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section.

(i) Any Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting all Units may be specifically assessed equitably among all of the Units which are benefited according to the benefit received.

(ii) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units.

For purposes of subsection (b) of this Section, non-use shall constitute a benefit to less than all Units or a significant disproportionate benefit among all Units only when such non-use results in an identifiable, calculable reduction in cost to the Association.

8.4 Unit and Property Values. The Schedule of Unit Assigned Values, Percentage Interests and Weighted Votes contained in Exhibit "D" shows the assigned value of each Unit in Phase I as of the date of this Master Deed and the respective percentage of undivided interest in the Common Elements attributable to each Unit, as required by Section 27-31-60 of the Act. The

value of the Condominium, for the sole purpose of Section 27-31-60 of the Act, is equal to the total value of all Units, which includes the value of the appurtenant percentage of undivided interests in the Common Elements and Limited Common Elements. The statutory values are not intended to coincide with fair market values, and are used solely for the statutory purposes indicated in Section 27-31-60 of the Act. Additionally, the Schedule of Assigned Values, Percentage Interests and Weighted Votes contained in Exhibit D shows the percentage of undivided interest in the Common Elements attributable to each Unit in Phase I if the Master Deed is amended to submit Phase II to the Regime consisting of a maximum of six (6) Units with the aggregate maximum assigned value of \$100,000.00. Nothing contained herein shall be construed as requiring Declarant to assign the aggregate maximum value of \$100,000.00 to Units constructed in Phase II and Declarant may, at its sole option, assign any lesser aggregate value to such Units.

8.5 Management of the Association. The responsibility for administration of the Association and the Condominium may be delegated by the Association to a management firm. By resolution of the Board of the Association, the management firm may be authorized to assume any of the functions, duties, and powers assigned to the Board of Directors in the By-laws or in this Master Deed.

ARTICLE 9: ASSOCIATION RIGHTS AND RESTRICTIONS

The Association shall have all of the rights set forth in this article in addition to, and not in limitation of, all other rights it may have pursuant to South Carolina law and this Master Deed.

9.1 Right of Entry. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit. Each Unit Owner shall provide a key to the Association or the Association Manager for the purpose of such entry as is allowed under this Section.

9.2 Rules and Regulations. The Association shall have the right to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements.

9.3 Right of Enforcement. The Association shall have the right to enforce use restrictions, provisions of the Master Deed and By-Laws, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges. These powers, however, shall not be construed as limiting any other legal means of enforcing the use restrictions or rules and regulations of the Association. Any fines imposed in accordance with this Section 9.3 shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments. In addition, the Association, by contract or other agreement, may enforce county, state, and federal ordinances, if applicable, and permit

local and other governments to enforce ordinances on the Condominium for the benefit of the Association and its members.

9.4 Permits, Licenses, Easements, etc. The Association, acting by and through its Board of Directors, shall have the right to grant permits, licenses, utility easements, and other easements (including access, drainage and storm water easements) over, through and under the Common Elements, or to relocate licenses and easements, without a vote of the Owners.

9.5 Rights of Maintenance. The Association shall have the right to control, manage, operate, maintain, improve and replace all portions of the Condominium for which the Association is assigned maintenance responsibility under this Master Deed.

9.6 Property Rights. The Association shall have the right to acquire, hold, and dispose of tangible and intangible personal property and real property.

9.7 Casualty Loss. The Association shall have the right to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of this Master Deed.

9.8 Governmental Entities. The Association shall have the right to represent the Owners in dealing with governmental entities.

9.9 Common Elements. The Association shall have the right to temporarily close any portion of the Common Elements for emergency, security, safety purposes or for any such other reasonable purpose as determined in the sole discretion of the Board, with no prior notice of such closing to the Owners, for a period not to exceed one (1) year. Furthermore, the Association shall have the right to permanently close any portion of the Common Elements (excluding Limited Common Elements) upon thirty (30) days prior notice to all Owners. Any portion of the Common Elements which has been permanently closed may be reopened by action of the Board or by the vote of Owners holding a majority of the votes cast at a duly called special or annual meeting. Notwithstanding anything contained herein to the contrary, the Declarant or the Association shall have the right to temporarily close to the Owners any portion of the Common Elements for the construction of Phase II, or for the completion of Phase I, as may be reasonably required for safety or security purposes.

ARTICLE 10: ASSESSMENTS

10.1 Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board of Directors.

10.2 Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments,

together with late charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board of Directors so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as Mortgages are foreclosed under South Carolina law.

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due and may be collected in the same manner as other debts or liens are collected under South Carolina law. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt such Owner from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required under this Master Deed, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

10.3 Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If any monthly installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of twenty-five (\$25.00) dollars or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by South Carolina law, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:

(i) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due;

(ii) to costs of collection, including reasonable attorney's fees actually incurred by the Association; and

(iii) to any unpaid installments of the annual assessment or special assessments in the order of their coming due.

(c) If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Master Deed, the By-Laws, the Act and South Carolina law and suspend the Owner's and/or Occupant's right to vote and/or to use the Common Elements; provided, however, the Board of Directors may not limit ingress or egress to or from the Unit.

10.4 Computation of Operating Budget and Assessment. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least thirty (30) days prior to the end of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of at least a Majority of the total eligible voting power of the Association and the Declarant (so long as the Declarant owns any portion of the Condominium); provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

Notwithstanding the foregoing, in the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the members at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

The Board shall have the authority to revise and amend the budget as and when Phase II may be added to the Regime.

10.5 Special Assessments. In addition to the annual assessment provided for in Section 10.2 above, the Board of Directors may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners as, in its discretion, it shall deem appropriate. Notice of any such special assessment shall be sent to all Owners prior to becoming effective.

Any such special assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of at least fifty-one (51%) of the total eligible voting power of the Association; provided, however, if a quorum is not obtained at such meeting, the special assessment shall become effective even though a vote to disapprove the special assessment could not be called at the meeting. Notwithstanding the above, for so long as the Declarant owns any portion of the Condominium, all special assessments must be consented to by the Declarant prior to becoming effective.

10.6 Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Condominium that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit, (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests, or (c) the Owners of which have negligently damaged any other Unit or the Common Elements, or have otherwise caused damage to any other Unit or the Common Elements. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Master Deed, any applicable Supplemental Master Deed, the Articles, the By-Laws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing.

10.7 Capital Budget and Contribution. The Board shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 10.4 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

10.8 Date of Commencement of Assessments. The obligation to pay assessments as to a Unit which has been submitted to the Regime shall commence on the date such Unit is issued a certificate of occupancy by the City of Charleston. At the closing of the sale of each Unit, assessments shall be levied and collected from the Person buying such Unit through the end of the month in which closing shall occur, plus one (1) additional month, and thereafter billed monthly or quarterly by the Association. Notwithstanding anything contained in this Section or elsewhere in this Master Deed to the contrary, the Declarant shall have the option, as to any Unit which has been submitted to the Regime and for which a certificate of occupancy has been issued, to either (a) pay assessments on such Unit from the date of issuance of the certificate of occupancy until such Unit is conveyed to a Person other than the Declarant, or (b) fund any Regime budget deficits, including any deficits for replacement reserves within such budget.

10.9 Statement of Account. Any Owner, Mortgagee, or a 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 statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Unit. The Association shall respond in writing within ten (10) days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee as a

prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.

10.10 Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the general assessments. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. The Association may use the funds to cover operating expenses and other expenses incurred by the Association pursuant to this Master Deed and the By-Laws.

10.11 Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Subject to the limitations and restrictions set forth in the Articles of Incorporation, any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's reserve account.

10.12 Restriction on Expense of Litigation. Notwithstanding any contrary provision contained in this Master Deed, in no event may the Association commence any action or proceeding against any Person seeking equitable relief, or seeking either an unspecified amount of damages or damages in excess of \$25,000.00; or any action or proceeding where the estimated cost of legal fees exceeds \$5,000.00, unless the following conditions are satisfied: (a) the decision to commence such action or proceeding shall be taken at an annual or special meeting of the Association; (b) a budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all Owners and posted at the principal office of the Association at least 30 days prior to such meeting; and (c) at such meeting Owners representing an aggregate ownership interest of 75% or more of the eligible votes of the Association shall approve the decision to commence, and the proposed budget for, such action or proceeding, and shall concurrently approve the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget. The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (a), (b) and (c). The procedural requirements set forth in this Section 10.12, however, shall not apply to (i) any action to collect or otherwise enforce Assessments and any related fines, late charges, penalties, interest, or costs and expenses, including reasonable attorneys' fees, (ii) proceedings involving challenges to ad valorem taxation, (iii) counterclaims brought by the Association in proceedings instituted against it, or (iv) actions brought by the Association to enforce written contracts with its suppliers and service providers. All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with this paragraph shall be funded by means of a Special Assessment pursuant to Section 10.5, and in no event may the Association use reserve funds or contingency funds, reallocate previously budgeted operating funds, or incur any indebtedness in order to pay any costs and expenses incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Owner or particular

Owners requiring the approval of the Owners in accordance with the foregoing, the Owner(s) against whom suit is being considered shall be exempted from the obligation to pay the Special Assessment(s) levied in order to pay the costs and expenses of such action or proceeding. The monetary thresholds stated in this Section 10.12 shall increase by the greater of 3% or the CPI Index each year on the anniversary of filing this Master Deed. The provisions of this Section 10.12 cannot be amended without the approval of at least 75% of the total eligible voting power of the Association, and without the consent of the Declarant so long as the Declarant has the right to appoint and remove directors of the Association.

