

MASTER DEED
OF
FACTORS WALK HORIZONTAL PROPERTY REGIME

UPON RECORDING RETURN TO:

W. Foster Gaillard, Esq.
Buist, Moore, Smythe & McGee, P.A.
5 Exchange Street
Charleston, S.C. 29401
Tel. (843) 722-3400
Fax No. (843) 723-7398
e-mail:fgaillard@bmsmlaw.com

MASTER DEED
OF
FACTORS WALK HORIZONTAL PROPERTY REGIME

TABLE OF CONTENTS

ARTICLE 1: NAME..... 1

ARTICLE 2: DEFINITIONS..... 1

 2.1 "Act" 2

 2.2 "Additional Property" or "Additional Phase"..... 2

 2.3 "Articles of Incorporation"..... 2

 2.4 "Assessments" 2

 2.5 "Association" 2

 2.6 "Board of Directors" or "Board" 2

 2.7 "By-Laws"..... 2

 2.8 "Common Elements"..... 2

 2.9 "Common Expenses" 2

 2.10 "Community-Wide Standard" 2

 2.11 "Condominium" 2

 2.12 "Condominium Instruments" 2

 2.13 "Declarant"..... 2

 2.14 "Declared Control Period" 3

 2.15 "Eligible Mortgagees"..... 3

 2.16 "Limited Common Elements" 3

 2.17 "Majority" 3

 2.18 "Mortgage"..... 3

 2.19 "Mortgagee"..... 3

 2.20 "Occupant" 3

 2.21 "Owner" or "Unit Owner"..... 3

 2.22 "Person" 3

 2.23 "Phase I"..... 3

 2.24 "Phase II" 3

 2.25 "Regime"..... 3

 2.26 "Unit" 3

 2.27 "Plat" 3

ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS..... 4

ARTICLE 4: SUBMISSION OF PROPERTY 4

ARTICLE 5: UNITS AND BOUNDARIES..... 4

 5.1 Horizontal (Upper and Lower) Boundaries 4

 5.2 Vertical Boundaries 5

 5.3 General Description of Units 5

ARTICLE 6: COMMON ELEMENTS 7

ARTICLE 7: LIMITED COMMON ELEMENTS	7
7.1 Designation	7
7.2 Assignment and Reassignment	8
ARTICLE 8: ADDITIONAL PHASE	8
8.1 Right to Expand Regime.....	8
8.2 Additional Phase	8
8.3 Units and Improvements in Additional Phase.....	9
8.4 Percentage Interests in Additional Phase.....	9
8.5 Option to Add Additional Phase.....	9
8.6 Amendment Adding Additional Phase; Restrictions	9
ARTICLE 9: ASSOCIATION MEMBERSHIP AND ALLOCATIONS	10
9.1 General.....	10
9.2 Membership	10
9.3 Votes	10
9.4 Allocation of Liability for Common Expenses	10
9.5 Unit Values and Percentage Interests.....	11
9.6 Rights of Action.....	11
9.7 Management of the Association.....	11
ARTICLE 10: ASSOCIATION MEMBERSHIP AND ALLOCATIONS	11
10.1 Rights of Entry	11
10.2 Rules and Regulations.....	11
10.3 Right of Enforcement.....	11
10.4 Permits, Licenses, Easements, etc.....	11
10.5 Right of Maintenance.....	12
10.6 Property Rights	12
10.7 Casualty Loss	12
10.8 Governmental Entities	12
10.9 Common Elements.....	12
ARTICLE 11: ASSOCIATION MEMBERSHIP AND ALLOCATIONS	12
11.1 Purpose of Assessment	12
11.2 Creation of Lien and Personal Obligation for Assessments.....	12
11.3 Delinquent Assessments	13
11.4 Computation of Operating Budget and Assessments.....	13
11.5 Special Assessments	14
11.6 Specific Assessments	14
11.7 Capital Budget and Contribution	14
11.8 Date of Commencement of Assessments.....	14
11.9 Statement of Account.....	14
11.10 Capitalization of Association.....	15
11.11 Surplus Funds and Common Profits	15
ARTICLE 12: INSURANCE	15
ARTICLE 13: REPAIR AND CONSTRUCTION	17
13.1 Cost Estimates.....	18
13.2 Source and Allocation of Proceeds	18
13.3 Plans and Specifications	18

13.4	Encroachments.....	18
13.5	Construction Funds	18
ARTICLE 14: ARCHITECTURAL CONTROL		18
14.1	Architectural Standards.....	18
14.2	Architectural Review Drive	19
14.3	Condition of Approval	19
14.4	Limitation of Liability.....	19
14.5	No Waiver of Future Approvals.....	19
14.6	Enforcement.....	20
ARTICLE 15: USE RESTRICTIONS		20
15.1	Residential Units.....	20
15.2	Alteration of Units	21
15.3	Outbuildings.....	22
15.4	Use of Common Elements	22
15.5	Use of Limited Common Elements.....	23
15.6	Prohibition of Damage, Nuisance and Noise.....	23
15.7	Firearms and Fireworks	23
15.8	Pets.....	24
15.9	Parking	24
15.10	Abandoned Personal Property.....	24
15.11	Heating of Units in Colder Months.....	25
15.12	Signs.....	25
15.13	Rubbish, Trash and Garbage.....	25
15.14	Impairment of Units and Easements	25
15.15	Unsightly or Unkempt Conditions	26
15.16	Garage Sales.....	26
15.17	Window Treatments.....	26
15.18	Antennae or Satellite Equipment	26
15.19	Elevators	26
15.20	Time Sharing.....	26
15.21	Right of First Refusal.....	26
15.22	Variances.....	26
ARTICLE 16: LEASING		26
16.1	Definition	27
16.2	Leasing Provisions	27
ARTICLE 17: SALE OF UNITS		28
ARTICLE 18: MAINTENANCE RESPONSIBILITY		28
18.1	By the Owner	28
18.2	By the Association	29
18.3	Failure to Maintain.....	30
18.4	Maintenance Standards and Interpretations	30
18.5	Measures Related to Insurance Coverage	30
ARTICLE 19: PARTY WALLS.....		31
19.1	General Rules of Law to Apply	31
19.2	Sharing of Repairs and Maintenance	31

19.3	Damage and Destruction.....	31
19.4	Right to Contribute Runs with Land.....	31
ARTICLE 20: EMINENT DOMAIN.....		31
ARTICLE 21: MORTGAGEE RIGHTS.....		32
21.1	Amendments to Documents.....	32
21.2	Mortgagee Consent.....	32
21.3	Liability of First Mortgagees.....	33
21.4	Mortgagee Notice.....	33
21.5	Financial Statements.....	33
21.6	Additional Mortgagee Rights.....	33
21.7	Notice to Association.....	34
21.8	Failure to Mortgagee to Respond.....	34
21.9	Construction of Article.....	34
ARTICLE 22: DECLARANT RIGHTS.....		34
22.1	Declarant Control of the Association.....	34
22.2	Right to Appoint and Remove Directors.....	34
22.3	Number and Terms of Directors Appointed by Declarant.....	34
22.4	Sale of Leasing of Units.....	35
22.5	Construction and Sale Period.....	35
ARTICLE 23: EASEMENTS AND OTHER RESTRICTIONS.....		35
23.1	Use and Enjoyment.....	35
23.2	Utilities.....	35
23.3	Pest Control.....	36
23.4	Declarant Easements.....	36
23.5	Reciprocal Parking Easements and Rights – Phase I and Phase II.....	36
23.6	Other Easements and Restrictions.....	37
23.7	Easements for Encroachments.....	37
ARTICLE 24: GENERAL PROVISIONS.....		38
24.1	Security.....	38
24.2	Implied Rights.....	38
24.3	Amendment.....	38
24.4	Compliance.....	39
24.5	Severability.....	39
24.6	Captions.....	39
24.7	Notices.....	39
24.8	Perpetuities.....	39
24.9	Indemnifications.....	39
24.10	Storage Spaces.....	39

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Legal Description - Phase I Property
"A-1"	Legal Description – Phase II Property
"B"	Site Plan (As-Built Survey and Plot Plan)
"B-1"	Parking Plan
"C"	Plans and Dwelling Unit Certification
"D"	Schedule of Unit Values, Percentage
"D-1"	Schedule of Unit Values, Percentage Interests & Weighted Votes (Phase I & Phase II) Interests and Weighted Votes
"E"	By-Laws of Factors Walk Condominium Owners Association, Inc.
"F"	Articles of Incorporation

MASTER DEED
OF
FACTORS WALK HORIZONTAL PROPERTY REGIME

THIS MASTER DEED is made by Factors Walk Investments, L.L.C., a Wyoming limited liability company (hereinafter called the "Declarant"), having its principal place of business located at 5 Exchange Street, Charleston, South Carolina 29401.

