

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

MASTER DEED

OF

THE PEOPLES BUILDING

HORIZONTAL PROPERTY REGIME

Charleston, South Carolina

Grantor:

BEALER INVESTMENTS, LLC

Developer:

THE PEOPLES BUILDING SALES, LLC

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

**MASTER DEED
OF
THE PEOPLES BUILDING**

Horizontal Property Regime

Charleston County, Charleston, South Carolina

Bealer Investments, LLC, having its principal office in Charleston, South Carolina, hereinafter referred to as the "Grantor", as the sole owner of the land and improvements hereinafter described, does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the lands and buildings herein described, together with all other improvements thereon, including all easements, rights, and appurtenances thereto belonging, to a Horizontal Property Regime (to be known as The Peoples Building Horizontal Property Regime, hereinafter called the "Regime") in the manner provided for by the South Carolina Horizontal Property Act, as amended, S.C. Code Ann. §27-31-10 et seq. (1976) which shall be administered by The Peoples Building Condominium Association (the "Association"), a South Carolina non profit corporation. In conformity with § 27-31-30 and § 27-31-100 of said Act, the Grantor sets forth the following particulars:

Although Bealer Investments, LLC is executing this Master Deed and the exhibits thereto as Grantor and submitting the lands and buildings described herein to the Regime, the Grantor is only doing so as the current holder of record title to said land and buildings. The Grantor will not be performing any of the work associated with developing the Regime including, but not limited to, renovating or rehabilitating the buildings and other improvements located on the land, nor will the Grantor be responsible for the performance of any of the foregoing. The Peoples Building Sales, LLC, as the developer of the Regime (hereinafter the "Developer"), is responsible for the development of the Regime as described in this Master Deed and the exhibits thereto. At such time as the Grantor assigns and transfers its rights as the Grantor hereunder to the Developer, the Developer shall receive and assume all of the Grantor's rights and obligations hereunder and Bealer Investments, LLC shall then be released and discharged from all covenants and obligations as the Grantor

hereunder. The foregoing assignment of the Grantor's rights to the Developer shall be set forth in an amended and restated version of this Master Deed and the exhibits thereto executed by the Developer, consented to by Bealer Investments, LLC, and recorded in the RMC Office of Charleston County, South Carolina.

I. Legal Description

The lands (hereinafter the "Real Property") which are hereby submitted to the Regime are described on Exhibit "A" attached hereto and made a part hereof by reference. The Real Property as so described has an area set forth on the survey referenced in said Exhibit "A".

II. Survey and Description of Improvements

Incorporated herein by reference, as is set forth in full herein, is a plat, referred to in Exhibit "A", showing the location of the building and other improvements now existing and the Real Property (a copy of said plat along with the elevation certificate are attached hereto as Exhibit "B"). A Plot Plan showing the location of the buildings and other improvements (hereinafter "Plot Plans") consisting of an Architectural Site Plan; Ground Level Floor Plan, Mezzanine Level Floor Plan, Second Level Floor Plan, Third Level Floor Plan, Fourth Level Floor Plan, Fifth Level Floor Plan, Sixth Level Floor Plan, Seventh Level Floor Plan, Eighth Level Floor Plan, Penthouse Level Floor Plan, South & North Exterior Building Elevations, East Exterior Building Elevation, West Exterior Building Elevation and a set of residential unit plans (hereinafter "Floor Plans") which show graphically the dimensions, area, and location of each Unit in the building and General Common Elements affording access to each Unit. Each Unit is identified thereon by specific number and no Unit bears the same designation as any other Unit. Said Plot Plans and Floor Plans are attached hereto as Exhibit "C". The building containing the Units has an aggregate area set forth thereon.

The buildings and other Common Elements have been renovated in accordance with (i) the plans and specifications prepared by Jenkins Hancock & Sides, 1812 Lincoln Street, 3rd Floor, Columbia, SC 29201-2310, for The Peoples Building, Charleston, South Carolina, dated August 7, 2000, as amended and as shown on the "As-built" plans prepared by Mashburn Construction Company incorporated herein by reference, and (ii) the as-built survey entitled "Boundary Plat of TMS # 458-09-03-028, 18 Broad Street" prepared for The People Building Co. by Berenyi Incorporated, dated November 5, 2001 and recorded in the Register of Mesne Conveyance Office for Charleston County on November 8, 2001 in Plat Book DD at Page 10, referred to in Exhibit "A" attached hereto.

III. Notice of Restriction

1. **Conservation Easements**: Notice is hereby given that the Real Property and its improvements, including, but not limited to, all Units and Common Elements, are subject to the conditions and restrictions set

forth in the following recorded documents: Deed of Conservation Easement, recorded on April 13, 2000 in Book T345 at Page 717 at the Office of the RMC for Charleston County; Deed of Conservation Easement, recorded March 15, 2000 in Book B344 at Page 108 at the Office of the RMC for Charleston County (hereinafter collectively referred to as "Conservation Easements"). Said Conservation Easements are hereby incorporated by reference into this Master Deed.

2. **Condition of Building:** Notice is hereby given that the building located on the Real Property is an old historic previously existing rehabilitated structure located in a district that is listed on the National Register of Historic Places and, as a result, the building does not comply with current building codes, current energy codes or current seismic design. In addition, notice is hereby given that the building located on the Real Property contains windows prone to water leakage due to the Charleston Board of Architectural Review's denial of Grantor's request to replace said windows.

3. **Units Sold As Shell/Unfinished & Unit Owner Construction Restrictions:**

(a) Notice is hereby given that each Unit, except for Units R501, R502, R601, R602, and R901, will be finished as a shell. The Units contain electrical, telephone, and plumbing stub outs, and the exterior walls, floors, and ceiling will be unfinished when Grantor conveys individual Units to Unit owners. Individual Unit owners shall not perform any interior Unit construction or Foyer Area (defined below) construction until after they have taken title to the Unit, and all interior Unit area and Foyer Area (defined below) improvements shall be conducted by Unit owners in accordance with the rules issued by the Board of Directors of The Peoples Building Condominium Association (hereinafter the "Association"), with the express approval of the Association, and in compliance with all Federal, State, County, and City of Charleston laws, rules and regulations. Interior Unit area and Foyer Area (defined below) construction by Unit owners shall be performed only during the hours of 9:00a.m. to 5:00p.m., Monday through Friday unless authorized by the Association and shall not interrupt the utility services to other Units. Interior Unit area and Foyer Area (defined below) construction or work by Unit owners shall not adversely affect any Common Elements or any other Units in any way, and the Unit owner(s) conducting such construction or work shall be jointly and severally responsible for such adverse consequences. The rules of the Association shall include, but not be limited to, restrictions on the use of the elevators and the type of equipment used in the construction. Unless the Grantor agrees otherwise in writing or unless otherwise allowed herein, the initial interior construction in a Unit and Foyer Area (defined below) construction must be completed within 180 days after the individual Unit owner takes title to the Unit. Individual Unit owners shall also have to maintain during interior Unit construction and Foyer Area (defined below) construction such liability and builder's risk insurance as required by the Board of Directors, naming the Association as an additional insured.

(b) Notice is hereby given that Units R501, R502, R601 and R602 will be delivered to Unit owners

without certain elements of the interior Unit finished, including wall finishes, floor coverings, appliances, and countertops. The owners of Units R501, R502, R601 and R602 shall be responsible for finishing and maintaining the interior of their Units per the terms and conditions of this Master Deed, including but not limited to, the restrictions contained in Section 3(a) of this Article III.

(c) Notice is hereby given that any and all modifications to the Common Elements or Units by individual Unit owners, including but not limited to interior Unit work or Foyer Area (defined below) work conducted by or on behalf of Unit owners, once said Unit owners take title shall be subject to the approval of the Association and to the restrictions contained in this Master Deed, including, but not limited to, the restrictions contained in Section 3(a) of this Article III.

(d) Developer reserves the right to finish and/or construct interior improvements to any Unit it has not conveyed and to the Foyer Area (defined below), at any time without approval of the Association and without being subject to the restrictions set out in this Master Deed, including, but not limited to, the restrictions contained in Section 3(a) of this Article III.

4. **Use of Balconies:** Notice is hereby given that all balconies located on the building are a part of the building's facade and are not to be used or modified in any way, in accordance with the above-mentioned Conservation Easements and local zoning ordinances. All balconies are General Common Elements and are not to be used by Unit owners or their guest or invitees.

IV. Warranty

DEVELOPER AND GRANTOR ASSIGN TO THE ASSOCIATION ALL ITS RIGHTS UNDER THE **LIMITED WARRANTY** AS RECEIVED FROM MASHBURN CONSTRUCTION COMPANY (HEREINAFTER "CONTRACTOR") AND MORE FULLY DESCRIBED IN PARAGRAPH 3.5 AND ITS SUBPARAGRAPHS OF THE PROJECT MANUAL FOR THE REHABILITATION OF THE PEOPLES BUILDING, CHARLESTON, SOUTH CAROLINA, PREPARED BY JENKINS HANCOCK AND SIDES ARCHITECTURE, INTERIORS, ENGINEERING (HEREINAFTER "ARCHITECT"), DATED AUGUST 7, 2000 AS AMENDED. THIS WARRANTY IS LIMITED TO THE WORK PERFORMED BY THE CONTRACTOR PURSUANT TO THE PLANS AND DOES NOT APPLY TO ANY PORTION OF THE COMMON ELEMENTS WHICH HAVE NOT BEEN REHABILITATED BY THE CONTRACTOR.

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

LIMITED COMMON ELEMENTS, BUT NOT THE FIXTURES, FURNITURE, ACCESSORIES, AND APPLIANCES COVERED BY A WARRANTY OF MANUFACTURERS AND DEALERS. ANY PORTION OF THE BUILDINGS OR OTHER IMPROVEMENTS TO THE COMMON ELEMENTS NOT REHABILITATED PURSUANT TO THE PLANS, IS CONVEYED "AS IS" WITHOUT WARRANTY.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF GRANTOR, DEVELOPER, CONTRACTOR, AND ARCHITECT, WHETHER EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE).

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

AS TO ANY PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, PARKING LIFTS, ELEVATORS, FAN COIL UNIT(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE GENERAL AND LIMITED COMMON ELEMENTS BY THE GRANTOR TO THE ASSOCIATION, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) AND AS TO ANY PORTION OF THE BUILDING AND OTHER IMPROVEMENT NOT REHABILITATED PURSUANT TO THE PLANS WHICH MAY BE CONTAINED IN THE COMMON ELEMENTS. GRANTOR, DEVELOPER, CONTRACTOR, AND ARCHITECT NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, THE SELLER EXCLUDES ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

Additional Warranty Exclusions:

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

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

2. Ordinary wear and tear, or damage due to misuse or neglect, negligence, or the Association's failure to provide proper maintenance to the General and Limited Common Elements.

3. Damage arising from leaks or water infiltration at perimeter walls, windows, or ceilings contained in the General and Limited Common Elements.

4. This Limited Warranty does not cover the individual commercial and residential Units, or any improvements therein which is not a Common Element.

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

6. Any and all secondary, incidental or consequential damages caused by any defect or breach hereof.

7. No steps taken by Grantor, Developer, Contractor and Architect to correct defects shall act to extend the scope or duration of this Limited Warranty beyond the Warranty period.

8. No representative of the Grantor, Developer, Contractor, and Architect has the authority to expand or extend the scope of this Limited Warranty or to make verbal agreements with respect thereto.

9. All requests for correction pursuant to this Limited Warranty must be in writing.

10. Damages arising out of existing structure not meeting current building codes, current energy codes (particularly as such codes relate to insulation, heat loss and heat gain, and current seismic design criteria).

11. Leaks, drafts, loose brick, moisture, air filtration from the existing structure or recaulked windows and doors.

Arbitration Agreement:

Each and every claim and cause of action arising out of or related in any way to the design, construction,

sale, maintenance, habitability of, or condition of any Unit or any Common Area that is asserted by (i) any person or entity that now has or hereafter acquires any interest in a Unit, (ii) the Grantor or Developer, (iii) the Association, (iv) any person or entity that has previously or hereafter supplies (directly or indirectly) labor, materials, design services, equipment or other things of value in connection with the construction or maintenance of any Unit or the Common Area, or (v) any heir, successor, delegatee or assignee of any such persons or entities, shall be resolved by final and binding arbitration before a panel of three arbitrators pursuant to the Rules of the American Arbitration Association, as modified herein by Article XXXV of this Master Deed.

The Grantor, Developer, Contractor, Architect, the Association, and the individual Unit Owners expressly waive all resort to trial by jury of any and all issues otherwise so triable.

V. Description and Maintenance of Units and General and Limited Common Elements

The Regime consists of Units and General and Limited Common Elements.

Units, as the term is used herein, shall mean and comprise the seven (7) residential Units and sixteen (16) commercial Units which are separately designated in Exhibit "C" to this Master Deed, including but not limited to the space, interior partitions or interior walls, fixtures and appliances therein, excluding, however, all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings and floors of each Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surface of all interior load-bearing columns, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services to Units and Limited and General Common Elements. The general description and number of each Unit in the building on the Real Property, expressing its area, general location, and any other data necessary for its identification, also appears in Exhibit "C". The residential Units, except for the shell Units R701 and R801, include living room, kitchen area, including appliances therein, bathrooms, bedrooms, closets and the HVAC System excluding the air conditioning compressors on the roof (Penthouse level) and on the second floor (level) which are Limited Common Elements. There are two (2) residential Units per floor on the fifth and sixth floor (levels), and one (1) residential Unit per floor on the seventh, eighth and Penthouse floors (levels). There are three (3) commercial Units on the ground floor (level), one (1) commercial Unit on the mezzanine floor (level), and four (4) commercial Units per floor on the second, third, and fourth floors (levels). The Units are generally described as follows:

A. Residential Units:

Units R501 and R601. Each of these residential Units contain approximately 3,023 square feet in heated space and 53 square feet in storage. These Units have three bedrooms, three baths, kitchen, living/dining area, foyer,

and a 9'9" by 4'4" storage room located by the stairs. These Units have the kitchen and living/dining area on the left side and the bedrooms on the right side as you enter through the foyer. These Units each have one assigned Limited Common Element parking space located on the ground level as shown on the attached Site Plan. These Units are accessed thru 506 square feet of Limited Common Element corridor/lobby space located outside the elevators, stairs, and storage rooms as shown on the attached floor plans ("Foyer Area"). Within these Units there is 6 square feet of Limited Common Element chase space for fresh air flow as shown on the attached floor plans.

Units R502 and R602. Each of these residential Units contain approximately 2,869 square feet in heated space and 54 square feet in storage. These Units have three bedrooms, four baths, kitchen, living/dining area, foyer, and a 9'9" by 4'6" storage room located by the stairs. These Units have the kitchen on the right side and the bedrooms on the left side as you enter through the foyer. These Units each have one assigned Limited Common Element parking space located on the ground level as shown on the attached Site Plan. These Units are accessed thru 506 square feet of Limited Common Element corridor/lobby space located outside the elevators, stairs, and storage rooms as shown on the attached floor plans ("Foyer Area"). Within these Units there is 6 square feet of Limited Common Element chase space for fresh air flow as shown on the attached floor plans.

Unit R701. This residential Unit contains approximately 5,915 square feet in heated space and 107 square feet in storage, and fronts Broad and State Streets. This Unit is currently a shell unit and is not upfitted for residential occupancy. This Unit has two assigned Limited Common Element parking spaces located on the ground level as shown on the attached Site Plan. This Unit is accessed thru 483 square feet of unfinished Limited Common Element corridor/lobby space located outside the elevators, stairs, and storage rooms as shown on the attached floor plans ("Foyer Area"). Within this Unit there is 12 square feet of Limited Common Element chase space for fresh air flow as shown on the attached floor plans.

Unit R801. This residential Unit contains approximately 5,781 square feet in heated space and 121 square feet in storage, and fronts Broad and State Streets. This Unit is currently a shell unit and is not upfitted for residential occupancy. This Unit has two assigned Limited Common Element parking spaces located on the ground level as shown on the attached Site Plan. This Unit is accessed thru 449 square feet of unfinished Limited Common Element corridor/lobby space located outside the General Common Element elevators, stairs, and storage rooms as shown on the attached floor plans ("Foyer Area"). Within this Unit there is 12 square feet of Limited Common Element chase space for fresh air flow. This Unit is served by 14 square feet of Limited Common Element space for electrical equipment as shown on the attached floor plans. There is 32 square feet of space on the eighth floor for the Limited Common Element Penthouse Elevator located outside the storage rooms as shown on the attached floor plans ("Penthouse Elevator").

Unit R901. This residential Unit contains approximately 1,785 square feet in heated space, and fronts Broad and State Streets. This Unit has one assigned Limited Common Element parking space located on the ground level as shown on the attached Site Plan. This Unit is accessed thru 186 square feet of Limited Common Element corridor/lobby space located outside the stairs and Penthouse Elevator as shown on the attached floor plans ("Foyer Area"). This Unit is surrounded by 3,169 square feet of Limited Common Element space located on the patio of the penthouse floor as shown on the attached floor plans ("Penthouse Patio Area"). This Unit is accessed by 32 square feet of space for the Penthouse Elevator as shown on the attached floor plans. This Unit is served by 42 square feet of space for the electrical room located by the Penthouse Elevator as shown on the attached floor plans.

B. Commercial Units: The commercial Units are currently shell units and are not upfitted for occupancy

Unit C101. This commercial Unit contains approximately 1,959 total square feet and fronts the corner of Broad and State Streets.

Unit C102. This commercial Unit contains approximately 2,123 total square feet, including a rest room and Easement Area (defined below) as shown on the attached floor plans, and fronts State Street.

Unit C103. This commercial Unit contains approximately 887 total square feet, including a rest room as shown on the attached floor plans, and fronts Broad Street.

Unit M101. This commercial Unit contains approximately 2,167 square feet, including a rest room as shown on the attached floor plans, and fronts State Street. This Unit is served by 268 square feet in Limited Common Element mechanical/electrical storage space as shown on the attached floor plans.

Unit C201A. This commercial Unit contains approximately 1,505 square feet and fronts Broad Street. This Unit has access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. This Unit is accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Unit C201B. This commercial Unit contains approximately 1,404 square feet and fronts Broad and State Streets. This Unit has access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. This Unit is accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs

(shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Unit C201C. This commercial Unit contains approximately 969 square feet and fronts State Street. This Unit has access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. This Unit is accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Unit C201D. This commercial Unit contains approximately 1,404 square feet and fronts State Street. Within this Unit there is 7 square feet of Limited Common chase space for fresh air flow as shown on the attached floor plans. This Unit has access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. This Unit is accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Units C301A and C401A. These commercial Units each contain approximately 1,556 square feet and front Broad Street. These Units have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. These Units are accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Units C301B and C401B. These commercial Units each contain approximately 1,410 square feet and front Broad and State Streets. These Units have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. These Units are accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Units C301C and C401C. These commercial Units each contain approximately 973 square feet and front State Street. These Units have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. These Units are accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

Units C301D and C401D. These commercial Units each contain approximately 1,396 square feet and front State Street. Within these Units there is 7 square feet of Limited Common chase space for fresh air flow as shown on the attached floor plans. These Units have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans. These Units are accessed thru 770 square feet in corridor/lobby space located outside the elevators and stairs (shown separately as 150 square feet, 253 square feet, and 367 square feet on the attached floor plans, collectively the "Foyer Area").

C. General Common Elements means and includes:

(1) The land on which the building stands, more fully described above, together with all of the other real property described in Exhibit "A";

(2) Unless otherwise indicated in this Master Deed, the foundations, main walls, roofs, halls, corridors, lobbies, stairways, elevators, balconies, and communication ways of the building;

(3) The elevator code access system (all residential floors are assigned a code for elevator access; all commercial floors have the option of coded elevator access if all Unit owners on a particular floor consent);

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

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

(6) The two unassigned parking spaces located on the ground level as shown on the attached Site Plan, one delineated as Handicapped Parking and containing 160 square feet and the other located in the Parking Lift.

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

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

(9) The common area containing such areas as are shown on said plat and shown on Exhibit "C".

D. Limited Common Elements means and includes:

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(1) All areas, structures or fixtures designed to serve one or more but less than all Units, are Limited Common Elements allocated exclusively to such Unit or Units, including, but not limited to, mailboxes, rest rooms, entrance or exit ways, storage and utility rooms, exterior doors and windows, lobbies and corridors (including the Foyer Areas on each applicable floor) serving one or more but less than all Units.

(2) If any flue, duct, wire, conduit, load bearing wall, load bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit. Insofar as possible, the Limited Common Elements are shown graphically and described in detail in words and figures in the plat and plot plans. The air conditioning components located on the roof and second floor (level) shall be Limited Common Elements, limited to the use of the Unit the air conditioning components serve.

(3) All plumbing components and fixtures located under the individual Units they serve (above the lower ceiling of the Unit below) shall be Limited Common Elements, limited to the use of the Unit the plumbing components and fixtures serve.

(4) The four (4) parking spaces assigned to Units R502, R601, R701, and R801, respectively, located on the ground level as shown on the attached Site Plan, and the five (5) parking spaces assigned to Units R501, R602, R701, R801, and R901, respectively, located in the Parking Lift on the ground level as shown on the attached Site Plan.

(5) The Penthouse Elevator exclusively servicing the penthouse Unit owner, as shown on the attached floor plans.

(6) The Penthouse Patio Area reserved for the exclusive use of the penthouse Unit owner with ingress and egress rights for maintenance personnel employed by the Association to service the HVAC components on the roof.

(7) Such areas as are depicted as Limited Common Element or Limited Common Area on the attached floor plans as Exhibit "C" and such areas as are described as Limited Common Elements in this Master Deed.

E. Maintenance Obligations and Use Restrictions:

All upfitting, finishing, maintenance, and cleaning responsibilities that are identified below as the obligation of a Unit owner or a limited number of specified Unit owners shall be subject to the express approval of the Association and to the rules and regulations issued by the Board of Directors of the Association. The express approval of the Association

is required even when the Unit owners on a particular floor unanimously agree to maintain a Limited Common Element area above and beyond the Community Standard (defined below).

All upfitting, finishing, maintenance, and cleaning responsibilities that are identified below as the obligation of a limited number of specified Unit owners shall be paid for by specific assessments levied equally against said specified Unit owners who benefit from the upfitting, finishing, maintenance, or cleaning being performed ("Specific Assessments"). In general, the Board of Directors of the Association shall have the power to levy Specific Assessments against Units receiving benefits, items, or services not provided to all Units within the Regime that are incurred upon request of Unit owner(s) for specific items or services relating to the Unit(s) or its Limited Common Element area(s). The Association has the authority to enforce payment of Specific Assessments in the same manner as it may enforce payment of regular assessments and in accordance with the rules and regulations issued by the Board of Directors of the Association.

1. Residential Floors

Fifth Floor:

The fifth floor Foyer Area is a Limited Common Element reserved for the exclusive use of (1) the owners of the Units located on the fifth floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency. The fifth floor Unit owners shall be responsible for (1) finishing and maintaining the interior Unit area of their respective Units and (2) if they unanimously agree to do so, maintaining and cleaning the Foyer Area on the fifth floor above the standard of maintenance and cleanliness generally prevailing within the building as determined by the Board of Directors of the Association ("Community-Wide Standard").

Sixth Floor:

The sixth floor Foyer Area is a Limited Common Element reserved for the exclusive use of (1) the owners of the Units located on the sixth floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency. The sixth floor Unit owners shall be responsible for (1) finishing and maintaining the interior Unit area of their respective Units and (2) if they unanimously agree to do so, maintaining and cleaning the Foyer Area on the sixth floor above the Community-Wide Standard.

Seventh Floor:

The seventh floor Foyer Area is a Limited Common Element reserved for the exclusive use of (1) the owner(s) of the Unit(s) located on the seventh floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency. The seventh floor Unit owner(s) shall be responsible for (1) upfitting, finishing, and maintaining the interior area of their respective Unit(s) within the time frames specified in the Unit

owner(s) Contract(s) of Sale, (2) upfitting and finishing the Foyer Area on the seventh floor, and (3) if they unanimously agree to do so, maintaining and cleaning the Foyer Area on the seventh floor above the Community-Wide Standard.