10.13 Master Water and Sewer Charges for Units. The Units shall not be separately metered for water and sewer charges but shall be collectively metered. Such water and sewer charges shall be billed to the Association and shall be a Common Expense. The Units shall not be separately metered unless at least fifty-one (51%) percent of the total eligible voting power of the Association vote to separately meter each of the Units at a duly called and constituted meeting of the Association.

ARTICLE 11: INSURANCE

11.1 Insurance. The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by law and as required herein. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of Owners, if any. It shall be the duty of the Board of Directors at least every three (3) years to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association. Such insurance shall run to the benefit of the Association, the respective Unit Owners, and their respective Mortgagees, as their interests may appear.

(a) To the extent reasonably available at reasonable cost, the Association's insurance policy may cover any of the following types of property contained within a Unit, regardless of ownership:

(i) fixtures, improvements and alterations that are part of the Building or structure; and

(ii) appliances which become fixtures, including built-in refrigerators, ventilating, cooking, dishwashing, security or housekeeping appliances.

The Association's insurance policy may exclude improvements and betterments made by the individual Unit Owners and may also exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring), but each Owner shall have the right to obtain additional coverage for such improvements, betterments, or personal property at his or her own expense. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement costs.

(b) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of all improvements located on the Condominium that will provide the following:

(i) that the insurer waives its rights of subrogation of any claims against the Board of Directors, officers of the Association, the individual Owners, and their respective household members;

(ii) that the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(iii) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;

(iv) that until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;

(v) that the master policy may not be canceled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;

(vi) a construction code endorsement;

(vii) an agreed value endorsement and an inflation guard endorsement;

and

(viii) that the deductible amount per occurrence shall not exceed such amount as determined by the Board.

Notwithstanding the foregoing, the Board of Directors of the Association, in its reasonable discretion, may alter or waive any of the above listed master hazard policy criteria.

(c) All policies of insurance shall be written with a company licensed to do business in the State of South Carolina and holding a rating of X or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

(d) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto.

(e) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of Directors of all structural improvements made by the Unit Owner to his Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterment's made by such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is canceled.

(f) In addition to the insurance required herein above, the Board shall obtain as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence (such insurance shall contain a cross liability endorsement);

(iii) fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board of Directors reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than two (2) months aggregate assessments, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (1) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which the funds are deposited sends copies of the bank statements directly to the Association; (2) the management company, if any, maintains separate records and bank accounts for each Association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (3) two (2) members of the Board of Directors must sign any check written on the reserve account;

(iv) flood insurance, to the extent that it is required by law or the Board determines it to be necessary; and

(v) such other insurance as the Board of Directors may determine to be necessary.

(g) Insurance carried by the Association as a Common Expense shall not include part of a Unit not depicted on the Plats and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds.

(h) Every Unit Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit (an HO-6 insurance policy) to the extent not insured by policies maintained by the Association. Each Unit Owner must furnish a copy of such insurance policy or policies to the Association on or before thirty (30) days after closing on his or her Unit. In the event that any such Unit Owner fails to obtain insurance as required by this subsection, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments under Article 9 hereof. All such individual HO-6 insurance policies shall include "assessment protection coverage" if available.

(i) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. If any Owner or Owners fail to pay the deductible when required under this subsection, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Article 10 of this Master Deed.

ARTICLE 12: REPAIR AND RECONSTRUCTION

In the event of damage to or destruction of all or any part of the Condominium insured by the Association as a result of fire or other casualty, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. Notwithstanding the above, the Association may elect not to proceed with reconstruction and repair if Owners holding eighty percent (80%) of the total votes in the Association (including the Owner of the Unit which is not to be rebuilt), and Eligible Mortgagees representing at least fifty-one (51%) of the Units subject to a Mortgage, so decide.

12.1 Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

12.2 Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owners in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

12.3 Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

12.4 Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

12.5 Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

ARTICLE 13: ARCHITECTURAL CONTROL

13.1 Architectural Standards. Except for the Declarant and except as provided herein, no Owner, Occupant, or any other person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior of the buildings, in any windows, on any Limited Common Elements, or any other Common Elements, without first obtaining the written approval of the Architectural Review Board ("ARB"). Notwithstanding the above, this article shall not apply to the activities of the Declarant or a Declarant-related entity.

The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARB may reasonably require. The ARB or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board of Directors or the ARB may publish written architectural standards for exterior and Common Elements alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such

requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography. The ARB may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

In the event that the ARB fails to approve or to disapprove such written application within forty-five (45) days after the application and all information as the ARB may reasonably require have been submitted, its approval will not be required and this subsection (a) will be deemed complied with; provided however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Master Deed, the By-Laws, or the rules and regulations.

13.2 Architectural Review Board. The ARB shall have exclusive jurisdiction over all construction on any portion of the Condominium. For so long as the Declarant owns any portion of the Condominium, the Declarant retains the right to appoint and remove all members of the ARB, who shall serve at the Declarant's discretion. The ARB shall consist of one (1) to three (3) members, with the exact number being set from time to time by and in the sole discretion of the Declarant for so long as the Declarant retains the right to appoint and remove Officers or Members of the Board of Directors of the Association. There shall be no surrender of these rights prior to their expiration as provided above, except in a written instrument in recordable form executed by Declarant; provided, however, that Declarant may delegate certain authority of the ARB to the Association for such periods of time as Declarant in its sole discretion may decide. Upon expiration or permanent surrender of such rights, the Board shall set the number of members of the ARB and appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

13.3 Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration. In the discretion of the ARB, an Owner may be required to verify such condition of approval by written instrument in recordable form acknowledged by such Owner.

13.4 Limitation of Liability. Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only and neither the Declarant, the Board of Directors or the Architectural Review Board shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the Architectural Review Board, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

13.5 No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the Architectural Review Board will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board of Directors or the Architectural Review Board of

any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the Architectural Review Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

13.6 Enforcement. Any construction, alteration, or other work done in violation of this Section shall be deemed to be nonconforming. Upon written request from the ARB, or from the Board of Directors if said authority has been delegated by the Declarant to the Association or Declarant's right under Section 13.2 has expired or been surrendered, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the ARB shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the Unit and collected as an assessment pursuant to this Master Deed. In addition to the foregoing, the ARB shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions. Any exterior change, alteration, or construction (including landscaping) upon the Common Elements made by an Owner in violation of this Master Deed shall be at such Owner's sole risk and expense. The ARB may require that the Owner remove the change, alteration, or construction and restore the Common Elements to its original condition, or may require that the change, alteration or construction remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

ARTICLE 14: USE RESTRICTIONS

Each Owner of a Unit shall be responsible for ensuring that the Owner's family, invitees, guests, 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, invitees, 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, invitees, guests, tenants or Occupants. Use restrictions regarding the use of Units and the Common Elements are as follows and also as may be adopted by the Board of Directors in accordance with the terms hereof and as specified in the By-Laws. Notwithstanding anything contained herein to the contrary, the Board of Directors may, from time to time and in accordance with the terms hereof and as specified in the By-Laws, adopt additional rules and regulations, further restricting the use of the Units and the Common Elements.

14.1 Use of Units. All Units shall be used solely for residential purposes and for ancillary home office uses. A home office use shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from

outside the Unit; (b) the activity conforms to all zoning requirements for the Condominium; (c) the activity does not involve regular or unreasonable visitation of the Unit by clients, customers, suppliers, or other invitees, or door-to-door solicitation of residents of the Condominium; (d) the activity does not increase traffic or include frequent deliveries within the Condominium other than deliveries by couriers, express mail carriers, parcel delivery services and other such delivery services; (e) the 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 may be determined in the sole discretion of the Board; and (f) the activity does not result in a materially greater use of Common Element facilities or Association services.

No other business, trade, or similar activity shall be conducted upon a Unit without the prior written consent of the Board. The terms "business", and "trade," as used in this provision, shall be construed to 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: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a builder or agent approved by the Declarant with respect to its development and sale of the Condominium or its use of any Units which it owns within the Condominium.