W I T N E S S E T H

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in 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 is in the process of planning, constructing, and/or renovating certain improvements on the Property as shown on the Plat and the Plans which are referenced in Article 3 hereof; and

WHEREAS, Declarant has duly incorporated Factors Walk 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; and

WHEREAS, the Declarant desires to reserve the right to itself, its successors and assigns, to submit certain additional property described in "Exhibit A-1" (the "Additional Property") to one additional phase of the Regime, as hereinafter provided,

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 Factors Walk Horizontal Property Regime (hereinafter referred to as the "Condominium" or "Regime").

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 "Additional Property" or "Additional Phase": Such property as may be added to the Regime pursuant to Article 8 hereof.

2.3 "Articles of Incorporation": The Articles of Incorporation of Factors Walk 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 "F" and incorporated herein by this reference.

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

2.5 "Association": Factors Walk Condominium Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

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

2.7 "By-Laws": The By-Laws of Factors Walk Condominium Owners Association, Inc., attached to this Master Deed as Exhibit "E" 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-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.

2.11 "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, together with all buildings and improvements thereon.

2.12 "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.

2.13 "Declarant" shall mean Factors Walk Investments, L.L.C., a Wyoming limited liability company, its successors and assigns.

2.14 "Declarant Control Period": The Declarant Control Period shall have the meaning as set forth in Section 22.1 hereof.

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 "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.

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

2.18 "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.

2.19 "Mortgagee": The holder of any Mortgage.

2.20 "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.

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

2.22 "Person": Any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

2.23 "Phase I" or "Phase I Property": The Property described in Exhibit "A" which is being dedicated to the Regime upon the filing of this Master Deed. The Phase I Property is also shown and designated on the Plat attached as Exhibit "B" and shown thereon as a 0.40 acre parcel containing 17,564 square feet.

2.24 "Phase II" or "Phase II Property": The Additional Property, or any portion thereof, which may be added to the Regime pursuant to the provisions of Article 8 of this Master Deed. The Phase II Property is also shown and designated on the Plat attached as Exhibit "B" and shown thereon as a 0.18 acre parcel containing 7,958 square feet.

2.25 "Regime": The Factors Walk 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.

2.26 "Unit": That portion of the Condominium 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.

2.27 "Plat": The Survey and Plot Plan prepared by E. M. Seabrook, Jr., Inc. dated April 25, 2005, attached hereto as Exhibit "B" and incorporated herein by reference.

ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

The Condominium subject to this Master Deed and the Act is located in 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 exhibit and plat are specifically incorporated herein by this reference (the "Plat"). The initial parking plan (the "Parking Plan") relating to the Condominium is attached hereto as, or referenced in, Exhibit "B-1", which exhibit and plan are specifically incorporated herein by this reference. 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, Parking Plan and Plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

ARTICLE 4: SUBMISSION OF PROPERTY

Declarant hereby submits the Property located in the County of Charleston, State of South Carolina, described in Exhibit "A" attached hereto and incorporated herein by reference, including the improvements now or hereafter thereon, to the provisions of the Act, for the specific purpose of creating and establishing the Factors Walk Horizontal Property Regime. Reference is also made to other provisions of this Master Deed and the Plans attached as Exhibit "C" hereto and incorporated by reference, for a description of the approximate dimensions and location of each Unit, as defined below, the location and approximate dimensions of the Limited Common Elements and Common Elements, as defined herein, and other information required by the Act. Such submission is subject to all easements, covenants and restrictions of record, including, without limitation, those set forth in Exhibit "A", or set forth elsewhere in this Master Deed (the "Permitted Exceptions").

ARTICLE 5: UNITS AND BOUNDARIES

The Condominium will be initially divided into ten (10) separate Units, the Limited Common Elements, and the Common Elements. Each Unit consists of a single-family 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. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The Units are depicted on the Plat and Plans. Each Unit includes that part of the structure which lies within the following boundaries:

5.1 Horizontal (Upper and Lower) Boundaries. The horizontal boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the floors and ceilings of the Unit. In the case of the Townhouse Units, the horizontal boundaries of each Unit shall be the planes formed by the unfinished interior surface of the first floors and the ceilings of the second floors of such Units.

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.

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.

5.2 Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be the planes formed by the unfinished interior surfaces of the walls of the Unit. Entry doors, exterior doors and exterior glass surfaces, including, but not limited to, glass windows, 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 (including any part of such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit shall be part of the Unit. Exterior door frames and window frames shall be a part of the Common Elements.

5.3 General Description of Units. Phase I of the Condominium consists of two (2) buildings, the existing Historic Building ("Historic Building") located on the southern portion of the Phase I Property, and the North Building ("North Building") constructed on or to be constructed on the northern portion of the Phase I Property, as shown on the Site Plan. The Historic Building shall consist of three (3) Units (Units TH-1, TH-2 and TH-3) and the North Building shall consist of seven (7) Units (Units 2-A, 2-B, 2-C, 3-A, 3-B, 4-A and 4-B), for a total of ten (10) Units in Phase I. The Historic Building is two (2) stories in height, as shown and depicted on the Plans attached as Exhibit "C." The North Building has a ground or garage/parking level and three (3) floors above said ground or garage/parking level, designated as the second, third and fourth floors respectively, all as shown and depicted on the Plans attached as Exhibit "C." The ten (10) Units in Phase I are more particularly shown on the Plans and are more particularly described as follows:

- (a) Units TH-1, TH-2 and TH-3. Units TH-1, TH-2 and TH-3 (the "Townhouse Units") are all located in the Historic Building. Unit TH-1 is located on the west end of the Historic Building; Unit TH-2 is located in the middle of the Historic Building; and Unit TH-3 is located on the east end of the Historic Building. Each Townhouse Unit is a two-story townhouse-type Unit. Unit TH-1 contains approximately 2,620 square feet of heated living space, consisting of an entry hall, dining room, kitchen/family room, living room, powder room (half-bath) and closet on the ground floor thereof, and consisting of a master bedroom, master bath, two (2) additional bedrooms, full bath, closets and loft space on the second floor thereof, all as more fully shown and depicted on the Plans. Unit TH-2 contains approximately 2,990 square feet of heated living space, consisting of an entry hall, dining room, kitchen/family room, living room, powder room (half-bath) and closet on the ground floor thereof, and consisting of a master bedroom, master bath, two (2) full baths, closets, one (1) additional bedroom and loft space on the second floor thereof, all as more fully shown and depicted on the Plans. Unit TH-3 contains approximately 3,130 square feet of heated living space, consisting of an entrance/foyer, dining room, kitchen, living room, bedroom/office, full bath and closets on the ground floor thereof, and consisting of a master bedroom, master bath, family room, additional bedroom/studio, full bath, closets and utility space on the second floor thereof, all as more fully shown and depicted on the Plans.