Subject to all applicable ordinances, laws, regulations, and restrictions of record, the seventh floor Unit owner(s) has the right to subdivide the seventh floor into no more than four (4) units and to designate the percentage interest appurtenant to each unit so long as the total interest equals the percentage interest assigned to the seventh floor by this Master Deed in the Table of Values attached as Exhibit "D". The percentage interests must be related to square footage and value, as comparable to the method used to determine percentage interest on other floors (Said method of determining percentage interests assigned to Units in this Master Deed is as follows: The value of the building (\$16,375,000.00) is divided by the total square footage of all Units, resulting in a dollar amount per square foot. This dollar amount per square foot is then multiplied by the number of square feet in each Unit, resulting in a dollar value for each Unit. This dollar value for each Unit is then divided by the value of the building (\$16,375,000.00), resulting in each Unit's percentage interest). Any such modification, if any, shall be fully depicted and described (graphically and in words) in an amendment to this Master Deed or in an Amended and Restated Master Deed. All Unit owners on the seventh floor, including those owning subdivided Units, shall be subject to all provisions of this Master Deed, including but not limited to the provisions regarding upfitting, finishing, maintaining, and cleaning the seventh floor Foyer Area and interior Unit area of their respective Units. The Owner of the seventh floor shall be responsible for the cost of preparing and recording the appropriate amendment to this Master Deed, By-Laws and other Exhibits to the Master Deed (including, but not limited to, the Building Plans) to properly reflect the new size, location, and/or configuration of the units created thereby. The Owner of the seventh floor further acknowledges and agrees that because of the City of Charleston's existing zoning ordinance requiring 1.5 parking spaces per residential unit, if seventh floor Owner elects to subdivide the Unit into more than one (1) residential unit it must, as a condition thereof, purchase the required number of off-site parking spaces for the new units in addition to the two (2) on-site parking spaces shown on the attached Site Plan. If the Owner of the seventh floor elects to subdivide the Unit into two (2) residential units, it must, as a condition thereof, purchase one (1) off-site parking space which shall be a Limited Common Element appurtenant to the two (2) units; or, if the Owner of the seventh floor elects to subdivide the Unit into three (3) residential units, it must, as a condition thereof, purchase three (3) off-site parking spaces which shall be a Limited Common Element appurtenant to the three (3) units; or, if the Owner of the seventh floor elects to subdivide the Unit into four (4) residential units, it must, as a condition thereof, purchase four (4) off-site parking spaces which shall be a Limited Common Element appurtenant to the four (4) units.

Eighth Floor:

The Foyer Area on the eighth floor is a Limited Common Element reserved for the exclusive use of (1) the owners of the Units located on the eighth and penthouse floors, (2) cleaning and maintenance personnel employed by

the Association, and (3) emergency personnel in cases of emergency. The Penthouse Elevator exclusively services the penthouse floor, and is reserved for the exclusive use of the owner of the Unit located on the penthouse floor. The eighth floor Unit owner(s) shall be responsible for upfitting, finishing, and maintaining the interior Unit area of their respective Unit(s) within the time frames specified in the Unit owner(s) Contract(s) of Sale. The eighth and penthouse floor Unit owners shall be equally responsible for (1) upfitting and finishing the Foyer Area on the eighth floor, including all costs associated therewith, and (2) if they unanimously agree to do so, maintaining and cleaning the Foyer Area on the eighth floor above the Community-Wide Standard. Decisions as to upfitting and finishing the Foyer Area on the eighth floor shall be unanimously agreed upon by all owners of Units on the eighth and penthouse floors. The penthouse Unit owner shall be solely responsible for maintaining and cleaning the Penthouse Elevator above the Community-Wide Standard if penthouse Unit owner so chooses. The Association will maintain and clean the Penthouse Elevator up to the Community-Wide Standard, including but not limited to the responsibility of keeping a maintenance contract with a reputable elevator company on the Penthouse Elevator. The cost of said maintenance contract on the Penthouse Elevator shall be levied by the Association against the penthouse Unit owner as a Specific Assessment.

Subject to all applicable ordinances, laws, regulations, and restrictions of record, eighth floor Unit owner(s) has the right to subdivide the eighth floor into no more than four (4) units and to designate the percentage interest appurtenant to each unit so long as the total interest equals the percentage interest assigned to the eighth floor by this Master Deed in the Table of Values attached as Exhibit "D". The percentage interests must be related to square footage and value, as comparable to the method used to determine percentage interest on other floors (Said method of determining percentage interests assigned to Units in this Master Deed is as follows: The value of the building (\$16,375,000.00) is divided by the total square footage of all Units, resulting in a dollar amount per square foot. This dollar amount per square foot is then multiplied by the number of square feet in each Unit, resulting in a dollar value for each Unit. This dollar value for each Unit is then divided by the value of the building (\$16,375,000.00), resulting in each Unit's percentage interest). Any such modification, if any, shall be fully depicted and described (graphically and in words) in an amendment to this Master Deed or in an Amended and Restated Master Deed. All Unit owners on the eighth floor, including those owning subdivided Units, shall be subject to all provisions of this Master Deed, including but not limited to the provisions regarding upfitting, finishing, maintaining, and cleaning the eighth floor Foyer Area and interior Unit area of their respective Units. The Owner of the eighth floor shall be responsible for the cost of preparing and recording the appropriate amendment to this Master Deed, By-Laws and other Exhibits to the Master Deed (including, but not limited to, the Building Plans) to properly reflect the new size, location, and/or configuration of the units created thereby. The Owner of the eighth floor further acknowledges and agrees that because of the City of Charleston's existing zoning ordinance requiring 1.5 parking spaces per residential unit, if Owner elects to subdivide the Unit into more than one (1) residential unit it must, as a condition thereof, purchase the required number of off-site parking spaces for the new units in addition to the two (2) on-site parking spaces shown on the attached Site Plan. If the Owner of the eighth floor elects to subdivide the Unit into two (2)

residential units, it must, as a condition thereof, purchase one (1) off-site parking space which shall be a Limited Common Element appurtenant to the two (2) units; or, if the Owner of the eighth floor elects to subdivide the Unit into three (3) residential units, it must, as a condition thereof, purchase three (3) off-site parking spaces which shall be a Limited Common Element appurtenant to the three (3) units; or, if the Owner of the eighth floor elects to subdivide the Unit into four (4) residential units, it must, as a condition thereof, purchase four (4) off-site parking spaces which shall be a Limited Common Element appurtenant to the four (4) units.

Penthouse Floor:

The Foyer Area on the penthouse floor is a Limited Common Element reserved for (1) the exclusive use of the owner of the penthouse Unit, (2) ingress and egress access by cleaning personnel employed by the Association and maintenance personnel servicing the Limited Common Element air conditioning components located on the penthouse level as shown on the attached floor plans, and (3) emergency personnel in cases of emergency. The owner of the penthouse Unit shall be responsible for maintaining and cleaning the Foyer Area on the penthouse floor above the Community-Wide Standard if the penthouse Unit owner so chooses. The owner of the penthouse Unit shall be solely responsible for all maintenance and cleaning of the Penthouse Patio Area. The Penthouse Patio Area is reserved for (1) the exclusive use of the owner of the penthouse Unit and (2) ingress and egress access by maintenance personnel servicing the Limited Common Element air conditioning components located on the penthouse level as shown on the attached floor plans. The penthouse Unit owner shall make no changes or modifications or additions to the Penthouse Patio Area, including but not limited to the placing of furniture and decorations, without the express approval of the Association and the local municipal board of architectural review. The Penthouse Elevator exclusively services the penthouse floor, and is reserved for the exclusive use of the owner of the Unit located on the penthouse floor. The penthouse Unit owner shall be solely responsible for maintaining and cleaning the Penthouse Elevator above the Community-Wide Standard if penthouse Unit owner so chooses. The Association will maintain and clean the Penthouse Elevator up to the Community-Wide Standard, including but not limited to the responsibility of keeping a maintenance contract with a reputable elevator company on the Penthouse Elevator. The cost of said maintenance contract on the Penthouse Elevator shall be levied by the Association against the penthouse Unit owner as a Specific Assessment.

2. Commercial Floors

Subject to all applicable ordinances, laws, regulations, and restrictions of record, Developer, so long as Developer holds title to affected Units, shall have the exclusive right to increase or decrease the number of commercial Units by combining or subdividing the Units on the ground, mezzanine, second, third, and fourth floors, and to designate the percentage interest appurtenant to each commercial Unit so long as the total interest of the Unit(s) on each floor equals the percentage interest assigned to all of the respective commercial Units on that floor by this Master Deed in the Table of Values attached as Exhibit "D". The percentage interests of the

resulting Units, whether subdivided or combined, must be related to square footage and value, as comparable to the method used to determine percentage interest on other floors (Said method of determining percentage interests assigned to Units in this Master Deed is as follows: The value of the building (\$16,375,000.00) is divided by the total square footage of all Units, resulting in a dollar amount per square foot. This dollar amount per square foot is then multiplied by the number of square feet in each Unit, resulting in a dollar value for each Unit. This dollar value for each Unit is then divided by the value of the building (\$16,375,000.00), resulting in each Unit's percentage interest). Such modification to the number of commercial Units in the Regime may be accomplished by combining or subdividing the existing commercial Units described below, or by redrawing the boundaries of the commercial Units. Such modification of the commercial Units, if any, shall not in any manner affect the percentage interest of the residential Units as shown in the Table of Values attached as Exhibit "D" and shall be fully depicted and described (graphically and in words) in an amendment to this Master Deed or in an Amended and Restated Master Deed. The Developer may assign this exclusive right to combine and subdivide the commercial Units, including but not limited to the Association.

All commercial floors currently contain shell Units which are accessed thru unfinished Foyer Areas (except the ground and mezzanine floors, which are accessed thru General Common Element foyer areas that are finished). The Unit owners on each commercial floor shall be responsible for (1) upfitting, finishing, and maintaining the interior area of their respective Units, (2) upfitting and finishing the Foyer Area on their respective floors (these upfitting and finishing decisions require unanimous consent of all Unit owners on the affected floor), and (3) if they unanimously agree to do so, maintaining and cleaning the Foyer Area on their respective floors above the Community-Wide Standard. The Unit owners on each commercial floor

All commercial floors currently contain or have access to finished rest rooms that will be cleaned and maintained up to the Community-Wide Standard by the Association. If the Unit owners on a floor unanimously consent to provide cleaning and maintenance for the rest rooms above the Community-Wide Standard, the Association shall levy a Specific Assessment against the Unit owners on that floor.

Ground Floor:

The owner(s) of Unit C101 and the Association shall enjoy exclusive appurtenant, perpetual easement rights over the Easement Area, as shown on the attached floor plans, of pedestrian ingress and egress to and from the restrooms located in Unit C102 ("Easement Area"). If Unit C101 is subdivided, all owners of Units contained in the space where Unit C101 is depicted in the attached floor plans shall enjoy said easement rights over the Easement Area. Said easement is an exclusive and commercial easement in gross, which runs with the title to Unit C101 and any Unit derived from subdividing and/or combining Unit C101 with other Units. The use of the Easement Area shall be exclusively for the owner(s) of Units C101 and C102, including any subdivision or combination of said Units, and their guests and invitees, and for the Association. If Units C101 and C102 are combined into one Unit, the Easement Area shall terminate.

Second Floor:

All of the Units located on the second floor have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans, which is reserved for the exclusive use of the owners of the Units located on the second floor and maintenance personnel. These Units are accessed thru the Foyer Area, which is reserved for the exclusive use of (1) the owners of the Units located on the second floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency.

Third Floor:

All of the Units located on the third floor have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans, which is reserved for the exclusive use of the owners of the Units located on the third floor. These Units are accessed thru the Foyer Area, which is reserved for the exclusive use of (1) the owners of the Units located on the third floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency.

Fourth Floor:

All of the Units located on the fourth floor have access to 302 square feet in Limited Common Element restroom space as shown on the attached floor plans, which is reserved for the exclusive use of the owners of the Units located on the fourth floor. These Units are accessed thru the Foyer Area, which is reserved for the exclusive use of (1) the owners of the Units located on the fourth floor, (2) cleaning and maintenance personnel employed by the Association, and (3) emergency personnel in cases of emergency.

3. Build-Out of Units on Floors Seven and Eight

Each Unit on the seventh and eight floors is a shell Unit. The Owners of the shell Units on the seventh and eighth floor shall commence the "build-out" or interior construction of the Unit (or any units subdivided therefrom) no later than one (1) year after the date of the deed conveying the Unit from the Developer and shall thereafter diligently pursue the completion thereof with due diligence. The Owner of the Unit shall complete the "build-out" or interior construction of the Unit (or any units subdivided therefrom) no later than 180 days after commencement of the "build-out" or interior construction, but in no event later than 18 months after the date of the deed conveying the Unit to the Owner from the Developer. The Developer may extend the time periods set forth in this paragraph by written amendment to this Master Deed, properly recorded in the Charleston County RMC Office.

The Owner shall make all interior improvements in accordance with the rules issued by the Board of Directors of the Association (the "Board") and in compliance with all Federal, State and City of Charleston laws, rules and regulations. Construction shall be performed only during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday unless authorized by the Board and shall not interrupt the utility service to other Units. The rules of the Board shall

include, but not be limited to, restrictions on the use of the elevators and the type of equipment used in the construction. The Owner of the Units shall also have to maintain during construction such liability and builder's risk insurance as required by the Board, naming the Association as an additional insured.

4. Nothing herein shall prevent the Developer from converting a commercial Unit to a residential Unit or from utilizing the Units for a sales office or shell.

VI. Ownership of Units and Appurtenant Interest in General Common Elements

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

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

A Unit owner shall have the exclusive ownership of his Unit and shall have a common right to a share, with the other co-owners, in the common elements of the Regime, equivalent to the percentage representing the value of the individual Unit, with relation to the value of the whole Regime. This percentage, which is set forth on Exhibit "D" attached hereto and made a part hereof by reference, shall have a permanent character, and shall not be altered without the acquiescence of the co-owners representing all the Units of the Regime, except as described in Article V of this Master Deed regarding the potential subdivision or combination of the Units.

The basic value, which shall be fixed for the sole purpose of this Master Deed and irrespectively of the actual value, shall not prevent each co-owner from fixing a different circumstantial value to his Unit in all types of acts and contracts.

VII. Restriction Against Further Subdividing of Units and Separate Conveyance of Appurtenant Common Elements, Etc.

A Unit may not be divided or subdivided into a smaller Unit or smaller Units than as described in Exhibit "C" attached hereto, except as authorized in Article V of this Master Deed. The undivided interest in the General and Limited Common Elements declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said Unit and the undivided interest in General and Limited Common Elements appurtenant to each Unit shall be deemed conveyed, devised, encumbered, or otherwise included with the Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such Unit. Any conveyance, mortgage, or other instrument which purports to

effect the conveyance, devise, or encumbrance, or which purports to grant any right, interest or lien in, to, or upon a Unit, shall be null, void, and of no effect insofar as the same purports to effect any interest in a Unit and its appurtenant undivided interest in General and Limited Common Elements, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by the Unit Number assigned thereto in Exhibit "C" without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the General and Limited Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit, residential or commercial, and its appurtenant undivided interest in the General and Limited Common Elements by more than one person or entity as tenants in common, joint tenants, or any other form of real property ownership recognized in this State or preventing the leasing of the Commercial Units. All Common Elements, including but not limited to parking, shall be owned by the Regime and may not be subject to a lease between the Unit owners (or the Association) and another party, except that the Developer or the Association shall have the authority to enter into license agreements, easement agreements, lease agreements or other agreements with utility service providers to install, operate, maintain, repair and replace such utility service equipment and facilities associated with the provision of such utility services, including, but not limited to any transmission and receiving equipment, structures, cables and conduit within the portions of the Real Property subject to such utility service easements.

VIII. Horizontal Property Regime Subject to Restrictions, Etc.

Each and every Unit and the General and Limited Common Elements shall be, and is hereby declared to be, subject to the restrictions, easements, conditions, and covenants prescribed and established herein, governing the use of said Unit and General and Limited Common Elements, and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the General and Common Elements. Said Units and General and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the Unit. Furthermore, by acceptance of the deed conveying an individual commercial or residential Unit to a Unit owner, said Unit owner thereby evidences their acceptance of all terms, conditions, and restrictions of this Master Deed, attached Exhibits, and all other documents incorporated herein by reference.

IX. Perpetual Non-Exclusive Easements in General Common Elements

The General Common Elements shall be, and are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the co-owners of Units in the Horizontal Property Regime for their use and the use of their immediate family, guests, invitees, clients, and employees, and for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, or the enjoyment of said co-owners of Units.

Notwithstanding anything above provided in this article, The Association shall have the right to establish the rules and regulations pursuant to which the co-owner or co-owners of any Unit may be entitled to the exclusive use of any parking space or spaces.

The Developer reserves unto itself and its successors or assigns an easement, including a construction easement, through all General and Limited Common Elements as may be reasonably necessary for the purpose of discharging Grantor's rights or obligations of exercising special Grantor rights reserved in this Master Deed.

As part of the rights of Developer, Grantor reserves unto itself, Developer and its successors and assigns, easements for ingress and egress over, under and across all Common Elements, Limited and General and such other reasonable right of access to and use of the Common Elements, Limited and General, subject to this Regime as may be necessary for the construction, renovation, maintenance, subdivision combination and resubdivision of Units, finishing and construction of interior improvements to Units, maintenance of sales offices, or models in the Units, and marketing of the Units and of the General and Limited Common Elements.

The General and Limited Common Elements shall be, and are hereby declared to be, subject to an easement, including a construction easement, in favor of all of the co-owners of Units in the Horizontal Property Regime as may be reasonably necessary for the purpose of construction and reconstruction of the individual Units by the co-owners of the Units. As part of the right of Unit co-owners to renovate the individual Units of this Regime, the Unit Co-owners shall enjoy easements for ingress and egress over, under and across all Common Elements, Limited and General, and such other reasonable right of access to and use of the Common Elements, Limited and General, subject to this Regime as may be necessary for the construction and reconstruction of the Units. Notwithstanding anything above provided in this paragraph, the above-described easement in favor of the Unit co-owners (but not Developer) shall be expressly subject to: (i) the restrictions herein contained in this Master Deed, including but not limited to those found in Article III, Section 3, and Article V, and (ii) the approval of the Association, including compliance with the reasonable rules and regulations as may be prescribed and established by the Association.

X. Perpetual Exclusive Easement to Use Limited Common Elements

Subject to Grantor's and Developer's rights reserved herein and the provisions of this Master Deed, each co-owner shall have the exclusive right to use the Limited Common Elements allocated to such co-owner's Unit for his use and the use of his immediate family, guests, invitees, clients, and employees for all proper and normal purposes. Such right to use shall be a perpetual exclusive easement in favor of such co-owner or co-owners.

XI. Easement for Unintentional and Non-Negligent Encroachments

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In the event that any portion of the General and Limited Common Elements now or hereafter encroaches upon any Unit, or vice versa, or in the event that any portion of one Unit now or hereafter encroaches upon another Unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, does and shall exist.

XII. Restraint Upon Separation and Partition of General and Limited Common Elements

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

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

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

(a) by act or omission, seek to abandon or terminate the Regime or legal status of the project as a condominium;

(b) change the pro rata interest or obligations of any Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the General and Limited Common Elements;

(c) partition or subdivide any Unit; or

(d) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements.

The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Regime or Association shall not be deemed a transfer within the meaning of this subparagraph (d).

The Co-owners representing two-thirds of the total value of the property shall be required to modify the system of administration of the Association. These provisions shall not apply to amendments to the constituent documents or

termination of the Condominium Regime made as a result of destruction, damage, or condemnation pursuant to the provisions of this Master Deed or the other constituent documents.

XIII. Rights of Eligible Mortgage Holders and Eligible Insurers or Guarantors

Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor and the Unit number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Regime or any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- (b) Any delinquency in the payment of assessments or charges owed by a co-owner of a Unit subject to a first mortgage held, insured, or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in this Master Deed.

XIV. Residential Use Restriction Applicable to Residential Units and Commercial Use Restrictions Applicable to Commercial Units

Each residential Unit (Units located on Levels 5 through Penthouse) is hereby restricted to residential use by the co-owner or co-owners thereof, their immediate families, guests, tenants, lessees, licensees, and invitees. No "For Sale" or "For Rent" signs or the like shall be permitted on any General or Limited Common Element or any Unit so as to be visible from any General or Limited Common Element or public street or area. Nothing herein shall prevent the Association from leasing portions of the Common Elements to management companies for use as an office, model or other purpose connected with the management of the Regime or to grant licenses and easements over the common areas for utilities, roads, and other purposes reasonably necessary or usable for the proper maintenance and operation of the Regime. Any lease or rental agreement concerning the use of the Unit must be in writing and subject to the requirements of the Master Deed and the rules and regulations of the Association.

Except as otherwise provided or reserved herein for the Developer, each Commercial Unit (Units located on the Ground Level, Mezzanine Level, and Levels 2 through 4) is hereby restricted to trade/commercial use provided such use complies with (1) the City of Charleston zoning laws and regulations, and (2) the restrictions contained in the aforementioned Conservation Easements in Article III of this Master Deed.

XV. Use of General & Limited Common Elements Subject to Rules of Association

Except as otherwise provided or reserved herein for the Developer, the use of General and Limited Common Elements by the co-owner or co-owners of all Units, and all other parties authorized to use the same shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such or which may hereafter be prescribed and established by the Association.

XVI. Horizontal Property Regime to be Used for Lawful Purposes, Restriction Against Nuisances, Etc.

No immoral, improper, offensive, or unlawful use shall be made of any Unit or of the General or Limited Common Elements, nor any part thereof, and all laws, zoning ordinances, and regulations of all governmental authorities having jurisdiction over the Regime shall be observed. No co-owner of any Unit shall permit or suffer anything to be done or kept in his Unit, or on the General or Limited Common Elements, which will increase the rate of insurance on the Regime, or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises, nor shall any such co-owner undertake any use or practice which shall create and constitute a nuisance to any other co-owner of a Unit, or which interferes with the peaceful possession and proper use of any other Unit or the General or Limited Common Elements. Nothing herein shall prevent the Developer from exercising rights reserved for or granted to it herein, including those set out in Article V.

XVII. Right of Entry into Units in Emergencies

In case of any emergency originating in or threatening any Unit, regardless of whether the co-owner is present at the time of such emergency, the Board of Directors of the Association or any other person or firm authorized by it, or the building superintendent or managing agent, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the co-owner of each Unit, if required by the Association, shall deposit under the control of the Association a key to such Unit.

XVIII. Right of Entry for Maintenance of General Common Elements

Whenever it is necessary to enter any Unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Elements, the co-owner of each Unit shall permit other co-owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such Unit, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XIX. Limitation Upon Right of Co-Owners to Alter and Modify Units

Subject to Article V of this Master Deed regarding the responsibility of some Unit owners to finish and maintain interior Unit area and/or Limited Common Element Foyer Area and the rights reserved or granted to Developer, no co-owner of a residential Unit once built out in accordance with plans approved by Grantor, Developer, or the Board of Directors of the Association shall permit any structural modification or alterations to be made therein without first obtaining the written consent of the Association, whose consent may be withheld if a majority of the Board of Directors of said Association determine, in their sole discretion, that such structural modifications or alterations would affect or in any manner endanger the building in part or in its entirety. If the modification or alteration desired by the co-owner of any residential Unit involves the removal of any permanent interior partition, the Association shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting General or Limited Common Elements located therein. No co-owner shall cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, or the installation of electrical wiring, wire, television, radio or telecommunication antennae, machines or air conditioning units which may protrude through the walls or roof of the building, or in any manner change the appearance of any portion of the building. No storm panels or awnings shall be affixed to any Unit without first obtaining the written consent of the Association.