14.2 Alteration of Units. Subject to the other provisions of this Master Deed, Unit Owners may make alterations to the interiors of their Units, relocate the boundaries between adjoining Units, and subdivide their Units as follows:

(a) Alterations of the Interiors of the Units. If any Owner acquires an adjoining Unit, such Owner may (subject to the prior written approval of the Mortgagees of the Units involved, the prior written approval of the Board, and, for so long as the Declarant owns a Unit, the prior written approval of the Declarant) remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. The alterations permitted by this subsection shall not be deemed an alteration or relocation of boundaries between adjoining Units.

(b) Relocation of Boundaries. For so long as Declarant owns one or more Units, boundaries between adjoining Units may be relocated only with the prior written consent of the Declarant, and thereafter by the Board of Directors. The Declarant shall have the right to relocate boundaries between Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Master Deed on the Association's behalf pertaining thereto,

including the recalculation and reallocation of the percentage interests and weighted votes for such Units.

(c) Subdivision of Units. An Owner may subdivide his or her Unit only with the prior written consent of the Association acting through the Board and, for so long as the Declarant owns a Unit, the prior written consent of the Declarant. Notwithstanding the above, the Declarant shall have the right to subdivide Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to this Master Deed on the Association's behalf pertaining thereto. Notwithstanding anything in this Master Deed to the contrary, any Amendment required to provide for subdivision of Units shall set forth the restated percentage interest in the Common Elements attributable to each Unit created by the subdivision, the total of which must equal the percentage interest attributable to the Unit that existed before subdivision. The Owners hereby delegate authorization to the Board of Directors or the Declarant, for so long as the Declarant owns a Unit, without a membership vote, to restate the percentage interest for purposes of this subsection, in its sole discretion. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to restate the percentage interest in the Common Elements of a subdivided Unit without the consent of the Declarant, for so long as the Declarant owns any portion of the Condominium.

(d) Combining of Units. Subject to all applicable building and fire codes of the City of Charleston, and only after obtaining the prior written approval of the Declarant (so long as Declarant owns any portion of the Condominium) and Board of Directors, the Owner or Owners of two (2) or more Units which are horizontally or vertically adjacent may physically combine those Units into a single Unit, if those portions of the Common Elements affected by the proposed combination are not required for structural support, serve as seismic support structures, bearing walls or shear walls and the Owner of such Units pays for any structural, construction, decorative, mechanical or utility charges or costs incurred or necessitated by such combination. Those walls between Units which are non-bearing or shear walls and do not otherwise provide structural support for the Building may be removed by an Owner who is combining Units. Those walls between Units which are load-bearing walls, shear walls or otherwise provide structural support for the building shall not be removed; however, the Owner who is combining Units may insert or cut doorways or other openings or penetrations into such load-bearing, shear or structural walls after approval by the Declarant and Board of Directors based upon written analysis of a qualified structural engineer, architect or other qualified professional that such doorways or other penetrations will not materially adversely affect the structural and seismic capabilities of the building. No conduits, ducts, pipes, plumbing, wires and other utility installations which serve Units other than the Units being combined may be removed, modified or altered without prior written approval of the Declarant and Board of Directors. The Unit Owner or Owners of Units being combined shall indemnify and hold harmless the Association from any claims arising from any physical construction or modifications to the building based upon the Unit Owner's combining of Units.

(e) Zoning Approval. The Condominium and all Units located therein shall be subject to the zoning ordinances and regulations of the City of Charleston.

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

14.4 Use of Common Elements. 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. This prohibition shall not apply to the Declarant.

With the prior written approval of the Board, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their 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.

14.5 Use of Limited Common Elements. Use of the Limited Common Elements is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, invitees, and Occupants. The Limited Common Elements are reserved for exclusive use, but are a part of the Common Elements, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

14.6 Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board, 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.

Noxious, destructive or offensive activity shall not be carried on upon 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 or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. 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. Notwithstanding anything to the contrary herein, no Owner or Occupant of a Unit may use or allow the use of the Unit, the Common Elements or the Limited Common Elements in any manner which creates noises which can be heard by persons in another Unit that will, in the sole discretion of the Board, interfere with the rights, comfort or convenience of the other Owners or Occupants. Noises caused by barking dogs which can be heard by persons in another Unit shall not be permitted.

No Owner 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. No damage to or waste of the Common Elements, or any part thereof, or of the exterior of any building shall be permitted by any Owner or member of his or her family or any invitee or guest of any Owner. 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 waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit.

Notwithstanding the foregoing, each Owner, by acceptance of a deed to a Unit, acknowledges that the Condominium, and the Units contained within the Condominium, are adjacent to properties that are used for commercial purposes and that such commercial purposes may produce certain nuisances, such as odors and noise, that are incidental thereto.

14.7 Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

14.8 Pets No Owner or Occupant of a Unit may keep more than a total of two (2) (in any combination) dogs or cats. An Owner or Occupant may keep in his or her Unit a number of smaller, generally recognized household pets, such as fish or hamsters, subject to such rules and regulations as may be adopted by the Board of Directors. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors or kept unattended outdoors, including on any terrace, veranda or porch areas. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements. The owner of the pet or the person responsible for the pet must remove any feces left upon the Common Elements by pets. Noises created by any pet which can be heard by persons in another Unit shall be prohibited, and any such pet shall be removed from the Condominium.

14.9 Parking. Subject to the Declarant's approval rights under Section 14.21, the Board of Directors thereafter may promulgate rules and regulations restricting parking on the Condominium, including restricting the number of vehicles which any Owner or Occupant may bring onto the Condominium and designating, assigning or licensing parking spaces or areas. This Section 14.9 shall not prohibit an Owner or Occupant from having service vehicles park temporarily on the property if otherwise in compliance with this Section 14.9 and the rules and regulations adopted by the Board.

If any vehicle is parked on any portion of the Condominium in violation of this Section 14.9, or in violation of the Association's rules and regulations, the Board 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. The notice shall include the name and telephone number of the person or entity which will do the towing 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 vehicle may be towed in accordance with the notice without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked other than in a parking space, is parked in a space which has been assigned or licensed as provided under this Section, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of that Association shall be liable to any person for any claim of damage as a result of the towing 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.

14.10 Abandoned Personal Property. Abandoned or discarded personal property, other than an automobile as provided for in Section 14.9, is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Elements or Limited Common Elements without the prior written permission of the Board. The hallways and stairways shall be kept clean and free from personal property, trash, litter and debris at all times.

If the Board or its designee, in its sole discretion, determines that property is kept, stored, or allowed to remain on the Common Elements or Limited Common Elements in violation of this section, then the Board may remove and either discard or store the personal property in a location which the Board may determine.

Prior to taking any such action, the Board shall place a notice on the personal property and/or on the front door of the Unit of the owner of such property, if known, specifying the nature of the violation and stating that after two (2) days the property may be removed and either discarded or stored. 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.

If two (2) days after such notice is placed on the personal property and/or the front door of the Unit, the violation continues or thereafter occurs again within six (6) months of such notice, the personal property may be removed in accordance with the original notice, without further notice to the owner or user of the personal property.

Notwithstanding anything to the contrary, the Board, in its discretion, may determine that an emergency situation exists, and the personal property abandoned or stored in violation of this subsection may, without prior notice to the owner or user of the personal property, be removed and either discarded or stored by the Board in a location which the Board may determine; provided, however, the Board shall give to the owner, if known, notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

If personal property is removed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage resulting from the removal 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 remove abandoned or improperly stored personal property, as set forth herein.

14.11 Heating of Units in Colder Months; Cooling of Units in Warmer 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 degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. In order to prevent the growth of mold and mildew during warmer 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 air condition in an "on" position and at a maximum temperature setting of eighty-five degrees (85°) Fahrenheit (except during power failures or periods when air conditioning equipment is broken) whenever the temperature is forecasted to or does reach ninety degrees (90°) Fahrenheit or above. 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. At any time during the months specified above when the heating equipment is not working properly, the Unit Owner or Occupant shall immediately inform the Association of this failure of the equipment and of the time needed to repair the equipment. The Board of Directors may fine any Owner or Occupant and/or may cause the water service to the violators Unit to be discontinued for violation of this subsection, in addition to any other remedies of the Association. Any fine imposed pursuant to this subsection shall be deemed an assessment against the Unit and may be collected in the same manner as provided herein for collection of assessments.

14.12 Signs. Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing 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. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to enact reasonable rules and regulations governing the general placement of signs on the Condominium. Notwithstanding the restrictions contained in this section, the Declarant or the Board, may approve and erect signs for the purpose of carrying on business related to the development, improvement and sale of Units in the Condominium, and such signs shall not be subject to approval or regulation by the Association or by the ARB.