- (b) Unit 2-A. Unit 2-A is located on the northeast corner of the second floor (i.e., the floor immediately above the garage/parking level) of the North Building. Unit 2-A contains approximately 1,486 square feet of heated living space, consisting of an entrance hall and gallery, kitchen, library, living room, dining room, master bedroom with full bath, and closet/utility space, all as more fully shown and depicted on the Plans. In addition, Unit 2-A has a piazza/balcony adjacent to the living room/dining room. The piazza/balcony is deemed a Limited Common Element to Unit 2-A. The foyer located between Units 2-A and 2-B shall be deemed a Limited Common Element for the exclusive use of such Units.
- (c) Unit 2-B. Unit 2-B is located on the south side of the second floor (i.e., the floor immediately above the garage/parking level) of the North Building. Unit 2-B contains approximately 2953 square feet of heated living space and consists of the following: entrance hall, half-bath, dining room, wet bar, kitchen, breakfast room, pantry, library, bedroom and full bath, master bedroom and master bath, closets, laundry room and utility room, all as more fully shown and depicted on the Plans. Unit 2-B will also have a piazza/balcony located on the east side of the North Building adjacent to the living room. The piazza/balcony is deemed a Limited Common Element to Unit 2-B. The foyer located between Units 2-A and 2-B shall be deemed a Limited Common Element for the exclusive use of such Units.
- (d) Unit 2-C. Unit 2-C is located on the northwest corner of the second floor (i.e., the floor immediately above the garage/parking level) of the North Building. Unit 2-C contains approximately 1,445 square feet of heated living space. Unit 2-C consists of an entrance hall and gallery, kitchen, pantry, living room, sitting room, half-bath, master bedroom and master bath, and closet/utility space, all as more particularly shown and depicted on the Plans.
- (e) Units 3-A and 3-B. Units 3-A and 3-B are located on the third floor of the North Building, with Unit 3-A being located on the north side of the third floor and Unit 3-B being located on the south side of the third floor. Unit 3-A contains approximately 3,185 square feet of heated living space. Unit 3-B contains approximately 3,044 square feet of heated living space. Units 3-A and 3-B each consist of the following: entrance hall/foyer, living room, dining room, kitchen and breakfast room, pantry, library, half-bath, bedroom and full bath, master bedroom and master bath, closets, laundry room and utility room, all as more fully shown and depicted on the Plans. In addition, Unit 3-A contains a sitting room adjacent to the master bedroom. Each Unit will also have a piazza/balcony located on the east side of the North Building, adjacent to the living rooms for each such Unit. The piazzas/balconies are deemed Limited Common Elements to each such Unit to which it is adjacent.
- (f) Units 4-A and 4-B. Units 4-A and 4-B are located on the fourth floor of the North Building, with Unit 4-A being located on the north side of the fourth floor and Unit 4-B being located on the south side of the fourth floor. Unit 4-A contains approximately 3,051 square feet of heated living space. Unit 4-B contains approximately 3,041 square feet of heated living space. Units 4-A and 4-B each consist of the following: entrance hall/foyer, living room, dining room, kitchen and breakfast room, pantry, half-bath, bedroom and full bath, master bedroom and master bath, closets, laundry room and utility room, all as more fully shown and depicted on the Plans. Each Unit will also have a piazza/balcony located on the east side of the North Building, adjacent to the living rooms for each such Unit, and Unit 4-A will have a terrace located on the west side of the North Building, adjacent to the master bedroom. The piazzas/balconies and

terrace are deemed Limited Common Elements to each such Unit to which it is adjacent. The piazzas/balconies are deemed Limited Common Elements to each such Unit to which it is adjacent.

ARTICLE 6: COMMON ELEMENTS

The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. 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 shall be as set forth in Exhibit "D."

Except as provided in Section 8.4 and Section 15.2 hereof, 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.

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 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. 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 Declarant hereby reserves, for the benefit of Declarant, its successors and assigns, a temporary non-exclusive easement over, across and under the Common Elements for the maintenance of sales and leasing offices, signs, and 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 Condominium for purposes of marketing, leasing and sales, so long as Declarant owns any Unit primarily for the purpose of sale or lease.

ARTICLE 7: LIMITED COMMON ELEMENTS

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

(a) to the extent that a deck, patio, porch, terrace, piazza or balcony, together with any enclosure therefor, serving a Unit is not within the boundaries of the Unit, the deck, patio, porch, terrace, piazza 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, piazza or balcony;

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

(c) the entrance foyer to Units located outside the Unit entrance is assigned as Limited Common Elements to each such respective Unit;

(d) the parking space or spaces or storage space or spaces, if any, which are assigned to a Unit and which are specified by showing such assignment on the Parking Plan or on the plat of survey or on a supplemental plat of survey recorded in the RMC Office for Charleston County, South Carolina are assigned as Limited Common Elements to Units so designated on the Parking Plan, plat or any supplemental plat or Parking Plan. Each Unit in Phase I shall be initially assigned parking spaces as designated on the Parking Plan. Parking within the Regime shall be subject to all terms and provisions of the Reciprocal Parking Easements more particularly described in Section 23.5 hereof;

(e) 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 Limited Common Element to the Unit or Units so served, together with all such mechanical, electrical, air conditioning or heating systems located therein;

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

(g) each Unit in the North Building of Phase I is assigned one (1) mailbox which will be located in a mailbox area on the ground or garage level of the Condominium.

7.2 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, including parking spaces, 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 during the Declarant Control Period, and without the consent of the affected Unit Owner or Owners.

ARTICLE 8: ADDITIONAL PHASE

For a period of fifteen (15) years following the date of recording this Master Deed, Declarant hereby expressly reserves the right, privilege and option, to be exercised in its sole discretion, to expand the Regime as set forth herein.

8.1 Right to Expand Regime. Declarant shall have the option to expand the Regime by dedicating the Additional Property thereto in up to one (1) Additional Phase in accordance with this Article, said Additional Phase to be known as Phase II. The fully developed Regime (including Phase I and Phase II) shall have a maximum of twelve (12) residential Units. Phase I shall have ten (10) Units and Phase II shall have a maximum of two (2) Units, for a total maximum density of twelve (12) Units. If the density of Phase I is reduced (including reduction of the number of Units by way of combining two or more Units into one Unit), then the allowable Unit density in Phase II may be increased by a like amount, and vice-versa, so that the maximum allowable density in Phases I and II shall never exceed twelve (12) Units. Declarant may exercise said option to expand the Regime within fifteen (15) years after the date this Master Deed is recorded in the RMC Office for Charleston County, South Carolina.

8.2 Additional Phase. The property that Declarant may add to the Regime is described in Exhibit "A-1," attached hereto and incorporated hereby by this reference. The aforesaid Exhibit "A-1"

describes the Additional Property intended by the Declarant, as of the date of the filing of this Master Deed, to be dedicated by a separate sequential phase to the Regime. The Declarant reserves the right, however, to amend, substitute, alternate, eliminate or add to the properties dedicated within the Additional Phase and further reserves the right not to dedicate any such property or Phase to the Regime, and to dedicate such Phase in any order or configuration. There shall be no limitations as to the location or configuration of any Units or Common Elements, or any other improvements that Declarant will construct in Phase II, except as contained herein.

8.3 Units and Improvements in Additional Phase. All Units and any structures erected on the Additional Phase added to the Regime will be compatible with Units and/or structures now located or to be located in the North Building of the Regime in terms of quality of construction, and style, provided that suitable changes therein may be made as may be required by law or by regulatory agencies, or in order to respond to engineering concerns. If the Additional Phase or any portion thereof is added to the Regime, Declarant has the right, but not the obligation, to construct thereon such facilities and improvements as Declarant, in its sole discretion, shall deem desirable, provided that no assurances are made by Declarant that any such improvements shall be constructed.

8.4 Percentage Interests in Additional Phase. No limitations are placed on the right of Declarant to create Limited Common Elements within any portion of the Additional Phase added to the Regime or to designate Common Elements therein which may subsequently be assigned as Limited Common Elements. The undivided interest in the Common Elements and the liability for Common Expenses in the Regime will be reallocated among all Units in the Regime, after the addition of the Additional Phase, or any portion thereof. Exhibit "D-1" establishes the percentage or fraction of such undivided interests and liabilities upon the dedication to the Regime of Phase II contemplated by the Declarant pursuant to this Article 8. Each Unit created in the Additional Phase and added to the Regime will be allocated voting rights in proportion to its percentage interest in the Common Elements, as shown on Exhibit "D-1," and the voting rights of Owners of Units in Phase I and any other property previously dedicated shall thereupon be adjusted as provided therein. The Owners hereby delegate authorization to the Declarant, during the Declarant Control Period, without a membership vote, to restate the percentage interest, liability for Common Expenses, and weighted votes for purposes of this Section, in its sole discretion.