XX. Right of the Association to Alter and Improve General and Limited Common Elements and Assessment Therefor

The Association shall have the right to make or cause to be made alterations, modifications, and improvements to the General and Limited Common Elements, provided such alterations, modifications, or improvements are first approved in writing by the Board of Directors of the Association and also by the co-owners of sixty-seven percent (67%) or more of the Units in the entire Regime. The cost of such alterations, modifications, or improvements shall be assessed as common expenses and collected from the co-owners of all Units according to their percentage of ownership of the General and Limited Common Elements.

Notwithstanding the above, the Association shall have the right to make or cause to be made alterations, modifications, repairs and improvements to the Limited Common Element parking spaces (including the Parking Lift), the Limited

Common Element Foyer Areas on each applicable level, and the Limited Common Element Penthouse Elevator, provided such alterations, modifications, repairs and improvements are first approved by the Board of Directors of the Association. The cost of such alterations, modifications, repairs, or improvements shall be assessed as a Specific Assessment and collected from only those co-owners of Units directly benefitting from such work, except for the Parking Lift, the cost of which will be assessed as a common expense against all Units in the Regime.

If a co-owner is responsible for finishing and/or maintaining any Limited Common Area or portion thereof in accordance with the provisions of this Master Deed and fails to do so in the judgment of the Board of Directors of the Association, the Association shall have the authority to complete the work and/or maintenance and assess a Specific Assessment against said co-owner, which shall be a lien on said co-owner's Unit until paid in full along with all accrued interest, costs, and attorney's fees related to collection in accordance with Article XXVIII of this Master Deed.

XXI. Maintenance and Repair by Co-Owners of Units

Every co-owner must perform promptly all maintenance and repair work within his Unit which, if omitted, would adversely affect the Regime in its entirety or in a part belonging to other co-owners, and is expressly responsible for the damages and liability which his failure to do so may engender. The co-owner of each Unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment located within the Unit, hot water heaters, stoves, refrigerators, garbage disposals, dishwashers, fans, or other appliances or equipment, including any fixtures and/or their connections or receptacles required to provide water, light, power, telephone, television, and sewerage and sanitary service to his Unit and which may now or hereafter be situated in his Unit including toilets, lavatories, sinks, tubs, and showers. Such co-owner shall further be responsible and liable for maintenance, repair, and replacement of any and all window glass, glass doors, wall, ceiling and floor surfaces or coverings, painting, decorating and furnishings, and all other accessories which such co-owner may desire to place or maintain in his Unit. Whenever the maintenance, repair, and replacement of any items for which the co-owner of a Unit is obligated to maintain, repair, or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association, or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair, and replacement. Any cost of maintenance, repair, or replacement, by reason of the applicability of any deductibility provision of such insurance which is not paid by the insurance of the Association, shall be paid by such Co-owner. Reference is made to S.C. Code Ann. §27-31-250 (1976) as amended, which is controlling of insurance proceeds use when said code section is applicable by its terms.

If a co-owner fails to perform promptly any maintenance or repair work within his Unit in accordance with the provisions of this Master Deed or that would adversely affect the Regime in its entirety or in a part belonging to other

co-owners, in the judgment of the Board of Directors of the Association, the Association shall have the authority to complete the work and/or maintenance and assess a Specific Assessment against said co-owner, which shall be a lien on said co-owner's Unit until paid in full along with all accrued interest, costs, and attorney's fees related to collection in accordance with Article XXVIII of this Master Deed.

If a Unit or any portion thereof is damaged by another co-owner's Unit, whether due to the other co-owner's failure to maintain their Unit or not, the Association shall be responsible for repairing the damage and fixing the cause of the problem. If the damage was caused by the other co-owner's failure to properly maintain their Unit in accordance with the provisions of this Master Deed, the Association shall have the authority to assess a special assessment against the negligent co-owner, which shall be a lien on said co-owner's Unit until paid in full along with all accrued interest, costs, and attorney's fees related to collection in accordance with Article XXVIII of this Master Deed. If the Unit damage was caused by a problem with the Common Elements, the Association shall be responsible for the cost of repair.

Co-owners are hereby notified of the following Unit temperature control recommendations in order to insure proper humidity levels to protect woodwork, furniture and electronic equipment in the Units: During the summer months, no higher than eighty (80°) degrees; during the winter months, no lower than fifty (50°) degrees. Co-owners are responsible for any damage to their Units or to the contents of their Units if these temperature control recommendations are not adhered to.

XXII. Maintenance and Repair of General and Limited Common Elements by the Association

Except as provided for in Article V and Article XX of this Master Deed regarding maintenance of the various Limited Common Elements, the Association, at its expense, shall be responsible for the maintenance, repair, and replacement of all of the General and Limited Common Elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring, and other facilities located in the General or Limited Common Elements for the furnishing of utility services to the Units and said General and Limited Common Elements. Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair, or replacement of any General or Limited Common Elements, the Association shall, at its expense, repair such incidental damage. Excepted herefrom, however, is the air-conditioning compressors on the roof and the second level which shall be maintained, repaired, and replaced by the Unit Co-owner, unless such maintenance, repair, replacement is covered by the insurance maintained by the Association.

The Association is responsible for insuring that the Regime's management company conduct, or have conducted at the Association's expense, a visual inspection of the exterior Common Elements of the building a minimum of twice a year or as necessary for the purpose of determining needed repairs and maintenance and to insure

that the building does not deteriorate and compromise the water tightness of the exterior skins. Said visual inspection shall include, but not be limited to, the following: (1) exterior surfaces; (2) sealant around doors, windows and all dissimilar materials; (3) the balconies; (4) roof, flashing and roof penetrations at mechanical units; and (5) handrail sleeves and anchorage.

XXIII. Personal Liability and Risk of Loss of Co-Owner and Unit and Separate Insurance Coverage, Etc.

The co-owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects, and other personal property belonging to such co-owner and may, at his own expense and option, obtain insurance coverage against personal liability or injury to the person or property of another while within such co-owner's Unit or upon the General or Limited Common Elements. All such insurance obtained by the co-owner of each Unit shall, where available, provide that the insurer waives its right of subrogation as to any claims against other co-owners of Units, the Association, and the respective servants, agents and guests of said other co-owners and the Association. Risk of loss or, damage to any furniture, furnishings, personal effects, and other personal property (other than such furniture, furnishings, and personal property constituting a portion of the General or Limited Common Elements or which is insured by the Association) belonging to a Co-owner or carried on the person of the co-owner of each such Unit or carried by such Co-owner in, to, or upon General or Limited Common Elements shall be borne by the co-owner of each such Unit. All furniture, furnishings, and personal property constituting a portion of the General or Limited Common Elements and held for the joint use and benefit of all co-owners of all Units shall be covered by such insurance as shall be maintained in force and effect by Association as hereinafter provided. The co-owner of a Unit shall have no personal liability for any damages caused by the Association or in connection with the use of the General or Limited Common Elements. The co-owner of a Unit shall be liable for injuries or damage resulting from an accident in his own Unit, to the same extent and degree that the co-owner of a house or business would be liable for an accident occurring within the house or business premises.

XXIV. Condemnation

A. Units Acquired. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain, leaving the Unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Deed, the award must compensate the Unit owner for his Unit and its General and Limited Common Element interest, whether or not any General or Limited Common Element interest is acquired. Upon acquisition, unless the decree otherwise provides, that Unit's entire General and Limited Common Element interest, votes in the Association, and common expense liability are automatically reallocated to the remaining Units in proportion to the respective interests and votes, and the Association shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is

thereafter a General and Limited Common Element.

B. Part of Unit Acquired. Except as provided above, if part of a Unit is acquired by eminent domain, the award must compensate the Unit owner for the reduction of value of the Unit and its common element interest. Upon acquisition, (1) that Unit's Limited and General Common Element percentage interest, votes in the Association, and common expense liability are reduced in proportion to the reduction in size of the Unit, and (2) the portion of Limited and General Common Element interest, votes, and common expense liability divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in the percentages set out in Exhibit "D".

C. Claims. The Board of Directors of the Association shall have exclusive authority to negotiate and settle on behalf of the owners all claims arising from condemnation of any portion or all of the Units or General or Limited Common Elements and the owners hereby appoint the Board of Directors as their attorney in fact for this purpose. Any proceeds from such condemnation shall be distributed in accordance with the provisions of Article XXV, Paragraph F, entitled "Insurance Proceeds."

XXV. Insurance

A. Hazard Insurance. The Association shall insure all Units and all General and Limited Common Elements against all hazards and risks normally covered by a standard hazard policy, including fire and lightning, the hazards and risks covered by "extended coverage," vandalism, and malicious mischief, and by hazards or risks covered by the National Flood Insurance Act, windstorm and hail policies and all other coverage commonly required by lending institutions in the area. All Units and all General and Limited Common Elements shall be insured for the full replacement cost thereof, and where possible, the policy of insurance shall have a full replacement cost rider. Each year the Association shall update the replacement value cost rider. Such insurance shall cover only the Units and General and Limited Common Elements. The Association shall not be responsible for insuring the contents of the Unit (other than standard fixtures originally installed therein by Grantor and Unit co-owners being a part of such Unit). The hazard insurance obtained by the Association may provide that any amount not to exceed One Thousand Dollars (\$1,000.00) shall be deductible from any indemnity payable on account of a single loss, but any such deductible portion shall be borne by the Association as a Common Expense regardless of the number of co-owners directly affected by the loss.

B. Liability Insurance. The Association shall also obtain premises liability insurance on all Units and General and Limited Common Elements and the policy shall provide for a single limit indemnity of not less than One Million Dollars (\$1,000,000.00) and cover bodily and personal injury and property damage. Such liability insurance shall cover claims of one or more co-owners against one or more co-owners as well as claims of third parties against one or more co-owners. The Association shall not be required however, to obtain public liability insurance covering accidents

occurring within the limits of a Unit or off the Regime Property. If available at a reasonable cost, the Association shall cause premises medical payment coverage to be included within the policy of liability insurance.

C. General Provisions. All insurance obtained on the Units and General and Limited Common Elements by the Association shall be written in the name of the Association as trustee for the Owners, and the cost of such insurance shall be a common expense. All such insurance shall be obtained from a company of companies licensed to do business in the State of South Carolina and currently rated "A" or better by Best's Insurance Ratings. No such insurance shall be permitted to expire except upon resolution of sixty-seven percent (67 %) of the co-owners to that effect and all mortgagees. Duplicate originals of all policies of hazard insurance obtained on the Property by the Board of Directors, together with proof of payment of the premiums thereon, shall be delivered upon request to any co-owner or to any person holding a security interest in a Unit.

D. Hazard Policy Provisions. All policies of hazard insurance on the Units and General and Limited Common Elements obtained by the Board of Directors shall provide as follows:

1. The indemnity payable on account of any damage to or destruction of the Units or General and Limited Common Elements shall be payable to the owner and/or to any persons holding security interests in any damaged Units as their interests may appear;
2. The policy shall not be canceled without thirty (30) days' prior written notice to the Board of Directors and to every holder of a security interest in any Unit who is named in the policy or an endorsement thereto;
3. No co-owner shall be prohibited from insuring his own Unit for his own benefit;
4. No insurance obtained by a co-owner on his own Unit shall be brought into contribution with the insurance obtained by the Board of Directors;
5. If the Board of Directors determines that it is possible to obtain such a provision, no right to subrogation shall exist against any owner or members of his household or his social guests;
6. If possible, the policy should provide that the insurer shall not be entitled to reconstruct in lieu of paying the indemnity in cash if the owners determine, in the manner provided in the Master Deed, not to repair or restore the damaged property; and
7. The policy shall not be canceled on account of the actions of one or more of the co-owners.

If a policy of insurance containing all of the foregoing provisions cannot be obtained at a reasonable cost, one or more of such provisions may be waived by resolution of a sixty-seven percent (67 %) of the co-owners and fifty-one percent (51%) of the mortgagees of Units.

E. Claims. The Board of Directors of the Association shall have exclusive authority to negotiate and settle on behalf of the owners all claims arising under policies of hazard insurance obtained on the Property by the Board of Directors except to the extent institutional mortgagees are granted such rights by co-owners. In the event of damage to or destruction of any portion of the Units or General or Limited Common Elements, the Board of Directors shall promptly file a claim for any indemnity due under any such policies. The Board of Directors shall simultaneously notify the holders of any security interest in the Property who may be entitled to participate in such claim of the filing of same.

F. Insurance Proceeds. If the insurance proceeds exceed Fifty Thousand (\$50,000.00) Dollars, the net proceeds received by the Board of Directors from any indemnity paid under a policy of hazard insurance obtained on the Property by the Board of Directors shall promptly be paid by the Board of Directors to an Insurance Trustee as trustee for the co-owners as hereinafter provided. The Insurance Trustee shall be a state or federally chartered bank or savings and loan association selected by the Board of Directors and having trust powers and capital and surplus of Five Million Dollars (\$5,000,000.00) or more or a Professional Property Management Company with a like amount of Fidelity insurance coverage. The Insurance Trustee shall hold the insurance proceeds in trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

1. If the co-owners determine, in the manner provided in the Master Deed, not to reconstruct the damaged property, the Insurance Trustee shall distribute the insurance proceeds among all the owners and/or mortgagees with liens upon the Units, as their respective interests may appear, in proportion to their respective undivided interests in the portion or portions of the property damaged or destroyed.
2. If the Board of Directors is required to provide for the reconstruction of the damaged property, the Insurance Trustee shall disburse the insurance proceeds to the person or persons employed by the Board of Directors to effect such reconstruction in accordance with written authorizations submitted to the Insurance Trustee by the architect supervising the reconstruction or by the Board of Directors. Any portion of the insurance proceeds remaining after all the costs of reconstructing the Property have been paid shall be disbursed to the co-owners and their mortgagees in proportion to their interests in the portion or portions of the property repaired or restored.

In making disbursements of the insurance proceeds, the Insurance Trustee shall be entitled to rely upon the written authorization submitted as provided above or upon any written certification of facts submitted to the Insurance Trustee

by the Board of Directors as hereinafter provided without further inquiry. The Insurance Trustee shall in no event be responsible for obtaining insurance on the Property, paying the premiums on any such insurance, or filing claims for any payments due under any such insurance.

G. Insurance by Owners. Each co-owner shall be responsible for obtaining such amounts of the following types of insurance as he deems necessary or desirable:

1. Hazard insurance on his Unit for his own benefit;
2. Hazard insurance on the contents of his Unit and on improvements made to his Unit; and
3. Liability insurance covering accidents occurring within the boundaries of his Unit.

Any owner who obtains hazard insurance on his dwelling for his own benefit shall within thirty (30) days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance, should the Board request.

XXVI. Apportionment of Tax or Special Assessment if Levied and Assessed Against the Regime as a Whole

In the event that any taxing authority having jurisdiction over the Regime shall levy or assess any tax or special assessment against the Regime as a whole, as opposed to levying and assessing such tax or special assessment against each Unit and its appurtenant undivided interest in General and Limited Common Elements as now provided by law, then such tax or special assessment so levied shall be paid as a common expense by the Association, and any taxes or special assessments which are to be levied shall be included wherever possible, in the estimated annual budget of Association, or shall be separately levied and collected as an assessment by the Association, against all of the co-owners of Units and said Units if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by the Association in the event that such tax or special assessment is levied against the Regime, as a whole, instead of against each separate Unit and its appurtenant undivided interest in General and Limited Common Elements shall be apportioned among the co-owners of all Units so that the amount of such tax or special assessment so paid or to be paid by the Association and attributable to and to be paid by the co-owner or co-owners of each Unit shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in General and Limited Common Elements appurtenant to each Unit bears to the total undivided interest in General and Limited Common Elements appurtenant to all Units. In the event that any tax or special assessment shall be levied against the Regime in its entirety, without apportionment by the taxing authority of the Regime and appurtenant undivided interests in General and Limited Common Elements, then the assessment by the Association, which shall include the proportionate share of such tax or special assessment attributable to each Unit and

its appurtenant undivided interest in General and Limited Common Elements, shall separately specify and identify the amount of such assessment attributable to such tax or special assessments and the amount of such tax or special assessment so designated shall be a lien prior to all mortgages and encumbrances upon any Unit and its appurtenant undivided interest in General and Limited Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Unit and its appurtenant undivided interest in General and Limited Common Elements.

XXVII. Amendment of Master Deed

Unless a greater percentage is required by this Master Deed, neither this Master Deed nor any of its provisions shall be revoked or amended without the acquiescence of the co-owners owning at least two-thirds of the Units and at least two-thirds of the total interest in the General and Limited Common Elements and the record holders of encumbrances affecting at least two-thirds of the Units and at least two-thirds of the total interest in the General and Limited Common Elements and the Developer so long as it owns one Unit, except that the system of administration as set forth in the Articles of Incorporation and By-Laws may be amended and modified from time to time in accordance with the provisions of the South Carolina Horizontal Property Act and other applicable provisions of the Code of Laws of South Carolina. Any such amendment or revocation shall be executed and subscribed with the same formalities required in South Carolina for the making of deeds, and recorded in the public records of Charleston County.

Without limiting the foregoing, the Grantor and/or Developer, their successors or assigns, "acting alone" shall have the power, but not the obligation, at any time (and from time to time), to amend the Master Deed to (i) correct typographical or scrivener's errors, (ii) to cause the Master Deed to conform to the requirements of the South Carolina Horizontal Property Act, and (iii) prior to conveying any Units (except those Units retained by the Grantor) upon completion of renovation to reaffirm the Regime as constructed.

XXVIII. Remedies in Event of Default

The co-owner or co-owners of each Unit shall be governed by and shall comply with the provisions of this Master Deed, the Articles and the By-Laws of the Association, and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the co-owner or co-owners of any Unit shall entitle the Association or the co-owner or co-owners of other Unit or Units to the following relief:

A. Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles of Incorporation, By-Laws of the Association, its rules and regulations, or decisions made pursuant

thereto shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof. Relief may be sought by the Association, or if appropriate, by an aggrieved co-owner of a Unit or both;

B. The co-owner or co-owners of each Unit shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, clients, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation;

C. In any proceeding arising because of an alleged default by the co-owner of any Unit, the Association, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the Court, and the co-owner of any Unit shall be entitled to such attorney's fees and costs if successful in such action;

D. The failure of the Association or of the co-owner of a Unit to enforce any right, provision, covenant, or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of the Association or of the co-owner of a Unit to enforce such right, provision, covenant, or condition in the future;

E. All rights, remedies, and privileges granted to Association or the Co-owner or co-owners of a Unit pursuant to any terms, provisions, covenants; or conditions of this Master Deed or other above mentioned documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies, or privileges as may be available to such party at law or in equity; and

F. The failure of the Grantor, Developer or the lender to enforce any right, privilege, covenant, or condition which may be granted to them, or either of them, by this Master Deed or other above mentioned document shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provision, covenant, or condition in the future.

XXIX. Use or Acquisition of Interest in the Regime to Render User or Acquirer Subject to Provisions of Master Deed Rules and Regulations, Bylaws and Binding Arbitration

All present or future co-owners, tenants, or any other person who might use the facilities of the Regime in any manner are subject to the provisions of this Master Deed and all documents appurtenant thereto and incorporated herewith. The acquisition or rental of any Unit, or the mere act of occupancy of any Unit, shall signify that the provisions of this Master Deed, By-laws, and Rules and Regulations of the Association are accepted and ratified in all respects.

Any dispute arising out of use, ownership or occupancy of a Unit or the Common Elements in the Regime and any complaint against the Grantor or Developer shall be settled by binding arbitration pursuant to the South Carolina Arbitration Act in accordance with Article XXXV of this Master Deed.

XXX. Council of Co-Owners Association, Control of Board of Directors

Subject to the remainder of this paragraph, the Developer may appoint and remove members of the Board of Directors of the Association of the Co-Owners ("Board") for a period not exceeding five (5) years from the date of the first conveyance of any Unit to a person or entity other than the Developer. This period of Developer control terminates no later than sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit owners other than the Developer. The Developer may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period. After termination of the Developer's control, any or all of the Board of Directors may be removed or replaced by written petition signed by the Co-Owners having more than fifty percent (50%) of the votes of the Association. The petition shall state the name(s) of the Board of Directors being removed and the name(s), address(es) and telephone number(s) of the replacement Director(s).

Whenever Developer shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles and/or By-Laws of the Association. Developer shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed for the remainder of the unexpired term of any director or directors so removed. Any director designated and selected by Developer need not be an owner or a resident in the Regime. Anything to the contrary notwithstanding, the power in the Developer to designate directors shall terminate five (5) years from the date of recording of the Master Deed.

Any representative of Developer serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any management contract or other matter between Developer and Association where the said Developer may have a pecuniary or other interest. Similarly, Developer, as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between Developer and Association where Developer may have a pecuniary or other interest.

Transfer of Rights. All rights, duties and obligations of the Developer herein may be experienced or performed by the Developer, its successors and assigns.

XXXI. Annual Reports to be Provided to Lender

So long as any institutional lender is the co-owner or holder of a mortgage encumbering a Unit in the Regime, the Association shall furnish said lender upon request with at least one copy of the annual financial statement and report of the Association compiled satisfactorily, setting forth such details as the said lender may reasonably require, including a detailed statement of annual carrying charges or income collected and operating expense, with such financial statement and report to be furnished within ninety (90) days following the end of each fiscal year.

Such statement shall be prepared in accordance with generally accepted accounting principles and shall contain the certificate of the accountant or accounting firm to that effect. Further, the accountant or accounting firm shall include as a special item(s) any information to which a reasonable man would attach importance in the management of his own financial affairs, should said information not appear readily from the face of the statement.

The Association shall make available to Unit owners, lenders, lienholders, insurers, or guarantors of any first mortgage current copies of the Master Deed, ByLaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Any holder, insurer, or guarantor of a first mortgage shall be entitled, upon written request, to a financial statement of the immediately preceding fiscal year, free of charge to the party so requesting.

Any financial statement requested pursuant to this section shall be furnished within a reasonable time following such request.

XXXII. Severability

In the event that any of the terms, provisions, or covenants of this Master Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants hereof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

XXXIII. Master Deed Binding Upon Grantor, Its Successor and Assigns, and Subsequent Co-Owners

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The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in General and Limited Common Elements. This Master Deed and all easements and rights reserved to it or granted to Developer herein shall be binding upon Grantor, the Developer, its successors and assigns, and upon all parties who may subsequently become co-owners of Units in the Regime and their respective heirs, legal representative, and successors and assigns.

XXXIV. Definitions

The definitions contained in S. C. Code Ann., § 27-31-10 et seq. (1976), as amended, are hereby incorporated herein and made a part hereof by reference. The words "Unit" and "Apartment" shall have the same meaning as the word "Apartment" as defined in S. C. Code Ann. § 27-31-20 (1976), as amended.

XXXV. Alternative Dispute Resolution

A. Definitions Applicable to this Article XXXV

1. Bound Party. Includes: Grantor; Developer; all Co-owners; the Association and its officers, directors, and committee members, including any corporation or other entity formed to serve as the Association; all persons and entities subject to this Master Deed; any person or entity not otherwise subject to this Master Deed who agrees to submit to this Article; any person or entity that now has or hereafter acquires any interest in a Unit; any person or entity that has previously or hereafter supplies (directly or indirectly) labor, materials, design services, equipment or other things of value in connection with the construction or maintenance of any Unit or Common Element in the Regime; any heir, successor, delegatee or assignee of any person or entity listed in this paragraph.

2. Claim. Refers to any claim, grievance or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of this Master Deed, including all documents attached thereto or incorporated by reference therein; (ii) the rights, obligations, and duties of any Bound Party under the Master Deed, including all documents attached thereto or incorporated by reference therein; (iii) the design or construction of improvement within the Regime; or (iv) Article IV of this Master Deed,

except that the following shall not be considered a Claim unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section B of this Article:

(i) any suit by the Association to collect assessments or other amounts due from any Co-Owner of a Unit; (ii) any suit between Unit Co-owners, which does not include Grantor, Developer or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Master Deed; and (iii) any suit in which any indispensable party is not a Bound Party.