14.13 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 as provided herein. Rubbish, trash, and garbage shall be disposed of in closed plastic bags and placed in proper receptacles designated by the Board for collection or shall be removed from the Condominium.

14.14 Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or Occupants.

14.15 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, 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.

14.16 Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited without the prior approval of the Board.

14.17 Window Treatments. Unless otherwise approved in writing by the Board, all windows which are part of a Unit shall have window treatments and any portion thereof visible from outside the Unit shall be white, off-white or light beige in color.

14.18 Antennas and Satellite Equipment. Unless otherwise approved in writing by the Board, no Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite equipment on the Condominium, any Unit, or on any Common Element or Limited Common Element. This provision shall not, however, prohibit the Declarant or Association from constructing or maintaining a central antenna or communications system on the Condominium or on any Common Element or Limited Common Element for the benefit or use of the Association members. Notwithstanding the foregoing, the Declarant and/or the Association shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind only in strict compliance with all federal laws and regulations.

14.19 Time Sharing. Notwithstanding anything herein to the contrary, no Unit shall be used for or subject to any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing Lease Plan, or Vacation Time Sharing Plan, as defined by the South Carolina Code of Laws, Section 27-32-10, et seq., as amended, or any subsequent laws of the State of South Carolina dealing with a vacation time share ownership or leasing plan (including, without limitation, vacation multiple ownership interests as defined and described in Section 27-32-250 of the South Carolina Code of Laws, as amended), unless the Owner of said Unit has obtained the prior written approval of the Board and, for so long as the Declarant owns a Unit, the prior written consent of the Declarant.

14.20 Right to Exclude Persons. There is reserved to the Association the continuing right to exclude from the Property any Person who is not an Owner and not a tenant pursuant to a rental agreement predating the recordation of this Master Deed. Such right shall be and remain subject only to laws and ordinances prohibiting various forms of discrimination.

14.21 Rules and Regulations. Notwithstanding anything contained herein to the contrary, the Board of Directors may adopt, from time to time and in accordance with the terms of this Master Deed and as specified in the By-Laws, additional rules and regulations further restricting the use of the Units and the Common Elements, provided, however, that Declarant

shall have the right to approve any such rules and regulations so long as Declarant owns any portion of the Condominium or the right to add Phase II to the Condominium.

14.22 Variances. The Board of Directors may grant variances from the strict meaning and interpretation of the restrictions set forth in this Article, except that no such variance shall be valid unless consented to and approved by the Declarant so long as Declarant owns one or more Units in the Condominium or has the right to add Phase II to the Condominium.

ARTICLE 15: LEASING AND OCCUPANCY OF UNITS

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Master Deed and By-Laws, in order to enforce the provisions of this Section.

15.1 Definition. "Leasing," for purposes of this Master Deed, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

15.2 Leasing Provisions. Leasing of Units shall be governed by the following provisions:

(a) General. Units may be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board. Except in the case of Units owned by the Declarant, all rentals must be for an initial term of not less than six (6) months. 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. Except in the case of Units owned by the Declarant, there shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. Within seven (7) days after executing a lease agreement for the lease of a Unit, the Unit Owner must provide the Board of Directors with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Unit Owner must make available to the lessee copies of the Master Deed, By-Laws, and the rules and regulations. The Declarant shall have the right to lease any Units owned by Declarant for such periods of time as Declarant, in its sole discretion, shall determine.

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

(i) Compliance With Master Deed, By-Laws, and Rules and Regulations. The lessee shall comply with all provisions of the Master Deed, By-Laws, 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 compliance with the foregoing. The Owner shall cause all Occupants of his or her Unit to comply with the Master Deed, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Master Deed, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Master Deed, By-Laws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine shall be assessed against the lessee in accordance with the By-Laws. If the fine is not paid by the lessee within the time period set by the Board, the Board may assess the fine against the Owner and the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Master Deed, By-Laws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Master Deed, By-Laws, 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. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be an assessment and lien against the Unit.

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

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

This Article 15 shall not apply to any leasing transaction entered into by 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.

15.3 Occupancy Standards.

(a) Notwithstanding any other provision herein contained, but subject to the exception for families contained in Section 15.3(b) below, no more than a total of three (3) persons shall permanently occupy or reside in any Unit without the express prior written consent of the Board, which may be withheld for any reason.

(b) A family (or families), as such term is defined below, may occupy or reside in a Unit if the family (or families) does not exceed, for each bedroom in the Unit, two (2) persons plus a child who is less than six (6) months old and who sleeps in the same bedroom with the child's parent, guardian, legal custodian or person applying for that status. For purposes of this Section 15.3(b), a "family" shall consist of one or more individuals (who have not attained the age of eighteen (18) years) being domiciled with (i) a parent or other person having legal custody of such individual or individuals, or (ii) the designee of such parent or other person having such custody, with the written permission of such parent or other person. The term "family" shall also apply to any person who is pregnant or in the process of securing legal custody of any individual who has not attained the age of eighteen (18) years.

ARTICLE 16: SALE OF UNITS

A Unit Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention within seven (7) days after execution of the transfer or sales documents. The Unit Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of his or her ownership of the Unit. Upon failure of a Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

ARTICLE 17: MAINTENANCE RESPONSIBILITY

17.1 By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made to the Limited Common Elements assigned to the Unit. This maintenance responsibility shall include, but not be limited to the following: windows, window frames and casings, screens, all doors and door frames (exterior, entry or interior), doorways, and hardware that are part of the Unit (except for periodic painting or staining of the exterior surface of exterior doors and entry doors and door frames); 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 gas,

electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). The Board shall have the authority to require each Unit Owner to have an annual HVAC maintenance contract with a HVAC contractor approved by the Board, or the Board may employ a heating and air contractor to maintain all HVAC units (and compressors), in which case such maintenance expense shall be deemed a Common Expense.

(a) Some Units contain interior support beams which are load bearing beams. No Owner or Occupant shall do any act which jeopardizes or impairs the integrity of such beams.

(b) In addition, each Unit Owner shall have the responsibility:

(i) to keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit including, without limitation, terraces and balconies;

(ii) to perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units;

(iii) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and

(iv) to pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit 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 Unit Owner, his or her family, invitees, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

17.2 By the Association.

(a) The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes the following:

(i) all Common Elements, including any Limited Common Elements, but excluding all improvements made to such Limited Common Elements; provided, however, the cost of maintenance and repair of Limited Common Elements may be assessed against the Unit Owner to whom the Limited Common Element is assigned under this Master Deed; and

(ii) periodic cleaning and/or painting and/or staining of exterior surfaces of the building and of exterior doors and door frames and entry doors and door frames facing the hallways of the Condominium, as determined appropriate by the Board.

(b) Subject to the maintenance responsibilities herein provided, the maintenance or repair performed on or to the Common Elements by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Elements) shall be performed at the sole expense of such Owner or

Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

(c) 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, snow or ice 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. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, invitee, 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, invitee, or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article 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 action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(d) The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As levels of interior finish can vary, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Unit Owner or Occupant. Removal, storage or other protective measures of personal items are also the responsibility of the Unit Owner or Occupant. If the removal, storage, or other protective measures are not taken by the Unit Owner or Occupant and damage occurs due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning, but shall not be responsible for a detailed cleaning. The Board has sole discretion of defining what is reasonable for the level, quality and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

(e) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or (ii) such property is dedicated to any local, state or federal government or quasi-governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

17.3 Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly such Owner's obligation with regard to the maintenance, repair, or replacement of items of which such Owner is responsible hereunder, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. Unless the Board of Directors 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 Board of Directors determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and a lien against the Unit.

17.4 Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Master Deed may vary from one term of the Board of Directors to another. These variances shall not constitute a waiver by the Board of Directors of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board of Directors shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board of Directors. All maintenance of a Unit shall be in conformance with the Community-Wide Standard of the Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Unit without the prior written approval of the Board of Directors.

17.5 Measures Related to Insurance Coverage. The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit 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 all Owners to turn off cut-off valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install and maintain smoke detectors; 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 five hundred dollars (\$500.00) per Unit in any twelve (12) month period.

In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any reasonable requirement made by the Board pursuant to this Section 17.5 above, the Association, upon fifteen (15) days written notice (during which period the Unit Owner may perform the required act or work without further liability), may perform such required act or work at the Unit Owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Section 17.5, including, but

not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

ARTICLE 18: PARTY WALLS

18.1 General Rules of Law to Apply. Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of the Act and this Master Deed, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

18.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.

18.3 Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it, and the Association shall reimburse said Owner(s) for the cost incurred, without prejudice, however, to the Association's right to seek reimbursement from or withhold payment to the Owners or others under any rule of law or provision in this Master Deed regarding liability for negligent or willful acts or omissions.