8.5 Option to Add Additional Phase. Except as specifically provided herein, if the option to add the Additional Phase or any portion thereof expires or is terminated, as aforesaid, Declarant shall not be obligated to impose restrictions on the Additional Phase, or the property comprising the Additional Phase, or any portion thereof, whatsoever. Furthermore, the option reserved by Declarant to cause all or any portion of the Additional Phase to become part of the Regime shall not be construed to impose upon Declarant any obligation to add all or any portion of the Additional Phase to the Regime or to construct thereon any improvements of any nature whatsoever. Declarant may add the Additional Property (or any portion thereof) to the Regime with or without constructing any improvements thereon. Declarant shall have the further right, in its sole discretion, to develop or sell and convey the Additional Property in any manner it so desires, free and clear of this Master Deed and the Regime created hereby.

8.6 Amendment Adding Additional Phase: Restrictions. The option reserved under this Article 8 may be exercised by Declarant only by the execution and recordation by the Declarant of an appropriate amendment to this Master Deed. Any such amendment may contain such additional terms, conditions, restrictions and provisions with respect to Phase II and the Units contained therein as Declarant, in its discretion, shall deem appropriate. At such time, this Master Deed shall then be understood as and construed as embracing the Property described in Exhibit "A" together with the Additional Property described in Exhibit "A-1," 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.

ARTICLE 9: ASSOCIATION MEMBERSHIP AND ALLOCATIONS

9.1 General. The affairs of the Regime shall be managed in accordance with the Bylaws by and through the Association. Upon its establishment, the Association shall exercise all rights and assume and perform all obligations and duties in accordance with the terms of this Master Deed.

9.2 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.

9.3 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 shall be appurtenant to such Unit. Each vote 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 2-A is initially entitled to a weighted vote equaling 5.8491; the Owner of Unit 3-A is initially entitled to a weighted vote equaling 11.8936, 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. Upon the submission of the Additional Phase to the Regime, the percentage interest and the weighted votes for each Unit shall be reallocated in accordance with the provisions of this Master Deed and Exhibit "D-1" attached hereto.

9.4 Allocation of Liability for Common Expenses. Except as otherwise provided herein, each 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". Upon the submission of the Additional Phase to the Regime, each Unit within the Regime shall be allocated liability for Common Elements appurtenant to the Unit, as shown on Exhibit "D-1".

(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 benefitting less than all of the Units or significantly disproportionately benefitting all Units may be specifically assessed equitably among all of the Units which are benefitted 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, nonuse shall constitute a benefit to less than all Units or a significant disproportionate benefit among all Units only when such nonuse results in an identifiable, calculable reduction in cost to the Association. In the event Declarant elects to submit Phase II to the

Regime, the votes and liability for each Unit for Common Expenses shall be reallocated in accordance with the provisions of this Master Deed.

9.5 Unit Values and Percentage Interests. The Schedule of Unit Values and Percentage Interests contained in Exhibit "D" shows the assigned value of each Unit 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 as set forth in Exhibit "D", 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. In the event Declarant elects to submit Phase II to the Regime, the Unit Values, Percentage Interests and Weighted Votes for each Unit shall be in accordance with the provisions of this Master Deed and Exhibit "D-1" attached hereto.

9.6 Rights of Action. In the event of any violation of the provisions of the Act, this Master Deed, the Bylaws, or any Rules and Regulations promulgated by the Association, the Association and any aggrieved Unit Owner shall have all of the rights and remedies which may be provided for in the Act, the Condominium Instruments, or which may be provided or permitted at law or in equity.

9.7 Management of the Association. The responsibility for administration of the Association and the Regime 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 Bylaws or in this Master Deed.

ARTICLE 10: 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.

10.1 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.

10.2 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.

10.3 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 10.3 shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments.

10.4 Permits, Licenses, Easements, etc. The Association shall have the right to grant permits, licenses, utility easements, and other easements (including drainage and stormwater easements) over, through and under the Common Elements without a vote of the Owners.

10.5 Right 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.

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

10.7 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.

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

10.9 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.

ARTICLE 11: ASSESSMENTS

11.1 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.

11.2 Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefor, 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 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.

11.3 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 ten dollars (\$10.00) or five percent (5%) of the amount not paid, or such higher amounts as may be authorized by the Act, 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.

11.4 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 fifty-one (51%) 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 the 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 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.

11.5 Special Assessments. In addition to the annual assessment provided for in Section 11.2 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. 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.

11.6 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) for damages to the Common Elements caused by the Owner or Owners thereof, their licensees, invitees, or guests. 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.

11.7 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 11.4 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Notwithstanding any other provisions of this Master Deed, during the time in which the Declarant appoints the directors and officers pursuant to Article 3, Section 3.4 of the By-Laws, the Declarant (a) may collect a non-refundable contribution to the capital fund of the Association from the initial purchaser of each Unit in the amount of two (2) months of the general assessments (in addition to those amounts set forth in Section 11.10), and (b) shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect amounts for capital reserves. Any capital contribution collected by the Declarant shall not be collected against a Mortgagee which takes title to a Unit pursuant to foreclosure.

11.8 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to a Unit on the date on which such Unit is conveyed to a Person other than the Declarant. The first annual assessment levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

11.9 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.

11.10 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. The working capital contribution set forth herein is in addition to the required capital contribution set forth in Section 11.7 of this Article.

11.11 Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. 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.

ARTICLE 12: 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.

If such insurance is not reasonably available, 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 hazard 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 cancelled, 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 hazard 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 endorsements;

(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, 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 betterments 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;

(iii) fidelity bonds, if reasonably available and to the extent that it is required by law or the Board determines it to be necessary, 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 to the extent not insured by policies maintained by the Association. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association. 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.

(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 11 of this Master Deed.

ARTICLE 13: 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, and Eligible Mortgagees representing at least fifty-one (51%) of the Units subject to a Mortgage, so decide.

13.1 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.

13.2 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 or upon completion of 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.

13.3 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.

13.4 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.

13.5 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 14: ARCHITECTURAL CONTROL

14.1 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").

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 Architectural Review Board 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 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.

14.2 Architectural Review Board. The ARB shall have exclusive jurisdiction over all construction on any portion of the Condominium. For so long as the Declarant Control Period has not expired, or Declarant owns any portion of the Condominium or has the unilateral right to annex additional property to 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 ARB members. 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.

14.3 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.

14.4 Limitation of Liability. Review and approval of any application pursuant to this Article 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.

14.5 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.

14.6 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 14.2 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 15: 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.

15.1 Residential Units. All Units shall be used only 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 primarily 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 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.

15.2 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 Control Period has not expired or terminated, 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 the Declarant Control Period has not expired or terminated, boundaries between adjoining Units may be relocated only with the prior written consent of the Declarant. The Declarant shall have the right to combine two or more Units into one Unit or 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 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 Control Period has not expired or terminated, the prior written consent of the Declarant. Notwithstanding the above, the Declarant shall have the right to combine or 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 the Master Deed on the Association's behalf pertaining thereto. Notwithstanding anything in this Master Deed to the contrary, any Amendment required to provide for the combination or subdivision of Units shall set forth the restated percentage interest in the Common Elements attributable to each Unit created by the combination or subdivision, the total of which must equal the percentage interest attributable to the Units that existed before subdivision. The Owners hereby delegate authorization to the Board of Directors or, the Declarant, for so long as the Declarant Control Period has not expired or terminated, 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 combined or 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 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 Area 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 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 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.

The Owner or Owners of the combined Units shall be entitled to cast the votes attributable to each of the combined Units in the same manner as if they had not been combined. A combined Unit shall be assessed based upon the assessments levied upon such Units as if such Units were not combined. Except as expressly approved by the Declarant and Board of Directors, no combined Units may be sold or leased unless all of the Units so combined are sold or leased to the same person or entity, or the combined Units are reconstructed as separate and independent Units as shown on the Plans at the sole cost and expense of the Owner(s) thereof. In the event of such combination, this Master Deed shall be amended to restate the applicable Percentage Share and Weighted Votes for the combined Unit.