3. Claimant. A Bound Party asserting a Claim.

4. Respondent. A Bound Party against whom a Claim is made.

B. Arbitration.

1. **Claimant hereby submits to in personam jurisdiction of the State of South Carolina and agrees that its Claim shall be determined by Arbitration as provided herein in the State of South Carolina and hereby waives all objections to venue or jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of South Carolina and Claimant agrees that any service of process may be accomplished by certified mail return receipt requested at the Claimant's last known home address or any other method allowed in the State of South Carolina or Claimant's home state.**

2. **Each and every Claim and cause of action arising out of or related in any way to the design, construction, sale, maintenance, habitability of, or condition of any Unit or any Common Area that is asserted by Claimant shall be resolved by final and binding arbitration before a panel of three (3) arbitrators pursuant to the Rules of the American Arbitration Association, as modified herein. The arbitration hearing shall be conducted in Charleston County, South Carolina. All Claims and causes of action of all persons and entities entitled to enforce (or bound by) this arbitration provision shall be asserted in a single arbitration proceeding, and multiple parties may be joined in the arbitration proceeding so that all disputes may be resolved in one forum. No Claim or cause of action may be asserted that would be barred by the statute of limitations or the statute of response.**

3. **In any arbitration proceeding, requests for production of documents may be served by each party, and non-privileged, responsive documents that would be discoverable under Rule 34 of the Federal Rules of Civil Procedure (were the Claims and causes of action being asserted in United States District Court) shall**

be produced. Depositions may be taken as allowed by the arbitration panel, which panel shall reasonably limit the number of depositions in order to avoid unnecessary or excessive expense, delay, or harassment.

4. The arbitration panel shall issue a written decision identifying with specificity each Claim or cause of action asserted or resolved in any arbitration, and the legal principles of res judicata and collateral estoppel shall be applicable to any arbitration award. Any arbitration award may be confirmed and enforced in any court of jurisdiction.

5. This arbitration provision is expressly intended to benefit and be enforceable by each bound party whether or not such person or entity is bound by this arbitration provision. Any attempt by any such person or entity to enforce this arbitration provision shall constitute conclusive consent to be bound hereby.

6. The award of the Arbitration shall be enforceable in any Court having jurisdiction in the same manner as any judgment rendered by any Court of South Carolina.

7. The Claimant expressly waives all resort to trial by jury of any and all issues hereunder otherwise so triable.

C. Association Claims

In addition to compliance with the foregoing arbitration procedures outlined in this Article, the Board shall not be authorized or obligated to, and the Association shall not initiate any claim or any judicial or administrative proceeding unless first approved by a seventy-five percent (75%) affirmative vote of the entire Association membership, except that no such approval shall be required for actions or proceedings:

- (1) initiated to enforce the provisions of this Master Deed other than the warranty premium of Article IV, including all documents attached thereto or incorporated by reference therein, including, but not limited to, collection of assessments and foreclosure of liens;
- (2) initiated to challenge property taxation or condemnation proceedings;
- (3) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section C shall not be amended unless such amendment is approved by the same percentage of

votes necessary to institute proceedings and by the Developer, as long as the Developer owns at least one Unit in the Regime.

D. Waiver of Jury Trial

BY ACCEPTANCE OF A DEED TO ANY UNIT OR OTHER PROPERTY HEREUNDER CO-OWNER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY HEREBY AGREE, THAT:

(i) NEITHER CO-OWNER NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF CO-OWNER OR GRANTOR OR DEVELOPER, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THE MATTERS SET FORTH HEREUNDER, OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE GRANTOR OR DEVELOPER, ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, ARCHITECTS, ENGINEERS AND THE CO-OWNERS;

(ii) NEITHER CO-OWNER NOR GRANTOR NOR DEVELOPER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

(iii) NEITHER OWNER NOR GRANTOR NOR DEVELOPER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

(iv) THE PROVISIONS CONTAINED IN THIS ARTICLE ARE A MATERIAL INDUCEMENT FOR GRANTOR AND DEVELOPER TO MAKE THE DECLARATIONS SET FORTH HEREIN.

XXXVI. Miscellaneous

(a) Attached hereto as Exhibit "E" and made a part hereof by reference is the Architect's Certificate required by S. C. Code Ann., §27-31-110 (1976), as amended.

(b) Attached hereto as Exhibit "G" and made a part hereof by reference is a copy of the By-Laws of

BKD 389PG294

the Association, as required by S. C. Code Ann., §27-31-150 (1976), as amended.

IN WITNESS WHEREOF, the Developer hereby acknowledges and accepts the rights and obligations applicable to Developer contained in this Master Deed by its signature this 28th day of November, 2001.

Signed, sealed and delivered
in the presence of:

The Peoples Building Sales, LLC

(SEAL)

[Signature]
R.M. [Signature]

By: [Signature]
As: Member

STATE OF SOUTH CAROLINA)
)
COUNTY OF Richland)

PROBATE

Personally appeared before me the undersigned witness and made oath that (s)he saw the within-named The Peoples Building Sales, LLC by W. Russell Drake, its Member, sign, seal and as its act and deed, deliver the within written instrument for the uses and purposes therein mentioned, and that (s)he with the other witness witnessed the execution thereof.

[Signature]

Sworn to before me this 28th
day of November, 2001.

[Signature] (L.S.)

Notary Public for South Carolina

My Commission Expires: My Commission Expires March 8, 2009

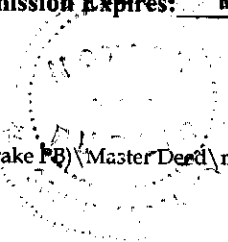


EXHIBIT "A"

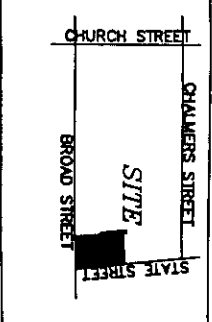
[INSERT LEGAL DESCRIPTION]

EXHIBIT "A"

All that certain piece, parcel or tract of land, with improvements thereon, situate, lying and being on the north side of Broad Street and west side of State Street in the City of Charleston, County of Charleston, State of South Carolina, being shown and delineated on a "Boundary Plat of TMS # 458-09-03-028, 18 Broad Street, owned by Peoples Building Co." by Berenyi Incorporated dated July 10, 2000, and recorded in the Register of Mesne Conveyance Office for Charleston County in Plat Book DC, at Page 470, and more particularly shown and delineated on a "Boundary Plat of TMS # 458-09-03-028, 18 Broad Street, owned by Peoples Building Co." by Berenyi Incorporated dated November 5, 2001, and recorded in the Register of Mesne Conveyance Office for Charleston County in Plat Book DD, at Page 10, and according to said plats having the following metes and bounds: Beginning at a drill hole at the intersection of State Street and Broad Street, "Point A" and running along the right of way of Broad Street S78°28'55"W for a distance of 76.08 feet to "Point B" on said plat; thence turning and running along land now or formerly of Stephen J. Shmotz N12°13'50"W for a distance of 53.91 feet to "Point C"; thence continuing along lands now or formerly of Shmotz N14°57'34"W for a distance of 14.35 feet to "Point D"; thence turning and continuing along lands now or formerly of Shmotz S74°41'10"W for a distance of 14.90 feet, to "Point E"; thence turning and running along undesignated lands N15°09'25"W for a distance of 93.48 feet to "Point F"; thence turning and running along undesignated lands N75°55'11"E for a distance of 16.70 feet to "Point G"; thence turning and running along undesignated lands S15°21'28"E for a distance of 11.69 feet to "Point H"; thence turning and running along undesignated lands N78°01'06"E for a distance of 73.08 feet to "Point I"; thence turning and running along the right of way of State Street S17°05'43"E for a distance of 22.59 feet to "Point J"; thence turning and running along the right of way of State Street S14°03'41"E for a distance of 127.85 feet to "Point A" the point of beginning, be all measurements a little more or less.

EXHIBIT "B"

[PLAT & ELEVATION CERTIFICATE]



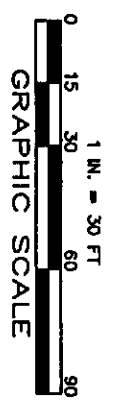
VICINITY MAP
MNS

PROPERTY INFORMATION

OWNER: PEOPLES BUILDING CO.
 THOMA EAST BAY LLC
 PROPERTY ADDRESS: 18 BROAD STREET
 CHARLESTON SOUTH CAROLINA
 LEGAL DESCRIPTION: LOT 18, 20, 22 BROAD AND STATE
 SUBDIVISION/LOCATION: N/A
 CITY/TOWN: CHARLESTON
 COUNTY: CHARLESTON
 TAX MAP NUMBER: 458-09-03-028
 ZONING: LB
 FLOOD ZONE & ELEVATION: ZONE B NONE
 FLOOD ZONE PANEL NUMBER: 4554120022 D
 FLOOD ZONE PANEL DATE: 11-05-1988

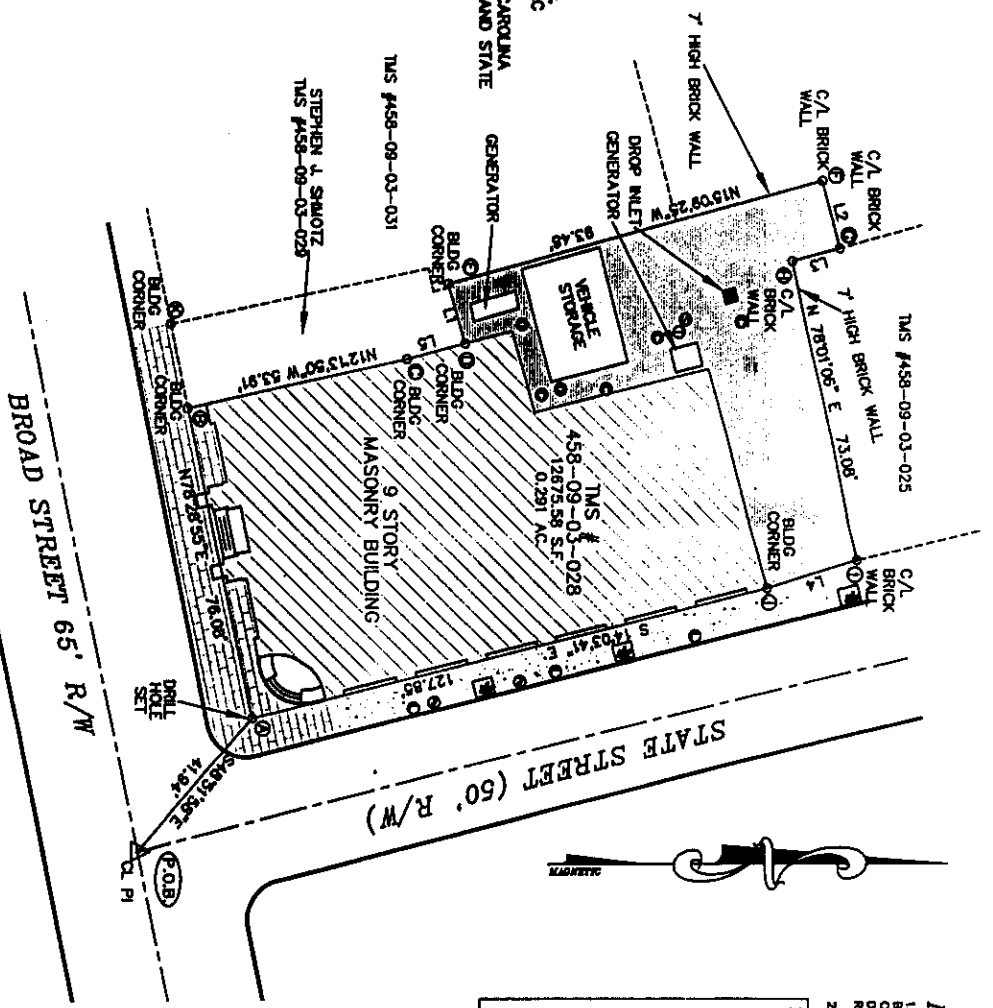
NOTICES:

1. ANYTHING SHOWN OUTSIDE THE DOTTED BOUNDARY OF THIS SITE IS FOR DESCRIPTIVE PURPOSES ONLY.
2. THIS SITE WAS DETERMINED BY THE COORDINATE METHOD.
3. THE PUBLIC RECORDS REFERENCED ARE ONLY THOSE USED FOR THE ESTABLISHMENT OF THE BOUNDARY OF THIS PROPERTY. THEY ARE NOT AND DO NOT CONSTITUTE A TITLE SURVEY. OWNERS ARE 5/8" BEHIND SET UNLESS NOTED.
4. THIS SURVEY SHOWS ONLY CASUALTIES WHICH ARE GRANTED OR APPOINTED TO THE SURVEYOR.
5. THIS PROPERTY IS LOCATED IN FLOOD ZONE B PER FINAL COMMUNITY PANEL 455412 0022 D, RECORDED NOVEMBER 8, 1988.



1. HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND TO THE BEST OF MY INFORMATION AND BELIEF, I AM A LICENSED SURVEYOR IN THE STATE OF SOUTH CAROLINA, AND I HAVE PREPARED THIS SURVEY IN ACCORDANCE WITH THE REQUIREMENTS OF THE LAND SURVEYING ACT AND THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA. MY FEE DOES NOT EXCEED THE REQUIREMENTS PER S.A.S.S. "A" SURVEY AS SPECIFIED THEREIN.

DATE: 11-5-01
 SURVEYOR: GY. BERTON, PLS 21228



BERENYI INCORPORATED
 ENGINEERS - ARCHITECTS - LAND SURVEYORS
 3308 KENNESAW ROAD
 LANSING, SOUTH CAROLINA 29355
 TEL: (803) 88-4885 FAX: (803) 88-2200



SURVEYOR'S SEAL

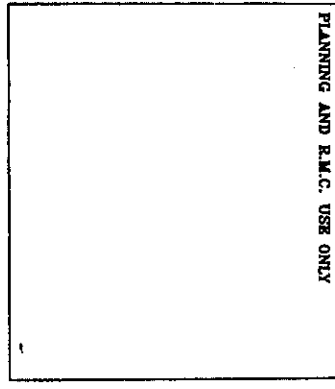
CORPORATE SEAL

PROJECT NUMBER: 00-153

REFERENCES:

1. BOUNDARY PLAT OF 18 BROAD STREET OWNED BY THE PEOPLES BUILDING CO. AND THOMA EAST BAY LLC, CHARLESTON SOUTH CAROLINA, IN THE CITY OF CHARLESTON, SOUTH CAROLINA, DATED 07-10-2000, AND RECORDED AT THE CITY OF CHARLESTON REC OFFICE IN PLAT BOOK DC, PAGE 470, ON 08-10-2000.
2. TAX MAP 458-09-03-028

PLANNING AND E.M.C. USE ONLY



- LEGEND:**
- PROPERTY LINE WITH PROPERTY CORNER FOUND (AS DESCRIBED)
 - PROPERTY LINE WITH PROPERTY CORNER SET
 - RIGHT OF WAY LINE
 - ADJACENT PROPERTY LINE
 - CENTER LINE
 - SURVEY SERIES UNWALLED
 - TELEPHONE PEDESTAL
 - PARADE WALKER
 - LAMP POST
 - DRAIN
 - DROP INLET
 - PLUNGER & 12" PAVL

LINE	LENGTH	BEARING
L1	14.90	N72°41'10"E
L2	16.70	N75°55'11"E
L3	11.69	S18°21'28"E
L4	22.99	S17°05'43"E
L5	14.35	N14°57'34"W

BOUNDARY PLAT
 OF TMS # 458-09-03-028
 18 BROAD STREET
 OWNED BY PEOPLES BUILDING CO.
 LOCATED IN THE CITY OF CHARLESTON
 CHARLESTON COUNTY, SOUTH CAROLINA
 SCALE 1 INCH = 30 FT
 DATED 11-05-2001

Recorded 11-08-01
 Plat Book DD at Page 10

FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 3067-0077
Expires July 31, 2002

ELEVATION CERTIFICATE

Important: Read the instructions on pages 1 - 7.

SECTION A - PROPERTY OWNER INFORMATION

BUILDING OWNER'S NAME Thowa East Bay, LLC.		For Insurance Company Use: Policy Number	
BUILDING STREET ADDRESS (Including Apt., Unit, Suite, and/or Bldg. No.) OR P.O. ROUTE AND BOX NO. 18 Broad Street		Company NAIC Number	
CITY Charleston	STATE SC	ZIP CODE 29401	
PROPERTY DESCRIPTION (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.) TMS#458-09-03-028			
BUILDING USE (e.g., Residential, Non-residential, Addition, Accessory, etc. Use Comments section if necessary.) Residential / Office			
LATITUDE/LONGITUDE (OPTIONAL) (##° - ##' - ##.##" or ##.####")	HORIZONTAL DATUM: <input type="checkbox"/> NAD 1927 <input type="checkbox"/> NAD 1983	SOURCE: <input type="checkbox"/> GPS (Type): <input type="checkbox"/> USGS Quad Map <input type="checkbox"/> Other:	

SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION

B1. NFIP COMMUNITY NAME & COMMUNITY NUMBER 4554120 City of Charleston		B2. COUNTY NAME Charleston		B3. STATE SC	
B4. MAP AND PANEL NUMBER 022	B5. SUFFIX D	B6. FIRM INDEX DATE	B7. FIRM PANEL EFFECTIVE/REVISED DATE 11-05-1985	B8. FLOOD ZONE(S) B	B9. BASE FLOOD ELEVATION(S) (Zone AO, use depth of flooding)

B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in B9.
 FIS Profile FIRM Community Determined Other (Describe):

B11. Indicate the elevation datum used for the BFE in B9: NGVD 1929 NAVD 1988 Other (Describe):

B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or Otherwise Protected Area (OPA)? Yes No
Designation Date

SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)

C1. Building elevations are based on: Construction Drawings* Building Under Construction* Finished Construction
*A new Elevation Certificate will be required when construction of the building is complete.

C2. Building Diagram Number _ (Select the building diagram most similar to the building for which this certificate is being completed - see pages 6 and 7. If no diagram accurately represents the building, provide a sketch or photograph.)

C3. Elevations - Zones A1-A30, AE, AH, A (with BFE), VE, V1-V30, V (with BFE), AR, AR/A, AR/AE, ARVA1-A30, AR/AH, AR/AO
Complete Items C3a-i below according to the building diagram specified in Item C2. State the datum used. If the datum is different from the datum used for the BFE in Section B, convert the datum to that used for the BFE. Show field measurements and datum conversion calculation. Use the space provided or the Comments area of Section D or Section G, as appropriate, to document the datum conversion.
Datum 29 Conversion/Comments This section for reference only.

Elevation reference mark used 11 Does the elevation reference mark used appear on the FIRM? Yes No

a) Top of bottom floor (including basement or enclosure) 14.1 ft.(m)

b) Top of next higher floor _____ ft.(m)

c) Bottom of lowest horizontal structural member (V zones only) _____ ft.(m)

d) Attached garage (top of slab) _____ ft.(m)

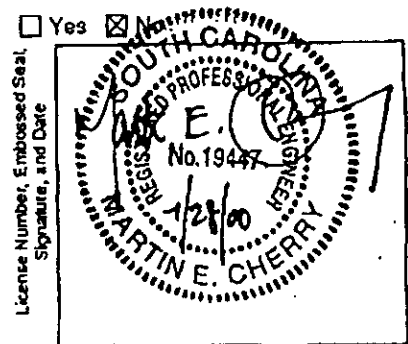
e) Lowest elevation of machinery and/or equipment servicing the building 14.1 ft.(m)

f) Lowest adjacent grade (LAG) 11.0 ft.(m)

g) Highest adjacent grade (HAG) 14.0 ft.(m)

h) No. of permanent openings (flood vents) within 1 ft. above adjacent grade

i) Total area of all permanent openings (flood vents) in C3h _____ sq. in. (sq. cm)



SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION

This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. I certify that the information in Sections A, B, and C on this certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.

CERTIFIER'S NAME Martin E. Cherry

LICENSE NUMBER 19447

TITLE Civil Engineer

COMPANY NAME Berenyi, Inc.

ADDRESS
3509 Ironhorse Drive
SIGNATURE

CITY
Ladson
DATE
7/28/00

STATE
SC
TELEPHONE
843.821.6615

ZIP CODE
29456

IMPORTANT: In these spaces, copy the corresponding information from Section A.		For Insurance Company Use:	
BUILDING STREET ADDRESS (Including Apt., Unit, Suite, and/or Bldg. No.) OR P.O. ROUTE AND BOX NO. 18 Broad Street		Policy Number	
CITY Charleston	STATE SC	ZIP CODE	Company NAIC Number

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (CONTINUED)

Copy both sides of this Elevation Certificate for (1) community official, (2) insurance agent/company, and (3) building owner.

COMMENTS

Check here if attachments

SECTION E - BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED) FOR ZONE AO AND ZONE A (WITHOUT BFE)

For Zone AO and Zone A (without BFE), complete Items E1 through E4. If the Elevation Certificate is intended for use as supporting information for a LOMA or LOMR-F, Section C must be completed.

- E1. Building Diagram Number (Select the building diagram most similar to the building for which this certificate is being completed - see pages 6 and 7. If no diagram accurately represents the building, provide a sketch or photograph.)
- E2. The top of the bottom floor (including basement or enclosure) of the building is ___ ft.(m) ___ in (cm) above or below (check one) the highest adjacent grade.
- E3. For Building Diagrams 6-8 with openings (see page 7), the next higher floor or elevated floor (elevation b) of the building is ___ ft.(m) ___ in.(cm) above the highest adjacent grade.
- E4. For Zone AO only: If no flood depth number is available, is the top of the bottom floor elevated in accordance with the community's floodplain management ordinance? Yes No Unknown. The local official must certify this information in Section G.

SECTION F - PROPERTY OWNER (OR OWNER'S REPRESENTATIVE) CERTIFICATION

The property owner or owner's authorized representative who completes Sections A, B, and E for Zone A (without a FEMA-issued or community-issued BFE) or Zone AO must sign here.

PROPERTY OWNER'S OR OWNER'S AUTHORIZED REPRESENTATIVE'S NAME _____

ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____

SIGNATURE _____ DATE _____ TELEPHONE _____

COMMENTS _____

Check here if attachments

SECTION G - COMMUNITY INFORMATION (OPTIONAL)

The local official who is authorized by law or ordinance to administer the community's floodplain management ordinance can complete Sections A, B, C (or E), and G of this Elevation Certificate. Complete the applicable item(s) and sign below.

- G1. The information in Section C was taken from other documentation that has been signed and embossed by a licensed surveyor, engineer, or architect who is authorized by state or local law to certify elevation information. (Indicate the source and date of the elevation data in the Comments area below)
- G2. A community official completed Section E for a building located in Zone A (without a FEMA-issued or community-issued BFE) or Zone AO.
- G3. The following information (Items G4-G9) is provided for community floodplain management purposes.