18.4 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 19: EMINENT DOMAIN

In the event of a taking by eminent domain of any portion of the Common Elements on which improvements have been constructed, then, unless within 60 days after such taking at least seventy-five percent (75%) of the total Association vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor. The provisions of Article 11 above, applicable to Common Elements improvement damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE 20: MORTGAGEE RIGHTS

20.1 Amendments to Documents. Except as otherwise provided in this Master Deed, the consent of (a) Members holding at least two-thirds (2/3) of the total eligible voting power of the Association, (b) at least fifty-one percent (51%) of the first Mortgagees (but only if such consent is required by the laws of the State of South Carolina), and (c) the Declarant, so long as the Declarant owns any portion of the Condominium or the right to add Phase II to the

Condominium, shall be required to materially amend any provisions of this Master Deed, the By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (a) voting;
- (b) assessments (including any increase in the annual assessment by more than twenty-five percent (25%) of the previous year's assessment), assessment liens, or subordination of such liens;
- (c) reserves for maintenance, repair, and replacement of the Common Elements;
- (d) responsibility for maintenance and repair of the Condominium;
- (e) reallocation of interests in Common Elements;
- (f) redefining of Unit boundaries;
- (g) expansion or contraction of the Condominium or the addition, or withdrawal of property to or from the Condominium in a manner other than as provided herein;
- (h) insurance or fidelity bonds;
- (i) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (j) establishment of self-management by the Association where professional management has been required by an Eligible Mortgagee;
- (k) repair or restoration of the Condominium (after damage or partial condemnation) in a manner other than as provided herein; or
- (l) any provisions included in the Master Deed, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

20.2 Mortgagee Consent. Unless at least two-thirds (2/3) of the first Mortgagees and Unit Owners other than Declarant, and the Declarant for so long as it owns any portion of the Condominium or the right to add Phase II to the Condominium, give their consent, the Association or the membership shall not:

- (a) by act or omission seek to abandon or terminate the Condominium;

(b) except as provided herein and in the Act for condemnation and substantial damage and destruction, change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;

(c) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or

(d) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

20.3 Liability of First Mortgagees. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

20.4 Mortgagee Notice. Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Eligible Mortgagee will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held by such Eligible Mortgagee;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit; subject to a first Mortgage held by such Eligible Mortgagee which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagee, as specified herein.

20.5 Financial Statements. Any holder of a first Mortgage shall be entitled, upon written request, to receive, within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

20.6 Additional Mortgagee Rights. Notwithstanding anything to the contrary herein contained, the provisions of Articles 15 and 16 governing sales and leases shall not apply to impair the right of any first Mortgagee to:

- (a) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; or
- (b) take a deed or assignment in lieu of foreclosure; or
- (c) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

20.7 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

20.8 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

20.9 Construction of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Master Deed, By-Laws, or South Carolina law for any of the acts set out in this Article.

ARTICLE 21: DECLARANT AND OWNER RIGHTS

21.1 Right to Appoint and Remove Officers and Directors. The Declarant shall have the right to appoint and remove any officer or officers of the Association and any member or members of the Board of Directors of the Association, subject to such limitations as set forth below. The Declarant's authority to appoint and remove officers and members of the Board of Directors of the Association shall expire on the first to occur of the following:

- (a) twelve (12) months after ninety percent (90%) of the Units in the Condominium (including Phase II) have been transferred by the Declarant to Unit Owners other than a Person or Persons constituting the Declarant;
- (b) the expiration of ten (10) years after the date upon which this Master Deed is recorded in the RMC Office for Charleston County; or

(c) the date on which the Declarant voluntarily relinquishes such right by executing and recording an amendment to this Master Deed, which shall become effective as specified in such amendment.

21.2 Number and Terms of Directors Appointed by Declarant. The Board of Directors of the Association shall be comprised initially of no more than three (3) Directors, who shall be appointed and/or reappointed by the Declarant, whose terms shall expire at the time of expiration of the rights of Declarant above.

21.3 Sale and Leasing of Units. Notwithstanding anything to the contrary contained herein, Declarant shall have the right to sell or lease Units and to erect and maintain signs to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Master Deed regarding signs and sales and leases.

21.4 Construction and Sale Period. Notwithstanding any provisions in this Master Deed, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, any amendments thereto, and related documents, for so long as Declarant owns any portion of the Condominium, or has the right to add Phase II to the Condominium, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to the property described on Exhibit "A" and Exhibit "A-1" to this Master Deed, including, but without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on or in the Condominium; the right to tie into any portion of the Condominium with streets, driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable TV, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Condominium; the right to carry on sales and promotional activities in the Condominium; and the right to construct and operate business offices, signs, construction trailers, model Units, and sales offices. Declarant and any such builder or developer may use Units or offices owned or leased by Declarant or such builder or developer as model Units and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

21.5 Right to Combine, Subdivide, and Redesignate Units/Creation of Units, General Common Elements and Limited Common Elements.

(a) Declarant Rights.

(i) Combination and Subdivision. Declarant hereby reserves the right to: (1) physically combine the total area or space of one Unit with the total area or space of one or more adjacent Units (whether adjacent horizontally or vertically); (2) physically combine a part of or combination of parts of the area or space of one or more Units with a part of or combination of parts of the area or space within one or more adjacent Units (whether adjacent horizontally or vertically); (3) physically subdivide one or more Units into two or more Units; and (4) redesignate and reallocate Limited Common Elements in connection with any combination or subdivision of any Unit(s). Declarant shall not exercise its rights pursuant to this subparagraph 21.6(a)(i) unless it is the Owner of or has the consent of all Owners of the Unit(s) to be subdivided or combined, nor shall Declarant exercise such rights without the written consent of any first Mortgagee having an interest in said Unit or Units. Any such combination or subdivision shall result in a corresponding reallocation of the percentage of undivided interests in the Common Elements for the affected Units, provided that the percentage of undivided interests in the Common Elements of all other Units shall remain unchanged.

(ii) Create and Convert Common Elements. Declarant reserves the right to convert any Units owned by it into general Common Elements or Limited Common Elements. Declarant further reserves the right to relocate the boundaries of any or all of the Units located on the Property to the extent Declarant owns any of such Units to incorporate any portion or all of the Common Elements or Limited Common Elements located adjacent thereto as part of such Units. If Declarant so relocates the boundaries of any such Unit, it may designate, as additional Limited Common Elements appurtenant to such Unit, any walls, floors, or other structural separations that formerly constituted the Unit boundary or any space that would be occupied by such structural separations but for the relocation of the Unit boundary. If Declarant converts any Units to Common Elements or Limited Common Elements pursuant to this subparagraph, the percentage of undivided interests in the Common Elements appurtenant to the remaining Units shall be reallocated proportionally in accordance with their respective percentages as set forth in Exhibit "D", and an appropriate amendment thereto and to Exhibit "C" shall be prepared by Declarant and recorded in the RMC Office for Charleston County, South Carolina.

Declarant further reserves the right to convert any Common Elements or Limited Common Elements into Units. If Declarant converts any Common Elements or Limited Common Elements to Units pursuant to this subparagraph, the percentage of undivided interests in the Common Elements appurtenant to all Units shall be reallocated proportionately in accordance with the formula set forth in this Master Deed and subparagraph (iii) below, and an appropriate amendment to Exhibits "C" and "D" shall be prepared by Declarant and recorded in the RMC Office for Charleston County, South Carolina. Any conversion of Common Elements and/or Limited Common Elements to Units shall require the consent of any Unit Owner and first Mortgagee whose Unit is affected.

(iii) Condominium Plat Supplements and Other Procedures. If Declarant exercises one or more of its rights as set forth above or any other right which affects the Plat after the Plat has been recorded, it shall cause a supplemental or amended Plat or other appropriate document to be recorded in the RMC Office for Charleston County, South Carolina, reflecting the same, and shall record an amendment, if necessary, to Exhibit "B" reflecting the same. Upon any physical combining of Units, the resulting Unit shall be allocated the percentage of undivided interest in the Common Elements appurtenant to the Units so combined. Upon any such physical combining of Units to create a single Unit, the Owner of such combined Unit shall be responsible for the assessments for Common Expenses allocable to the Units so combined, as determined pursuant this Master Deed. Declarant reserves the right to designate, as additional Limited Common Elements appurtenant to such combined Unit, any walls, floors, or other physical separations between the Units so combined, or any space which would be occupied by such physical separations but for the combination of such Units; provided, however, that such walls, floors, or other physical separations or such space shall automatically become Common Elements if the combined Units become subject to separate ownership in the future. Upon any subdivision of any one or more Units to create additional Units, the resulting Units shall be allocated the percentage of undivided interests in the Common Elements of the Units so subdivided, which undivided interests shall be allocated between or among such Units by Declarant in accordance with the formula set forth this Master Deed, and such determination shall be final and conclusive.