Units which have been combined can be separated into separate Units provided that prior written notice is given to the Declarant and Board of Directors, and that they are separated along the same boundaries as were originally established in the Plans, and that the utility connections and facilities, walls, ceilings and/or floors which were removed, altered or modified are returned to the conditions as they were in prior to the combination of such Units, or replaced by structural components which have been approved by the Declarant and Board of Directors. Notwithstanding anything contained herein to the contrary, Declarant shall have the absolute right to combine or separate Units as provided in this Section without the consent of the Board of Directors so long as the Declarant Control Period has not expired or terminated.

(e) Zoning Approval. The Regime and all Units located therein shall be subject to all zoning permits and approvals as may be required by the City of Charleston, including the Factors Walk PUD approved by the City Council of Charleston on September 10, 2002, Ordinance No. 2002-102, as amended.

15.3 Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage 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.

15.4 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.

15.5 Use of Limited Common Elements. Use of the Limited Common Elements is restricted exclusively to the Owner or 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.

15.6 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 between the hours of 11:00 p.m. and 7:30 a.m. 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.

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.

15.7 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.

15.8 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 or balcony 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.

15.9 Parking. Subject to the provisions of Article 7, the Board of Directors 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 or assigning parking spaces. This Section 15.9 shall not prohibit an Owner or Occupant from having service vehicles park temporarily on the property if otherwise in compliance with this Section 15.9 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 15.9, or in violation of the Association's rules and regulations, or in violation of Section 7.1(d), 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 as a Limited Common Element exclusively serving another Unit, 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 the 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.

15.10 Abandoned Personal Property. Abandoned or discarded personal property, other than an automobile as provided for in Section 15.9, 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.

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.

15.11 Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five 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. 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 violator's 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.

15.12 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 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 Board.

15.13 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.

15.14 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.

15.15 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.

15.16 Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited.

15.17 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 or off-white in color.

15.18 Antennas and Satellite Equipment. Unless otherwise approved in writing by the ARB, 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. This provision shall not, however, prohibit the Association from constructing or maintaining a central antenna or communications system on the Condominium for the benefit of its members. Notwithstanding the foregoing, 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.

15.19 Elevators. The Board shall have the right to promulgate rules and regulations regarding use of any elevators within the Regime.

15.20 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, 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.

15.21 Right of First Refusal. The Declarant, during the Declarant Control Period, and thereafter the Association, hereby reserves a right of first refusal in the event that any Owner (other than Declarant) of a Unit hereunder desires to sell his or her Unit. In the event that a Unit Owner desires to sell his or her Unit, it shall be offered for sale to Declarant (during the Declarant Control Period), its successors and assigns, for the same price at which the highest bona fide offer has been made for the Unit, and Declarant shall have fifteen (15) days after receipt of written notice of the price and terms, to exercise its option to purchase the Unit at the offered price and terms. If the Declarant fails to exercise said option, the Owner shall have the right to sell the Unit to the prospective purchaser, subject, however, to all covenants, restrictions and limitations contained in this Master Deed or otherwise of record. This provision shall not be construed to impair the right of foreclosure of a Mortgage on any Unit within the Condominium.

15.22 Variances. The Board of Directors may grant variances from the strict meaning and interpretation of the use restrictions contained in this Article, except that no such variance shall be valid unless consented to and approved by the Declarant during the Declarant Control Period.

ARTICLE 16: LEASING

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.

16.1 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.

16.2 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. 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. 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 shall 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.

(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 16 shall not apply to any leasing transaction entered into by the holder of any 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.

ARTICLE 17: 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, the only right of first refusal with respect to the sale of a Unit being the right of first refusal set forth in Section 15.21 hereof.

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 18: MAINTENANCE RESPONSIBILITY

18.1 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: window locks, all doors, doorways, door frames, 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 facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all gas, electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). Notwithstanding anything herein to the contrary, this maintenance responsibility excludes windows; window frames and casings; paving, curbing and striping the parking spaces assigned to such Unit; and the electronic entry keypad located in the Unit which was installed during the original construction of the Unit, if any.

(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.

18.2 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 Section 9.4(b)(i) of this Master Deed. Notwithstanding anything contained herein to the contrary, the Area of Common Responsibility shall include the paving, curbing and striping of any parking spaces within the Condominium, including those assigned as Limited Common Elements to individual Units;

(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 hallway of the Condominium, as determined appropriate by the Board; and

(iii) all windows, window frames and casings (except window locks), glass doors and the electronic entry keypad located in the Unit which was installed during the original construction of the Unit, if any, even though they are part of the Unit, the cost of which may be assessed against the Unit in which the item is located, pursuant to Section 9.4(b)(i) of this Master Deed.

(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 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 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.

18.3 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.

18.4 Maintenance Standards and Interpretation. Except to the extent set forth in any recorded instrument set forth in Section 23.6 of this Master Deed, 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 or Architectural Review Board, as provided in Article 14 hereof.

18.5 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 18.5 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 18.5, 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 19: PARTY WALLS

19.1 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 this Article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

19.2 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.

19.3 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 benefitted 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.

19.4 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 20: 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 13 above, applicable to Common Elements improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE 21: MORTGAGEE RIGHTS

21.1 Amendments to Documents. The consent of (a) Members holding at least sixty-seven percent (67%) of the total eligible voting power of the Association, and (b) the Declarant, so long as the Declarant Control Period has not expired or terminated, 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, annexation, or withdrawal of property to or from the Condominium in a manner other than as provided herein;
- (h) insurance or fidelity bonds;
- (i) leasing of Units;
- (j) 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;
- (k) establishment of self-management by the Association where professional management has been required by an Eligible Mortgagee;
- (l) repair or restoration of the Condominium (after damage or partial condemnation) in a manner other than as provided herein; or
- (m) 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.

21.2 Mortgagee Consent. Unless at least sixty-seven percent (67%) of the first Mortgagees and Unit Owners other than Declarant, and the Declarant for so long as it owns any portion of 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, substantial damage and destruction, and annexation of additional property to the Condominium, 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.

21.3 Liability of Mortgagees. Where the Mortgagee holding a 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 passes.

21.4 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.

21.5 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.

21.6 Additional Mortgagee Rights. Notwithstanding anything to the contrary herein contained, the provisions of Articles 16 and 17 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.

21.7 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.

21.8 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.

21.9 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 22: DECLARANT RIGHTS

22.1 Declarant Control of the Association. Subject to the provisions of this Article, there shall be a period during which the Declarant shall retain control of the Association ("Declarant Control Period") during which the Declarant, or persons designed by it, may appoint and remove the officers and directors of the Association, and have such other powers as shall be specified in this Master Deed. The Declarant Control Period shall terminate on 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, or shall expire on the first to occur:

(a) One (1) year after conveyance of one-hundred (100%) percent of the Units in Phase I and Phase II, if applicable, to Unit Owners other than the Declarant or an affiliate thereof; or

(b) Fifteen (15) years after the date on which the Master Deed is recorded in the RMC Office for Charleston County, South Carolina.

22.2 Right to Appoint and Remove Directors. The Declarant shall have the right to appoint and remove 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 members of the Board of Directors of the Association shall expire on the first to occur of the following:

(a) the expiration or termination of the Declarant Control Period; or

(b) 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.

22.3 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. After the expiration or termination of the Declarant's right to appoint Directors, all Directors shall be nominated and elected as provided in the By-Laws.

22.4 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.

22.5 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, including the Phase II Property, 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 property described on Exhibit "A" 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 of access, ingress and egress to and from the Phase II Property; 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, 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.

ARTICLE 23 : EASEMENTS AND OTHER RESTRICTIONS

23.1 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.

23.2 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 benefitted 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 benefitted 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.

23.3 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.

23.4 Declarant Easements.

(a) Declarant hereby reserves for itself, its agents, successors and assigns, a permanent, assignable, transmissible easement for utilities and for access, ingress and egress upon, over and across the Common Elements (i) for the purpose of construction, repair, replacement, maintenance, use and enjoyment of Units within Phase I; (ii) for the purpose of construction, repair, replacement, maintenance, use and enjoyment of the Additional Property and appurtenant structures which Declarant or its assigns may, at their sole option and discretion, develop, construct and/or have constructed contiguous to Phase I, regardless of whether such Additional Property is added to the Regime pursuant to Article 8; (iii) for the purpose of installing, replacing, repairing and maintaining utilities serving said Additional Property, regardless of whether such Additional Property is added to the Regime pursuant to Article 8; and (iv) for the purpose of doing all things reasonably necessary and proper in connection therewith.