G4. PERMIT NUMBER	G5. DATE PERMIT ISSUED	G6. DATE CERTIFICATE OF COMPLIANCE/OCCUPANCY ISSUED
-------------------	------------------------	---

- G7. This permit has been issued for: New Construction Substantial Improvement
- G8. Elevation of as-built lowest floor (including basement) of the building is: _____ ft.(m) Datum: _____
- G9. BFE or (in Zone AO) depth of flooding at the building site is: _____ ft.(m) Datum: _____

LOCAL OFFICIAL'S NAME _____ TITLE _____

COMMUNITY NAME _____ TELEPHONE _____

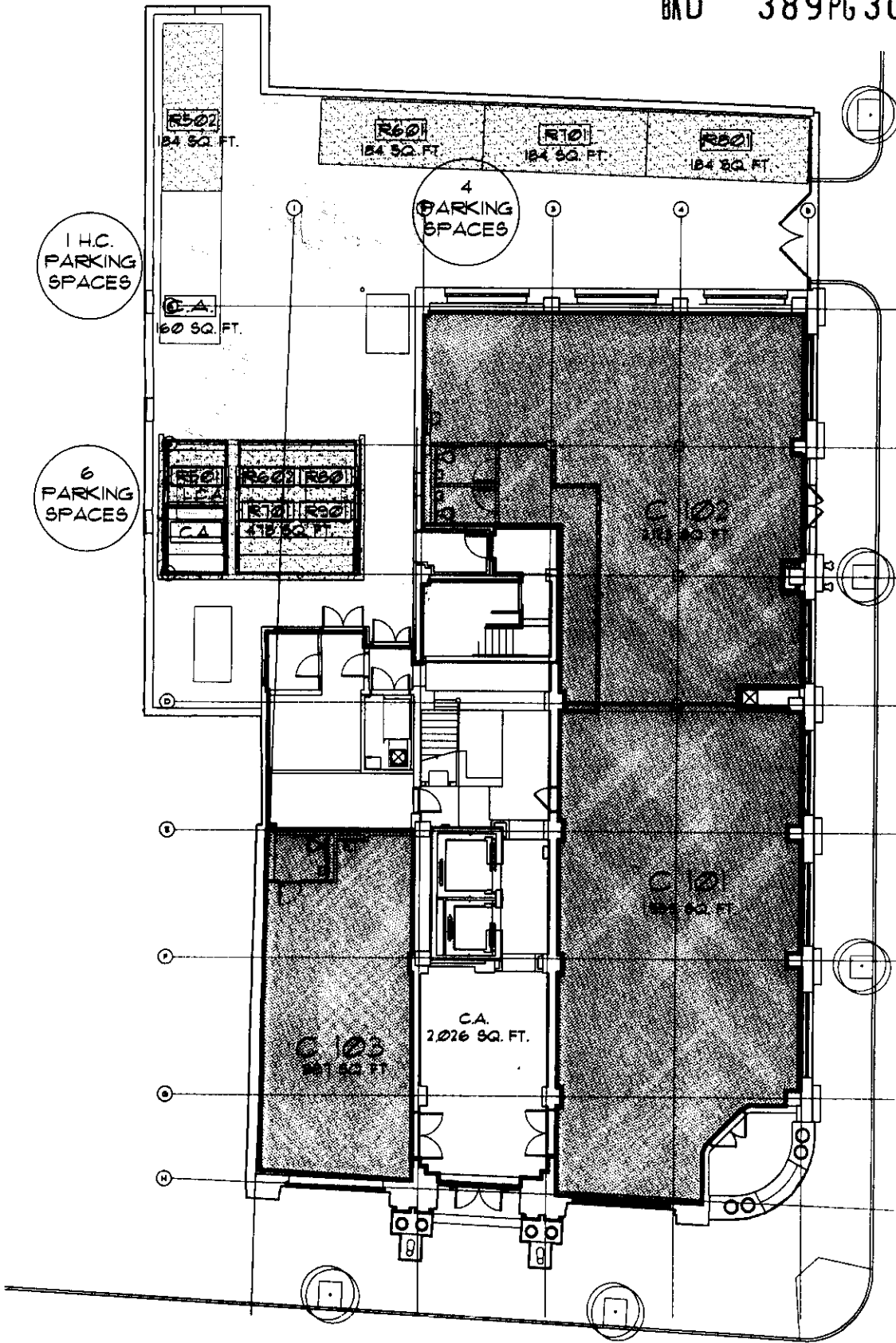
SIGNATURE _____ DATE _____

COMMENTS _____




Check here if attachments

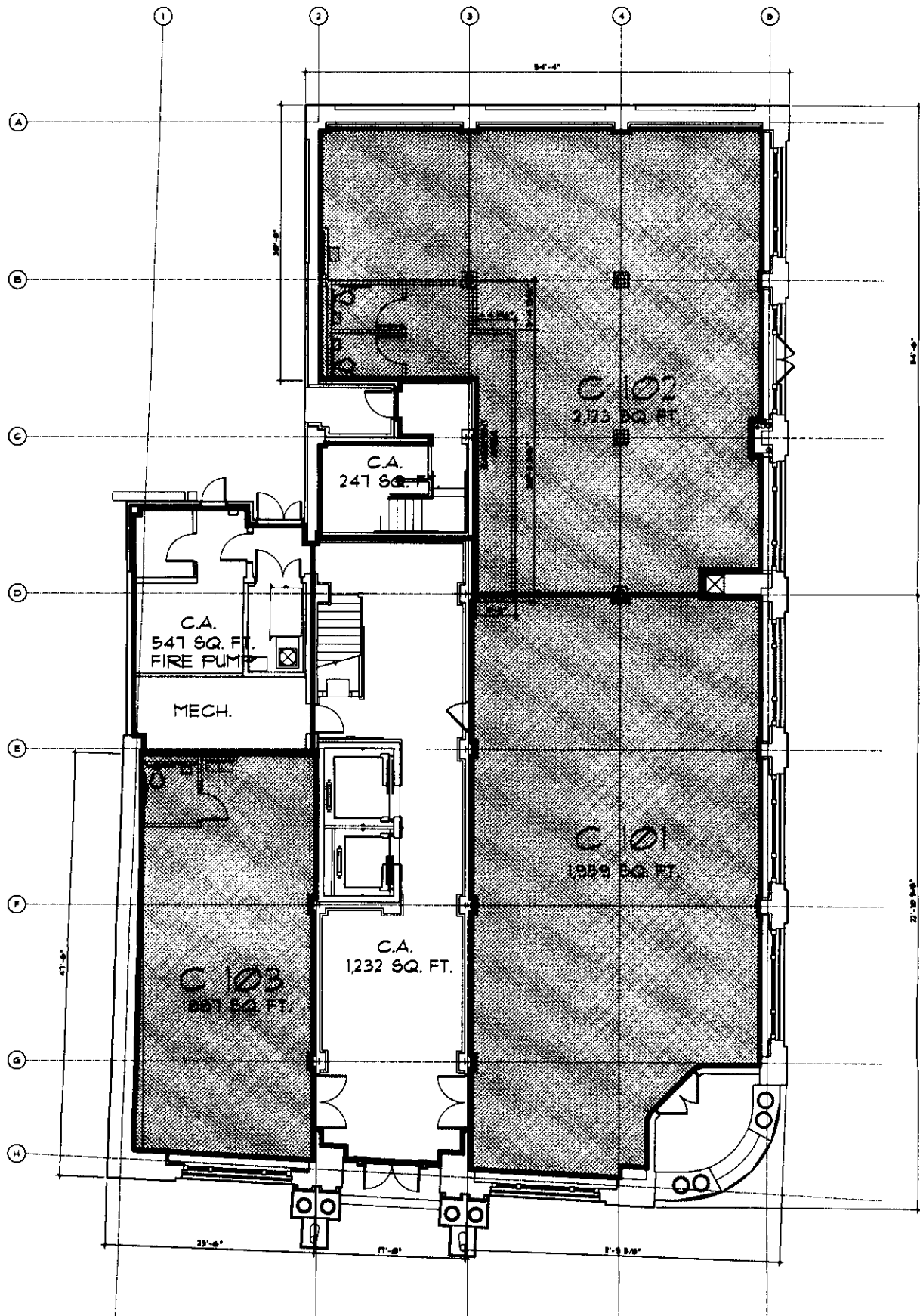
EXHIBIT "C"

**Plot Plans, consisting of
(Site Plans, Building Plans, Elevations
and Floor Plans of Building and Real Property)**



PROPOSED SITE PLAN
 SCALE: 1/20" = 1'-0"

	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS, LOBBY, MECHANICAL AND PARKING SPACES)	2,370 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) (PRIVATE PARKING)	1,030 SQ.FT.
	TOTAL COMMON /LIMITED COMMERCIAL AREA	3,400 SQ.FT.
	TOTAL AREA	8,369 SQ.FT.

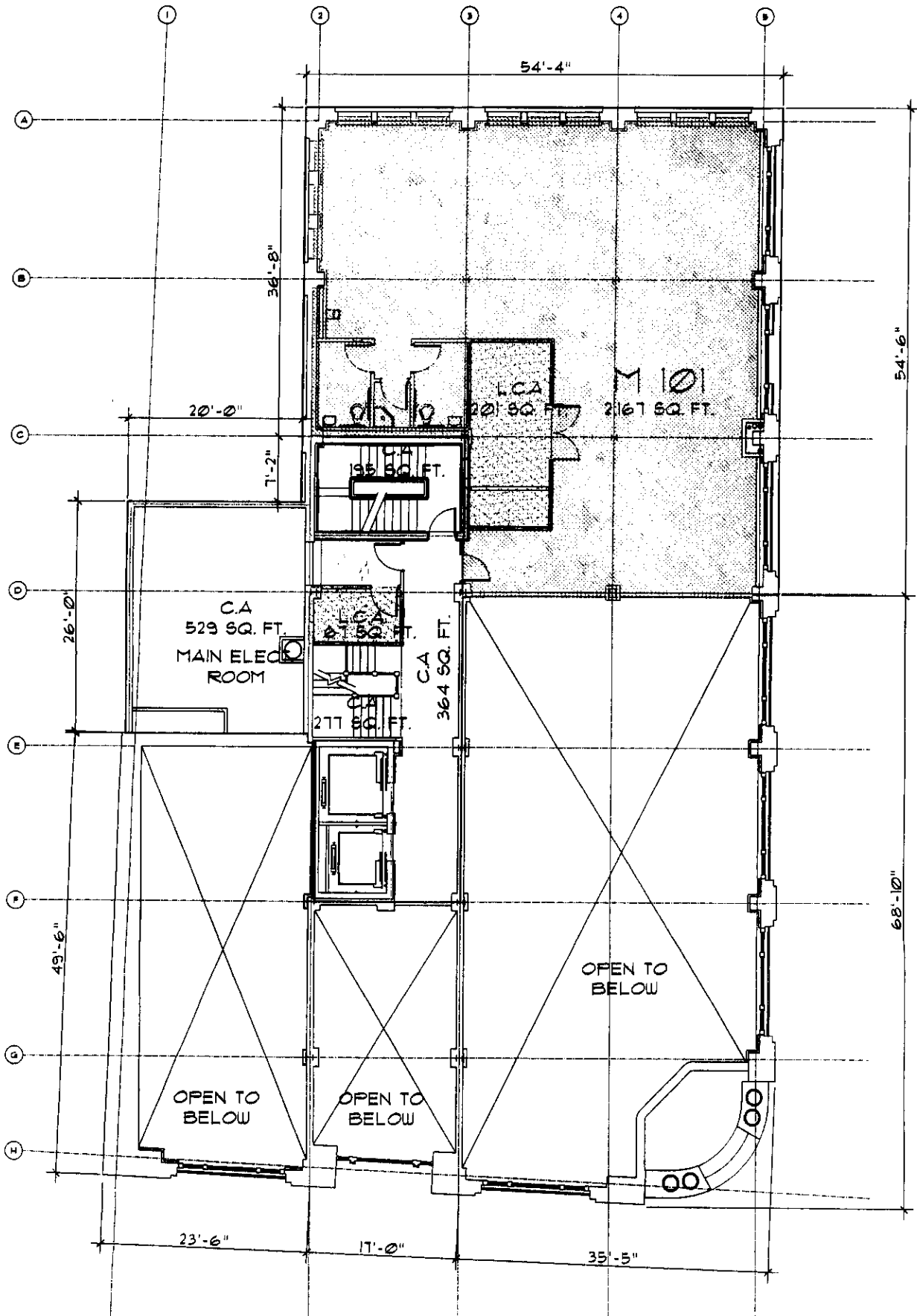


GROUND LEVEL FLOOR PLAN
 SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE

- COMMON AREA - (C.A.)
 (VERTICAL PENETRATIONS,
 LOBBY AND MECHANICAL)
- COMMERCIAL AREA
- TOTAL NET AREA
- TOTAL GROSS BUILDING AREA




2,026 SQ.FT.
 4,969 SQ.FT.
 6,995 SQ.FT.
 8,032 SQ.FT.

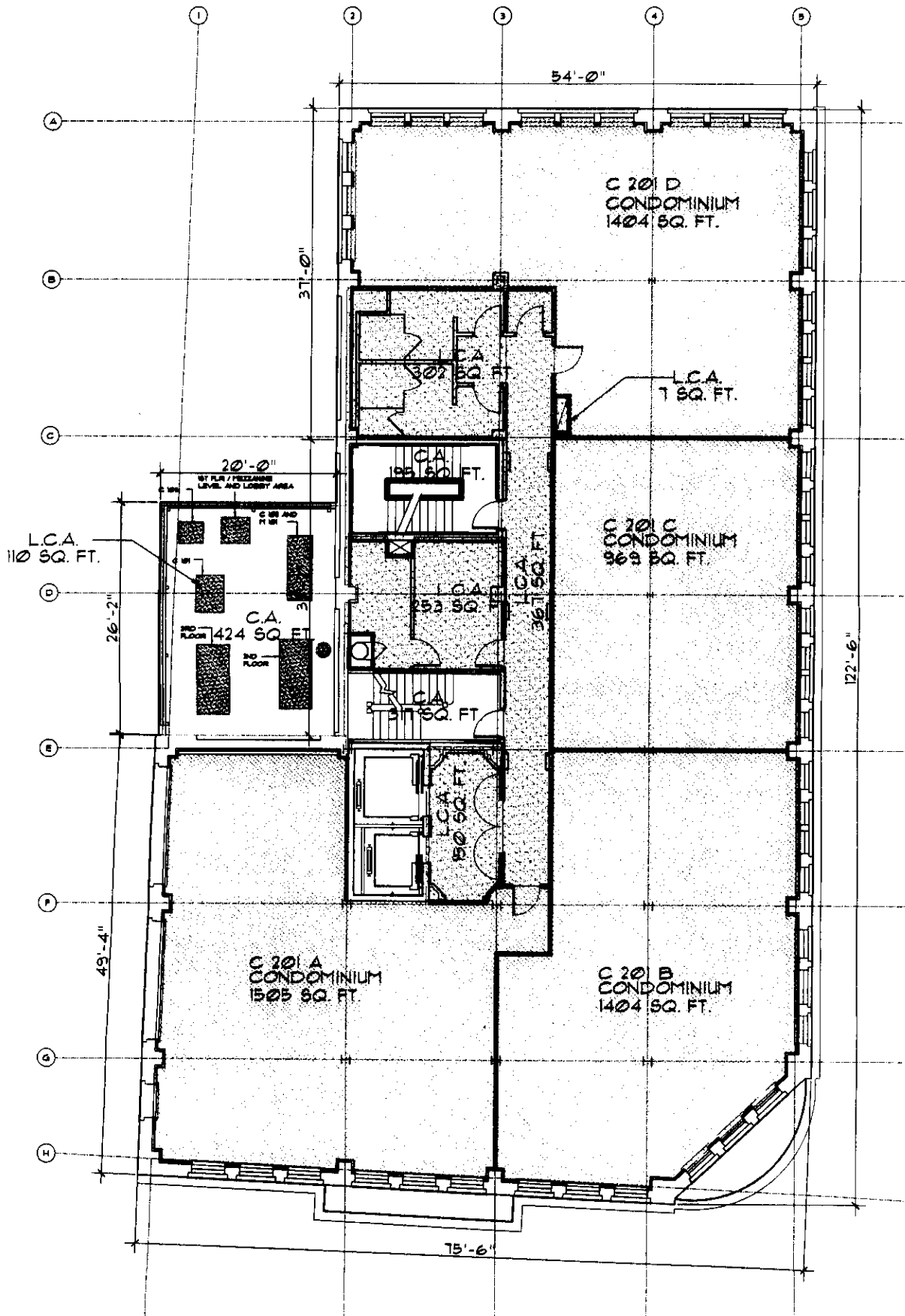


MEZZANINE LEVEL FLOOR PLAN

SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE

	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS, STAIRS, ELEVATOR AND MAIN ELECTRICAL ROOM)	1365 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) (MECHANICAL AREA)	268 SQ.FT.
	TOTAL COMMON /LIMITED	1633 SQ.FT.
	COMMERICAL AREA	2167 SQ.FT.
	TOTAL NET AREA	3800 SQ.FT.
	TOTAL GROSS BUILDING AREA	4083 SQ.FT.

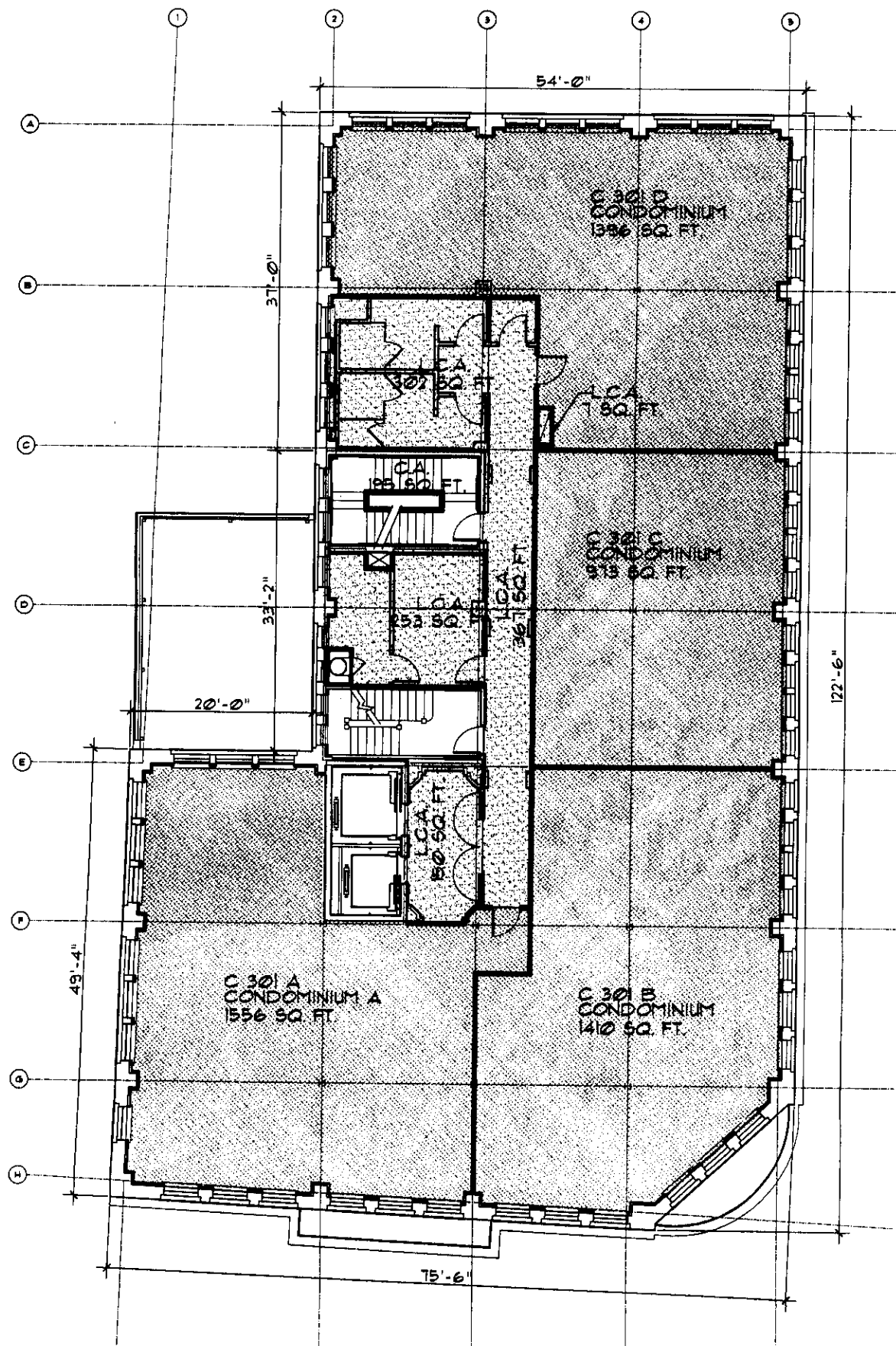


SECOND LEVEL FLOOR PLAN

SCALE: 1/16" = 1'-0"





ALL DIMENSIONS INDICATED ARE APPROXIMATE

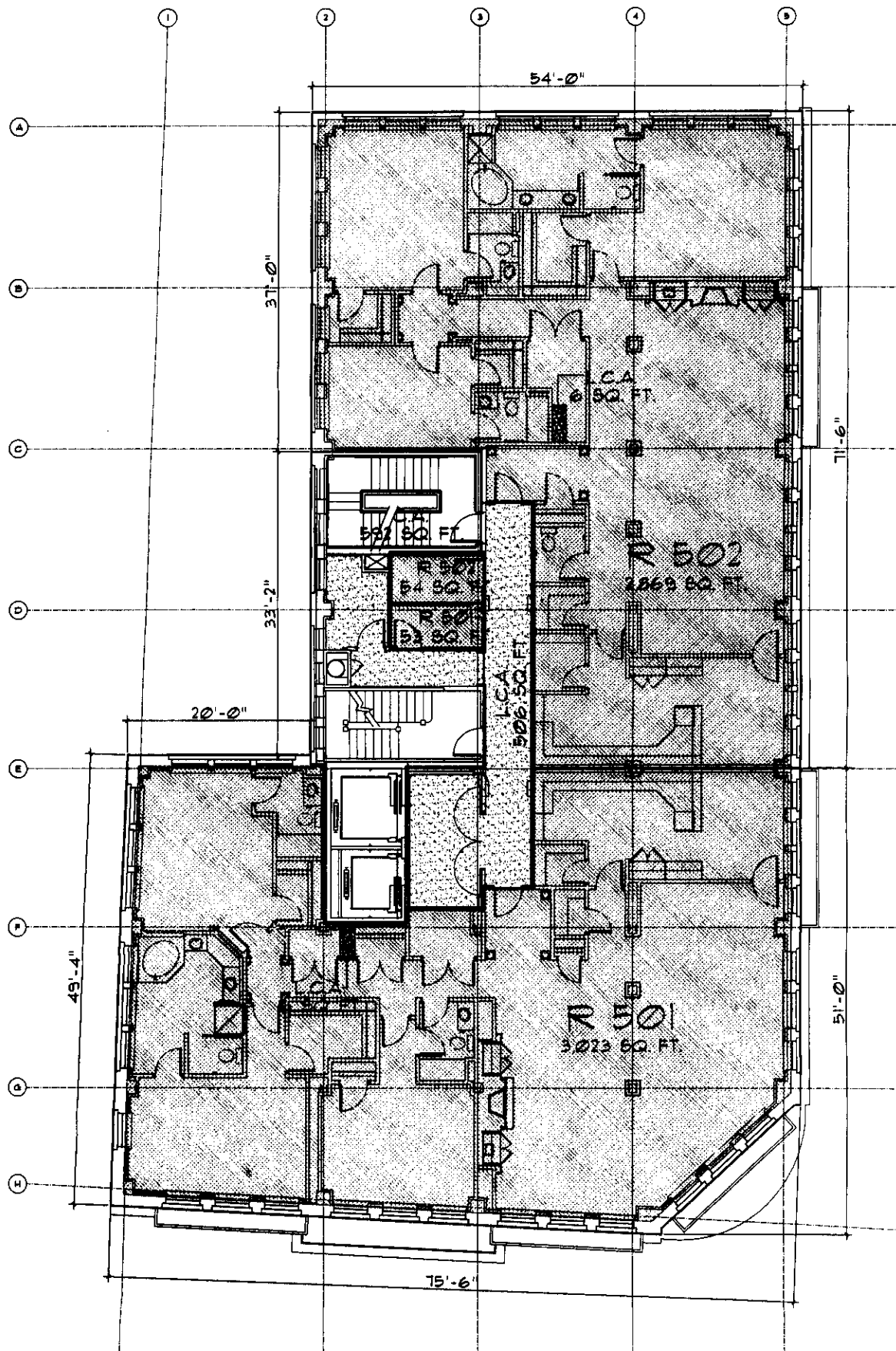
	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS /ROOF AREA)	929 SQFT.
	LIMITED COMMON AREA - (L.C.A.) (TLTS, ELECT, MECH, CORRIDOR, LOBBY, JAN.)	1,196 SQFT.
	TOTAL COMMON /LIMITED	2,125 SQFT.
	COMMONER AREA	5,282 SQFT.
	TOTAL NET AREA	7,401 SQFT.
	TOTAL GROSS BUILDING AREA	8,023 SQFT.