(iv) Expiration of Reserved Rights. The reserved rights of Declarant set forth in this paragraph 21.6(a) shall terminate upon the expiration of the Declarant's right to appoint and remove directors in accordance with paragraph 21.1. Declarant states that: (i) its rights under this paragraph 21.6(a) or under any other provision of this Master Deed may be exercised with respect to the Common Elements, Limited Common Elements, or various Units at different times; (ii) no assurances are made as to the boundaries of the Units, Common Elements, or Limited Common Elements that may be subject to Declarant's rights under this paragraph 21.6(a), or under any other provision of this Master Deed, or as to the order in which Common Elements, Limited Common Elements, or Units, if any, may be subjected to such rights; and (iii) if Declarant exercises any rights as to any Units pursuant to paragraph 21.6(a) or under any other provision of this Master Deed, such rights may, but need not, be exercised as to all or any other portion of the Property.

(b) Unit Owner Rights. Each Owner of a Unit shall have the right to make alterations to the interiors of their Units, relocate the boundaries between adjoining Units and subdivide their Units in accordance with paragraph 14.2 of this Master Deed.

ARTICLE 22: EASEMENTS AND OTHER RESTRICTIONS

22.1 Use and Enjoyment. Each Unit Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited

Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

22.2 Utilities. To the extent that the sprinkler system or any sprinkler room, electrical room, telephone equipment, telephone trunk line, utility line, pipe, wire, or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, or shall only be accessible from another Unit, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, access, maintenance, repair and replacement of such sprinkler system, electrical room, telephone equipment, telephone trunk line, utility line, pipe, wire or conduit, such easement to be in favor of the Association and the Unit, Units, or Common Elements served by the same. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line, conduit, duct or wire is located in the Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit or the Common Elements resulting from performance of any such work. All Unit Owners hereby covenant and agree that as finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Components that may require repair or replacement, such as tile or trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board.

22.3 Pest Control. The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Each Unit Owner shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

22.4 Declarant Easements.

(a) For so long as Declarant owns any Unit for the purpose of sale or has has the right to submit Phase II to the Regime, Declarant hereby reserves for itself, its agents, contractors, subcontractors, architects, engineers, successors and assigns, a permanent, assignable, transmissible easement for access, ingress and egress upon, over and across the Project and the Common Elements (i) for the purpose of servicing, constructing, repairing or replacing any portion of Phase I or the Buildings, Units and Common Elements located therein, (ii) for the purpose of servicing, constructing, repairing or replacing any portion of Phase II or the Buildings, Units and Common Elements located therein (if Declarant, at its option, elects to add Phase II to the Regime), and (iii) for the purpose of doing all things reasonably necessary

and proper in connection therewith. The easement described in this Section 22.4(a) may be assigned, in whole or in part, by Declarant.

(b) For so long as Declarant owns any Unit primarily for the purpose of sale or has the right to submit Phase II to the Regime, Declarant and its duly authorized contractors, representatives, agents, employees, successors and assigns, shall have: (i) a transferable easement for the maintenance of signs, a sales office, a business office, promotional facilities and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Unit; (ii) a transferable easement on, over, through, under and across the Project and the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium (including Phase II), and for the purpose of doing all things reasonably necessary and proper in connection therewith; (iii) a transferable easement four (4) feet from the ceiling of a Condominium Unit down into such Condominium Unit for the purpose of making improvements to and installing all utility lines, pipes, wires, conduits and ducts serving the Condominium Unit above such Unit and for the purpose of doing all things reasonably necessary and proper in connection therewith.

22.5 Utilities. For so long as Declarant owns any Unit for the purpose of sale or has the right to submit Phase II to the Regime, Declarant, its successors and assigns, and thereafter the Association, shall have an appurtenant, transferable easement upon, across, over and under the Project for ingress, egress, installation, replacing, repairing and maintaining a master television antenna or CATV system and all utilities, including, but not limited to water, sewer, telephone and electricity, and other forms of telecommunication and technology cabling, now existing or developed in the future, including an easement appurtenant to and for the benefit of Phase I and Phase II and the Buildings which may be renovated or constructed in Phase I and Phase II. Such easements shall be for the purpose of granting to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Project and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. In addition, the Board of Directors will be entitled to grant additional permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

22.6 Easement for Renovation or Construction. For so long as Declarant owns any Unit for the purpose of sale or has the right to submit Phase II to the Regime, Declarant, its successors and assigns, and thereafter the Association, shall have an appurtenant, transferable easement to enter upon and cross over the Project and the Common Elements for purposes of access, ingress and egress to all portions of the Project, including access, ingress and egress to Phase I and Phase II and for any renovation or construction within Phase I and Phase II; to use portions of the Real Property and the Common Elements and in the case of the Declarant, any Units owned by the Declarant, for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project; and to maintain and correct drainage of surface, roof or storm water.

22.7 No View Easements. No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

22.8 Other. There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Project or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section 22.8 will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

22.9 Other Easements and Restrictions. The Condominium shall be subject to all covenants, easements, limitations, reservations and restrictions of record and on the Current Survey (as hereafter defined), including, without limitation:

(a) all taxes and assessments and liens arising therefrom for the current year and for all subsequent years.

(b) Provisions of instrument from Joe Griffith, Inc. to the South Carolina Electric & Gas Company dated March 5, 1973 and recorded March 12, 1973 at Book J-101, Page 152, RMC Office for Charleston County, South Carolina.

(c) Rights of tenants in possession under unrecorded leases.

(d) Plat by K.T. Dubis, Registered Surveyor, dated 20 May, 1972 entitled in part "SURVEY TO COMBINE THE INDIVIDUAL LOTS OF PARSONAGE POINT ST. ANDREWS PARISH A TOWNHOUSE DEVELOPMENT OWNED BY K & W PROPERTIES" and recorded September 27, 1976 at Plat Book AG, Page 113, RMC Office for Charleston County, South Carolina, shows the following:

- a. 18' Easement, Drainage, Existing;
- b. Existing Drainage, 26' Easement;
- c. 20' Existing Drainage, Easement;
- d. 12' Easement, Drainage, Existing;
- e. Areas designated as "Open Area," "Open," and "Pool & Bath House"; and,
- f. 10' Planting Strip.

(e) Plat by K.T. Dubis, Registered Surveyor, dated 20 May, 1972 entitled in part "PARSONAGE POINT A TOWNHOUSE DEVELOPMENT OWNED BY K & W PROPERTIES" and recorded May 15, 1975 at Plat Book AE, Page 112, RMC Office for Charleston County, South Carolina, shows the following:

- a. 18' Easement, Drainage;
- b. Drainage, 28' Easement;
- c. 20' Easement Drainage;
- d. 12' Easement, Drainage;
- e. Areas designated as "Open Area," "Open," and "Pool & Bath House"; and,
- f. 10' Planting Strip.

(f) Possible public boat landing bounds insured premises on the west as shown on plats of record, including plat by K.T. Dubis, Land Surveyor, dated 20 May, 1972 and recorded at Plat Book AG, Page 113, RMC Office for Charleston County, South Carolina.

(g) Interest created by, or limitations on use imposed by, the Federal Coastal Zone Management Act or other federal law or regulation, or by South Carolina Code § 48-39-10 through 48-39-360, as amended, or any other regulations promulgated pursuant to said state or federal laws.

(h) Title deficiencies related to that portion of the Property, if any, lying below the mean high water mark of abutting tidal waters or consisting of filled land or land which has accreted since September 1, 1977.

(i) Subject to the authority of the S.C. Coastal Council in "Critical Areas," as defined in Code of Laws of South Carolina, 1976, as amended, Section 48-39-10, et. seq., and rules and regulations promulgated pursuant to said Act.

(j) Matters shown and noted on unrecorded survey by Island Surveying Inc. dated February 5, 2007 entitled in part "ALTA/ACSM LAND TITLE SURVEY PREPARED FOR PARSONAGE POINT DEVELOPMENT, LLC PARSONAGE POINT APARTMENTS 2362 PARSONAGE ROAD WEST ASHLEY, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA" (the "Current Survey"), including but not limited to the following:

- a. Existing 26' Drainage Easement;
- b. Existing 18' Drainage Easement;
- c. Existing 12' Drainage Easement;
- d. Existing 20' Drainage Esmt.;
- e. Existing 10' Planting Easement Plat AG-113;
- f. Existing 11' SCE&G Easement (J101-152) along Cedar Lane;

- g. Sanitary sewer manholes;
- h. 5.2 MSL, The Line as Per Ref. Plat AG-113;
- i. Approx. DHEC-OCRM Critical Line Location 2-5-07;
- j. Various encroachments into public streets by curbing, dumpster pads and other improvements as shown;
- k. Bldg. #13" extends into "Existing 12' Drainage Easement";
- l. Asphalt parking, patios, walks extend into various drainage easements;
- m. Portion of asphalt pavement between Bldg. #4 and Bldg. #5 is shown as lying below the 5.2 MSL property line; and,
- n. Said plat also contains the following notes: This is a survey of surface features only. No attempt has been made at this time to research of survey underground utilities. The DHEC-OCRM Critical Line is approximate and has not been inspected or certified by OCRM at this time. This line is subject to change over time.