(b) For so long as Declarant owns any Unit primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (i) an 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 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, and for the purpose of doing all things reasonably necessary and proper in connection therewith; and (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.

23.5 Reciprocal Parking Easements and Rights - Phase I and Phase II. In conjunction with the rezoning of Phase I and Phase II Property by City Council, Ordinance No. 2002-102, the City of Charleston adopted and approved the Factors Walk Planned Unit Development Guidelines dated June 24, 2002, revised August 5, 2002, as amended (the "Development Guidelines"). Section 4.5 of the Development Guidelines requires, among other things, a minimum of 15 parking spaces on the Phase I Property so long as 10 Units are located in Phase I, and a minimum of 3 parking spaces in Phase II for the Phase II development as long as 2 Units are located on Phase II. If there are 11 Units located in Phase I, either (i) at least sixteen parking spaces shall be located on the Phase I Property, or (ii) parking spaces representing the difference between the number 16 and the actual number of parking spaces on the Phase I Property shall be located on the Phase II Property, in which event the Phase II Property (whether included or excluded from the Regime) shall be

burdened with a permanent, perpetual, non-exclusive, transmissible easement for such parking spaces, together with an easement of access, ingress and egress thereto (the "Phase I Parking Easement"), which shall be appurtenant to and shall run with the title to the Phase I Property. Conversely, in the event the Phase I Property shall have a total of 9 Units and the Phase II Property (whether included or excluded from the Regime) shall have three Units (for a total of 12 Units), then, in such event, the Phase II Property shall have not less than 4 parking spaces and the Phase I Property shall have not less than 14 parking spaces; alternatively, in such event, if there are less than 4 parking spaces in the Phase II Property, the parking spaces representing the difference between the number 4 and the actual number of parking spaces on the Phase II Property shall be located on the Phase I Property, in which event the Phase I Property shall be burdened with a permanent, perpetual, non-exclusive, transmissible easement for such parking spaces, together with and easement for access, ingress and egress thereto (the "Phase II Parking Easement"), which shall be appurtenant to and shall run with the title to the Phase II Property. In the event the Phase I Property shall have a total of 10 Units and the Phase II Property shall have a total of 2 Units (for a total of 12 Units), then the Phase I Property shall have a minimum of 15 parking spaces for the Phase I Units and the Phase II Property shall have a minimum of 3 spaces for the Phase II Units, with no cross parking rights or easements whatsoever (or, in the event the Phase II Property only has one Unit, then the Phase II Property shall have a minimum of 2 spaces for the Phase II Unit).

23.6 Other Easements and Restrictions. The Condominium shall be subject to all covenants, easements and restrictions of record, including, without limitation, the following:

(a) Restrictions contained in that certain Deed from Waveland S. Fitzsimons, Jr. to Elizabeth L. Hanahan dated May 1, 1986, recorded in the RMC Office for Charleston County in Book M-76, at Page 142 (to the extent applicable to the Phase II Property).

(b) Licenses and easements for utilities serving the Property.

(c) All easements, setbacks, restrictions and conditions shown and noted on the Plat of the Property recorded in the RMC Office for Charleston County or on any revisions thereto attached to and made a part of the Master Deed.

(d) Covenant that the Property shall not be used for or subject to any type of vacation time-sharing plan as defined in Sections 27-32-10, et seq., South Carolina Code of Laws, 1976, as amended, or any subsequent laws of this State dealing with that or any similar type ownership, as more particularly set forth in the Master Deed.

(e) Zoning ordinances of the City of Charleston, including the Factors Walk PUD Development Guidelines adopted by the City Council of Charleston on September 10, 2002, Ordinance No. 2002-102, as amended.

23.7 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 24: GENERAL PROVISIONS

24.1 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, its Board of Directors 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.

24.2 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.

24.3 Amendment.

(a) By Declarant. For so long as the Declarant Control Period has not expired or terminated, or for so long as Declarant owns a Unit or has the right to submit Phase II to the Regime in accordance with Article 8 hereof, the Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration 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 so long as the Declarant Control Period has not expired or terminated. 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, no provisions of this Master Deed granting rights to Declarant or conferring rights upon Declarant may be amended at any time without the prior written consent of Declarant.

24.4 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 or, in a proper case, by any aggrieved Unit Owner(s) 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.

24.5 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.

24.6 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.

24.7 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 United States Registered or Certified Mail, postpaid, or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

24.8 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.

24.9 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.

24.10 Storage Spaces. Neither the Declarant nor the Association shall be held liable for loss or damage to any property placed or kept in any storage space in the Condominium. Each Owner or Occupant

with use of any such storage space who places or keeps property in such storage space does so at his or her own risk.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Declarant has executed this Master Deed under seal, this 20TH day of July, 2005.

W. Foster Gaillard
Sammy L. Duffin

Factors Walk Investments, L.L.C., a Wyoming Limited Liability Company

By: John J. Kerr
Its: Authorized Agent

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, W. FOSTER GAILLARD (Notary Public), do hereby certify that Factors Walk Investments, L.L.C., by John J. Kerr, its Authorized Agent, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 20TH day of July, 2005.

W. Foster Gaillard
Notary Public for South Carolina
My Commission Expires: 9-5-2013

EXHIBIT "A"

Legal Description

All that piece, parcel or tract of land, together with all buildings and improvements located thereon, situate, lying and being in the City of Charleston, Charleston County, South Carolina, containing 0.40 Acres (17,564 square feet), more or less, and located at the Southeast corner of Prioleau Street and Mid Atlantic Wharf, as shown on a plat thereof entitled "**PLAT SHOWING A SUBDIVISION OF AN EXISTING 0.59 ACRE TRACT OF LAND OWNED BY FACTORS WALK INVESTMENTS LLC, INTO 0.40 ACRE AND 0.18 ACRE TRACTS**" prepared by Lewis E. Seabrook, S.C. Reg. No. 09860, Surveyor, dated November 6, 2003 and recorded in the RMC Office for Charleston County, South Carolina in Plat Book EH, at Page 14; said tract of land having such actual size, shape, dimensions, buttings and boundings as shown on said plat, reference to which is hereby made for a more complete description.

This being a portion of the premises conveyed to Factors Walk Investments, LLC by deed of conveyance from Southeastern Accommodation, LLC, acting as Qualified Intermediary, dated November 7, 2001 and recorded November 7, 2001 in Book E-387, Page 355 in the RMC Office for Charleston County.

TMS Number: 458-09-04-034

EXHIBIT A-1

Description of the Phase II Property

All that piece, parcel or tract of land, together with all buildings and improvements located thereon, situate, lying and being in the City of Charleston, Charleston County, South Carolina, containing 0.18 Acres (7,958 square feet), more or less, and fronting on the East on Concord Street and on the West, on Prioleau Street, as shown on a plat thereof entitled "**PLAT SHOWING A SUBDIVISION OF AN EXISTING 0.59 ACRE TRACT OF LAND OWNED BY FACTORS WALK INVESTMENTS LLC, INTO 0.40 ACRE AND 0.18 ACRE TRACTS**" prepared by Lewis E. Seabrook, S.C. Reg. No. 09860, Surveyor, dated November 6, 2003 and recorded in the RMC Office for Charleston County, South Carolina in Plat Book EH, at Page 14; said tract of land having such actual size, shape, dimensions, buttings and boundings as shown on said plat, reference to which is hereby made for a more complete description.

This being a portion of the premises conveyed to Factors Walk Investments, LLC by deed of conveyance from Southeastern Accommodation, LLC, acting as Qualified Intermediary, dated November 7, 2001 and recorded November 7, 2001 in Book E-387, Page 355 in the RMC Office for Charleston County.

TMS Number: 458-09-04-075

CONSENT AND JOINDER OF MORTGAGEE

The undersigned, The National Bank of South Carolina, the owner and holder of that certain Mortgage dated April 16, 2004, given by Factors Walk Investments, L.L.C., a Wyoming limited liability company, which Mortgage was filed for record on April 19, 2004, in the RMC Office for Charleston County, South Carolina in Book C-491 at Page 303, hereby evidences its Consent and Joinder in and to the attached MASTER DEED OF FACTORS WALK HORIZONTAL PROPERTY REGIME, a two (2) Phase condominium project containing up to twelve (12) condominium units.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Joinder this 18th day of July, 2005.