THIRD LEVEL FLOOR PLAN
 SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE




	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS)	512 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) (TLTS, ELECTS, MECH, CORRIDOR, LOBBY, JAN.)	1,019 SQ.FT.
	TOTAL COMMON /LIMITED	1,531 SQ.FT.
	COMMERICAL AREA	5,335 SQ.FT.
	TOTAL NET AREA	6,926 SQ.FT.
	TOTAL GROSS BUILDING AREA	15,023 SQ.FT.

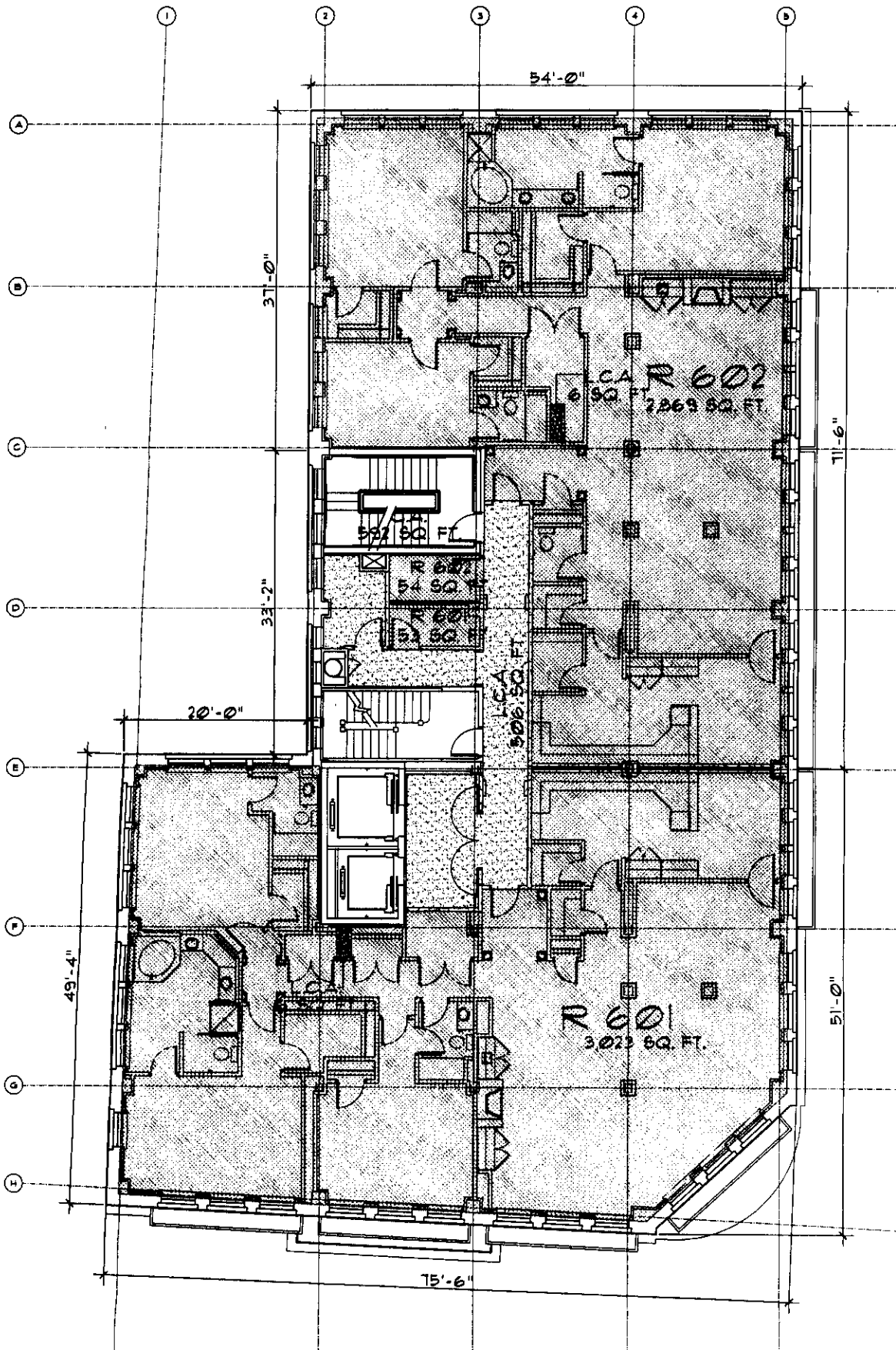


FIFTH LEVEL FLOOR PLAN

SCALE: 1/16" = 1'-0"




ALL DIMENSIONS INDICATED ARE APPROXIMATE

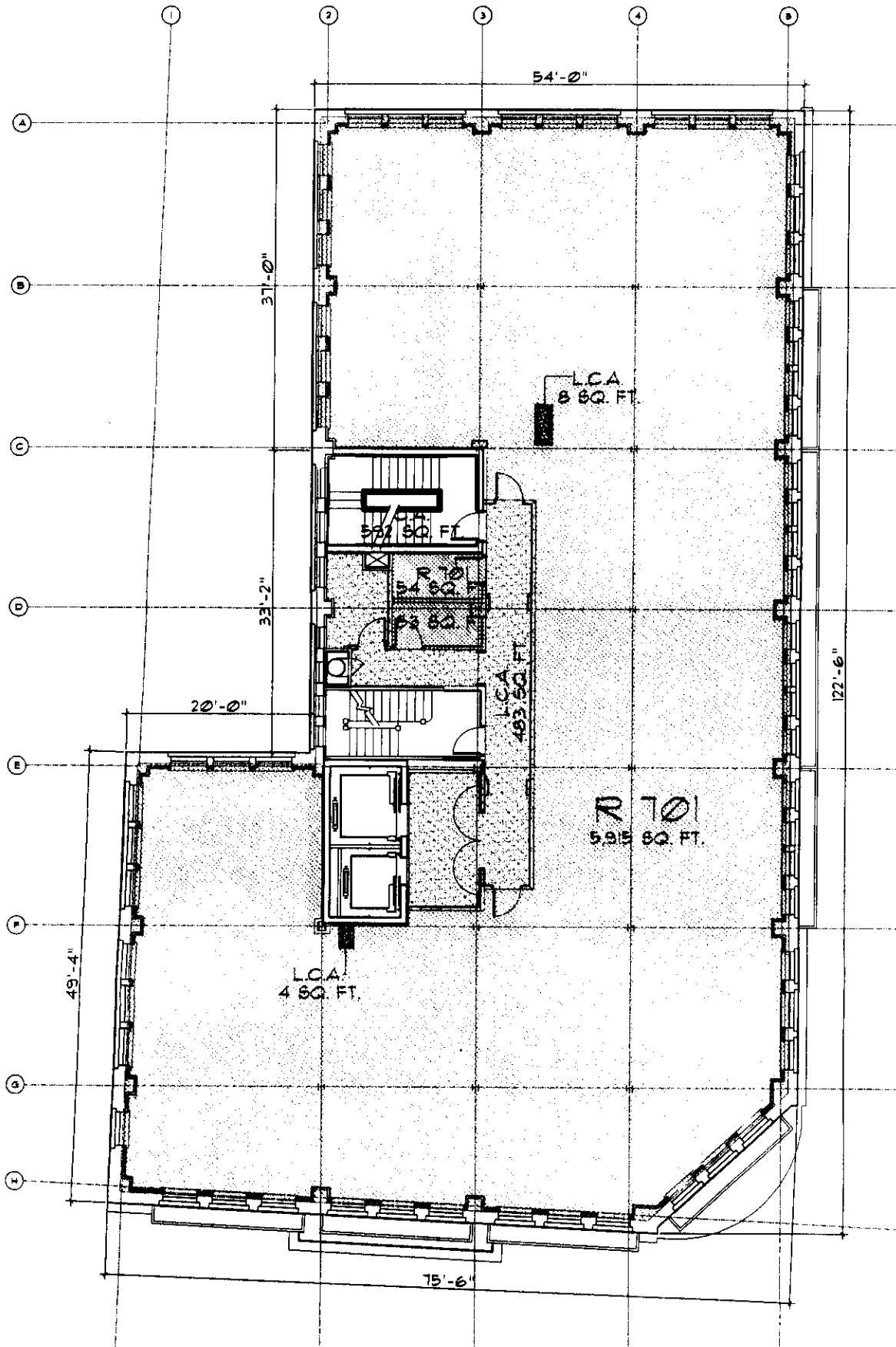
	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS)	592 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) (ELECT, CORRIDOR, LOBBY)	518 SQ.FT.
	TOTAL COMMON /LIMITED	1,110 SQ.FT.
	UNIT AREA	5,999 SQ.FT.
	TOTAL NET AREA	7,109 SQ.FT.
	TOTAL GROSS BUILDING AREA	7,503 SQ.FT.



SIXTH LEVEL FLOOR PLAN
 SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE






	COMMON AREA - (CA) (VERTICAL PENETRATIONS)	592 SQ.FT.
	LIMITED COMMON AREA - (LCA) (ELECT, CORRIDOR, LOBBY)	518 SQ.FT.
	TOTAL COMMON /LIMITED	1,110 SQ.FT.
	UNIT AREA	5,999 SQ.FT.
	TOTAL NET AREA	7,109 SQ.FT.
	TOTAL GROSS BUILDING AREA	7,503 SQ.FT.

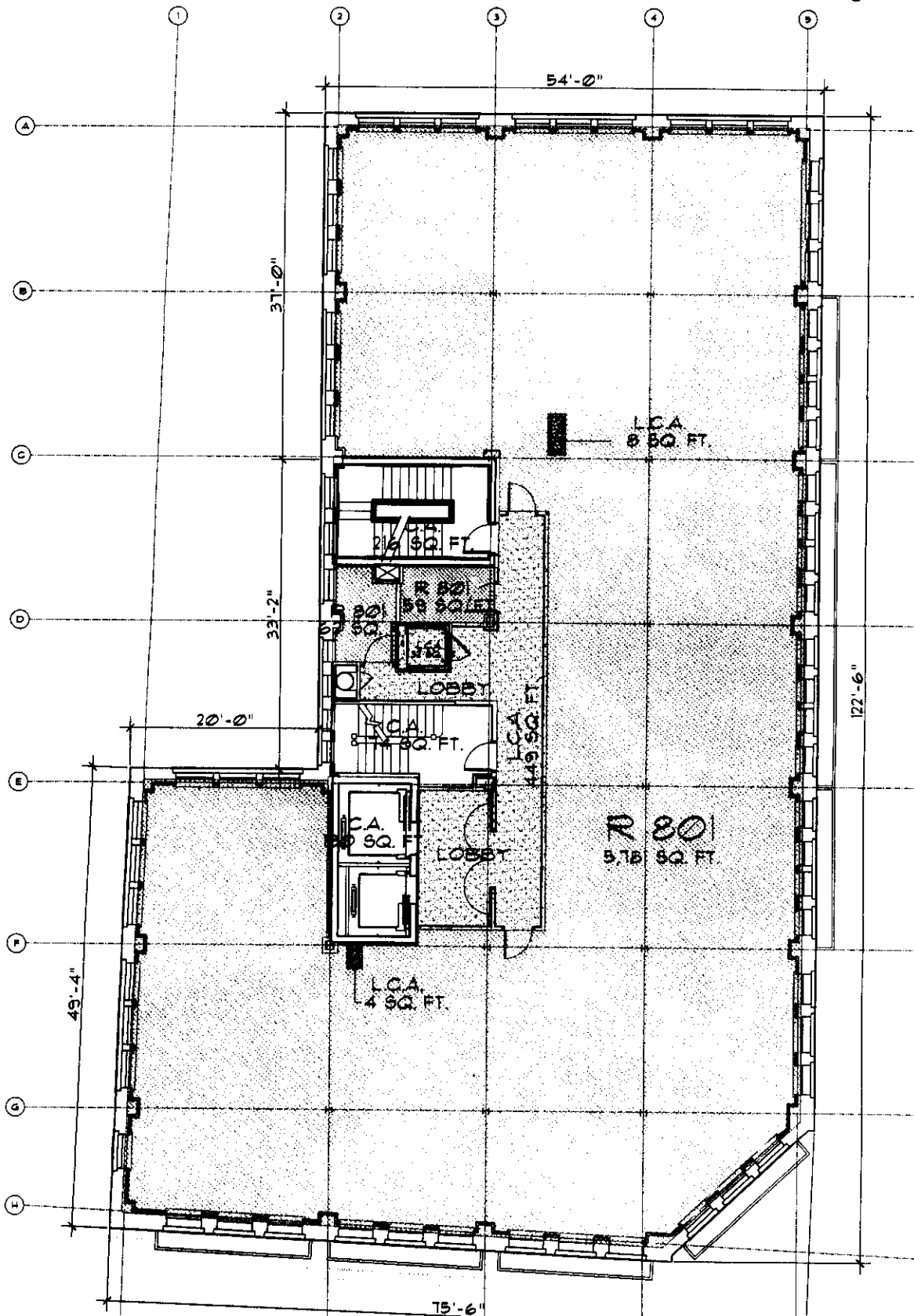


SEVENTH LEVEL FLOOR PLAN

SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE




	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS)	592 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) (ELECT, CORRIDOR, LOBBY)	495 SQ.FT.
	TOTAL COMMON /LIMITED UNIT AREA	1,087 SQ.FT.
	TOTAL NET AREA	6,022 SQ.FT.
	TOTAL GROSS BUILDING AREA	7,109 SQ.FT.
		7,503 SQ.FT.

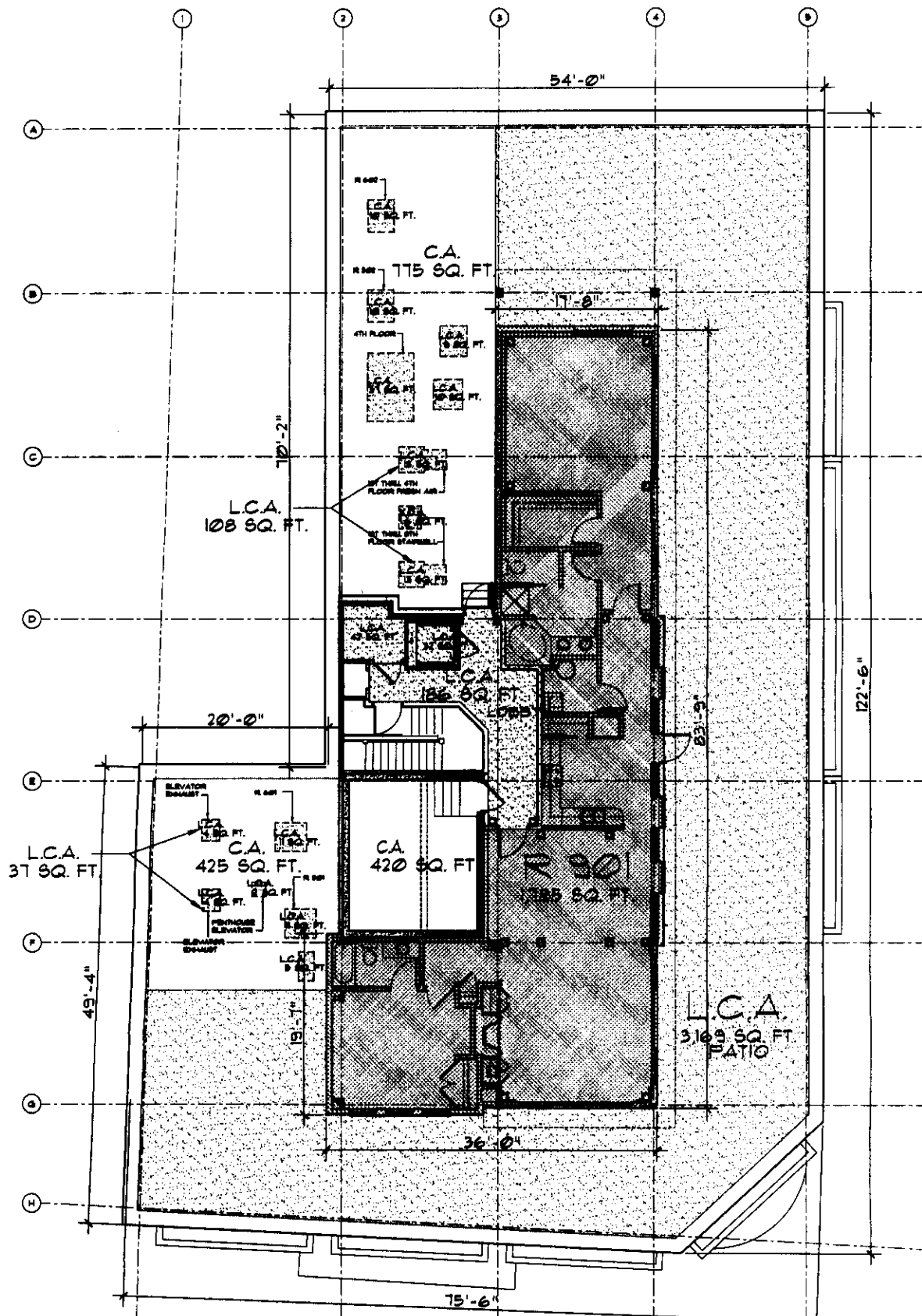


EIGHTH LEVEL FLOOR PLAN

SCALE: 1/16" = 1'-0"




ALL DIMENSIONS INDICATED ARE APPROXIMATE

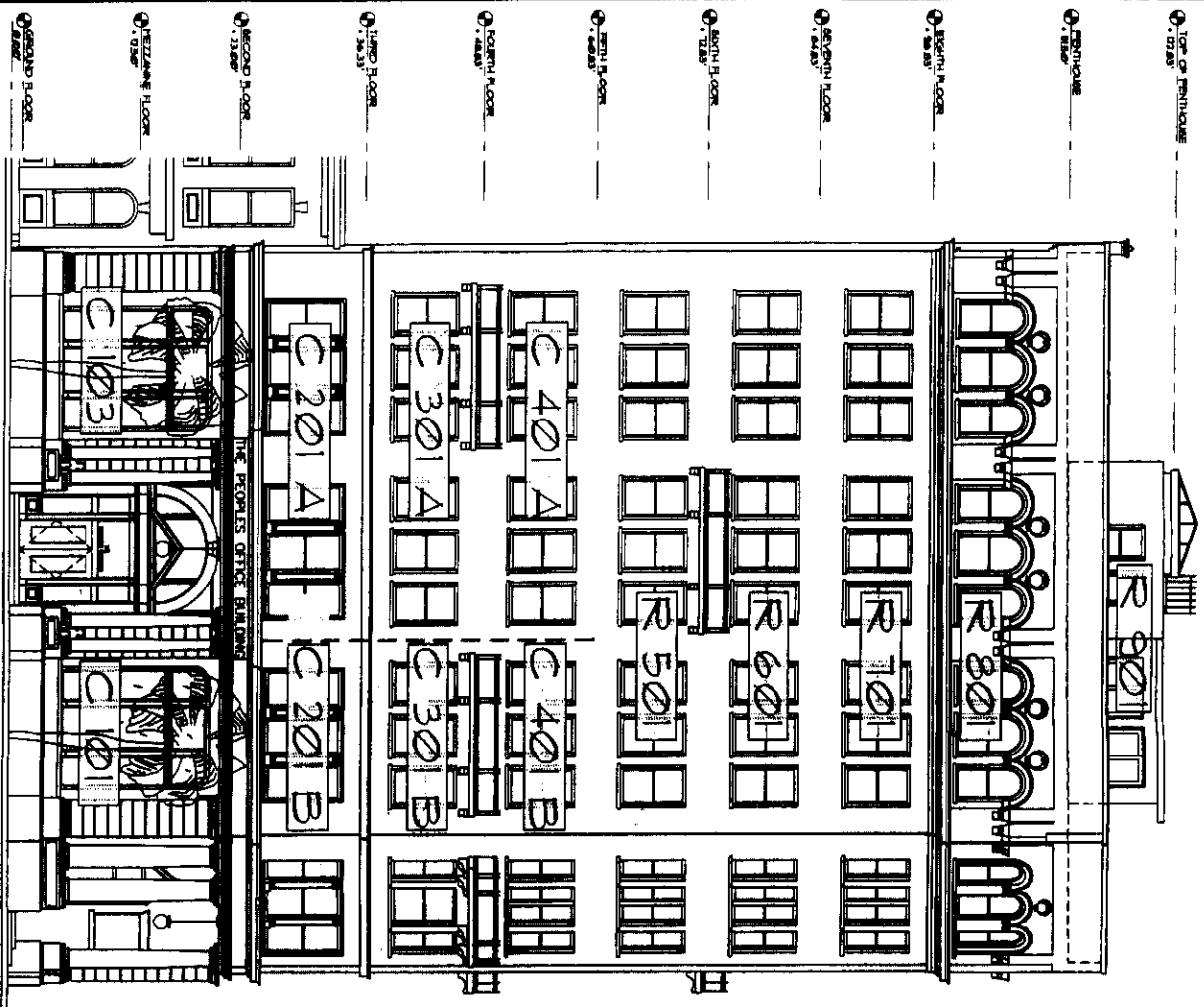
	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS)	570 SQFT.
	LIMITED COMMON AREA - (L.C.A.) INCLUDES:	
	PENTHOUSE ELEVATOR	32 SQFT.
	LOBBY	449 SQFT.
	CHASE	12 SQFT.
	TOTAL COMMON /LIMITED	1,063 SQFT.
	UNIT AREA	5,902 SQFT.
	TOTAL NET AREA	6,965 SQFT.
	TOTAL GROSS BUILDING AREA	7,523 SQFT.