(k) Any other matters that would be disclosed by a current and accurate survey and inspection of the Property.

(l) Construction Mortgage from Parsonage Point Development, LLC to Bank of North Carolina in the original principal amount of \$9,234,500.00 dated March 30, 2007 and recorded March 30, 2007 at 12:54:14 PM in Book L-620, Page 871, RMC Office for Charleston County, South Carolina.

(m) Easements, conditions, covenants, declarations, reservations and restrictions set forth in this Master Deed including easements and use rights, if any, reserved by Declarant under the same.

(n) Applicable governmental laws and regulations, including zoning laws, which may be imposed upon the Condominium from time to time.

22.10 Easement for Encroachments. If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereinafter as a result of (a) settling or shifting of the Units, (b) alteration or repair to the Common Elements made by or with consent of the Board of Directors, or (c) as a result of repair or restoration of the improvements or any Unit damaged by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Common Elements remain standing.

ARTICLE 23: GENERAL PROVISIONS

23.1 Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees, and invitees, of the Unit acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in and to the Condominium. It shall be the responsibility of each Owner to protect such Owner's persons and property and all responsibility to provide security shall lie solely with each Unit Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measures cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Association, the Association, their respective boards of directors, officers and committees, and Declarant are not insurers and that each Person using the Condominium assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

23.2 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Master Deed, the By-Laws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

23.3 Amendment.

(a) By Declarant. For so long as the Declarant has the right to appoint and remove directors of the Association as provided in this Master Deed or to add Phase II to the Regime, the Declarant may unilaterally amend this Master Deed for any purpose. Thereafter, the Declarant may unilaterally amend this Master Deed at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

(b) By Members. Except where a higher vote is required for action under any other provisions of this Master Deed or by the Act, in which case such higher vote shall be necessary to amend such provision, this Master Deed may be amended by the written consent of the Members of the Association holding two-thirds (2/3) of the total vote thereof, and the consent of the Declarant for so long as the Declarant owns a Unit or has the right to appoint a majority of the directors of the Association. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by an officer of the Association and recorded in the RMC Office for Charleston County, South Carolina. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time. Notwithstanding anything contained herein to the contrary, the provisions of Article 24, and any other provisions hereof granting rights to Declarant (including, without limitation, the right to amend this Master Deed and the right to add Phase II to the Regime), may not be amended at any time without the prior written consent of Declarant.

23.4 Actions Requiring Owner Approval. If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Unit, then the following actions shall require the prior approval of Members representing not less than two-thirds (2/3) of the total votes in the Association and the consent of the Declarant, so long as Declarant owns any portion of the Condominium or the right to add Phase II; dedication, conveyance or mortgaging of Common Elements; and merger, consolidation or dissolution of the Association. Notwithstanding anything to the contrary in this Section, the Association, acting through the Board, may grant easements over the Common Elements for the installation, relocation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Elements, without the approval of the membership.

23.5 Compliance. Every Owner and Occupant of any Unit shall comply with this Master Deed, the By-Laws and the rules of the Association. Failure to comply shall be grounds for an action by the Association to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association herein.

23.6 Severability. Whenever possible, each provision of this Master Deed shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Master Deed to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Master Deed are declared to be severable.

23.7 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

23.8 Notices. Notices provided for in this Master Deed or the Articles or By-Laws shall be in writing, and shall be addressed to any Owner at the address of the Unit and to the Declarant or the Association at the address of their respective registered agents in the State of South Carolina. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three (3) business days after mailing by First Class United States Mail or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

23.9 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Master Deed shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

23.10 Indemnification. To the fullest extent allowed by the South Carolina Nonprofit Corporation Act and applicable law, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorney's fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available in the opinion of the Board.

23.11 SUBMERGED LAND NOTICE. ALL ACTIVITIES ON OR OVER AND ALL USES OF SUBMERGED LAND OR CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, INCLUDING, BUT NOT LIMITED TO, THE REQUIREMENT THAT ANY ACTIVITY OR USE MUST BE AUTHORIZED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL. ANY OWNER IS LIABLE TO THE EXTENT OF HIS OR HER OWNERSHIP FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS, OR ANY OTHER CRITICAL AREA.

23.12 Disclosures. Each Owner and Occupant acknowledges the following:

(a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future.

(b) The views from a Unit may change over time due to, among other things, additional development and the removal or addition of landscaping.

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(d) No representations are made regarding the schools that currently, or which may in the future, serve the Condominium.

(e) Since, in every neighborhood, there are conditions which different people may find objectionable, it is acknowledged that there may be conditions outside of the Condominium property which an Owner or Occupant may find objectionable and that it shall be the sole responsibility of the Owners and Occupants to become acquainted with neighborhood conditions which could affect the Unit.

(f) No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one (1) Unit to another.

(g) Noise and odor may emanate from the retail and commercial spaces located adjacent to the Condominium, or from the renovation or construction of uncompleted Units or improvements in Phase I and Phase II.

(h) The Unit Floor Plan and the dimensions and square footage shown thereon are only approximations. If Purchaser is concerned about any representation regarding the Unit Floor Plan, Purchaser should do his/her own investigation as to the dimensions, measurements and square footage of the Unit.

ARTICLE 24: ALTERNATIVE DISPUTE RESOLUTION

24.1 **MANDATORY BINDING ARBITRATION.** Any and all claims, disputes, demands, actions, and causes of action of every nature and kind which arise out of or are in any manner whatsoever related to the development, design, construction, repair, or condition, of the common elements, limited common elements, or the individual units at the Project (collectively, a "Dispute") that is asserted against Declarant, Epps Architecture and Island Surveying Inc., and their respective agents, employees, owners, officers, subcontractors, consultants, successors, or assigns by the Association or any Owner or by any person or entity which now has or hereafter acquires any interest in a Unit at the Project shall be subject to and resolved by final, binding arbitration conducted in accordance with the South Carolina Arbitration Act, S.C. Code Ann. § 15-48-10, et seq. In the event of a conflict between the Act and the terms of this Agreement, this Agreement shall govern.

The arbitration shall take place in Charleston County, South Carolina as soon as reasonably possible after written notice of the demand for arbitration is received by one party from another. All known claims, disputes, demands, actions, and causes of action shall be

asserted in a single arbitration proceeding, and all persons and entities which are subject this arbitration provision may be joined in said proceeding so that all issues may be resolved in one forum.

The arbitration shall be conducted by a single, unbiased arbitrator selected by mutual consent. In the event the parties cannot agree on an arbitrator, then any party may petition the Charleston County Court of Common Pleas for the appointment of an arbitrator.

In any arbitration proceeding conducted pursuant hereto, the parties may exchange written discovery in accordance with the South Carolina Rules of Civil Procedure, and depositions may be taken as allowed by the arbitrator, who shall reasonably limit the number and duration of said depositions in order to avoid excessive expense and delay. The parties shall exchange exhibits and witness lists at least thirty (30) days prior to the arbitration hearing.

The arbitrator shall issue a written decision identifying with specificity each claim or cause of action asserted in and resolved by the arbitration, including claims for injunctive relief. The principles of res judicata and collateral estoppel shall be applicable to any arbitration award. The written decision of the arbitrator may be confirmed and enforced in any court of competent jurisdiction.

IN THE EVENT THAT THIS ARBITRATION PROVISION IS DEEMED INVALID OR UNENFORCEABLE BY A COURT OF COMPETENT JURISDICTION, THE ASSOCIATION AND ALL UNIT OWNERS HEREBY AGREE THAT ANY AND ALL DISPUTES, CLAIMS, DEMANDS, AND CAUSES OF ACTION SHALL BE TRIED NON-JURY, AND THEY EXPRESSLY WAIVE ALL RESORT TO TRIAL-BY-JURY OF ANY AND ALL ISSUES OTHERWISE SO TRIABLE.

The provisions of this Section shall not be amended without the express permission of the Declarant, Epps Architecture and Island Surveying Inc.

Payment of the costs of any such arbitration shall be allocated equitably by the arbitrator to correspond with the arbitrator's evaluation of the relative merits or lack thereof of the respective claims of the parties.