WITNESSES:

The National Bank of South Carolina

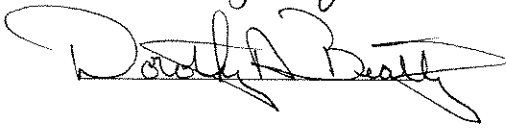
Cindy E. Groves

By:



Name: Lenwood B. Howell

Its: Executive Vice President

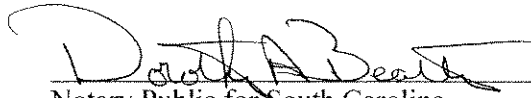


STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, Dorothy A. Beatty (Notary Public), do hereby certify that The National Bank of South Carolina., by Lenwood B. Howell, its Executive Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 18th day of July, 2005.



Notary Public for South Carolina

My Commission Expires: 4-6-15

EXHIBIT "B"

Survey and Plot Plan

SURVEYOR'S CERTIFICATE

The undersigned Land Surveyor, Lewis E. Seabrook, R.L.S. No. 09860, authorized and licensed to practice in the State of South Carolina, hereby states pursuant to Section 27-31-110, Code of Laws of South Carolina, that I have surveyed the property shown on Exhibit "B" to the Master Deed of Factors Walk Horizontal Property Regime entitled "Survey and Plot Plan" and that said Survey and Plot Plan shows the true dimensions of the property and horizontal and vertical location of the buildings and other improvements within the property boundaries, that the buildings and improvements do not encroach or project on adjacent streets or property except as may be shown thereon, that there are no encroachments on the said premises except as shown thereon, and that the precision is 1/20,000; and this is to further certify that said Survey and Plot Plan accurately depicts, within reasonable construction tolerances, the dimensions, area and location of the buildings shown thereon, both vertically and horizontally, and the dimensions, layout, area and location of the Common Elements of the buildings and Units shown thereon.

Witness my Hand and Seal this 5th day of July, 2005.

WITNESSETH:

Julia M. Campbell
Michael S. Sherman

Lewis E. Seabrook
 Lewis E. Seabrook
 R.L.S. No. 09860

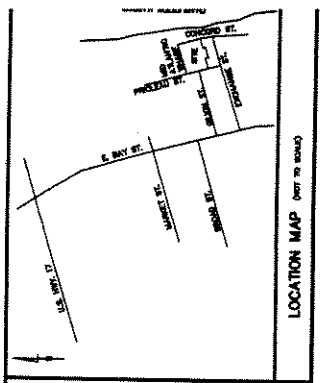
STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

ACKNOWLEDGEMENT

I, ALICE W. SEABROOK (Notary Public), do hereby certify that Lewis E. Seabrook personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

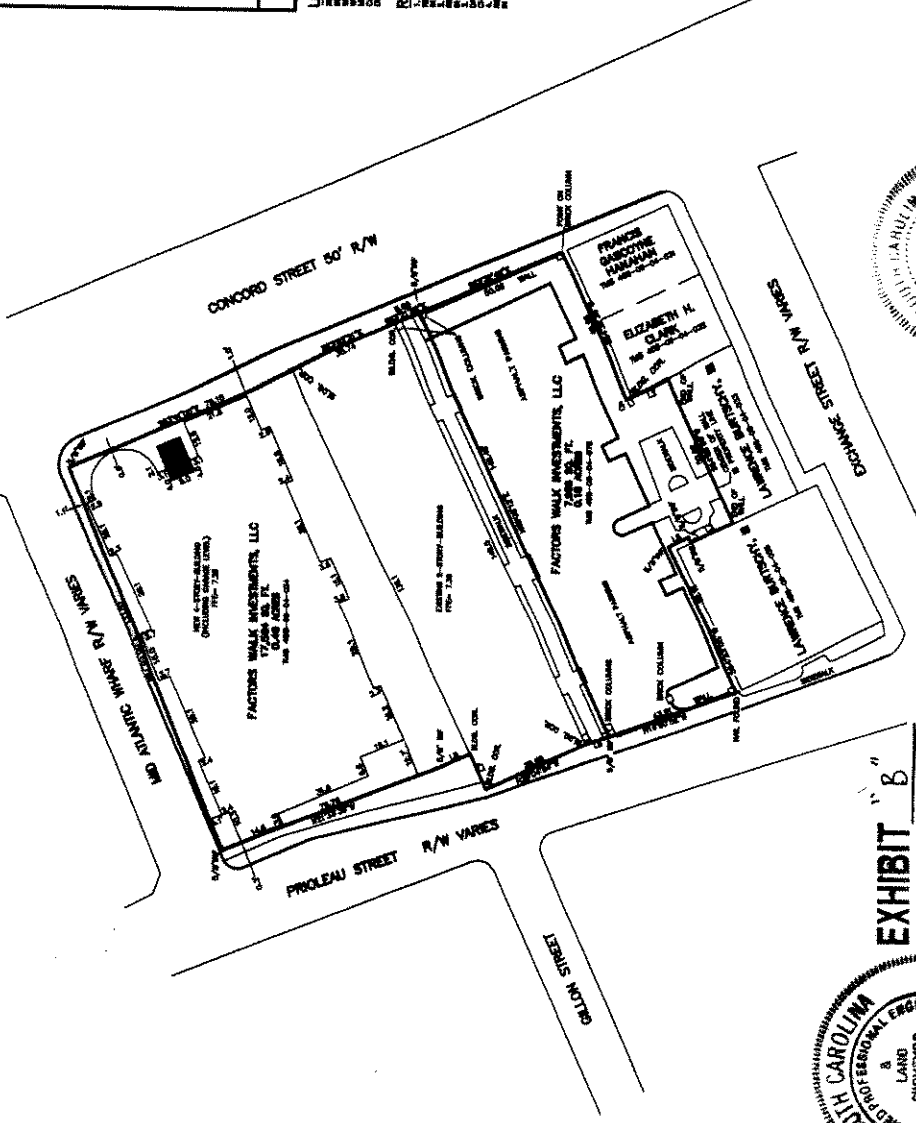
Witness my hand and seal this 5TH day of JULY, 2005

Alice W. Seabrook
 Notary Public of South Carolina
 My Commission Expires: 4/10/2012

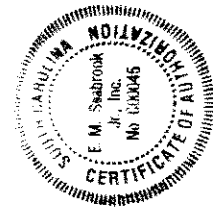


LEGEND:
 - - - - - Survey Boundary
 - - - - - Survey Line
 - - - - - Survey Point
 - - - - - Survey Station
 - - - - - Survey Monument
 - - - - - Survey Marker

REFERENCES:
 1. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1837.
 2. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1854.
 3. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1877.
 4. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1894.
 5. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1911.
 6. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1928.
 7. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1945.
 8. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1962.
 9. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1979.
 10. PLAT OF THE CITY OF CHARLESTON, S. C., AS APPEARED IN 1996.



LINE	TABLE	REMARKS
1	1	...
2	2	...
3	3	...
4	4	...
5	5	...
6	6	...
7	7	...
8	8	...
9	9	...
10	10	...

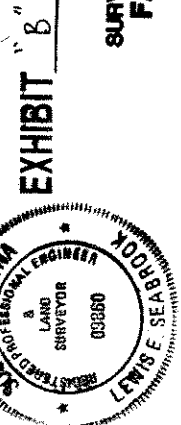


SURVEY AND PLOT PLAN
FACTORS WALK
 OWNED BY
FACTORS WALK INVESTMENTS, LLC
CITY OF CHARLESTON
CHARLESTON COUNTY, S. C.

DATE: APRIL 25, 2005



E. M. SEABROOK, JR., INC.
 REGISTERED PROFESSIONAL ENGINEER
 AND LAND SURVEYOR
 1000 MARKET STREET, S. C. 29403
 PHONE (803) 582-1444



SCALE: 1" = 20'

THIS IS TO CERTIFY THAT THE SURVEY AND PLOT PLAN ACCURATELY SHOWS THE BOUNDARIES OF THE PROPERTY AND THE SURVEY MONUMENTS AND MARKERS THEREON. THE SURVEY AND PLOT PLAN WAS PREPARED BY ME OR UNDER MY CLOSE SUPERVISION AND I AM A duly Licensed Professional Engineer and Land Surveyor in the State of South Carolina.