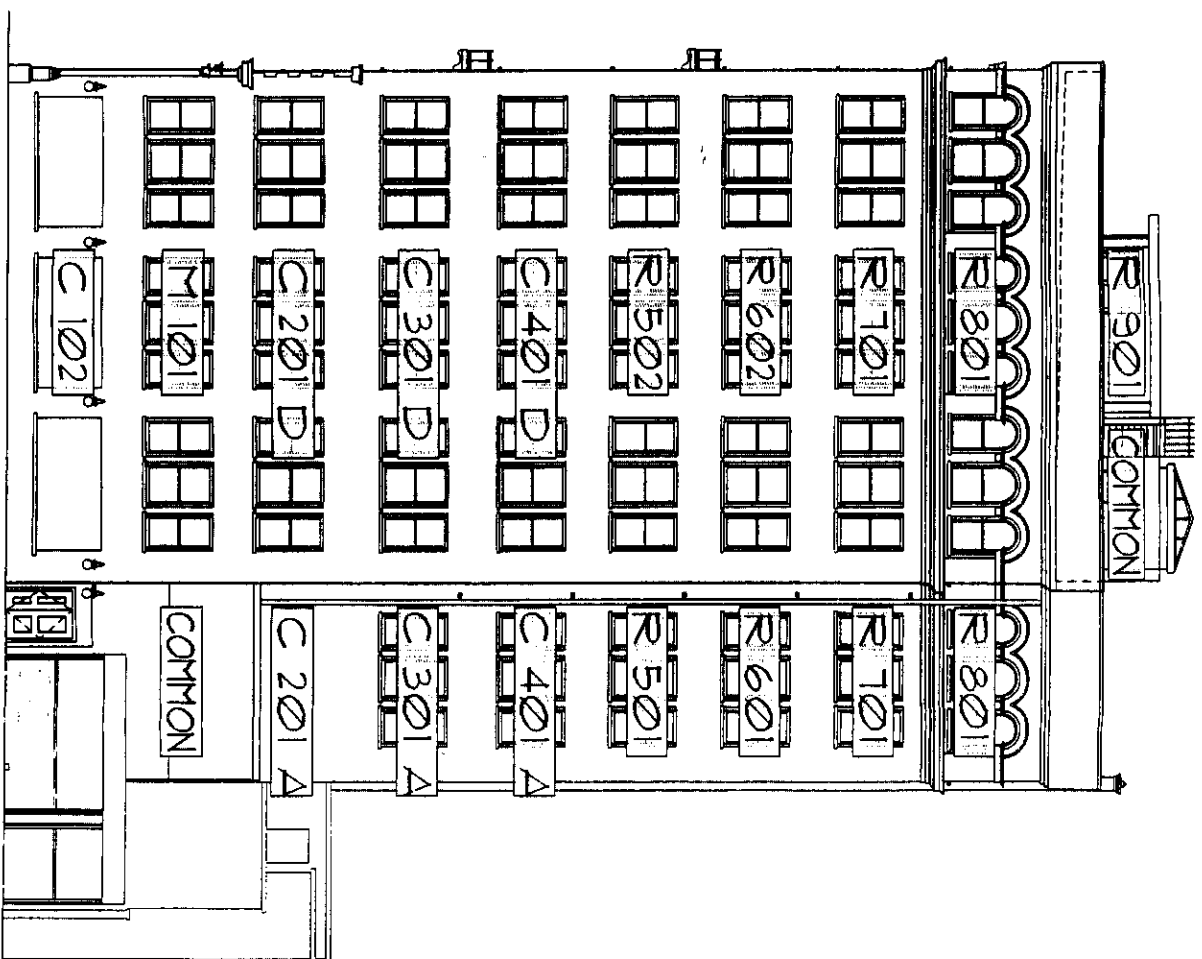
PENTHOUSE LEVEL FLOOR PLAN
 SCALE: 1/16" = 1'-0"

ALL DIMENSIONS INDICATED ARE APPROXIMATE

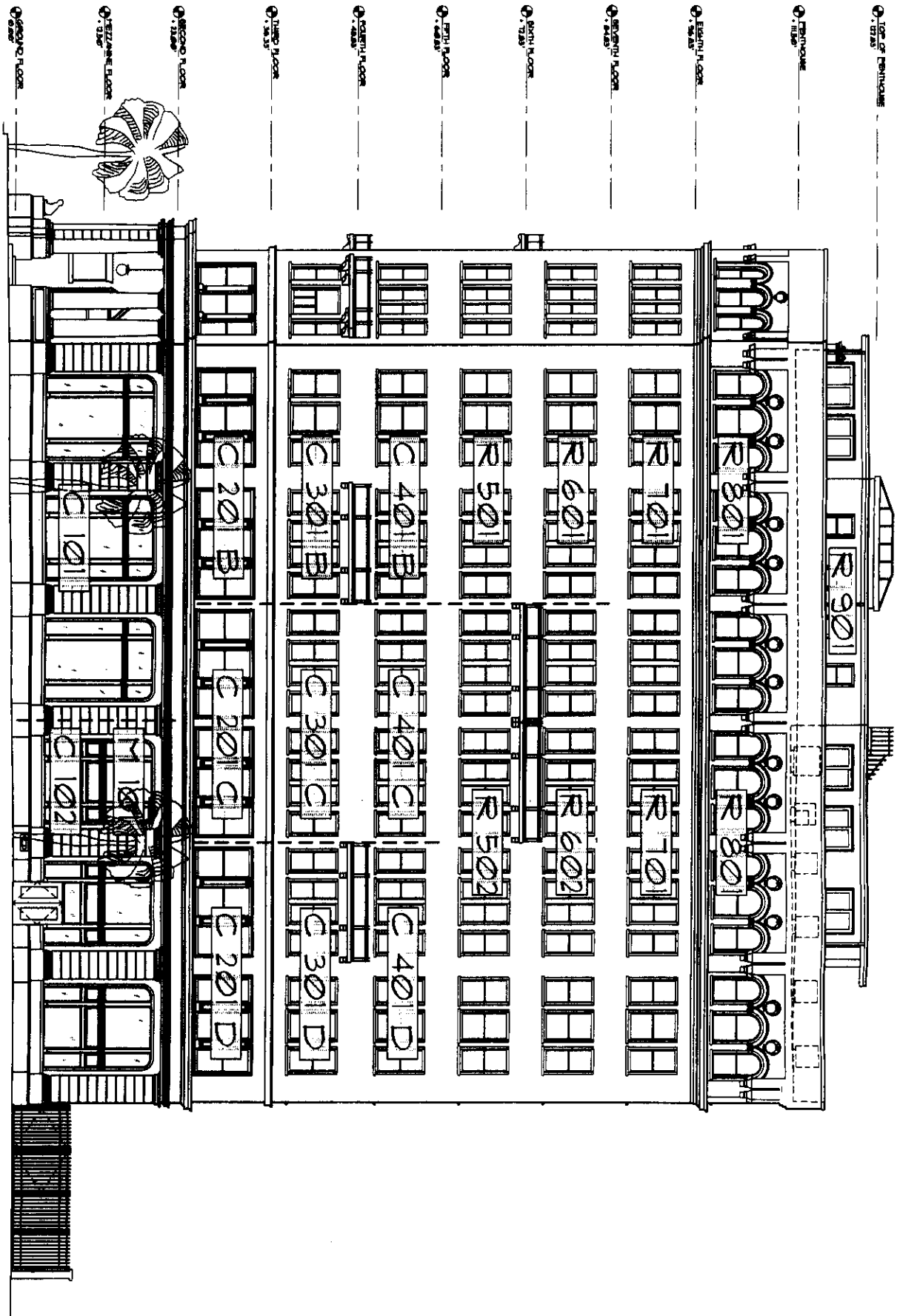
	COMMON AREA - (C.A.) (VERTICAL PENETRATIONS)	1,620 SQ.FT.
	LIMITED COMMON AREA - (L.C.A.) INCLUDES:	
	MECHANICAL UNITS	145 SQ.FT.
	PATIO	3,169 SQ.FT.
	LOBBY	186 SQ.FT.
	ELECTRICAL ROOM	42 SQ.FT.
	PENTHOUSE ELEVATOR	32 SQ.FT.
	TOTAL COMMON /LIMITED	5,194 SQ.FT.
	UNIT AREA	1,785 SQ.FT.
	TOTAL NET AREA	6,979 SQ.FT.
	TOTAL GROSS BUILDING AREA	15,111 SQ.FT.



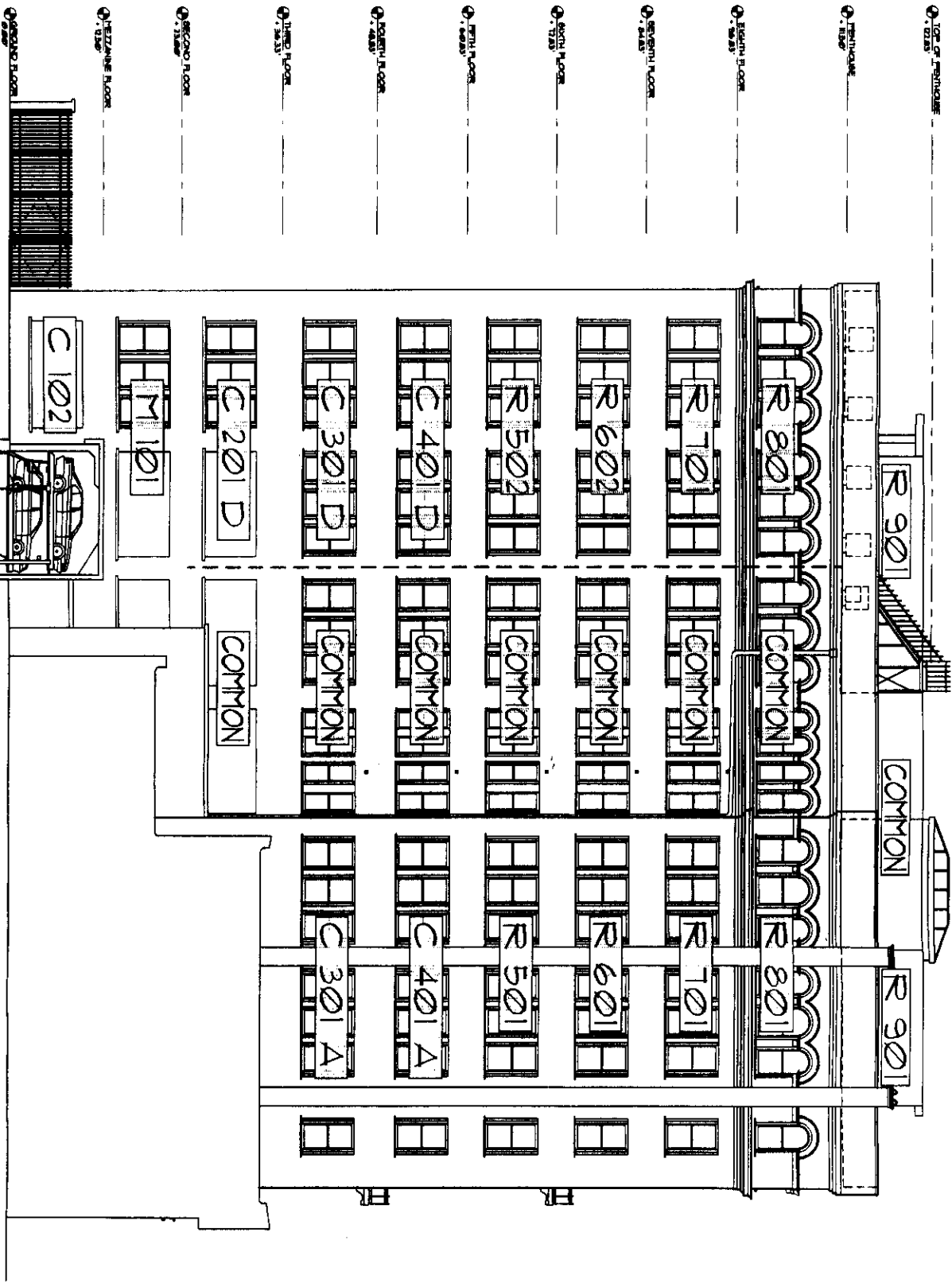
SOUTH EXTERIOR BUILDING ELEVATION
SCALE: 1/20" = 1'-0"



NORTH EXTERIOR BUILDING ELEVATION
SCALE: 1/20" = 1'-0"

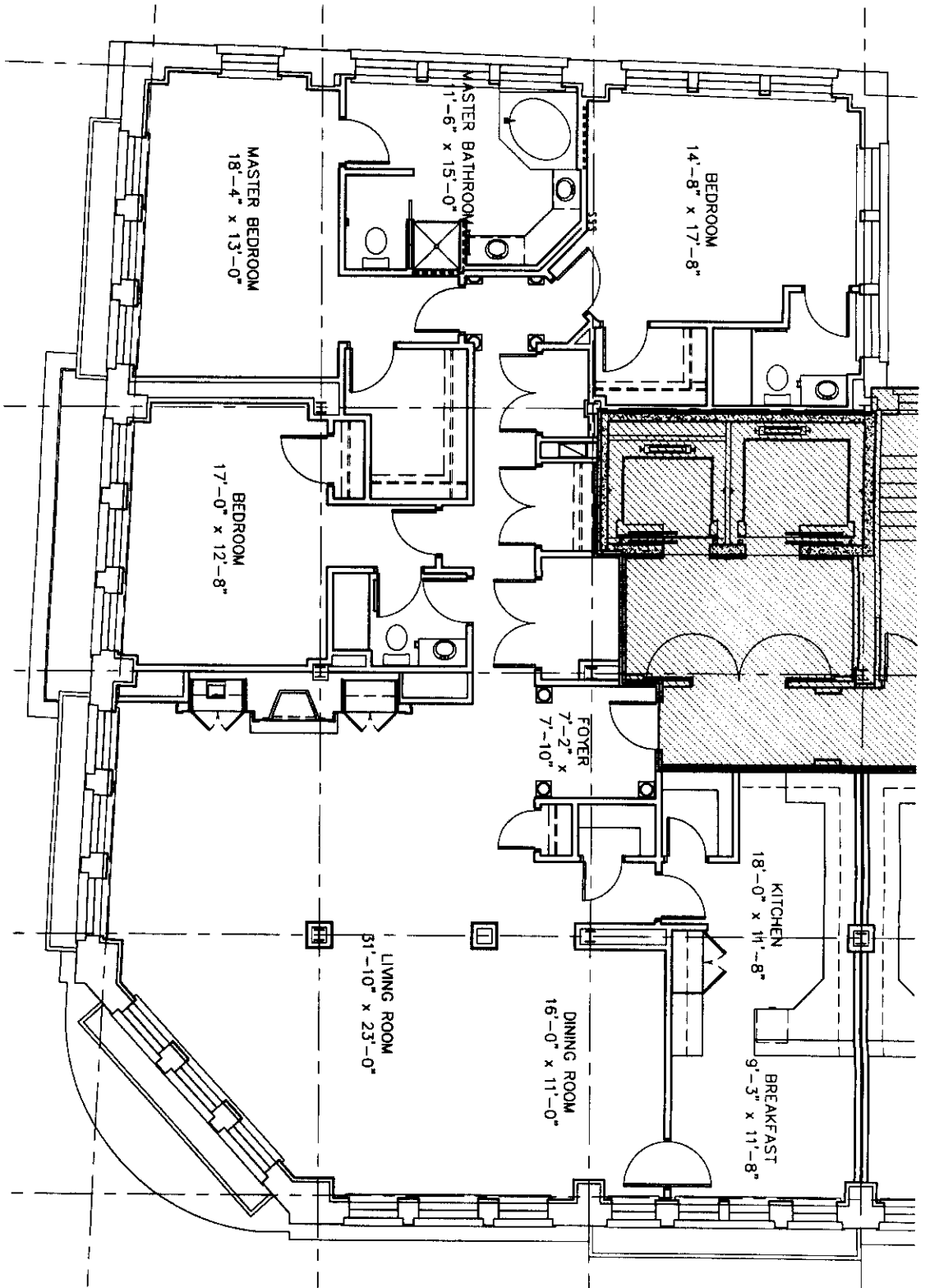


EAST EXTERIOR BUILDING ELEVATION
SCALE: 1/20" = 1'-0"



WEST EXTERIOR BUILDING ELEVATION

SCALE: 1/20" = 1'-0"



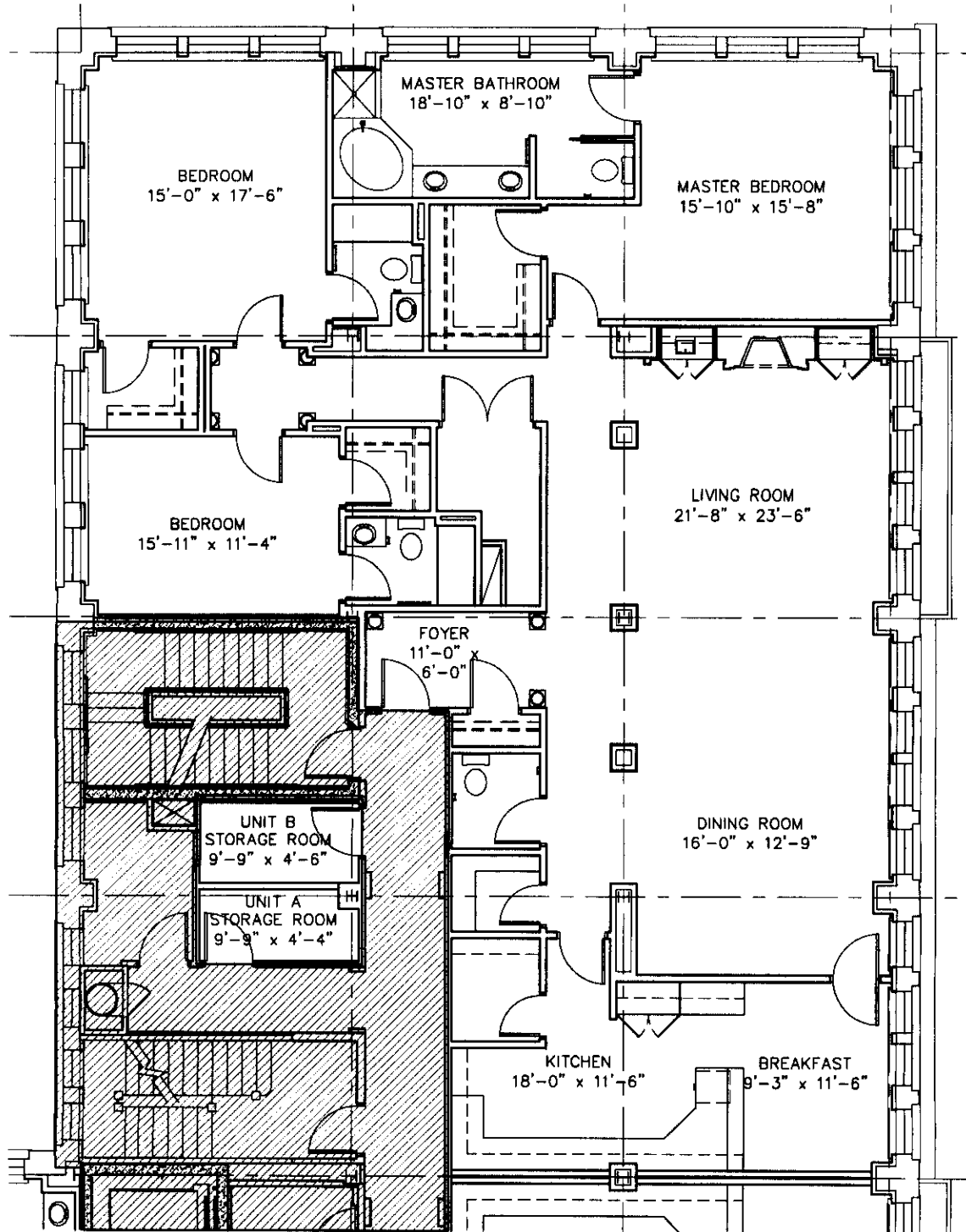
ENLARGED RESIDENTIAL UNIT

TYPE "A"

SCALE: 1/10" = 1'-0"

ROOM SIZES SHOWN ON PLAN ARE APPROXIMATE.

SQUARE FOOTAGE	
HEATED	3,023
STORAGE	53
TOTAL	3,076



ENLARGED RESIDENTIAL UNIT
TYPE "B"

SCALE: 1/10" = 1'-0"

ROOM SIZES SHOWN ON PLAN ARE APPROXIMATE.

SQUARE FOOTAGE	
HEATED	2,869
STORAGE	54
TOTAL	2,923

EXHIBIT "D"

[see separate document]

EXHIBIT "E"
TO MASTER DEED OF
THE PEOPLES BUILDING HORIZONTAL PROPERTY REGIME

ARCHITECT'S CERTIFICATE

Pursuant to S. C. Code Ann. § 27-31-110 (1976), as amended, it is to the best of my belief and knowledge that the Regime plans described in the attached Exhibit "C" and the written description of twenty-three (23) Units in The Peoples Building Horizontal Property Regime (situate upon real estate described in the attached Exhibit "A"), fully depict the layout, dimensions, location, area and number identification of the Units and the General and Limited Common Elements of the Regime.

Jenkins, Hancock & Sides

By:  _____

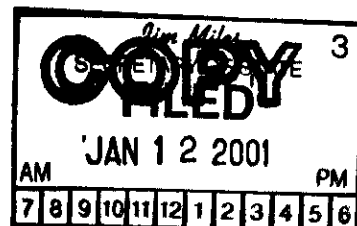
Its: DEREK S. GRUNER, ARCHITECT

Architect's S.C. License No. 05068

Columbia, South Carolina
Nov. 28, 2001

EXHIBIT "F"

Articles of Incorporation of The Peoples Building Condominium Association



JAN 12 2001


SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION

1. The name of the nonprofit corporation is The Peoples Building Condominium Association.
2. The initial registered office of the nonprofit corporation is Drake Development Company USA, 1813 Hampton Street, Columbia, SC 29201.

The name of the registered agent of the nonprofit corporation at that office is Sandra Cain

3. Check (a), (b), or (c) whichever is applicable. Check only one box.
 - a. The nonprofit corporation is a public benefit corporation.
 - b. The nonprofit corporation is a religious corporation.
 - c. The nonprofit corporation is a mutual benefit corporation.
4. Check (a) or (b), whichever is applicable:
 - a. This corporation will have members.
 - b. This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is c/o Drake Development Company USA, 1813 Hampton Street, Columbia, SC 29201.
6. If this nonprofit corporation is either a public benefit or religious corporation (box a. or b. of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.
 - a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of a by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

b. Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to: _____

7. If the corporation is a mutual benefit corporation (box "c" of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the [remaining] assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the mutual benefit corporation the [remaining] assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefitting or serving.

b. Upon dissolution of the mutual benefit corporation the [remaining] assets, consistent with law, shall be distributed to: _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form:

**ADDITIONAL PROVISION TO ARTICLES OF INCORPORATION OF
THE PEOPLES BUILDING CONDOMINIUM ASSOCIATION**

ARTICLE I -- POWERS OF THE ASSOCIATION

The powers of the Association shall include the following provisions:

A. The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the laws of South Carolina or the terms of this Charter.

B. The Association shall have all of the powers and duties prescribed for the "Council of Co-Owners" as set forth in the Act, and all such other powers and duties reasonably necessary to operate the Regime pursuant to the Master Deed, including but not limited to the following:

(i) To make and collect assessments against members as co-owners to defray the costs, expenses and losses of the Regime.

(ii) To use the proceeds of assessments in the exercise of its powers and duties.

(iii) To maintain, repair, replace, improve and operate the property of the Regime.

(iv) To purchase insurance upon the Regime property including all apartments and common elements, and insurance for the protection of the Association and the co-owners.

(v) To reconstruct improvements after casualty.

EXHIBIT "G"

By-Laws of the Association

BYLAWS
The Peoples Building Condominium Association
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BY-LAWS
OF
THE PEOPLES BUILDING CONDOMINIUM ASSOCIATION

1. IDENTITY

These are the By-Laws of The Peoples Building Condominium Association, a non-profit corporation existing under the laws of the State of South Carolina (hereinafter called "the Association"), which has been organized for the purpose of administering The Peoples Building Horizontal Property Regime, a horizontal property regime established pursuant to S.C. Code Ann. §27-31-10 et seq. (1976), as amended (hereinafter called "the Regime"). The Regime is identified by the name The Peoples Building and is located upon the real property in Charleston County, South Carolina, described on Exhibit "A" attached hereto and made a part hereof by reference.

(a) The provisions of these By-Laws are applicable to the Regime, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Articles of Incorporation and which may be contained in the formal Master Deed which will be recorded in the public records of Charleston County, South Carolina, at the time said property and the improvements now or thereafter situate thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles and Master Deed to be controlling whenever the same may be in conflict herewith.

(b) All present or future co-owners, tenants, future tenants, or their employees, or any other person that might use the Regime or any of the facilities thereof in any manner are subject to the regulations set forth in these By-Laws and in said Charter and Master Deed.

(c) The office of the Association shall be at 1813 Hampton Street, Columbia, South Carolina or such other place as the Board of Directors of the Association may designate from time to time;

(d) The fiscal year of the Association shall be the calendar year;

(e) The seal of the Association shall bear the name of the Association and the words "South Carolina."

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

(a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in the Articles of Incorporation of the Association, the provisions of which Articles are incorporated herein by reference.

(b) The quorum at members' meetings shall consist of persons entitled to cast a majority (51% of the value of the property) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining quorum. At members' meetings where Board member elections are being held, no separate quorum requirements apply to the Commercial Unit Owners or to the Residential Unit Owners as long as the quorum requirements for the entire membership as set forth in this section are met.