24.2 Exempt Claims. In addition to any other claims or disputes not exempt from the provisions of Section 24.1, the following are specifically exempt from the provisions of such Section and are "Exempt Claims":

(a) any suit by the Association to enforce any Assessments or other charges under this Master Deed; and

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association until the matter may be resolved on the merits pursuant to Section 24.1; and

(c) any suit between Owners which does not include the Declarant, the Association or the Project contractor, architect or engineer as a party, if such suit asserts a claim which would constitute a cause of action independent of the Condominium and the Project; and

(d) any suit which otherwise would be barred by any applicable statute of limitation.

24.3 Mediation. Prior to and as a precondition to any demand for arbitration, if the Dispute cannot be settled through direct discussions, the parties shall endeavor to resolve the Dispute between themselves, as well as between the parties and the Project contractor, architect, engineer, other construction or design professional, by participating in a mediation before a mediator mutually agreed upon by the parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Declarant has executed this Master Deed under seal, this 9 day of July, 2007.

WITNESSES:

Parsonage Point Development, LLC, a South Carolina limited liability company

Debi Platts

By: *Thomas L. White, Jr.*

Maife Breeman

Thomas L. White, Jr.

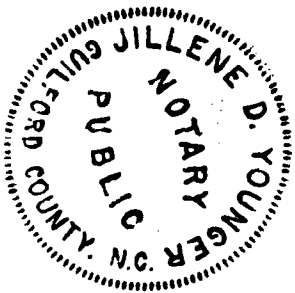
Its: Manager

STATE OF North Carolina)
COUNTY OF Guilford)

ACKNOWLEDGMENT

I, Jillene D. Younger (Notary Public), do hereby certify that **Parsonage Point Development, LLC**, a South Carolina limited liability company, by Thomas L. White, Jr., its Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 9 day of July, 2007.



Jillene D. Younger
Notary Public for North Carolina
My Commission Expires: 7-30-2011

EXHIBIT "A"

Description of Phase I

All that certain piece, parcel or tract of land with improvements thereon, including Building 1 through 18 and the separate Community Building and Pool situate, lying and being in the city of Charleston, Charleston County, South Carolina known as Parsonage Point Horizontal Property Regime Phase I, Area A, Area B & Area C as shown on the survey entitled "PLOT PLAN PARSONAGE POINT HORIZONTAL PROPERTY REGIME PHASE I AREA A, AREA B & AREA C 2362 PARSONAGE ROAD, WEST ASHLEY, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Thomas V. Bessent, Professional Land Surveyor No. 10778, of Island Surveying, Inc., dated May 15, 2007, a copy of which is attached hereto as Exhibit "B", more particularly described with reference to said survey as follows:

COMMENCING AT A CONCRETE MONUMENT AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF PARSONAGE ROAD AND THE EASTERLY RIGHT-OF-WAY OF CEDAR LANE; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE N07°48'59"W 198.26' TO A CONCRETE MONUMENT BEING THE POINT OF BEGINNING OF THIS DESCRIPTION;; THENCE CONTINUING ALONG A CALCULATED TIE LINE N08°12'48"W 80.09' TO AN IRON PIPE; THENCE CONTINUING N7°50'00"W 322.72' TO A CONCRETE MONUMENT; THENCE ALONG THE CHARLESTON COUNTY BOAT LANDING AREA N81°56'26"E 25.00' TO A REBAR; THENCE CONTINUING N07°47'35"W 200.05' TO A CONCRETE MONUMENT; THENCE CONTINUING N07°47'35"W 27.08' TO THE APPROXIMATE DHEC-OCRM CRITICAL LINE; THENCE CONTINUING EASTERLY ALONG SAID CRITICAL LINE THE FOLLOWING BEARINGS AND DISTANCES: S88°12'05"E 23.19'; S02°51'25"E 24.67'; N86°57'37"E 16.07'; N08°34'27"W 22.17'; S78°20'41"E 15.19'; S52°23'10"E 25.07'; S85°54'37"E 31.71'; N82°02'56"E 37.36'; N89°22'28"E 39.35'; S85°56'03"E 40.66'; N48°17'13"E 25.41'; N88°27'09"W 22.52'; S71°17'35"E 17.89'; S14°02'59"E 20.25'; S41°21'13"E 40.05'; S53°09'46"E 40.37'; N56°04'51"E 19.42'; N32°51'25"E 27.53'; N41°46'51"E 14.14'; N68°40'15"E 6.28'; N76°37'38"E 64.68'; N85°45'12"E 55.33'; S80°14'18"E 43.24'; S84°57'18"E 62.80'; S73°07'15"E 53.37'; S69°36'15"E 54.70'; S47°13'51"E 33.85'; S00°40'11"W 24.02'; S76°43'42"E 15.77'; S38°23'50"E 55.36'; S34°31'46"E 46.51'; S26°25'06"E 25.45'; S66°05'37"E 18.60'; S13°12'44"E 11.62'; S35°11'24"E 28.74'; N81°14'55"E 13.07'; N57°16'57"E 16.06'; N01°19'54"E 23.18'; N15°57'01"E 33.94'; N46°43'57"E 27.22'; N70°20'54"E 27.96'; S85°33'41"E 24.86'; S70°23'14"E 29.47'; THENCE ALONG PROPERTY OF DORIS R. FLOOD S47°17'34"W 9.78' TO AN IRON PIPE; THENCE CONTINUING S47°17'34"W 269.46' TO AN IRON PIPE; THENCE CONTINUING S46°59'42"W 304.83' TO A REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PARSONAGE ROAD; THENCE ALONG SAID RIGHT-OF-WAY LINE N42°03'50"W A TOTAL DISTANCE OF 138.23' TO A CALCULATED POINT; THENCE ALONG A CALCULATED TIE LINE S47°57'49"W 65.65' TO A CONCRETE MONUMENT ON THE NORTHWEST RIGHT-OF-WAY LINE OF PARSONAGE ROAD; THENCE ALONG SAID RIGHT-OF-WAY LINE S47°57'49"W 287.73' TO A POINT; THENCE TURNING N42°22'38"W 57.91' TO A POINT; THENCE N08°13'34"W 75.62' TO A POINT; THENCE TURNING AND RUNNING ALONG

THE SOUTHERN RIGHT OF WAY OF STAPLE LANE ALONG A 74.52' ARC CURVE WITH A RADIUS OF 125.00', A CHORD DISTANCE OF 73.42', A BEARING OF S64°51'06"W TO A POINT; THENCE CONTINUING ALONG SAID RIGHT OF WAY S82°03'44"W 57.26' TO A POINT; THENCE CONTINUING ALONG A 23.21' ARC CURVE WITH A RADIUS OF 15.00', A CHORD DISTANCE OF 20.96', A BEARING OF S35°57'11"W TO A CONCRETE MONUMENT BEING THE POINT OF BEGINNING OF THIS DESCRIPTION, CONTAINING WITHIN SAID AREA 9.476 ACRES.

SAVING AND EXCEPTING THEREFROM those areas of public rights-of-way designated on said survey as Haven Way and Staple Lane containing 1.998 acres.

Area of surveyed lands known as Phase I containing a total of 7.478 acres.

TMS No. 335-07-00-001

EXHIBIT "A-1"

Description of Phase II

ALL that certain piece, parcel or tract of land, with improvements thereon, lying and being in the City of Charleston, Charleston County, South Carolina, shown and designated as "0.463 AC. Parcel" on a plat entitled "PLAT SHOWING SUBDIVISION OF A 0.463 ACRE PARCEL FROM TAX MAP # 355-07-00-001 2362 PARSONAGE ROAD, WEST ASHLEY, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Thomas V. Bessent, Professional Land Surveyor No. 10778, of Island Surveying, Inc., dated May 15, 2007 and recorded in Plat Book EK at Page 851 in the RMC Office for Charleston County; said parcel having such size, shape, dimensions, buttings and boundings as will be reference to said Plat more fully appear.

TMS No. 335-07-00-016

EXHIBIT "B"

Plot Plan (Survey) and Surveyor's Certificate

EXHIBIT "C"

Elevations, Floor Plans and Architect's Certificate

EXHIBIT "D"

Schedule of Unit Assigned Values, Percentage Interests and Weighted Votes

Each Unit Owner owns, in addition to his or her Unit, an interest in the Common Elements of the Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Unit in relation to the value of the property as a whole. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

**[See Attached Table Showing Schedule of Unit Values, Assigned Values,
Percentage Interests and Weighted Votes]**

EXHIBIT "E"

Articles of Incorporation of
Parsonage Point Condominium Owners Association, Inc.

EXHIBIT "F"

By-laws of
Parsonage Point Condominium Owners Association, Inc.