[Signature]
 E. M. SEABROOK, JR., INC.
 REGISTERED PROFESSIONAL ENGINEER
 AND LAND SURVEYOR
 1000 MARKET STREET, S. C. 29403
 PHONE (803) 582-1444

THIS IS TO CERTIFY THAT THE SURVEY AND PLOT PLAN ACCURATELY SHOWS THE BOUNDARIES OF THE PROPERTY AND THE SURVEY MONUMENTS AND MARKERS THEREON. THE SURVEY AND PLOT PLAN WAS PREPARED BY ME OR UNDER MY CLOSE SUPERVISION AND I AM A duly Licensed Professional Engineer and Land Surveyor in the State of South Carolina.

[Signature]
 E. M. SEABROOK, JR., INC.
 REGISTERED PROFESSIONAL ENGINEER
 AND LAND SURVEYOR
 1000 MARKET STREET, S. C. 29403
 PHONE (803) 582-1444

NOTES:
 1. THIS SURVEY WAS CONDUCTED BY THE SURVEYOR ON THE DATE INDICATED ABOVE.
 2. THE SURVEYOR HAS REVIEWED THE RECORD PLANS AND FOUND THEM TO BE CORRECT.
 3. THE SURVEYOR HAS REVIEWED THE RECORD PLANS AND FOUND THEM TO BE CORRECT.

EXHIBIT "B-1"

Parking Plan

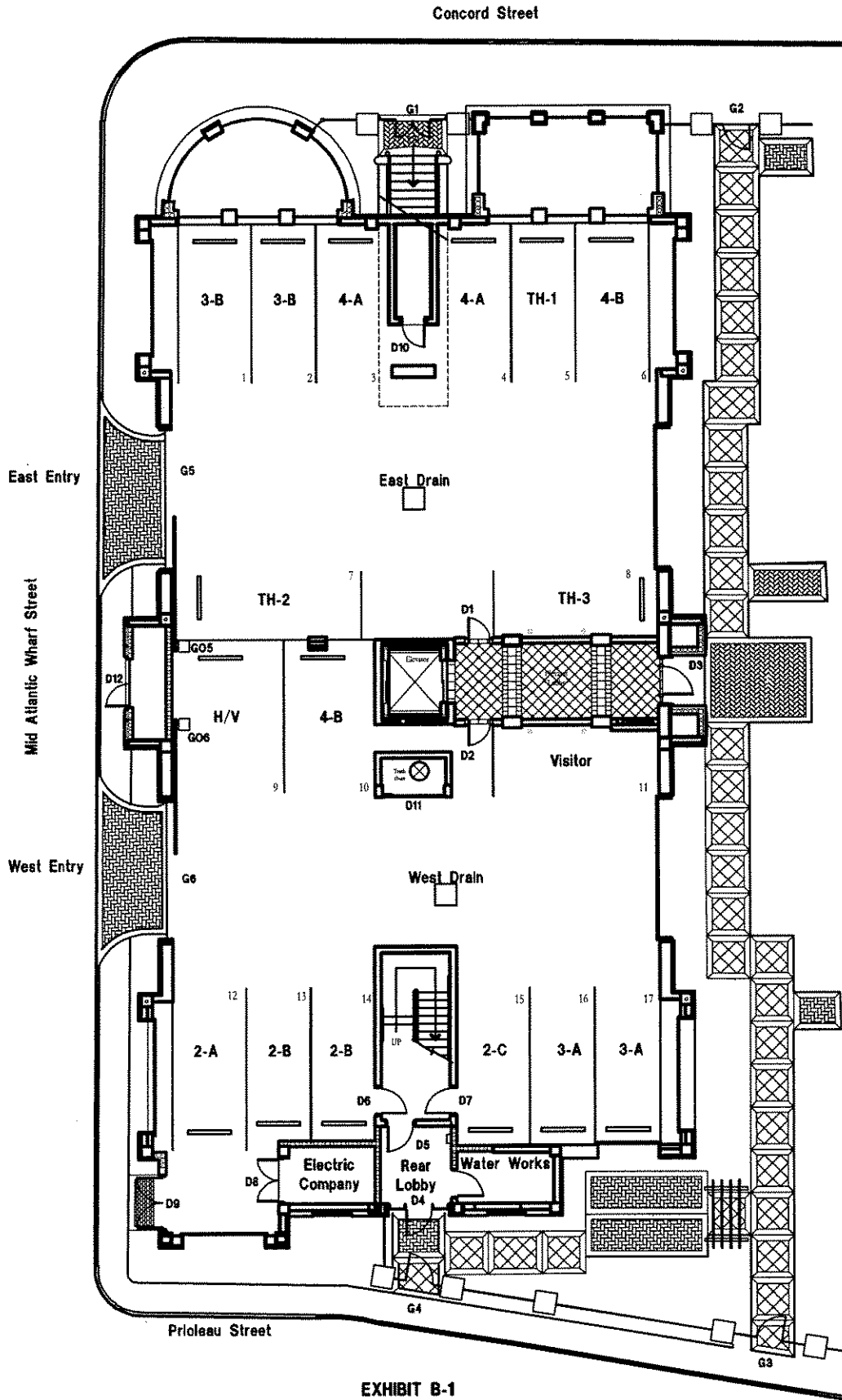


EXHIBIT B-1
Parking Plan, Factors Walk Horizontal Property Regime

EXHIBIT "C"

Elevations, Floor Plans and Dwelling Unit Certification

EXHIBIT "D"

Schedule of Unit Values, Percentage Interests and Weighted Votes - Phase I Only

<u>Unit</u>	<u>Assigned Value</u>	<u>Percentage Share</u>	<u>Weighted Votes</u>
TH-1	\$ 93,838.00	9.3838	9.3838
TH-2	\$ 107,655.00	10.7655	10.7655
TH-3	\$ 112,884.00	11.2884	11.2884
2-A	\$ 58,491.00	5.8491	5.8491
2-B	\$ 110,074.00	11.0074	11.0074
2-C	\$ 56,960.00	5.6960	5.6960
3-A	\$ 118,936.00	11.8936	11.8936
3-B	\$ 113,671.00	11.3671	11.3671
4-A	\$ 113,932.00	11.3932	11.3932
4-B	\$ 113,559.00	11.3559	11.3559
Total	\$1,000,000.00	100.0000%	100.0000

Exhibit "D-1"

Schedule of Unit Values, Percentage Interests and Weighted Votes (Phase I and Phase II)

<u>Unit</u>	<u>Assigned Value</u>	<u>Percentage Share</u>	<u>Weighted Votes</u>
TH-1	\$ 71,902.00	7.1902	7.1902
TH-2	\$ 82,489.00	8.2489	8.2489
TH-3	\$ 86,495.00	8.6495	8.6495
2-A	\$ 44,818.00	4.4818	4.4818
2-B	\$ 84,342.00	8.4342	8.4342
2-C	\$ 43,645.00	4.3645	4.3645
3-A	\$ 91,133.00	9.1133	9.1133
3-B	\$ 87,098.00	8.7098	8.7098
4-A	\$ 87,298.00	8.7298	8.7298
4-B	\$ 87,012.00	8.7012	8.7012
SB-1	\$ 116,884.00	11.6884	11.6884
SB-2	\$ 116,884.00	11.6884	11.6884
Total	\$1,000,000.00	100.0000%	100.0000

Note: The Assigned Values, Percentage Share and Weighted Votes of Units SB-1 and SB-2, Phase II, assume that such Units will have essentially the same square footage area and essentially the same maintenance and other Common Expenses attributable to such Units. Declarant reserves the absolute right, in its sole discretion, to adjust the Assigned Values, Percentage Share and Weighted Votes of Units SB-1 and SB-2 prior to the sale and conveyance of such Units based on the final design of such Units, the square footage area thereof, and the maintenance costs and other Common Expenses attributable thereto.