(c) The vote of the co-owners of a Unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the co-owners of the Unit and filed with the Secretary of the Association. Such certificate shall be valid until revoked by subsequent certificate. If such a certificate is not on file, the vote of such co-owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

(d) Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of the meeting for which their use is sought.

(e) Approval or disapproval of a Unit co-owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who casts the vote of such co-owner in an Association meeting.

(f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Master Deed, or where the same may otherwise be required by law, the affirmative vote of the co-owners of a majority of the Units represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

(a) The annual members' meeting shall be held at the office of the Association or such other place as may be designated by the Board of Directors on a Saturday in the month of October, each year, or at such other date and time as set by the Board of Directors, after proper notice, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Saturday. The first annual meeting shall be held in 2002.

(b) Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from the members of the Association owning at least five percent (5%) voting interest in the Association.

(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President, or Secretary of the Association, or other officers of the Association in the absence of said officers, to each member, unless waived, in writing. Such notice is to be written or printed and shall include a description of any matter as required by §33-31-705, of the Code of Laws of South Carolina (1976), as amended, and shall state the time and place of the member's meeting and shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting. Notice shall be mailed first class or registered mail or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed properly given five (5) days after being deposited in the United States Mail, addressed to the member at his post office address as it appears in the records of the Association, the postage thereon prepaid or where otherwise provided by Section 33-31-141 of the Code of Laws of South Carolina (1976), as amended from time to time. Proof of such mailing shall be given by Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not been attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws, or the Master Deed, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time until a quorum, or the required percentage of attendance greater than a quorum, is present.

(d) At meetings of membership, the President shall preside or, in the absence of him, the membership present shall select a chairman.

(e) The order of business at annual members' meeting, and, as far as practical, at any other members' meeting, shall be:

- i) Calling of the roll and certifying proxies;
- ii) Proof of notice of meeting or waiver of notice;
- iii) Reading of Minutes;
- iv) Reports of officers, president and chief financial officer;
- v) Reports of committees;
- vi) Appointment by chairman of inspectors of election;

- vii) Election of directors;
- viii) Unfinished business;
- ix) New business; and
- x) Adjournment.

4. BOARD OF DIRECTORS

(a) The initial Board of Directors of the Association (hereinafter sometimes referred to as the "Board") shall be comprised of three (3) directors to be elected. Subject to the remainder of this paragraph, the Grantor may appoint and remove members of the Board for a period not exceeding five (5) years from the date of the issuance of the certificate of occupancy for the General Common Elements by the City of Charleston or until 2007, which ever is first. The foregoing notwithstanding, the period of Grantor control terminates no later than sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit owners other than the Grantor. The Grantor may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period.

Whenever Grantor shall be entitled to designate and select any person or persons to serve on any Board of Directors of Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association and Grantor shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed for the remainder of the unexpired term of any director or directors so removed. Any director designated and selected by Grantor need not be a resident in the Regime. Anything to the contrary notwithstanding, the power in the Grantor to designate directors shall terminate on January 1, 2007.

Any representative of Grantor serving on the Board shall not be required to disqualify himself upon any vote upon any management contract or other matter between Grantor and Association where the said Grantor may have a pecuniary or other interest. Similarly, Grantor as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between Grantor and Association where Grantor may have a pecuniary or other interest. This provision does not limit or restrict the requirement of Section 33-31-831, Code of Laws of South Carolina (1976), as amended.

An individual Co-owner other than Grantor engaged by the Regime in a commercial operation or otherwise earning monies from servicing the premises, may not serve on the Board as long as the individual is engaged in a business performing a service in connection with the Regime.

(b) Election of directors shall be conducted in the following manner:

i) Grantor, as Sponsor of the Regime, shall, at the beginning of the election of the Board designate and select that number of the members of the Board which it should be entitled to designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection by Grantor by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Grantor shall be deemed and considered for all purposes directors of the Association, and shall thenceforth perform the duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws;

ii) All members of the Board whom Grantor shall not be entitled to designate and select under the terms and provisions of these By-Laws shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association immediately following the designation and selection of the members of the Board whom Grantor shall be entitled to designate and select;

iii) Vacancies in the Board may be filled until the date of the next annual meeting by the remaining directors, except that should any vacancy in the Board be created in any directorship previously filled by a person designated and selected by Grantor, such vacancy shall be filled by Grantor designating and selecting, by written instrument delivered to any officer of the Association, the successor director to fill the vacated directorship for the unexpired term thereof;

iv) At the first annual meeting of the members held after the property identified herein has been submitted to the plan of condominium ownership, the Master Deed has been recorded in the public records of Charleston County, South Carolina, the term of office of the one (1) director receiving the highest plurality of votes shall be established as two (2) years, and the term of office of the other two (2) directors shall be established as one (1) year. Thereafter, as many directors of the Association shall be elected at the annual meeting as there are regular terms of office of directors expiring at such time, and the term of the directors so elected at the annual meeting of the members each year shall be for two (2) years expiring at the second annual meeting following their election, and thereafter until their successors are duly elected and qualified or until removed in the manner elsewhere provided or as may be provided by law for the removal of directors of South Carolina Nonprofit Corporation Act. If, at the time of the first annual meeting, Grantor still has the right to appoint directors, then Grantor shall have the right to designate and select two (2) directors whose term of office shall be established at two (2) years, and one (1) director whose term of office shall be established at one year;

v) Subject to the provisions set forth above, in the election of directors there shall be appurtenant to each Unit as many votes for directors as there are directors to be elected, provided,

however, that no member or co-owner of any Unit may cast more than one vote for any person nominated as director, it being the intent hereof that voting for directors shall be non-cumulative;

vi) In the event that Grantor, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board, the said Grantor shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on said Board. Replacement of any person or persons designated by Grantor to serve on any Board shall be made by written instrument delivered to the President or Secretary of the Association or to the presiding officer of the Board, which instrument shall specify the name or names of the person or persons designated as successor or successors to the person or persons so removed from said Board. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Grantor to such officer of the Association and the director;

(c) The organizational meeting of newly elected Board shall be held within ten (10) days of its election, at such time and at such place as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present;

(d) Regular meetings of the Board may be held without notice at such time and place as shall be determined from time to time by a majority of the directors;

(e) Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board or upon written petition signed by the Co-owners of one-third (1/3) of the Units. Not less than two (2) days notice of a meeting shall be given to each director personally, or by mail, telephone, or telegram, which notice shall state the time, place, and purpose of the meeting;

(f) Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice;

(g) A quorum at a directors' meeting shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws, or the Master Deed. If any director's meeting cannot be organized because a quorum has not attended or because the greater percentage of the directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws, or the Master Deed, the directors who are present may adjourn the

meeting, from time to time, until a quorum, or the required percentage of attendance greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum;

(h) The presiding officer of directors' meetings shall be the President. In the absence of the President, the directors present shall designate one of their number to preside;

(i) Directors' fees, if any, shall be determined by the members of the Association;

(j) The Board shall manage and direct the affairs of the Association and subject to any restrictions imposed by law, by the Master Deed, or these By-Laws, may exercise all of the powers of the Association subject only to approval by the members when such is specifically required of these By-Laws. The Board shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Master Deed, or these By-Laws, as it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:

i) To make, levy, and collect assessments against members and members' Units to defray the cost of the common areas and facilities of the Regime, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

ii) To carry out the maintenance, care, upkeep, repair, replacements, operation, surveillance, and the management of the general and limited elements, services, and facilities of the Regime wherever the same is required to be done and accomplished by the Association for the benefit of its members;

iii) To carry out the reconstruction of improvements after casualty and the further improvement of the property, real and personal;

iv) To make and amend regulations, after Notice and Consent, governing the use of the property, real and personal, in the Regime and to establish fines for the violation of same, so long as such regulations or amendments thereto and fines do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Master Deed;

v) To acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, including Units in the Regime, as may be necessary or convenient in the operation and management of the Regime, and in accomplishing the purposes set forth in the

Master Deed; provided, however, that any agreement for professional management of the Regime, or any other contract providing for services of the Grantor, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice; provided, further, that any contract entered into prior to passage of control of the Association from the Grantor may be terminated by the Association without cause and without penalty at any time after the transfer of control upon not more than ninety (90) days notice to the other party thereto unless ratified by a majority of the Board after passage of control;

vi) By competitive bidding, to contract for the management of the common areas and facilities in the Regime and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Master Deed to have approval of the Board or membership of the Association;

vii) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Master Deed, and the regulations and fines hereinafter promulgated governing use of the property in the Regime;

viii) To pay all taxes and assessments which are liens against any property of the Regime, other than Units and the appurtenances thereto, and to assess the same against the members and their respective Units subject to such liens;

ix) To carry insurance for the protection of the members and the Association against casualty and liability;

x) To pay all costs of power, water, sewer, and other utility services rendered to the condominium and not billed to the owners of the separate Units; and

xi) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association, as well as to dismiss said personnel; and

xii) To assign, reassign, or designate parking spaces for exclusive use to such Co-Owners as it shall decide and to revoke such assignment or designation from time to time.

(k) The first Board shall be comprised of three (3) persons designated to act and serve as directors in the Articles of Incorporation. Said persons shall serve until their successors are elected or appointed at the first meeting of the members of the Association called after the property identified herein has been submitted to the plan of condominium ownership and the Master Deed

has been recorded in the public records of Charleston County, South Carolina. Should any member of said first Board be unable to serve for any reason, a majority of the remaining members of the Board shall have the right to select and designate a party to act and serve as a director for the unexpired term of said director who is unable to serve;

(l) The undertakings and contracts authorized by said first Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board duly elected by the membership after the property identified herein has been submitted to the plan of condominium ownership and said Master Deed has been recorded in the Charleston County public records, so long as any undertakings and contracts are within the scope of powers and duties which may be exercised by the Board in accordance with all applicable Regime Documents;

(m) Directors may be removed from office in the manner provided by law for the removal of directors of South Carolina nonprofit corporations.

5. ADDITIONAL PROVISIONS ABOUT MEETINGS OF MEMBERS AND DIRECTORS

(a) Notwithstanding anything contained in these By-Laws to the contrary, any meeting of members or Board may be held at any place within or without the State of South Carolina or by telephone conference.

(b) To the extent now or from time to time hereafter permitted by the laws of South Carolina, the Board may take any action which they might take at a meeting of directors without a meeting. One or more written consents of any such action so taken, signed by each director, is to be retained in the Association's minute book and given equal dignity by all persons to the minutes of meetings duly called and held.

(c) Any action of the members may be taken by written ballot in accordance with §33-31-704, Code of Laws of South Carolina (1976), as amended, or by written consent in accordance with §33-31-704 of said Code.

6. OFFICERS

(a) The executive officers of the Association shall be a President, who shall be a director, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. No person

may hold more than two (2) offices. The Board, shall from time to time, elect such other officers or committees and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(b) The President shall be the principal executive officer of the Corporation and subject to the control of the Board. He or she shall, in general, supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the shareholders and of the Board. He or she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board.

(c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

(d) The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, perform all other duties incident to the office of Secretary of any association, and as may be required by the directors or President. The Secretary at his discretion may assign any of his duties to a managing agent, including, but not limited to, the management company retained by the Association.

(e) The Treasurer shall have custody of all of the property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls, the accounts of members, and the books of the Association in accordance with good accounting practices. He shall perform all other duties incident to the office of Treasurer. The Treasurer at his discretion may assign any of his duties to a managing agent, including, but not limited to, the management company retained by the Association.

(f) The compensation of all officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing the Grantor as an employee of the Association, nor preclude the contracting with the Grantor for management of the Regime. Officers need not be Unit owners.

7. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Master Deed and Articles of Incorporation shall be supplemented by the following provisions:

(a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Co-owner or Co-owners, the amount of each assessment against the amounts paid upon the account and the balance due upon assessments;

(b) The initial Board shall adopt a budget for the period commencing upon submission of the property to Horizontal Property Regime, continuing through the end of the following calendar year, and shall establish assessments for that period;

(c) The Board shall adopt a budget for each calendar year, which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:

i) Common expense budget, which shall include without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of General Common Elements, landscaping, street and walkways, office expenses, utility services, casualty insurance, liability insurance, administration, and reserves (operating and replacement); and

ii) Proposed assessments against each member. Copies of the budget and proposed assessments shall be given to each member at each annual meeting or sixty (60) days prior to the end of the fiscal year which ever is last. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each concerned member. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board, at any time, in their sole discretion to levy an additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

(d) The Board shall determine the method of payment of such assessments and the due dates thereof and shall notify the members thereof. The assessments will initially be on a monthly-in-advance basis unless changed by a vote of the majority of the Board;

(e) The depository of the Association shall be such bank, savings and loan, or other Federally Insured depositories as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.

(f) The Board shall require fidelity bonds from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the directors, but shall be at least the amount of the total annual estimated operating expense and revenues. The premiums on such bonds shall be paid by the Association as a common expense.

8. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the statutes of the State of South Carolina.

9. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

The Board, as and for the co-owners, is given the authority to administer the operation and management of the Regime, it being recognized that the delegation of such duties to one entity is in the best interests of the co-owners of all Units. To properly administer the operation and management of the project, the Association will incur, for the mutual benefit of all of the co-owners of Units, costs and expenses which will be continuing or non-recurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "common expense." To provide the funds necessary for such proper operation and management, the said Board is hereby granted the right to make, levy, and collect assessments against the co-owners of all Units and said Units. In furtherance of said grant of authority to the Board to make, levy, and collect assessments to pay the costs and expenses for the operation and management of the Regime, the following provisions shall be operative and binding upon the co-owners of all Units, to wit:

(a) All assessments levied against the co-owners of Units and said Units shall be uniform and, unless specifically otherwise provided for in these By-Laws or in the Master Deed, the assessments made by the Board shall be in such proportion that the amount of assessment levied against each co-owner of a Unit and his Unit shall bear the same ratio to the total assessment made against all co-owners of Units and their Units as does the undivided interest in General Common Elements appurtenant to each Unit bear to the total undivided interest in the Regime, except that the costs of any alterations, modifications, repairs, improvements, maintenance, and cleaning of the

Limited Common Elements (including, but not limited to, the assigned parking spaces, the Foyer Areas on each applicable level, the Penthouse Elevator, and the Penthouse Patio Area) shall all be assessed as a Specific Assessment and collected from only those co-owners of Units directly benefitting from such work (as described in Article XX of the Master Deed);

(b) The Board, in establishing said annual budget for operation, management, and maintenance of the project shall include therein a sum to be collected and maintained as reserve fund for replacement of General Common Elements, which reserve fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the General Common Elements as well as the replacement of personal property which may constitute a portion of the General Common Elements held for the joint use and benefit of all the co-owners of all Units. The amount to be allocated to such reserve fund for replacements shall be established by said Board so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacements of said General Common Elements. The amount collected and allocated to the reserve fund for replacements from time to time shall be maintained in a separate account by the Association, although nothing herein contained shall prohibit the Association from applying any monies in such reserve fund for replacements to meet other needs or requirements of the Association in operating or managing the project in the event of emergencies or in the event the sums collected from the co-owners of Units are insufficient to meet the then fiscal financial requirements of the Association, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board in the sole discretion of said Board;

(c) Additionally, a working capital fund must be established for the initial months of the project operation equal to at least a two months' estimated common area charge for each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Unit estate and maintained for the use and benefit of the Association. The contribution to the working capital fund for each unsold Unit shall be paid to the Association within sixty (60) days after the date of the issuance of the certificate of occupancy for the General Common Elements by the City of Charleston. The purpose of the fund is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the fund are not to be considered as advance payment of regular assessments. The Grantor shall not use the working capital funds to pay any of its expenses, reserve contributions, construction costs, or to make up any budget deficits while it is in control of the Association. However, when unsold Units are sold, the Grantor may reimburse itself for funds it paid the Association for an unsold Unit's share of the working capital fund by using funds collected at Closing when the Unit is sold;

(d) The Board, in establishing said annual budget for operation, management, and maintenance of the project, shall include therein a sum to be collected as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies existing from time to time as a result of delinquent payment of assessments by co-owners of Units, emergencies, or other reasons placing financial stress upon the Association;

(e) All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the said Association to the payment of any expense of operating and managing the Regime or to the proper undertaking of all acts and duties imposed upon it by virtue of these By-Laws and the Articles of Incorporation and Master Deed of the said Association. As the monies for any assessment are paid unto the Association by any co-owner of a Unit the same may be commingled with the monies paid to the Association by the other Co-owners of Units. All funds and other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of General Common Elements, shall be held for the benefit of the members of the Association, who shall own any common surplus in the proportions of their percentage of undivided interest in the Regime. No member of the Association shall have the right to assign, hypothecate, pledge, or in any manner transfer this interest therein, except as an appurtenance to his Unit;

(f) The payment of any assessment or installment thereof due to the Association shall be in default if such assessment, or any installment thereof, is not paid unto the Association on or before the due dates for such payment. When in default, the Board may accelerate the remaining installments of the annual assessment upon notice thereof to the Unit co-owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice which shall not be less than ten (10) days after the date of the notice. In the event any assessment, installment, or accelerated assessments are not paid within twenty (20) days after their due date, the Association, through its Board, may proceed to enforce and collect the said assessments against the Unit co-owner owing the same in any manner provided for by the Act, including the right of foreclosure and sale. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law until such delinquent assessment or installment thereof and all interest due thereon has been paid to the Association. If any assessment or installment thereof is not paid when due, the Board may assess such late fees and interest as it deems appropriate from time to time;

(g) The co-owner or co-owners of each Unit shall be personally liable to the Association for the payment of all assessments, regular or special, which may be levied by the Association while such party or parties are co-owner or co-owners of a Unit in the Regime. In the event that any co-owner or co-owners are in default in payment of any assessment or installment thereof owed to

the Association, such co-owner or co-owners of any Unit shall be personally liable for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit is brought or not.

(h) No co-owner may exempt himself from liability for any assessment levied against such co-owner and his Unit by waiver of the use or enjoyment of any of the General Common Elements, by abandonment, or in any other manner.

(i) Recognizing that the necessity for providing proper operation and management of the project entails the continuing payment of costs and expenses therefor which results in benefit to all of the co-owners of Units and that the payment of such common expense represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of the co-owner of each Unit, the Association is hereby granted a lien upon such Unit and its appurtenant undivided interest in General Common Elements, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the co-owner of each Unit, such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association and all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the General Common Elements. The lien granted to the Association may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina. In any suit for the foreclosure of said lien, the Association shall be entitled to rental from the co-owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a receiver for said Unit. The rental required to be paid shall be equal to the rental charged on comparable type of Units in Charleston, South Carolina. The lien granted to the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien. The Association shall further be entitled to interest at the highest rate allowed by law on any such advance made for such purpose. All persons, firms, or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit, are hereby placed on notice of the lien granted to Association and shall acquire such interest in any Unit expressly subject to such lien. The lien shall be subordinate to all mortgages or other liens duly recorded prior to the filing of the lien encumbering the Unit;

(j) The lien herein granted unto Association shall be effective from and after the time of recording in the public records of Charleston County, South Carolina, a claim of lien stating the description of the Unit encumbered thereby, the name of the record co-owner, the amount, and the date when due. The lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney fees, advances to pay taxes and prior encumbrances,

and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record;

(k) In the event that any person, firm, or corporation shall acquire title to any Unit and its appurtenant undivided interest in General Common Elements by virtue of any foreclosure, judicial sale, or deed in lieu of foreclosure, such person, firm, or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said Unit and its appurtenant undivided interest in General Common Elements subsequent to the date of acquisition of such title and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquires such title. In the event of the acquisition of title to a Unit by foreclosure, judicial sale, or deed in lieu of foreclosure, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all co-owners of all Units as part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure;

(l) Whenever any Unit may be sold or mortgaged by the co-owner thereof, which sale shall be concluded only upon compliance with other provisions of these By-Laws, Association, upon written request of the co-owner of such Unit, shall furnish a statement verifying the status of payment of any assessment which shall be due and payable to Association by the owner of such Unit to the proposed purchaser or mortgagee. Such statement shall be executed by an officer of the Association and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, as Association shall be bound by such statement. Any holder of any mortgage on any Unit shall have the right at all reasonable times and frequency to inquire as to the past due status of any assessment payments. The Association shall, upon request, promptly notify any such mortgagee when any assessment payment becomes more than sixty (60) days past due or when any default in the performance of any obligation required by the Master Deed or these By-Laws as to such Unit is not cured within sixty (60) days;

(m) In the event that a Unit is to be sold or mortgaged at the time when payment of any assessment against the co-owner of said Unit is due to the Association, such Unit shall be in default, whether or not a claim of lien has been recorded by the Association. Then the proceeds of such purchase or mortgage shall be applied by the purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before the payment of any proceeds of purchase or mortgage proceeds to the co-owner of any Unit who is responsible for payment of such delinquent assessment;

(n) Institution of a suit at law to attempt to effect the collection of payment of delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing it; and

(o) Except as expressly provided herein, no Unit and its appurtenant percentage interest shall be exempt from said assessments.

10. MANAGER

(a) Employment. The Board may employ a professional Manager to assist in or take charge of the administration of the Council and the Property. The Board shall solicit competitive bids for such management.

(b) Authority and Duties. The Manager shall have such authority and duties as may be determined by the Board and shall report to the Board or to the President, as the Board may determine.

(c) Compensation. The Manager shall receive such compensation as the Board may determine.

11. DEFINITIONS

The definitions contained in § 27-31-20 S. C. Code Ann. (1976), as amended, are hereby incorporated herein and made a part hereof by reference. The word "Unit" shall have the same meaning as "Apartment".

12. CONFLICTS

In the event of any conflict between the provisions of the Master Deed and the provisions of these By-Laws, the provisions of the Master Deed shall control.

13. SEVERABILITY

The provisions of these By-Laws are severable, and the invalidity of one or more provisions thereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

14. CAPTIONS

The captions herein are inserted only as a matter of convenience and or reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

15. GENDER AND NUMBER

All pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, as well as and the singular and the plural whenever the context requires or permits.

16. AMENDMENT TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

(a) Amendments to these By-Laws may be proposed by the Board acting upon vote of the majority of the directors, or by members of the Association owning a majority of the total value of the property in the Regime, whether meeting as members or by instrument in writing signed by them;

(b) Upon any amendment or amendments to these By-Laws being proposed by said Board or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as set forth herein;

(c) In order for amendment or amendments to become effective, the same must be approved by an affirmative vote of the members owning not less than two-thirds (2/3) of the total value of the property in the Regime and the vote of any Mortgagees as required by the Master Deed. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof recorded in the public records of Charleston County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the directors and members;

(d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting; and

(e) Notwithstanding the foregoing provisions of this Article 16, no amendment to these By-Laws which shall abridge, amend or alter the right of the Grantor to designate and select members of the Board, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of the Grantor. No amendment shall be effective until all the requirements of the Master Deed have been met.

17. Right to Notice and Comment. Before the Board adopts or amends Rules, whenever the Master Deed or By Laws or Articles of Incorporation require that an action be taken after "Notice and Comment," and at any other time the Board determines, the Co-owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Co-owner in writing and shall be delivered personally or by mail to all Co-owners at such address as appears in the records of the Association or published in a newsletter or similar publication routinely circulated to all Co-owners. The notice shall be given not less than five (5) days before the proposed action is to be taken. It shall invite comment to the Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Co-owner to be heard at a formally constituted meeting.

18. Right to Notice and Hearing. Whenever the Master Deed or By Laws or Articles of Incorporation require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Co-owners or Occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time, and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing, or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidenced shall be considered in making the decision, but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given. Failure to provide such notice shall not invalidate any action taken.

19. Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Board from a decision of persons other than the Board by filing a written notice of appeal with the Board within ten (10) days after being notified of the decision. The Board of shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

The foregoing is the original set of By-Laws adopted this 20th day of November, 2001.


Secretary of The Peoples Building Condominium Association

BKD 389PG349

RECORDER'S PAGE

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